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## **JOHNSON ELECTRIC HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 179)**

### **PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every four (4) issued and unissued Existing Shares of HK\$0.0125 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of HK\$0.05 each.

The Share Consolidation is conditional upon, among other things, the approval of Shareholders at the AGM. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation.

A circular, containing, among other things, (i) further details of the Share Consolidation, and (ii) a notice convening the AGM, is expected to be despatched to Shareholders on or around 29 May 2014.

**Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in the main text below of this announcement. Accordingly, the Share Consolidation may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.**

The Board proposes to implement the Share Consolidation on the basis that every four (4) issued and unissued Existing Shares of HK\$0.0125 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of HK\$0.05 each.

### ***Conditions of the Share Consolidation***

The Share Consolidation is conditional on:

- (i) the passing of an ordinary resolution by the Shareholders at the AGM to approve the Share Consolidation;
- (ii) the compliance with all relevant procedures and requirements under the Companies Act 1981 of Bermuda; and
- (iii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

### ***Effects of the Share Consolidation***

As at the date of this announcement, the authorised share capital of the Company was HK\$88,000,000 divided into 7,040,000,000 Existing Shares of HK\$0.0125 each, of which 3,579,196,420 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Immediately upon the Share Consolidation becoming effective and on the assumption that the Company does not allot, issue or repurchase any Existing Shares from the date of this announcement up to the Effective Date, the authorised share capital of the Company shall become HK\$88,000,000 divided into 1,760,000,000 Consolidated Shares of HK\$0.05 each, of which 894,799,105 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other in accordance with the Memorandum of Association and Bye-laws of the Company. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Share to which may arise.

### ***Listing Application***

An application has been made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective and those Consolidated Shares which may fall to be issued pursuant to the Convertible Bonds and the exercise of the share options granted under the Share Option Scheme.

No part of the share capital of the Company is listed or dealt in on any other stock exchanges and no such listing or permission to deal is being or is proposed to be sought.

***Reasons for the Share Consolidation***

The Share Consolidation is intended to bring the current share price and cost of a board lot of the Company more into line with other blue chip and well-established companies listed on the Stock Exchange. As a result, it may attract more potential investors, including institutional investors, and expand the shareholder base of the Company. In addition, it will enable greater flexibility in future dividend payments that the Company may choose to distribute.

***Share Capital Structure of the Company before and after the Share Consolidation***

The following table sets out the effect on the share capital structure of the Company before and immediately after the Share Consolidation, assuming that no further Shares will be issued from the date of this announcement up to the Effective Date:

	Before the Share Consolidation	After the Share Consolidation
Par value per share of the Company	HK\$0.0125	HK\$0.05
Authorized share capital of the Company	HK\$88,000,000	HK\$88,000,000
Number of authorized ordinary shares of the Company	7,040,000,000 Existing Shares	1,760,000,000 Consolidated Shares
Issued share capital of the Company	HK\$44,739,955.3	HK\$44,739,955.3
Number of issued ordinary shares of the Company	3,579,196,420 Existing Shares	894,799,105 Consolidated Shares

***Board Lot Size***

The Shares are currently traded on the Stock Exchange in board lot size of 500 Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 500 Consolidated Shares.

### ***Arrangement on Odd Lot Trading***

In order to facilitate the trading of odd lots of the Consolidated Shares as a result of the Share Consolidation, the Company appointed KGI Asia Limited to provide matching services, on a best effort basis, to those Shareholders who wish to purchase or to sell their holdings of odd lots of the Consolidated Shares at their own expense to make up a full board lot.

Shareholders who wish to take advantage of this facility should contact the Customer Service Officer of KGI Asia Limited at telephone number (852) 2878-5555 during office hours. Shareholders should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed and will depend on, among other things, there being adequate amounts of odd lots of the Consolidated Shares available for such matching. Shareholders may also make their own arrangements to top-up or sell their holdings of odd lots of the Consolidated Shares at their own expense. For the avoidance of doubt, Shareholders who purchase odd lots of the Consolidated Shares shall pay the relevant purchase price and normal transaction costs for which they are otherwise responsible.

Details of the odd lot trading arrangement will be set out in the circular to be despatched to the Shareholders. Shareholders are recommended to consult their stockbrokers, other registered dealers in securities, bank managers, solicitors, professional accountants or other independent professional advisers if they are in any doubt about the matching facility described above.

### ***Fractional Consolidated Shares Arrangement***

Fractional Consolidated Shares arising from Share Consolidation will be aggregated and sold by the Company through the designated broker for the benefit of the relevant registered Shareholders and net proceeds after deduction of all transaction costs will be refunded in cash, on pro rata basis, to the registered Shareholders holding fractional Consolidated Shares and whose names appeared on the register of members of the Company as of the Effective Date. The Board shall at its absolute discretion sell such aggregated fractional Consolidated Shares at any time within one month from the Effective Date and on such terms as it considers appropriate, provided that the amount of the sale proceeds will exceed the cost and expense of the sale of those fractional Consolidated Shares. Any sum refunded to the relevant registered Shareholders shall be paid not later than 15 Business Days after the Company has received the net sale proceeds. The Hong Kong Share Registrar will arrange this refund to the relevant registered Shareholders. All refund unclaimed for one year from the payment made will be forfeited and shall revert to the Company. Fractional Consolidated Shares will only

arise in respect of the entire shareholding of a holder of the Consolidated Shares regardless of the number of share certificates held by such holder.

### ***Exchange of Share Certificates***

Subject to the Share Consolidation becoming effective, which is expected to be on 15 July 2014, Shareholders may during the business hours, on or after 15 July 2014 until 20 August 2014 (inclusive) submit share certificates for the Existing Shares (in orange colour) to the Hong Kong Share Registrar at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, to exchange, at the expense of the Company, for new share certificates (in grey colour) for the Consolidated Shares on the basis of every four (4) Existing Shares for one (1) Consolidated Share, without any fractional Consolidated Share. It is expected that the new certificates for the Consolidated Shares will be available for collection within 10 Business Days after the submission of the existing share certificates to the Hong Kong Share Registrar for exchange. Thereafter, certificates for the Existing Shares will be accepted for exchange for new share certificates for the Consolidated Shares only on payment by the Shareholders of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) per each new certificate to be issued or per each existing certificate to be cancelled. The existing share certificates in orange colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title. Subject to the Share Consolidation becoming effective, with effect from 15 July 2014, tradings will only be effected in the Consolidated Shares, the share certificates of which will be issued in grey colour.

### ***Adjustments to Convertible Bonds and Share Options***

As at the date of this announcement, there are:

- (i) outstanding Convertible Bonds in the principle amount of US\$200,000,000 entitling the holders thereof to convert into an aggregate of 151,344,869 Existing Shares; and
- (ii) outstanding 200,000 share options which are convertible into 200,000 Existing Shares,

upon exercise of the respective conversion rights attaching thereto. Save as aforesaid, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into the Existing Shares as at the date of this announcement.

Pursuant to the Bye-laws, the terms of the Convertible Bonds and the Share Option Scheme, the Share Consolidation will cause adjustments to the respective conversion prices of the outstanding Convertible Bonds and share options. The Company will appoint its auditor or a financial advisor to review and certify the basis of such adjustments to the respective conversion prices of the outstanding Convertible Bonds and share options in accordance with the Listing Rules, the terms of the Convertible Bonds, the Share Option Scheme and the Bye-laws. Further announcement(s) (if any) will be made by the Company regarding details of such adjustments (if any) as and when appropriate.

***Expected Timetable***

Set out below is the expected timetable for the implementation of the Share Consolidation. The below expected timetable is subject to the satisfaction of all the conditions of the Share Consolidation, including without limitation, the approval of the Share Consolidation by Shareholders at the AGM, and is therefore for indicative purpose only. Further announcement(s) (if any) will be made by the Company regarding any significant change to the following expected timetable as and when appropriate:

2014

Latest time for lodging proxy forms for the AGM . . . . . 12: 00 noon on Tuesday, 8 July

Date and time of the AGM . . . . . 12: 00 noon on Thursday, 10 July

Announcement of voting results of the AGM . . . . . Thursday, 10 July

Effective Date of the Share Consolidation . . . . . Tuesday, 15 July

Dealings in the Consolidated Shares commence . . . . . 9: 00 a.m. on Tuesday, 15 July

Free exchange of existing share certificates for  
 new share certificates for the Consolidated  
 Shares commences . . . . . Tuesday, 15 July

Original counter for trading in Existing Shares in board  
 lot size of 500 Shares (in the form of existing share  
 certificates) temporarily closes . . . . . 9: 00 a.m. on Tuesday, 15 July

Temporary counter for trading in Consolidated Shares  
in board lot size of 125 Consolidated Shares  
(in the form of existing share certificates) opens . . . . . 9: 00 a.m. on Tuesday, 15 July

Original counter for trading in Consolidated Shares  
in board lot size of 500 Consolidated Shares  
(in the form of new share certificates) re-opens . . . . . 9: 00 a.m. on Tuesday, 29 July

Parallel trading in Consolidated Shares in the  
form of new share certificates and existing  
share certificates commences . . . . . 9: 00 a.m. on Tuesday, 29 July

Operation of odd lot trading facility for the  
Consolidated Shares commences . . . . . Tuesday, 29 July

Parallel trading in Consolidated Shares in the  
form of new share certificates and existing  
share certificates ends . . . . . 4: 00 p.m. on Monday, 18 August

Operation of odd lot trading facility for the  
Consolidated Shares ends . . . . . 4: 00 p.m. on Monday, 18 August

Temporary counter for trading in Consolidated  
Shares in board lot size of 125 Consolidated  
Shares (in the form of existing share  
certificates) closes . . . . . 4: 00 p.m. on Monday, 18 August

Last day for free exchange of existing share certificates  
for new share certificates of the Consolidated Shares . . . . . Wednesday, 20 August

Dates and times specified above are Hong Kong dates and times. The above timetable is indicative only and is subject to change at the discretion of the Company. Further announcement (if any) will be made by the Company on any changes to the timetable as and when necessary and appropriate.

### ***General***

The proposed final dividend of 8.5 HK Cents per Existing Share recommended by the Directors at a Board meeting held on 15 May 2014 and announced in the Company's

announcement dated 15 May 2014, which is subject to the approval of the Shareholders at the AGM, will be resolved at the AGM based on the number of issued Existing Shares of HK\$0.0125 each in the share capital of the Company as at the date of AGM without taking into account the Share Consolidation. Subject to obtaining the approval of the Shareholders at the AGM and upon the Share Consolidation becoming effective on 15 July 2014, the proposed final dividend will be adjusted to take into account the Share Consolidation to 34 HK Cents per Consolidated Share, which is expected to be paid on 29 July 2014 to the Shareholders whose names appeared on the register of members of the Company as at 23 July 2014. If the approval of the proposed final dividend by the Shareholders at the AGM is obtained but the Share Consolidation fails to become effective, the proposed final dividend will remain unchanged at 8.5 HK Cents per Existing Share, which is also expected to be paid on 29 July 2014 to the Shareholders whose names appeared on the register of members of the Company as at 23 July 2014.

An AGM will be convened and held by the Company for Shareholders to consider and, if thought fit, pass an ordinary resolution to approve the Share Consolidation. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation.

A circular, containing, among other things, (i) further details of the Share Consolidation, and (ii) a notice convening the AGM, is expected to be despatched to Shareholders on or around 29 May 2014.

**Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” above in this announcement. Accordingly, the Share Consolidation may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.**

### *Definitions*

“AGM”	the annual general meeting of the Company to be held on 10 July 2014
“Board”	the board of directors of the Company



“Business Day”	a day, other than a Saturday or Sunday or a public holiday, on which commercial banks are open for business in Hong Kong
“Bye-laws”	the bye-laws of the Company
“Company”	Johnson Electric Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) with a par value of HK\$0.05 each in the share capital of the Company after the Share Consolidation becoming effective
“Convertible Bonds”	1% convertible bonds due 2021 issued by the Company having the outstanding principal amount of US\$200,000,000 as at the date of this announcement
“Director(s)”	the director(s) of the Company
“Effective Date”	15 July 2014, effective date of the Share Consolidation
“Existing Share(s)”	ordinary share(s) with a par value of HK\$0.0125 each in the share capital of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited, the share registrar of the Company in Hong Kong
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	the Existing Share(s) or the Consolidated Share(s), as the context requires

“Share Consolidation”	the proposed consolidation of every four (4) issued and unissued Existing Shares of HK\$0.0125 each in the share capital of the Company into one (1) Consolidated Share of HK\$0.05 each
“Share Option Scheme”	share option scheme adopted by the Shareholders on 29 July 2002
“Shareholder(s)”	registered holder(s) of the Share(s) in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

### **Board of Directors**

As of the date of this announcement, the Board comprises Patrick Shui-Chung Wang, Winnie Wing-Yee Wang, Austin Jesse Wang, being the Executive Directors, and Yik-Chun Koo Wang, Peter Kin-Chung Wang, being the Non-Executive Directors, and Peter Stuart Allenby Edwards, Patrick Blackwell Paul, Michael John Enright, Joseph Chi-Kwong Yam and Christopher Dale Pratt, being the Independent Non-Executive Directors.

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

Hong Kong, 15 May 2014

*Website: [www.johnsonelectric.com](http://www.johnsonelectric.com)*