Johnson Electric Holdings Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: **179**)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

Reference is made to the annual report of Johnson Electric Holdings Limited (the "Company" and together with its subsidiaries, "the Group") for the year ended 31 March 2021 (the "Annual Report"). Unless the context otherwise requires, capitalized terms in this announcement shall have the same meanings as defined in the Annual Report.

In addition to the information provided in Note 15 of the Notes to the Consolidated Financial Statements as set out in the Annual Report ("Note 15"), the Company hereby provides further explanations and supplemental information in respect of the Group's retirement benefit obligations pursuant to Paragraph 26 of appendix 16 to the Listing Rules as follows:

15.1 Defined benefit pension plans

As disclosed in Note 15, the Group's defined benefit pension plans had total assets of US$214.1 million and total obligations of US$244.7 million as of 31 March 2021. This represents a funding level of 87% in aggregate as of 31 March 2021 (31 March 2020: 83%).

The Group's main defined benefit pension plans are in the United Kingdom, Canada and Switzerland, which accounted for 98% of the pension assets and 89% of the pension liabilities respectively. The Group also operates defined benefit schemes in Israel, Korea, Germany, Italy and France. The funding levels of the Group's pension schemes as of 31 March 2021 are set out below.

The Group's defined benefit pension plans in the United Kingdom and Canada reported funding levels of 139% and 112% respectively. The surplus is mainly due to favourable investment performance. The Swiss and Israeli schemes had a funding level of 82% and 79% respectively. The deficit arises in part as a result of local funding rules, according to which funding obligations with respect to active employees are satisfied through regular contributions.

The schemes in Korea and Germany are immaterial to the Group and have a lower funding level of 23% and 14% respectively as benefits to certain employees are funded whilst benefits to other employees enrolled in the schemes are unfunded, as allowed under local regulations.

The defined benefit plans in Italy and France are unfunded, as allowed under local regulations.

15.2 Defined contribution pension plans

As disclosed in Note 15, the charge to the income statement for all defined contribution plans for FY20/21 was US$8.5 million (FY19/20: US$8.9 million). All forfeited contributions can be used to reduce employer's contributions.

The Group's Hong Kong and Canadian schemes accounted for 84% of total contributions in FY20/21 (FY19/20: 83%).

- Details of the Group's Hong Kong schemes are disclosed in Note 15. No forfeited contributions were available in FY20/21 and FY19/20 to reduce the employer's contributions. There were no forfeited contributions as of 31 March 2021 (31 March 2020: nil).
- In Canada, employees are eligible for defined contribution plan after one year of service, governed by the Income Tax Act (Canada) and Pension Benefits Act (Ontario). The employer's base contribution is 3% of employee's earnings. The employer can match additional contributions from the employee up to 3% of their earnings, for a total of 6%. No forfeited contributions were available in FY20/21 and FY19/20 to reduce the employer's contributions. There were no forfeited contributions as of 31 March 2021 (31 March 2020: nil).

The Group also operates other defined contribution pension schemes, available to certain employees in the United States, the United Kingdom, Turkey, Netherlands and Singapore.

- In the United States of America, contributions to the defined contribution plan are made in accordance with Subsection 401(k) of the Internal Revenue Code. The employer's contribution matches 100% of the first 1% and 50% of the next 5% of employee's contribution. Matched contributions are capped at 6% of the employee's contribution, giving an employer maximum contribution of 3.5%. The employer's contribution is fully vested with the employee after two years of service. During the year, forfeited contributions of US$0.2 million (FY19/20: US$0.1 million) under the plans were used to reduce the employer's contributions. As of 31 March 2021, the employer has US$0.1 million forfeited contributions available to reduce its contributions in future years (31 March 2020: US$0.1 million).
- For the United Kingdom, both the employer and employee must make at least 4% contributions, which are fully vested. In the Netherlands, contributions are age based and range from 3.2% to 18.84% of annual salary. In the Turkish plan, the employer contributes a base of TRY127.5 per employee per month and then matches employee contributions up to a maximum of 1.5% of monthly gross salary. Singapore Central Provident Fund employer contributions are 17% of salary, but lower after age 55. No forfeited contributions were available in FY20/21 (FY19/20: nil) and no forfeited contributions as of 31 March 2021 (31 March 2020: nil) to reduce the employer's contributions in any of these schemes.

The above supplemental information does not affect other information contained in the Annual Report and except as disclosed above, all other information in the Annual Report remains unchanged.

By Order of the Board
Johnson Electric Holdings Limited
Lai-Chu CHENG
Company Secretary

Hong Kong, 5 January 2022

As of the date of this announcement, the Board of Directors comprises Patrick Shui-Chung WANG, Austin Jesse WANG being the Executive Directors and WANG KOO Yik-Chun, MAK WANG Wing-Yee Winnie, Peter Kin-Chung WANG being the Non-Executive Directors and Peter Stuart Allenby EDWARDS, Patrick Blackwell PAUL, Michael John ENRIGHT, Joseph Chi-Kwong YAM, Christopher Dale PRATT and Catherine Annick Caroline BRADLEY being the Independent Non-Executive Directors.