



Life is better in Motion



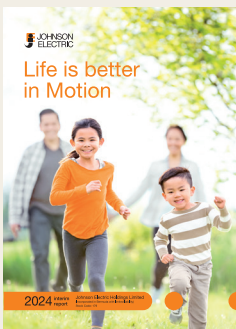
2024 interim
report

Johnson Electric Holdings Limited
(Incorporated in Bermuda with limited liability)
Stock Code: 179



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About the cover

Johnson Electric continues to ensure “Life is better in Motion” through the provision of innovative motion solutions that bring efficiency, convenience and sustainability to every end user we touch.

Highlights

- Group sales US\$1,854 million – down 4% compared to first half of the prior financial year
- Gross profit US\$438 million or 23.6% of sales (compared to US\$430 million or 22.2% of sales in the first half of the prior financial year)
- Adjusted EBITA US\$177 million or 9.5% of sales (compared to US\$180 million or 9.3% of sales in the first half of the prior financial year)
- Net profit attributable to shareholders increased by 8% to US\$130 million or 13.92 US cents per share on a fully diluted basis
- Underlying net profit, excluding the net impact of unrealized gains or losses relating to exchange rate movements and restructuring costs, increased by 3% to US\$133 million
- Free cash flow from operations US\$144 million (compared to US\$208 million in the first half of the prior financial year)
- Total debt to capital ratio of 12% and cash reserves of US\$688 million as of 30 September 2024
- Interim dividend 17 HK cents per share (2.18 US cents per share)

Letter to Shareholders

Johnson Electric achieved satisfactory financial results in the six-month period ended 30 September 2024 in the context of a subdued global economy and reduced automotive industry output.

Total group sales for the first half of the 2024/25 financial year were US\$1,854 million, a decrease of 4% compared to the first half of the prior financial year. Net profit attributable to shareholders increased by 8% to US\$130 million or 13.92 US cents per share on a fully diluted basis. Underlying net profit increased by 3% to US\$133 million.

Global demand for manufactured goods, including automobiles, has been sluggish through the course of 2024. European economies are struggling to grow in the face of high interest rates and geopolitical volatility. China continues to grapple with the effects of a severe property market downturn and an investment-driven model that has created significant excess capacity in many sectors. In the US, whilst overall economic conditions are more buoyant, industrial order levels have contracted in recent months and consumer confidence remains subdued.

Automotive Products Group

The Automotive Products Group (“APG”), which accounted for 84% of total Group sales in the period under review, reported a 3% decline in sales on a constant currency basis – which was in line with the overall reduction in global light vehicle production volumes.

On a regional basis, APG’s constant currency sales were lower by 1% in Asia, 3% in Europe, and 5% in the Americas. All major product and subsystem categories felt the effects of weaker OEM demand as the industry worked to reduce excess inventory levels that accumulated during 2023’s post-Covid rebound in production. At the same time, consumer appetite to purchase new cars is being negatively impacted in China by concerns over declining property prices and, in the case of North America and Europe, by high vehicle prices and high interest rates.

Current macro-economic conditions notwithstanding, the automotive industry’s structural evolution is continuing at a rapid pace. Most notably, China has emerged as a transformative force in the sector through its position as both the world’s largest market and the most dynamic in terms of its adoption of electric propulsion technology. Sales of all-electric and plug-in hybrid models recently exceeded the rate of one million vehicles per month and these now account for close to half of all passenger vehicles sold. Furthermore, in less than five years, PRC OEMs have become the domestic market leaders by offering high-quality, cost-competitive new energy vehicles that feature integrated software and advanced infotainment systems. APG’s strategy of developing a portfolio of motion subsystems and products that function as key technology enablers of electrification has meant that we have continued to grow our sales across all of the major PRC OEMs. This includes the supply of electric water pumps, coolant valves, and integrated thermal management systems that optimize the performance of battery-powered vehicles, as well as a wide array of motion products that improve the comfort and safety of passengers.

The automotive markets in the major western economies are experiencing a period of adjustment which, for a number of reasons, is leading to greater volatility and less visibility on production volumes. In the face of changing consumer preferences, increasing regulatory pressures, and the imperative to reduce production costs, OEMs have been shifting production to different plants in different regions, exiting unprofitable models, and delaying new model launches. The pace of adoption of electric vehicles in some countries has also slowed as the market seeks to progress beyond early adopters to mass market acceptance at a time when consumers remain concerned about high vehicle prices and financing costs, along with persistent anxieties about driving range, charging infrastructure and resale values. Indicative of these concerns, sales of hybrid vehicles in Europe and North America have picked up strength as buyers view these vehicles as an affordable compromise between all-combustion and all-electric.

Although the varying speed and dimensions of the structural changes taking place in the automotive industry creates near-term operational challenges for component suppliers, APG remains particularly well positioned to continue to gain market share. We possess a unique global manufacturing footprint that extends across every major geographic market. And our strength in China places us at the forefront of vehicle electrification technology development.

Industry Products Group

The Industry Products Group (“IPG”), which accounted for 16% of total Group sales, reported a 9% decrease in sales on a constant currency basis. Although the rate of sales contraction compared to a year earlier has slowed, IPG continues to experience challenging operating conditions. In part this reflects the prolonged weakness in demand in the aftermath of the pandemic which has seen consumers generally less willing to spend on discretionary hardware products compared to services. It also reflects delays to a number of contracted new product launches and heightened competition in more commoditized product segments where price rather than functionality and reliability has become the key determinant of purchase.

IPG’s management is responding to these difficult conditions by rationalizing and consolidating its production to focus on segments where it can obtain the greatest leverage from highly automated assembly lines and digital processes. At the same time, the division is aggressively pursuing new business in a number of high growth segments where Johnson Electric has innovative solutions to customer problems, including warehouse automation, semiconductor manufacturing equipment, liquid cooling applications, and electric bikes.

Gross Margins and Operating Profitability

Despite the slowdown in sales in the first half of the year, management has continued to make encouraging progress in implementing its core strategies aimed at reducing operating costs and improving profitability.

Gross profit margins increased to 23.6% from 22.2%. The improvement was largely the result of lower raw material costs and gains from foreign currency hedging contracts.

Earnings before interest, tax and amortization (“EBITA”) were US\$171 million (compared to US\$168 million in the first half of the prior year). Adjusted to exclude non-cash foreign exchange rate movements and restructuring charges, EBITA was US\$177 million or 9.5% of sales (compared to 9.3% in the first half of the prior year). The increase in EBITA margins reflected the improvement in gross profit, offset by modest increases in freight and staff costs.

Net Profit and Financial Condition

Net profit attributable to shareholders totalled US\$130 million or 13.92 US cents per share on a fully diluted basis. Underlying net profit, adjusted to exclude the non-cash impact of foreign exchange rate movements and restructuring charges, was US\$133 million compared to US\$130 million in the first half of the prior year.

Free cash flow from operations declined from US\$208 million to US\$144 million due to an increase in working capital and slightly higher capital expenditure. Johnson Electric’s overall financial condition remains robust with a total debt to capital ratio of 12% and cash balances of US\$688 million as of 30 September 2024.

Interim Dividend

The Board has today declared an interim dividend of 17 HK cents per share, equivalent to 2.18 US cents per share (2023/24 interim: 17 HK cents per share). The interim dividend will be payable on 8th January 2025 to shareholders registered on 17th December 2024.

Outlook

Looking ahead to the second half of the financial year, we are cautiously optimistic that the scheduled launch of new programs and the replenishment of channel inventory in several application segments will provide the basis for a return to top-line growth.

The main caveat to this sales outlook remains uncertainties over macro-economic conditions and consumer confidence. The recent US presidential election campaign has featured several potentially far-reaching, but loosely defined economic proposals that if implemented could have a highly disruptive impact on geopolitical relations and global trade. However, at this stage, it is not possible to gauge exactly how, or over what timeframe, the next US administration intends to proceed with its proposed radical changes to trade and economic policy. In the meantime, Johnson Electric will remain focused on executing its core strategies that include leading the market in developing innovative technology solutions to customer problems, driving continuous improvement in automation and digital processes to reduce cost, and optimizing a global manufacturing footprint that has consistently demonstrated its resilience and adaptability in response to external shocks or periods of volatility.

On behalf of the Board, I would like to thank all of our stakeholders for their continued support.

Patrick Wang *SBS, JP*
Chairman and Chief Executive

Hong Kong, 20 November 2024

Management's Discussion and Analysis

Financial Performance

US\$ million	First half of FY24/25	First half of FY23/24
Sales	1,854.2	1,937.1
Gross profit	438.1	429.6
<i>Gross margin</i>	<i>23.6%</i>	<i>22.2%</i>
EBITA ¹	171.1	167.8
EBITA adjusted ²	177.0	180.0
<i>EBITA adjusted margin</i>	<i>9.5%</i>	<i>9.3%</i>
Profit attributable to shareholders	129.6	120.1
Adjusted net profit ²	133.3	129.8
Diluted earnings per share (US cents)	13.92	12.99
Free cash flow from operations	144.4	208.0
US\$ million	30 Sep 2024	31 Mar 2024
Cash ³	687.7	809.9
Total debt ⁴	356.5	560.8
Net cash ⁵	331.2	249.1
Total equity	2,677.6	2,596.7
Market capitalization ⁶	1,385.0	1,294.6
Enterprise value ⁷	1,098.7	1,090.2
Key Financial Ratios	30 Sep 2024	31 Mar 2024
Total debt to capital ⁸	12%	18%
Gross debt ⁹ to EBITDA adjusted ¹⁰	0.8	1.1
Enterprise value to EBITDA adjusted	1.9	1.9
Interest cover ¹¹	8.8	10.8

1 Earnings before interest, tax and amortization

2 Adjusted to exclude unrealized gains or losses relating to exchange rate movements as well as restructuring and other related costs (for further information see page 12)

3 Cash, cash equivalents and time deposits

4 Bank, bonds and other miscellaneous borrowings

5 Cash, cash equivalents and time deposits less total debt

6 Outstanding number of shares multiplied by the closing price (HK\$11.52 per share as of 30 September 2024 and HK\$10.84 per share as of 31 March 2024) converted to USD at the closing exchange rate

7 Market capitalization plus non-controlling interests plus total debt less cash, cash equivalents and time deposits

8 Capital equals to total equity plus total debt

9 Including pension liabilities and lease liabilities

10 Adjusted ² earnings before interest, tax, depreciation and amortization, annualized using the last 12 months results, giving adjusted EBITDA of US\$579.4 million (31 March 2024: US\$587.8 million)

11 Adjusted EBITA divided by gross interest expense, annualized using the last 12 months results. Gross interest expense was adjusted to include capitalized interest

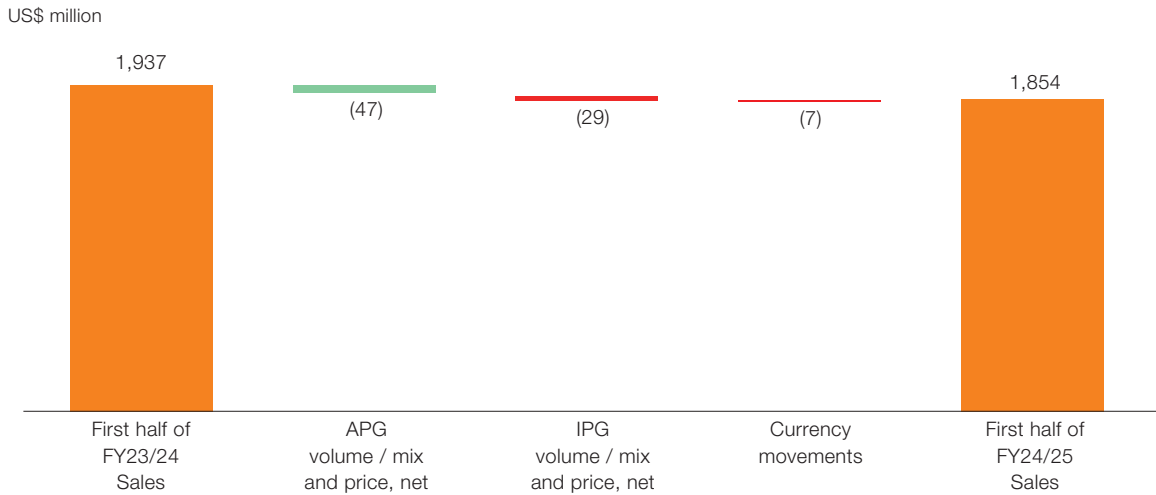
Business Review

Sales

Sales decreased by US\$82.9 million or 4% to US\$1,854.2 million in the first half of FY24/25 (first half of FY23/24: US\$1,937.1 million). Currency effects were negligible, as shown below:

US\$ million	First half of FY24/25		First half of FY23/24		Change	
Automotive Products Group (“APG”) sales						
Excluding currency movements	1,570.9		1,618.3		(47.4)	(3%)
Currency movements	(6.5)		–		(6.5)	
APG sales, as reported	1,564.4	84%	1,618.3	84%	(53.9)	(3%)
Industry Products Group (“IPG”) sales						
Excluding currency movements	290.0		318.8		(28.8)	(9%)
Currency movements	(0.2)		–		(0.2)	
IPG sales, as reported	289.8	16%	318.8	16%	(29.0)	(9%)
Group sales						
Excluding currency movements	1,860.9		1,937.1		(76.2)	(4%)
Currency movements	(6.7)		–		(6.7)	
Group sales, as reported	1,854.2	100%	1,937.1	100%	(82.9)	(4%)

The drivers underlying these movements are shown in the following chart:



Volume and price reductions, and mix changes, together, led to a US\$76.2 million decrease in sales in the first half of FY24/25, compared to the first half of FY23/24. APG and IPG decreased by US\$47.4 million and US\$28.8 million respectively.

The underlying changes in APG and IPG's sales are discussed on pages 9 to 10

Currency movements had only a marginal effect, decreasing sales by US\$6.7 million, when compared to the first half of FY23/24. The Group's sales are largely denominated in the US Dollar, the Euro, the Renminbi and the Canadian Dollar.

For further information on the Group's foreign exchange risk, see pages 20 to 22 in the Financial Management and Treasury Policy section. Also, see Note 1.3 to the consolidated financial statements ("the accounts") for the main foreign currency translation rates

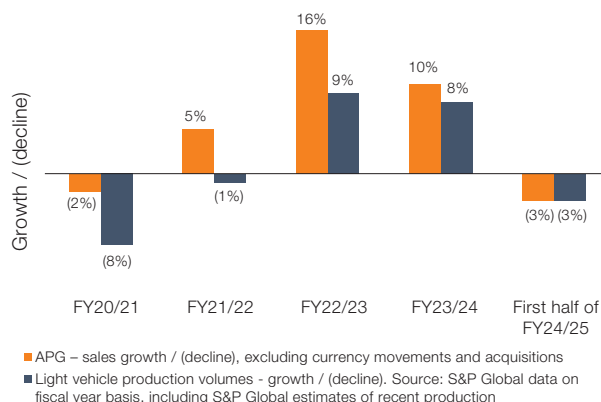
Automotive Products Group

APG’s sales, excluding currency movements, decreased by 3% compared to the first half of FY23/24, consistent with the decline in global light vehicle production volumes. APG accounted for 84% of the Group’s sales in the first half of FY24/25 (first half of FY23/24: 84%).

By region, excluding currency movements:

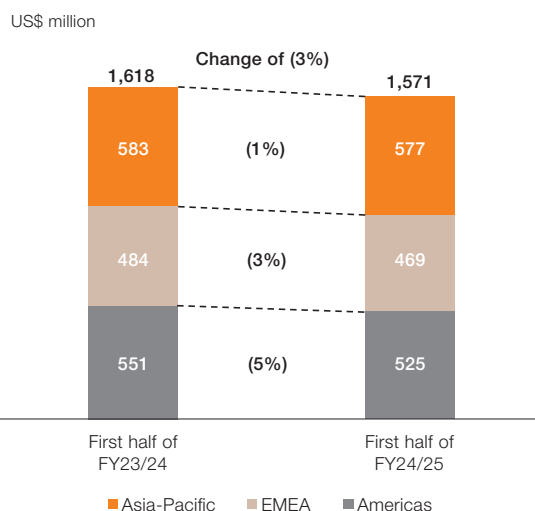
- In **Asia-Pacific**, sales decreased by 1% in line with light vehicle production in the region. The reduction in light vehicle production, combined with a less favourable customer mix led to a decrease in sales of products for braking, closure and powder metal components. This was largely offset by increased sales of oil pumps and steering
- In **Europe, the Middle East and Africa (“EMEA”)**, sales decreased by 3% compared to a 6% decline in light vehicle production in the region. Sales of products for steering, oil pumps, and vision decreased, reflecting the drop in light vehicle production. This was partially offset by an increase in products for thermal management, closure, and seat applications
- In the **Americas**, sales decreased by 5% while light vehicle production declined by 2%. Sales of powder metal components, thermal management, engine and fuel management and seat product applications decreased due to a combination of less favourable customer mix, the phasing of certain programs and lower light vehicle production volumes. This was partially offset by increased sales of oil pumps and products for closure and braking applications

Changes in APG sales vs. global light vehicle production



APG sales by region

(excluding currency movements)



Growth / (decline) in APG sales

(excluding currency movements and acquisitions)

Six month period ended	Asia-Pacific	EMEA	Americas	Total
30 September 2024	(1%)	(3%)	(5%)	(3%)
31 March 2024	8%	3%	2%	5%
30 September 2023	12%	25%	16%	17%
31 March 2023	11%	29%	16%	17%
30 September 2022	17%	8%	23%	16%

Industry Products Group

IPG's sales, excluding currency movements, decreased by 9% compared to the first half of FY23/24. IPG accounted for 16% of the Group's sales in the first half of FY24/25 (first half of FY23/24: 16%).

The combination of weak end-market demand and consumer caution resulted in delays in discretionary purchases and a preference for more affordable options.

Consequently, sales decreased in EMEA and the Americas during the first half of FY24/25.

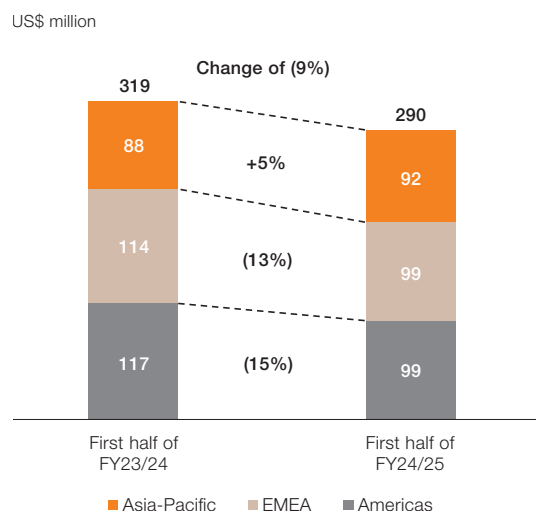
This was partially offset by growth in the Asia-Pacific region as many customers resumed replenishment orders after addressing previous surpluses. Furthermore, sales in the region benefited from increased sales to Asian customers who export to overseas markets and some new business wins.

On a product segment basis, although some segments are still experiencing decreases, others including medical devices, window automation and beverage equipment are experiencing growth.

The IPG management team is working aggressively to focus resources on segments that offer the most compelling long-term growth. However, the business believes that it will take some time for these markets to fully develop.

IPG sales by region

(excluding currency movements)



Growth / (decline) in IPG sales

(excluding currency movements and acquisitions)

Six month period ended	Asia-Pacific	EMEA	Americas	Total
30 September 2024	5%	(13%)	(15%)	(9%)
31 March 2024	(13%)	(25%)	(22%)	(21%)
30 September 2023	(13%)	(24%)	(12%)	(17%)
31 March 2023	(21%)	(8%)	4%	(8%)
30 September 2022	(31%)	6%	15%	(5%)

Profitability

US\$ million	First half of FY24/25	First half of FY23/24	Increase / (decrease) in profit
Sales	1,854.2	1,937.1	(82.9)
Gross profit	438.1	429.6	8.5
<i>Gross margin %</i>	<i>23.6%</i>	<i>22.2%</i>	
Other expenses, net	(2.6)	(7.6)	5.0
Intangible assets amortization expense	(14.4)	(17.3)	2.9
Other selling and administrative expenses	(259.7)	(253.2)	(6.5)
<i>As a % of sales</i>	<i>14.0%</i>	<i>13.1%</i>	
Restructuring and other related costs	(3.5)	–	(3.5)
Operating profit	157.9	151.5	6.4
<i>Operating profit margin %</i>	<i>8.5%</i>	<i>7.8%</i>	
Share of losses of associate and joint venture	(1.1)	(0.9)	(0.2)
Net finance costs	(1.0)	(7.0)	6.0
Profit before income tax	155.8	143.6	12.2
Income tax expense	(24.6)	(21.8)	(2.8)
<i>Effective tax rate</i>	<i>15.8%</i>	<i>15.2%</i>	
Profit for the period	131.2	121.8	9.4
Non-controlling interests	(1.6)	(1.7)	0.1
Profit attributable to shareholders	129.6	120.1	9.5
Basic earnings per share (US cents)	14.05	13.03	1.02
Diluted earnings per share (US cents)	13.92	12.99	0.93

Profit attributable to shareholders was US\$129.6 million in the first half of FY24/25, an increase of US\$9.5 million from US\$120.1 million in the first half of FY23/24.

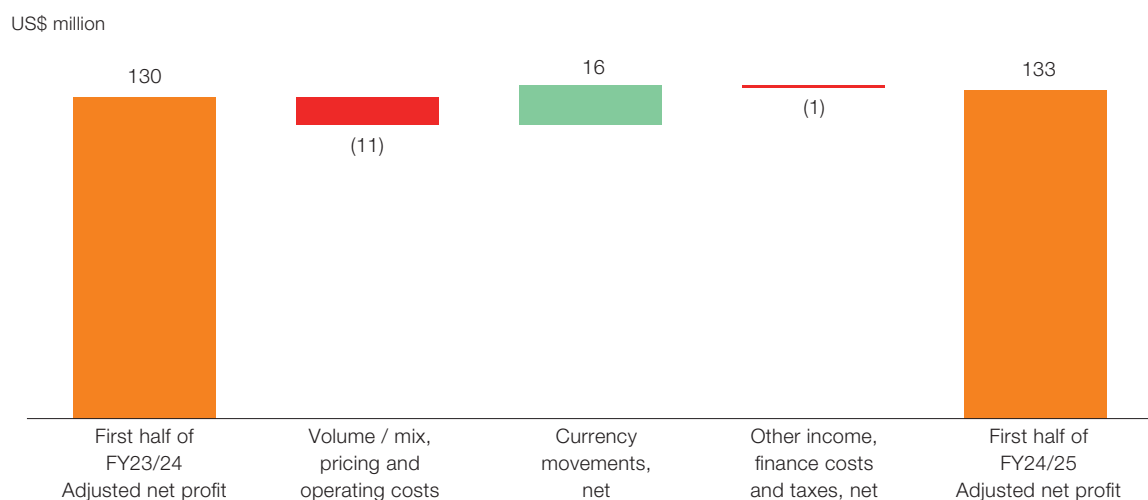
The net profit as reported includes:

- Unrealized gains or losses relating to exchange rate movements, which are significant non-cash items
- Restructuring and other related costs are not part of the routine operations of the Group

Adjusting the net profit to exclude the non-cash foreign exchange rate movements and the restructuring costs provides additional insight into the underlying performance of the business. The walk from net profit, as reported, to adjusted net profit is shown in the table below:

US\$ million	First half of FY23/24			First half of FY24/25		
	Before tax	Tax effect	Net of tax effect	Before tax	Tax effect	Net of tax effect
Net profit, as reported			120.1			129.6
Unrealized net (gains) / losses on other financial assets and liabilities	(3.2)	–	(3.2)	5.1	(0.5)	4.6
Unrealized net losses / (gains) from revaluation of monetary assets and liabilities	12.3	(1.7)	10.6	(9.3)	0.2	(9.1)
Unrealized net losses on structured foreign currency contracts	3.1	(0.8)	2.3	6.6	(1.0)	5.6
Restructuring and other related costs	–	–	–	3.5	(0.9)	2.6
Net losses of significant non-cash items, restructuring and other related costs	12.2	(2.5)	9.7	5.9	(2.2)	3.7
Adjusted net profit			129.8			133.3
As a % of sales			6.7%			7.2%

The drivers of the movements in adjusted net profit are shown below:



Note: Numbers do not add across due to effect of rounding

Volume / mix, pricing, and operating costs: Cost-saving initiatives and net material deflation more than offset the adverse effects of lower sales volumes and wage inflation, contributing to an improvement in gross profit. However, an increase in outbound freight and other costs ultimately outweighed this increase, resulting in a US\$11.3 million decline in adjusted net profit.

Currency movements, net: The Group's global operations expose it to foreign exchange volatility, partially mitigated by hedging key currencies such as the Euro and the Renminbi. Excluding unrealized gains and losses, currency movements improved adjusted net profit by US\$15.8 million compared to the first half of FY23/24, largely due to the net effects of movements in the Euro and Renminbi during the period.

For further information on the Group's foreign exchange risk and forward foreign currency contracts, see pages 20 to 22 in the Financial Management and Treasury Policy section

Gross margin: The gross margin increased to 23.6% in the first half of FY24/25 (first half of FY23/24: 22.2%) for the reasons explained above.

The sequential change in gross margin by half-year is shown in the table below.

	Gross margin %
First half of FY24/25	23.6%
Second half of FY23/24	22.4%
First half of FY23/24	22.2%
Second half of FY22/23	19.3%
First half of FY22/23	20.0%

Selling and administrative expenses (excluding the amortization of intangible assets) increased to 14.0% as a percentage of sales (first half of FY23/24: 13.1%) mainly due to the adverse effect of lower sales and increased outbound freight costs, partially offset by favourable currency movements.

Other income, finance costs and taxes, net, had an insignificant effect on the change in profit when compared to the first half of FY23/24.

Other income decreased due to net losses recorded on financial assets at fair value through profit and loss during the period.

Finance costs, net, reduced primarily due to increased interest income from higher net cash balances. This was partially offset by higher interest expenses from a higher average effective interest rate compared to the first half of FY23/24.

Income tax expenses, as reported, increased to US\$24.6 million for the first half of FY24/25, from US\$21.8 million of the first half of FY23/24. The effective tax rate was 15.8% (first half of FY23/24: 15.2%).

Taxes are further analyzed in Note 21 to the accounts

Working Capital

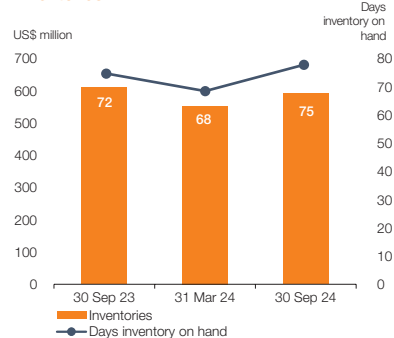
US\$ million	Balance sheet as of 31 Mar 2024	Currency translation	Working capital changes per cash flow	Pension, hedging and non-working capital items	Balance sheet as of 30 Sep 2024
Inventories	551.5	3.3	34.2	–	589.0
Trade and other receivables	773.2	7.3	4.8	3.6	788.9
Other non-current assets	21.8	0.1	1.1	7.3	30.3
Trade and other payables ¹	(767.2)	(10.6)	6.5	1.6	(769.7)
Retirement benefit obligations ^{1,2}	(17.8)	(0.1)	(0.1)	(1.1)	(19.1)
Provisions and other liabilities ¹	(55.4)	(0.8)	2.3	–	(53.9)
Other financial assets / (liabilities), net ^{1,3}	163.2	1.0	(10.2)	(19.9)	134.1
Total working capital per balance sheet	669.3	0.2	38.6	(8.5)	699.6

1 Current and non-current

2 Net of defined benefit pension plan assets

3 Other financial assets / (liabilities), net represent the aggregate fair values of the Group's hedge contracts. Further details of the Group's hedging activities can be found on pages 20 to 22 in the Financial Management and Treasury Policy section and Note 6 to the accounts

Inventories

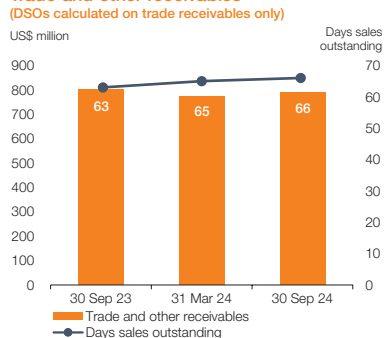


Inventories increased by US\$37.5 million to US\$589.0 million as of 30 September 2024. This increase is to accommodate fluctuating customer demand and delivery schedules.

Consequently, days inventory on hand increased to 75 days as of 30 September 2024, from 68 days as of 31 March 2024.

The management team is continuously evaluating demand trends and inventory data to optimize inventory level.

Trade and other receivables (DSOs calculated on trade receivables only)

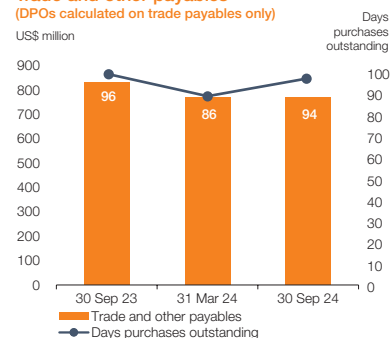


Trade and other receivables increased by US\$15.7 million to US\$788.9 million as of 30 September 2024.

Days sales outstanding (“DSOs”) increased marginally to 66 days as of 30 September 2024 (65 days as of 31 March 2024).

The Group's trade receivables are of high quality. Current and overdue balances of less than 30 days were 95% of gross trade receivables.

Trade and other payables (DPOs calculated on trade payables only)



Trade and other payables increased by US\$2.5 million to US\$769.7 million as of 30 September 2024. An increase in purchase volumes in China to meet increased order levels in September 2024 was offset by lower accruals for the period.

Days purchases outstanding (“DPOs”) increased to 94 days as of 30 September 2024 (86 days as of 31 March 2024).

Cash Flow

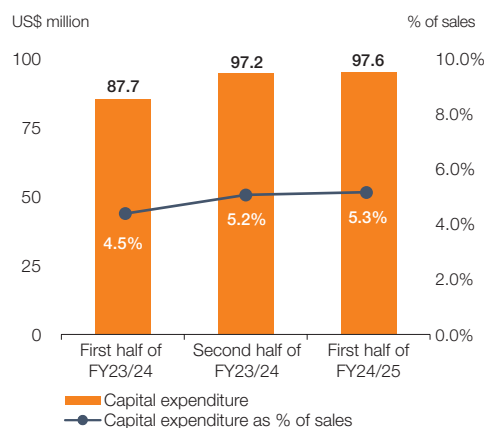
US\$ million	First half of FY24/25	First half of FY23/24	Change
Operating profit	157.9	151.5	6.4
Depreciation and amortization (including leases)	131.1	139.6	(8.5)
EBITDA	289.0	291.1	(2.1)
Other non-cash items	11.6	17.4	(5.8)
Working capital changes	(38.6)	21.7	(60.3)
Interest paid (including leases)	(20.9)	(12.5)	(8.4)
Interest received	18.9	6.0	12.9
Income taxes paid	(18.4)	(28.4)	10.0
Capital expenditure	(97.6)	(87.7)	(9.9)
Proceeds from disposal of fixed assets	1.2	1.2	–
Capitalization of engineering development costs	(0.8)	(0.8)	–
Free cash flow from operations	144.4	208.0	(63.6)
Acquisition and investment in joint venture	(1.4)	(3.0)	1.6
Dividends paid	(52.1)	(37.4)	(14.7)
Purchase of shares for share award scheme	(7.0)	(3.7)	(3.3)
Other investing activities	3.1	–	3.1
Dividends paid to non-controlling interests	(1.1)	(2.1)	1.0
Payment of lease – principal portion	(11.3)	(13.8)	2.5
Repayment of debt, net	(203.8)	(103.3)	(100.5)
Time deposits with maturities over three months	60.0	–	60.0
(Decrease) / increase in cash and cash equivalents excluding currency movements	(69.2)	44.7	(113.9)
Currency translation gains / (losses) on cash and cash equivalents	7.0	(13.2)	20.2
Net movement in cash and cash equivalents	(62.2)	31.5	(93.7)

The Group generated a free cash flow of US\$144.4 million in the first half of FY24/25 (first half of FY23/24: US\$208.0 million). The free cash flow included the following key items:

- **EBITDA** of US\$289.0 million, a decrease of US\$2.1 million
- **Working capital changes** of US\$38.6 million as explained in the previous section
- **Income taxes paid** of US\$18.4 million, a decrease of US\$10.0 million
- **Capital expenditure** of US\$97.6 million, an increase of US\$9.9 million.

The Group remains committed to investing in new product launches, long-term technology and testing advancements, improved automation, and the continual replacement of assets

Capital expenditure



The net movement in cash includes the following:

- **Acquisition and investment in joint venture:** On 19 April 2024, the Group acquired a further 6% interest in Pendix GmbH for US\$1.4 million. This acquisition raised the Group's ownership in Pendix from 80% to 86%
- **Other investing activities:** In the first half of FY24/25, the Group part disposed its investment in an autonomous driving start-up company focused on the China market for US\$4.0 million. As of 30 September 2024, the Group had received US\$3.6 million, with the remainder outstanding for later settlement in accordance with the contract.

The Group further provided US\$0.6 million funding to an artificial intelligence technology company in Israel

- **Dividends and shares:** The Company utilized US\$52.1 million cash for dividend payments in the first half of FY24/25 (first half of FY23/24: US\$37.4 million in cash and US\$2.6 million in scrip).

The Company purchased 4.7 million shares for US\$7.0 million, inclusive of brokerage fees, for the incentive share scheme (first half of FY23/24: purchased 2.9 million shares for US\$3.7 million)

For further details of dividends and shares, including the interim dividend for the first half of FY24/25, see next section

- **Repayment of borrowings, net:** The Group repaid US\$203.8 million, net (first half of FY23/24: US\$103.3 million, net)

For further details of the Group's debt, loans and other borrowings, see next section

- **Time deposits:** US\$60.0 million of 6-month time deposits matured in May 2024

Financial Management and Treasury Policy

Financial risk faced by the Group is managed by the Group's Treasury department based in the corporate headquarters in Hong Kong. Treasury policies for this are established by senior management and approved by the Board of Directors.

Credit Rating

Johnson Electric subscribes to both Moody's Investors Service and S&P Global Ratings to provide independent long-term credit ratings. As of 30 September 2024, the Group maintained investment grade ratings with a stable outlook from both agencies. These ratings reflect the Group's solid market position, resilience and prudent financial leverage.

	Rating	Outlook	Grade
Moody's Investors Service	Baa1	Stable	Investment
S&P Global Ratings	BBB	Stable	Investment

Liquidity

Management believes that the combination of cash ¹, available unutilized credit lines, access to capital markets and expected future operating cash flows is sufficient to satisfy the Group's cash needs for the current and planned level of operations for the foreseeable future.

Cash ¹ decreased by US\$122.2 million to US\$687.7 million as of 30 September 2024 (31 March 2024: US\$809.9 million).

Cash and credit lines

US\$ million	30 Sep 2024	31 Mar 2024	Change
Cash ¹	687.7	809.9	(122.2)
Unutilized committed credit lines	385.0	485.0	(100.0)
Unutilized uncommitted credit lines	562.8	592.7	(29.9)
Available unutilized credit lines	947.8	1,077.7	(129.9)
Combined available funds	1,635.5	1,887.6	(252.1)

¹ Cash, cash equivalents and time deposits

Available credit lines: The Group had US\$947.8 million available unutilized credit lines as of 30 September 2024, comprised of:

- US\$200 million syndicated revolving credit facility maturing in November 2028
- US\$185.0 million remaining unutilized portion of committed revolving credit facilities provided by its principal bankers, on a bilateral basis. These facilities have staggered maturity dates ranging from October 2024 to December 2026
- US\$562.8 million uncommitted credit facilities provided by its principal and other bankers

Net cash increased by US\$82.1 million to US\$331.2 million as of 30 September 2024 (31 March 2024: US\$249.1 million).

Net cash

US\$ million	30 Sep 2024	31 Mar 2024	Change
Cash ¹	687.7	809.9	(122.2)
Borrowings	(356.5)	(560.8)	204.3
Net cash	331.2	249.1	82.1

Cash¹ by currency

US\$ million	30 Sep 2024	31 Mar 2024
USD	371.4	422.6
RMB	103.2	131.8
EUR	99.1	145.6
KRW	54.7	49.3
CAD	32.3	25.2
Others	27.0	35.4
Total	687.7	809.9

¹ Cash, cash equivalents and time deposits

Debt decreased by US\$204.3 million to US\$356.5 million as of 30 September 2024. The changes in debt included:

- **Bonds** – The US\$300 million principal was repaid on maturity of the bonds in July 2024
- **Export Development Canada** – The US\$100 million loan facility was drawn down on 2 May 2024. As of 30 September 2024, the carrying amount, net of amortized costs, was US\$99.6 million

The maturity dates of significant borrowings are as follows:

- **Loan from HSBC:** Repayment will be made through semi-annual instalments until November 2025
- **Loan from Export Development Canada:** Repayment is due in January 2027
- **Syndicated term loan:** Repayment is due in November 2028

Changes in debt

US\$ million	30 Sep 2024	31 Mar 2024	Change
Bonds	–	301.8	(301.8)
Syndicated Loan	195.4	194.8	0.6
Loan from Export Development Canada	99.6	–	99.6
Loan from HSBC	57.6	60.3	(2.7)
Other borrowings	3.9	3.9	–
Total borrowings	356.5	560.8	(204.3)

Debt by currency

US\$ million	Total debt
USD	298.9
RMB	57.6
Total	356.5

Repayment schedule

US\$ million	30 Sep 2024
Repayable within one year	14.1
Repayable after more than one year	342.4
Total debt	356.5

Lease liabilities decreased by US\$5.7 million to US\$68.2 million as of 30 September 2024, primarily due to lease repayments, partially offset by new leases and the renewal of existing leases.

The corresponding assets are shown as right-of-use assets under property, plant and equipment.

Changes in lease liabilities

US\$ million	30 Sep 2024	31 Mar 2024	Change
Current	16.3	18.9	(2.6)
Non-current	51.9	55.0	(3.1)
Total lease liabilities	68.2	73.9	(5.7)

Financial covenants: The Group maintains a prudent level of debt and remains in full compliance with its financial covenants, including requirements for net worth and the ratios of total liabilities to net worth, net debt to EBITDA and EBITDA to interest expense.

Financial ratios: The Group's gearing ratios as of 30 September 2024 reflected the following changes:

- Total debt to capital decreased to 12% (18% as of 31 March 2024) due to the decrease in borrowings
- Gross debt to adjusted EBITDA decreased to 0.8 times (1.1 times as of 31 March 2024) due to the decrease in borrowings
- Enterprise value to adjusted EBITDA remained unchanged at 1.9 times (1.9 times as of 31 March 2024)
- Interest cover decreased to 8.8 times (10.8 times as of 31 March 2024) due to higher average effective interest rates

Please refer to page 6 for definitions and bases of calculation (including adjustments) of financial ratios

Dividends

Final dividend: In the first half of FY24/25, the Company paid a final dividend of 44 HK cents per share for FY23/24 equivalent to US\$52.1 million in cash (first half of FY23/24: 34 HK cents per share equivalent to US\$40.0 million paid for FY22/23).

Interim dividend: The Board has declared an interim dividend of 17 HK cents per share for the first half of FY24/25 (first half of FY23/24: 17 HK cents per share) equivalent to US\$20.1 million, to be paid in January 2025.

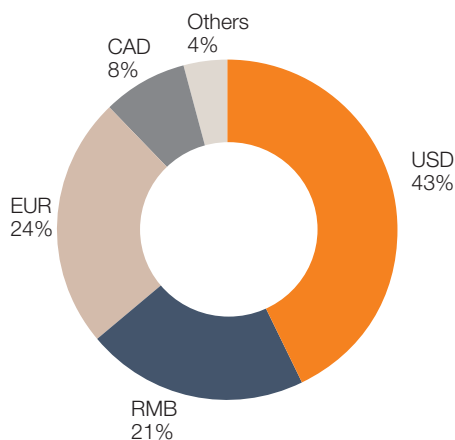
Dividend payment

		FY24/25	FY23/24		FY22/23	
		Interim	Final	Interim	Final	Interim
HK cents per share	Dividend	17	44	17	34	17
US\$ million	Cash	20.1	52.1	15.0	37.4	5.2
	Scrip shares	–	–	5.1	2.6	14.6
	Total	20.1	52.1	20.1	40.0	19.8

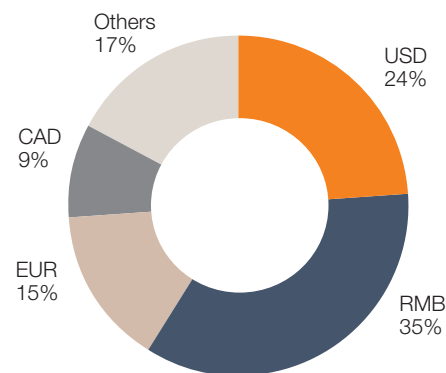
Foreign Exchange Risk

The Group is exposed to foreign exchange risk, largely from sales and costs denominated in a number of currencies. It mitigates the economic risk from this through plain vanilla forward currency contracts and structured foreign currency contracts. These contracts have varying maturity dates, ranging from 1 to 48 months after 30 September 2024, to match the underlying cash flows of the business.

Sales by currency



Costs by currency



The net fair value gains of currency contracts, including plain vanilla forward foreign currency contracts and swaps, and structured foreign currency contracts decreased by US\$36.0 million to US\$135.4 million as of 30 September 2024. This was largely due to a reduction in the net fair value of plain vanilla Euro ("EUR") forward contracts and swaps and plain vanilla Mexican Peso contracts, partly offset by an increase in gains for RMB contracts.

Net fair value of currency contracts

US\$ million		30 Sep 2024	31 Mar 2024	Change
Euro	Plain vanilla forward contracts and swaps	96.5	126.1	(29.6)
	Structured contracts	5.5	12.1	(6.6)
	Subtotal	102.0	138.2	(36.2)
Renminbi	Plain vanilla forward contracts	17.7	4.8	12.9
Others	Plain vanilla forward contracts and swaps ¹	15.7	28.4	(12.7)
Total		135.4	171.4	(36.0)

¹ Others comprised of Mexican Peso ("MXN"), Polish Zloty ("PLN"), Hungarian Forint ("HUF"), Israeli Shekel ("ILS") contracts and US Dollars ("USD") and Renminbi ("RMB") swaps.

The mark-to-market ("MTM") rate is the current fair value for the settlement of a forward contract, as provided by the counterparties (the Group's principal bankers). The mark-to-market rates are influenced by the changes in spot rates shown in the adjacent table.

Spot rates of significant currencies

	Spot rates as of 30 Sep 2024	Spot rates as of 31 Mar 2024	
USD per EUR	1.12	1.08	EUR Strengthen 4%
HUF per EUR	397.26	395.18	Flat
CAD per USD	1.35	1.36	Flat
RMB per USD	7.01	7.09	USD Weaken 1%
MXN per USD	19.67	16.53	USD Strengthen 19%
PLN per USD	3.83	3.99	USD Weaken 4%

Euro contracts: The Group's plain vanilla and structured forward contracts to sell the EUR and buy USD create an economic hedge for Euro-denominated export sales. In addition, the Group hedges its net investment in its European operations against exposure from changes in the underlying value of investments due to future changes in exchange rates. It also hedges its intragroup EUR monetary balances from changes in exchange rates.

The financial assets representing the cumulative fair value gains of EUR contracts decreased by US\$36.2 million to US\$102.0 million as of 30 September 2024 (31 March 2024: US\$138.2 million financial assets).

Plain vanilla Euro contracts and swaps: The financial asset representing cumulative fair value gains on plain vanilla contracts and swaps decreased by US\$29.6 million to US\$96.5 million as of 30 September 2024 (31 March 2024: US\$126.1 million financial asset). This decrease was mainly due to the consumption of plain vanilla forward contracts and the maturing of cross-currency interest rate swaps.

Structured Euro contracts: The financial asset representing the cumulative fair value gains on structured forward contracts decreased by US\$6.6 million to US\$5.5 million as of 30 September 2024 (31 March 2024: US\$12.1 million financial asset). This was mainly due to the consumption of contracts during the period. The remaining structured forward contracts will mature in December 2024.

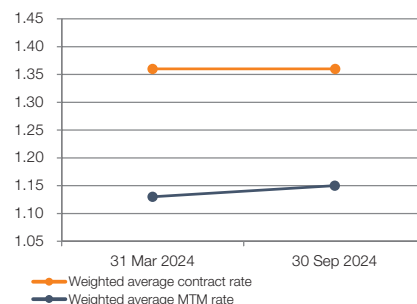
Renminbi contracts: The Group's plain vanilla contracts to buy the RMB to create an economic hedge for production costs and other operating costs denominated in RMB against the sources of revenue.

The financial asset representing cumulative fair value gains for plain vanilla contracts increased by US\$12.9 million to US\$17.7 million as of 30 September 2024 (31 March 2024: US\$4.8 million financial assets). This was mainly due to the strengthening of the RMB against the USD as of 30 September 2024.

Other currency contracts and swaps: The Group's plain vanilla contracts to buy the MXN, PLN, HUF and ILS create an economic hedge for production costs and other operating costs denominated in these currencies against their sources of revenue. During the period, the Group also entered currency swaps between the USD and RMB to hedge against relevant operating costs.

The financial asset representing cumulative fair value gains for plain vanilla contracts and swaps for other currencies decreased by US\$12.7 million to US\$15.7 million. The decrease primarily came from mark-to market losses on contracts for MXN due to the weakening of the MXN against the USD.

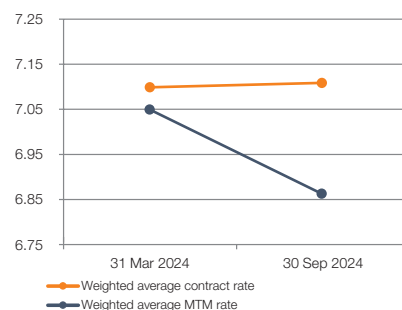
EUR – Plain vanilla forward



EUR – Structured forward



RMB – Plain vanilla forward



Estimated future cash flow: The final realized gain or loss for each contract will crystallize based on the prevailing spot rate at the date of maturity versus the contract rate and will impact cash flow at that time. In terms of estimating future cash flow, the contracts' rates at maturity compared to the exchange rates as of 30 September 2024 would result in approximately US\$145 million aggregate cash flow benefit from plain vanilla forward foreign currency contracts and swaps (31 March 2024: US\$193 million) and US\$6 million cash flow benefit from structured foreign currency contracts (31 March 2024: US\$13 million).

Further information about the Group's forward foreign currency exchange contracts and foreign exchange swaps can be found in Notes 6 and 7 to the accounts

Raw Material Commodity Price Risk

The Group is exposed to commodity price risk, mainly from fluctuations in copper, steel, silver and aluminium prices.

This commodity price risk is managed by way of incorporating appropriate clauses in certain customer contracts to pass on changes in raw material costs, where and when possible. For other customers, the Group negotiates price increases, but there can be some time lag between the increase in price of the raw materials and passing such cost increases onto customers.

The residual price risk from copper, silver and aluminium is somewhat reduced by hedging through cash flow hedge contracts with maturity dates ranging from 1 to 6 months after 30 September 2024.

The residual price risk from steel is reduced through 1 to 6 months fixed price purchase contracts with steel suppliers and cash flow hedge contracts for iron ore with maturity dates ranging from 1 to 39 months after 30 September 2024.

The net fair value of commodity contracts increased by US\$0.3 million due to rising commodity price partially offset by the consumption of contracts.

Further information about the Group's raw material commodity contracts can be found in Note 6 to the accounts

Spot prices of significant raw material commodities

US\$ per metric ton	Spot prices as of 30 Sep 2024	Spot prices as of 31 Mar 2024	Increase
Copper	9,767	8,729	12%
Aluminium	2,611	2,270	15%
Iron ore	102.09	101.28	1%
Silver - US\$ per ounce	31.08	24.54	27%

Net fair value of commodity contracts

US\$ million	30 Sep 2024	31 Mar 2024	Change
Copper	2.8	3.0	(0.2)
Other commodities	1.4	0.9	0.5
Total	4.2	3.9	0.3

Counterparty Risk

To avoid the potential default of any of its counterparties on its forward contracts, the Group deals only with major financial institutions (i.e. the Group's principal bankers), with strong investment grade ratings, that the Group believes will satisfy their obligations under the contracts.

Corporate Governance

Johnson Electric Holdings Limited (“Company”, together with its subsidiaries, the “Group”) is committed to achieving high standards of corporate governance that properly protect and promote the interests of its stakeholders and devotes considerable effort to identifying and formalizing best practices of corporate governance.

During the six months ended 30 September 2024, Mr. Joseph Yam retired at the conclusion of the annual general meeting held on 12 July 2024 and did not stand for re-election. Apart from this change, the composition of the Board of Directors (“Board”) remained the same as set out in the Corporate Governance Report in the Company’s Annual Report 2024.

During the six months ended 30 September 2024, the Company continued to abide by the corporate governance practices set out in the Corporate Governance Report in the Company’s Annual Report 2024.

Corporate Governance Code

During the six months ended 30 September 2024, the Company complied with the code provisions set out in the Corporate Governance Code contained in Appendix C1 of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”), except for the following:

Code Provision B.2.2

Code B.2.2 provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Under the Company’s Bye-law 109(A), the director holding office as the executive chairman is not subject to retirement by rotation and shall not be counted in determining the number of directors to retire.

In the opinion of the Board, it is important for the stability and beneficial to the growth of the Company that there is, and is seen to be, continuity of leadership in the role of the Chairman of the Company and, in consequence, the Board is of the view that the Chairman should not be subject to retirement by rotation at the present time.

Code Provision C.2.1

Code C.2.1 provides, inter alia, that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Neither the Company’s Bye-laws nor The Johnson Electric Holdings Limited Company Act, 1988 (a private act of Bermuda) contains any requirement as to the separation of these roles.

Dr. Patrick Wang is the Chairman and Chief Executive of the Company. The Board is of the opinion that it is appropriate and in the best interests of the Company that Dr. Wang should hold both offices. The Board believes that it is able to effectively monitor and assess management in a manner that properly protects and promotes the interests of shareholders.

Disclosure under Rule 13.51B(1) of the Listing Rules

In accordance with Rule 13.51B(1) of the Listing Rules, the change in information of Directors subsequent to the date of the Annual Report 2024 up to the publication of this report is set out below:

Mr. Peter Wang ceased to be a member of the Audit Committee with effect from 12 July 2024.

Model Code for Securities Transactions

The Company has adopted procedures governing directors' securities transactions in compliance with the Model Code as set out in Appendix C3 of the Listing Rules. Specific confirmation has been obtained from all Directors to confirm compliance with the Model Code throughout the six months ended 30 September 2024.

Review of Interim Results and Interim Report

The Company's interim results for the six months ended 30 September 2024 and the interim report have been reviewed by the Audit Committee and the Company's auditor, PricewaterhouseCoopers.

Disclosure of Interests

Directors

As of 30 September 2024, the interests of each Director and Chief Executive of the Company in the shares of the Company or any of the Company's associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO were as follows:

Name	Shares of HK\$0.05 each of the Company		Approximate % of shareholding
	Personal Interests	Other Interests	
Yik-Chun Wang Koo	–	532,889,010 (Notes 1 & 2)	57.029
Patrick Wang	5,292,630	– (Note 3)	0.566
Winnie Mak Wang	865,586	–	0.092
Austin Wang	1,473,069	– (Note 4)	0.157
Peter Wang	–	28,780,782 (Note 5)	3.080
Patrick Paul	32,750	–	0.003
Michael Enright	15,250	–	0.001
Christopher Pratt	56,000	–	0.005
Catherine Bradley	6,500	–	0.000

Notes:

1. These shares were held, directly or indirectly, by the trustees of various trusts associated with the Wang family.
2. Duplications of shareholdings occurred among and between the parties shown below under Substantial Shareholders.
3. The interest comprises 2,707,864 underlying shares in respect of the awarded shares granted, which remained unvested, under the Johnson Electric Restricted and Performance Stock Unit Plan.
4. The interest comprises 902,621 underlying shares in respect of the awarded shares granted, which remained unvested, under the Johnson Electric Restricted and Performance Stock Unit Plan.
5. These shares were held under a trust of which Peter Wang was a beneficiary.

Save as disclosed above, the register maintained by the Company pursuant to Section 352 of the SFO recorded no other interests or short positions of the Directors and Chief Executive in the shares, underlying shares in, or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

Apart from the shares awarded pursuant to the Stock Unit Plan as described in this report, as of 30 September 2024, none of the Directors and Chief Executive (including their spouses and children under 18 years of age) had any interests in, or had been granted, or exercised, any rights to subscribe for shares of the Company or its associated corporations required to be disclosed pursuant to the SFO.

Substantial Shareholders

As of 30 September 2024, the shareholders' interests being 5% or more of the Company's issued share capital as shown in the register of substantial shareholders maintained under Section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange are set out below:

Name	Capacity	Numbers of shares held	Approximate % of shareholding
Yik-Chun Wang Koo	Beneficiary of family trusts	532,889,010 (Notes 1 & 2)	57.02
Deltec Bank & Trust Limited	Trustee	221,760,000 (Note 1)	23.73
HSBC International Trustee Limited	Trustee	217,070,710 (Note 1 & 3)	23.23
Winibest Company Limited	Beneficial owner	217,743,364 (Note 4)	23.30
Federal Trust Company Limited	Trustee	122,166,428 (Note 1)	13.07
Merriland Overseas Limited	Interest of controlled corporation	61,896,046 (Note 5)	6.62

Notes:

1. The shares in which Deltec Bank & Trust Limited was interested, 217,743,364 of the shares in which HSBC International Trustee Limited was interested and 93,385,646 of the shares in which Federal Trust Company Limited was interested were held, directly or indirectly, by them as trustees of various trusts associated with the Wang family and were included in the shares in which Yik-Chun Wang Koo was interested as referred to above under Directors' Disclosure of Interests.
2. The shares in which Yik-Chun Wang Koo was interested as referred to above formed part of the shares referred to in Note 1.
3. The number of shares held is based on the Corporate Substantial Shareholder Notice filed with the Stock Exchange on 11 September 2023.
4. The interests of Winibest Company Limited in the Company formed part of the interests in the Company held by HSBC International Trustee Limited.
5. The interests of Merriland Overseas Limited in the Company formed part of the interests in the Company held by Federal Trust Company Limited.

Save as disclosed herein, as of 30 September 2024, the register maintained by the Company pursuant to Section 336 of the SFO recorded no other persons had any interests or short positions in the shares and underlying shares of the Company.

Share Award Scheme

A new Restricted and Performance Stock Unit Plan (“2023 Stock Unit Plan”) was approved by the shareholders on 13 July 2023. The Restricted and Performance Stock Unit Plan which was adopted on 9 July 2015 (“2015 Stock Unit Plan”) was terminated by the shareholders on 13 July 2023 and no further grants of share awards under the 2015 Stock Unit Plan could be made afterwards. Unvested shares awards granted under the 2015 Stock Unit Plan continue to be valid subject to the provisions of the 2015 Stock Unit Plan which together with 2023 Stock Unit Plan are collectively as “Stock Unit Plan”. The Board may grant time-vested units (Restricted Stock Units (“RSU”)) and performance-vested units (Performance Stock Units (“PSU”)) or cash payment in lieu of shares to such eligible employees and directors as the Board may select at its absolute discretion under the 2023 Stock Unit Plan.

The purpose of the Stock Unit Plan is to align management with ownership. The Stock Unit Plan helps to attract skilled and experienced personnel, incentivize them to remain with the Group and to motivate them to strive for the future development and expansion of the Group. During the six months ended 30 September 2024, the Company purchased 4,725,500 shares of the Company at a total cost of HK\$54.66 million in connection with the Stock Unit Plan. The highest and the lowest purchase price paid per share were HK\$12.60 and HK\$10.48, respectively.

Details of the interests of the Directors and other selected employees in the Stock Unit Plan are set out below.

Name	Award Date (dd/mm/yyyy)	Award Type	Number of unvested units held as of 1 April 2024	Granted during the period	Vested in shares during the period	Vested in cash during the period	Lapsed during the period	Number of unvested units held as of 30 September 2024	Vesting Date (dd/mm/yyyy)
Directors									
Patrick Wang	01/06/2021	RSU	184,403	–	156,743	27,660	–	–	01/06/2024
	01/06/2022	RSU	388,036	–	–	–	–	388,036	01/06/2025
	01/06/2023	RSU	385,233	–	–	–	–	385,233	01/06/2026
	01/06/2024	RSU	–	309,877	–	–	–	309,877	01/06/2027
	01/06/2021	PSU	276,604	–	58,778	10,373	207,453	–	01/06/2024
	01/06/2022	PSU	582,053	–	–	–	–	582,053	01/06/2025
	01/06/2023	PSU	577,849	–	–	–	–	577,849	01/06/2026
	01/06/2024	PSU	–	464,816	–	–	–	464,816	01/06/2027
Winnie Mak Wang	01/06/2021	RSU	61,468	–	52,248	9,220	–	–	01/06/2024
	01/06/2021	PSU	92,201	–	19,592	3,458	69,151	–	01/06/2024
Austin Wang	01/06/2021	RSU	61,468	–	52,248	9,220	–	–	01/06/2024
	01/06/2022	RSU	129,345	–	–	–	–	129,345	01/06/2025
	01/06/2023	RSU	128,411	–	–	–	–	128,411	01/06/2026
	01/06/2024	RSU	–	103,292	–	–	–	103,292	01/06/2027
	01/06/2021	PSU	92,201	–	19,592	3,458	69,151	–	01/06/2024
	01/06/2022	PSU	194,018	–	–	–	–	194,018	01/06/2025
	01/06/2023	PSU	192,616	–	–	–	–	192,616	01/06/2026
	01/06/2024	PSU	–	154,939	–	–	–	154,939	01/06/2027
Other Selected Employees (excluding two Executive Directors)									
	25/01/2021	RSU	121,544	–	–	–	–	121,544	01/12/2025
	01/06/2021	RSU	1,400,427	–	1,176,832	223,595	–	–	01/06/2024
	01/06/2021	RSU	1,153	–	1,153	–	–	–	06/05/2024
	15/06/2021	RSU	71,403	–	60,693	10,710	–	–	01/06/2024
	01/06/2022	RSU	3,552,543	–	–	–	20,211	3,532,332	01/06/2025
	30/09/2022	RSU	66,794	–	–	–	–	66,794	30/09/2025
	01/06/2023	RSU	3,354,419	–	–	–	22,472	3,331,947	01/06/2026
	13/07/2023	RSU	36,311	–	–	–	–	36,311	01/06/2026
	09/11/2023	RSU	60,837	–	–	–	–	60,837	01/06/2026
	01/06/2024	RSU	–	2,887,459	–	–	18,076	2,869,383	01/06/2026
	17/06/2024	RSU	–	16,139	–	–	–	16,139	01/06/2026
	01/06/2022	PSU	1,226,272	–	245,994	60,579	919,699	–	01/06/2024
	01/06/2022	PSU	2,716,249	–	–	–	33,953	2,682,296	01/06/2025
	01/06/2023	PSU	2,800,162	–	–	–	33,708	2,766,454	01/06/2026
	01/06/2024	PSU	–	2,296,955	–	–	27,114	2,269,841	01/06/2027

Disclosure of Interests

Notes:

(1) The closing price of the shares, immediately before the date on which the awards were granted are shown as below:

Date of grant (dd/mm/yyyy)	Closing price of shares before the date of grant HK\$
01/06/2024	11.92
17/06/2024	11.76

(2) The PSU is subject to a performance target so as to achieve the purpose of the Stock Unit Plan. The performance target shall be based on the performance of the grantee and/or group profitability, cumulative or annual earnings per share, revenue or revenue growth, total shareholder returns or such other measures, and/or such other performance target to be determined by the Board to align with the strategic direction of the Company, in its absolute discretion, which shall be set out in the relevant notice of grant in relation to the grant of Awards issued to each grantee.

Movements in the number of unvested units granted as of the date of this report under the Stock Unit Plan on a combined basis are as follows:

	Number of unvested units granted (thousands)			% of total number of issued shares
	RSU	PSU	Total	
Unvested units granted, as of 31 March 2024	10,004	8,750	18,754	2.01%
Units granted to Directors and employees during the period	3,317	2,917	6,234	0.67%
Shares vested to Directors and employees during the period	(1,780)	(422)	(2,202)	0.24%
Forfeited during the period	(61)	(1,360)	(1,421)	0.15%
Unvested units granted, as of 30 September 2024 and the date of this report	11,480	9,885	21,365	2.29%

As of the date of this report, the number of unvested units granted under the Stock Unit Plan are as follows:

Vesting period	Number of unvested units granted (thousands)			% of total number of issued shares
	RSU	PSU	Total	
FY25/26	4,238	3,458	7,696	0.83%
FY26/27	3,943	3,537	7,480	0.80%
FY27/28	3,299	2,890	6,189	0.66%
Unvested units granted, as of the date of this report	11,480	9,885	21,365	2.29%

As of 1 April 2024, the total number of shares available for grant under the 2023 Stock Unit Plan was 92,771,561 shares. Total 6,233,477 share awards were granted under the 2023 Stock Unit Plan during the six months ended 30 September 2024, hence, the total number of shares available for grant as of 30 September 2024 was 86,538,084 shares.

Apart from the Stock Unit Plan mentioned above, there were no other arrangements to which the Company or its subsidiaries was a party to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Purchase, Sale or Redemption of Listed Securities

Save as disclosed in Note 15 to the financial statements and other than for satisfying the shares granted under the Company's Share Award Scheme, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the six months ended 30 September 2024.

Disclosure under Rule 13.21 of the Listing Rules

On 15 August 2023, the Company (as guarantor) entered into a facilities agreement (“Facilities Agreement”) with, among others, certain financial institutions (as original lenders) in relation to the facilities up to a maximum amount of US\$400 million comprising of a US\$200 million term loan facility and a US\$200 million revolving credit facility to be made available to Johnson Electric Industrial Manufactory, Limited, a wholly-owned subsidiary of the Company, for financing the general working capital of the Group and refinancing the existing indebtedness of the Group. The final repayment date is 60 months from the first utilization date.

Announcement regarding the entering into the Facilities Agreement was made on 15 August 2023, disclosing that if the Wang Family (as defined therein) ceases to be the single largest shareholder of the Company, the loans under the Facilities Agreement may become immediately due.

Interim Dividend

The Board has declared an interim dividend of 17 HK cents equivalent to 2.18 US cents per share (2023: 17 HK cents or 2.18 US cents) payable on 8 January 2025 (Wednesday) in cash with no scrip alternative to shareholders whose names appear on the Register of Shareholders of the Company on 17 December 2024 (Tuesday).

Closing Register of Shareholders

The Register of Shareholders of the Company will be closed, for the purpose of determining shareholders' entitlement to the interim dividend, from 13 December 2024 (Friday) to 17 December 2024 (Tuesday) inclusive, during which no transfer of shares will be registered.

In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (not the share registrar in Bermuda) for registration, not later than 4:30 p.m. on 12 December 2024 (Thursday). Shares of the Company will be traded ex-dividend as from 11 December 2024 (Wednesday).

Condensed Consolidated Interim Financial Statements

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Consolidated Balance Sheet

As of 30 September 2024

	Note	Unaudited 30 September 2024 US\$'000	Audited 31 March 2024 US\$'000
Non-current assets			
Property, plant and equipment	3	1,508,433	1,513,402
Investment property	4	17,334	17,221
Intangible assets	5	172,447	183,611
Investments in associate and joint venture		2,308	6,335
Other financial assets	6	74,479	106,348
Financial assets at fair value through profit and loss	7	23,429	32,155
Defined benefit pension plan assets	13	19,731	18,758
Deferred income tax assets		92,250	89,049
Other non-current assets	3	30,260	21,818
		1,940,671	1,988,697
Current assets			
Inventories		589,038	551,480
Trade and other receivables	8	788,933	773,199
Other financial assets	6	65,078	68,994
Financial assets at fair value through profit and loss	7	6,517	13,076
Income tax recoverable		8,754	11,230
Government Green Bonds at amortized cost		4,993	4,933
Time deposits with maturities over three months		–	60,000
Cash and cash equivalents		687,658	749,859
		2,150,971	2,232,771
Current liabilities			
Trade and other payables	9	730,168	724,133
Current income tax liabilities		43,834	40,026
Other financial liabilities	6	3,782	8,147
Borrowings	11	14,082	308,529
Lease liabilities	12	16,276	18,852
Retirement benefit obligations	13	1,032	1,014
Provisions and other liabilities	14	44,164	45,870
		853,338	1,146,571
Net current assets		1,297,633	1,086,200
Total assets less current liabilities		3,238,304	3,074,897

	Note	Unaudited 30 September 2024 US\$'000	Audited 31 March 2024 US\$'000
Non-current liabilities			
Trade and other payables	9	39,546	43,048
Other financial liabilities	6	1,664	4,003
Borrowings	11	342,402	252,275
Lease liabilities	12	51,938	54,989
Deferred income tax liabilities		77,654	78,809
Retirement benefit obligations	13	37,828	35,535
Provisions and other liabilities	14	9,698	9,571
		560,730	478,230
NET ASSETS		2,677,574	2,596,667
Equity			
Share capital — ordinary shares (at par value)	15	6,026	6,026
Shares held for share award scheme (at purchase cost)	15	(19,502)	(17,413)
Share premium	15	88,963	88,963
Reserves		2,557,201	2,474,433
		2,632,688	2,552,009
Non-controlling interests		44,886	44,658
TOTAL EQUITY		2,677,574	2,596,667

The notes on pages 40 to 83 form an integral part of these condensed consolidated interim financial statements.

Consolidated Income Statement

For the six months ended 30 September 2024

	Note	Unaudited Six months ended 30 September	
		2024 US\$'000	2023 US\$'000
Sales	2	1,854,168	1,937,056
Cost of goods sold		(1,416,117)	(1,507,477)
Gross profit		438,051	429,579
Other expenses, net	16	(2,610)	(7,593)
Selling and administrative expenses	17	(274,077)	(270,527)
Restructuring and other related costs	18	(3,510)	–
Operating profit		157,854	151,459
Share of (losses) of associate and joint venture		(1,075)	(941)
Finance income	19	18,880	6,038
Finance costs	19	(19,908)	(12,943)
Profit before income tax		155,751	143,613
Income tax expense	21	(24,560)	(21,787)
Profit for the period		131,191	121,826
Profit attributable to non-controlling interests		(1,578)	(1,677)
Profit attributable to shareholders		129,613	120,149
Basic earnings per share for profit attributable to the shareholders for the period (expressed in US cents per share)	22	14.05	13.03
Diluted earnings per share for profit attributable to the shareholders for the period (expressed in US cents per share)	22	13.92	12.99

The notes on pages 40 to 83 form an integral part of these condensed consolidated interim financial statements.

Please see Note 23 for details of dividend.

Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2024

	Note	Unaudited Six months ended 30 September	
		2024 US\$'000	2023 US\$'000
Profit for the period		131,191	121,826
Other comprehensive income / (expenses)			
Items that will not be recycled to profit and loss:			
Defined benefit plans			
– remeasurements	13	(1,117)	(4,434)
– deferred income tax effect		325	437
Hedging instruments for transactions resulting in the recognition in inventories and subsequently recognized in the income statement upon consumption			
– raw material commodity contracts			
– fair value gains / (losses), net		3,781	(4,600)
– transferred to inventory and subsequently recognized in the income statement	6(e)	(5,407)	(9,820)
– deferred income tax effect		268	2,379
Hyperinflation adjustments		(374)	–
Currency translations of subsidiaries		764	–
Total items that will not be recycled to profit and loss directly		(1,760)	(16,038)
Items that will be recycled to profit and loss:			
Hedging instruments			
– forward foreign currency exchange contracts and foreign exchange swaps			
– fair value losses, net		(1,419)	(37,628)
– transferred to the income statement		(13,345)	(2,791)
– deferred income tax effect		3,474	8,204
– net investment hedge			
– fair value gains, net		2,041	9,856
Hyperinflation adjustments		1,102	–
Currency translations of subsidiaries		17,243	(44,598)
Currency translations of associate and joint venture		213	(111)
Total items that will be recycled to profit and loss directly		9,309	(67,068)
Other comprehensive income / (expenses) for the period, net of tax		7,549	(83,106)
Total comprehensive income for the period, net of tax		138,740	38,720
Total comprehensive income attributable to:			
Shareholders		136,398	38,978
Non-controlling interests			
– Share of profits for the period		1,578	1,677
– Currency translations		764	(1,935)
		138,740	38,720

The notes on pages 40 to 83 form an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Changes in Equity

For the six months ended 30 September 2024

	Unaudited									
	Attributable to shareholders of the Company									
	Note	Share capital and share premium US\$'000	Other reserves* US\$'000	Exchange reserve US\$'000	Share-based compensation reserve US\$'000	Hedging reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
As of 31 March 2024		77,576	(167,056)	67,464	8,718	95,546	2,469,761	2,552,009	44,658	2,596,667
Profit for the period		-	-	-	-	-	129,613	129,613	1,578	131,191
Other comprehensive income / (expenses):										
Hedging instruments										
– raw material commodity contracts										
– fair value gains, net		-	-	-	-	3,781	-	3,781	-	3,781
– transferred to inventory and subsequently recognized in the income statement	6(e)	-	-	-	-	(5,407)	-	(5,407)	-	(5,407)
– deferred income tax effect		-	-	-	-	268	-	268	-	268
– forward foreign currency exchange contracts and foreign exchange swaps										
– fair value losses, net		-	-	-	-	(1,419)	-	(1,419)	-	(1,419)
– transferred to the income statement		-	-	-	-	(13,345)	-	(13,345)	-	(13,345)
– deferred income tax effect		-	-	-	-	3,474	-	3,474	-	3,474
– net investment hedge										
– fair value gains, net		-	-	2,041	-	-	-	2,041	-	2,041
Defined benefit plans										
– remeasurements	13	-	-	-	-	-	(1,117)	(1,117)	-	(1,117)
– deferred income tax effect		-	-	-	-	-	325	325	-	325
Hyperinflation adjustments										
– fair value losses, net		-	-	1,102	-	-	(374)	728	-	728
Currency translations of subsidiaries										
– fair value losses, net		-	-	17,180	-	63	-	17,243	764	18,007
Currency translations of associate and joint venture										
– fair value gains, net		-	-	213	-	-	-	213	-	213
Total comprehensive income / (expenses) for the first half of FY24/25		-	-	20,536	-	(12,585)	128,447	136,398	2,342	138,740
Transactions with shareholders:										
Share award scheme										
– shares vested		4,926	(389)	-	(4,537)	-	-	-	-	-
– value of employee services		-	-	-	3,791	-	-	3,791	-	3,791
– purchase of shares		(7,015)	-	-	-	-	-	(7,015)	-	(7,015)
Acquisition of non-controlling interests	26	-	-	-	-	-	(409)	(409)	(951)	(1,360)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(1,163)	(1,163)
FY23/24 final dividend – cash paid		-	-	-	-	-	(52,086)	(52,086)	-	(52,086)
Total transactions with shareholders		(2,089)	(389)	-	(746)	-	(52,495)	(55,719)	(2,114)	(57,833)
As of 30 September 2024		75,487 **	(167,445)	88,000	7,972	82,961	2,545,713	2,632,688	44,886	2,677,574

* Other reserves mainly represent capital reserve, property revaluation reserve, statutory reserve, reserve arising from shares vested for share award scheme and goodwill on consolidation

** The total of US\$75.5 million comprised share capital of US\$6.0 million, share premium of US\$89.0 million and shares held for share award scheme of US\$(19.5) million

The notes on pages 40 to 83 form an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Changes in Equity

For the six months ended 30 September 2023

	Unaudited									
	Attributable to shareholders of the Company									
	Note	Share capital and share premium US\$'000	Other reserves* US\$'000	Exchange reserve US\$'000	Share-based employee compensation reserve US\$'000	Hedging reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
As of 31 March 2023		57,714	(158,408)	86,723	10,324	133,851	2,316,734	2,446,938	48,453	2,495,391
Profit for the period		-	-	-	-	-	120,149	120,149	1,677	121,826
Other comprehensive income / (expenses):										
Hedging instruments										
- raw material commodity contracts										
- fair value losses, net		-	-	-	-	(4,600)	-	(4,600)	-	(4,600)
- transferred to inventory and subsequently recognized in the income statement	6(e)	-	-	-	-	(9,820)	-	(9,820)	-	(9,820)
- deferred income tax effect		-	-	-	-	2,379	-	2,379	-	2,379
- forward foreign currency exchange contracts										
- fair value losses, net		-	-	-	-	(37,628)	-	(37,628)	-	(37,628)
- transferred to the income statement		-	-	-	-	(2,791)	-	(2,791)	-	(2,791)
- deferred income tax effect		-	-	-	-	8,204	-	8,204	-	8,204
- net investment hedge										
- fair value gains, net		-	-	9,856	-	-	-	9,856	-	9,856
Defined benefit plans										
- remeasurements	13	-	-	-	-	-	(4,434)	(4,434)	-	(4,434)
- deferred income tax effect		-	-	-	-	-	437	437	-	437
Currency translations of subsidiaries		-	-	(42,742)	-	79	-	(42,663)	(1,935)	(44,598)
Currency translations of associate and joint venture		-	-	(111)	-	-	-	(111)	-	(111)
Total comprehensive (expenses) / income for the first half of FY23/24		-	-	(32,997)	-	(44,177)	116,152	38,978	(258)	38,720
Hyperinflation adjustments		-	(13)	(1,868)	-	-	2,042	161	-	161
Transactions with shareholders:										
Share award scheme										
- shares vested		20,614	(13,486)	-	(7,128)	-	-	-	-	-
- value of employee services		-	-	-	2,501	-	-	2,501	-	2,501
- purchase of shares		(3,660)	-	-	-	-	-	(3,660)	-	(3,660)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(2,090)	(2,090)
FY22/23 final dividend paid										
- cash paid		-	-	-	-	-	(37,431)	(37,431)	-	(37,431)
- shares issued in respect of scrip dividend		2,891	-	-	-	-	(2,891)	-	-	-
- scrip dividend for shares held for share award scheme		(245)	-	-	-	-	245	-	-	-
Total transactions with shareholders		19,600	(13,486)	-	(4,627)	-	(40,077)	(38,590)	(2,090)	(40,680)
As of 30 September 2023		77,314	(171,907)	51,858	5,697	89,674	2,394,851	2,447,487	46,105	2,493,592

* Other reserves mainly represent capital reserve, property revaluation reserve, statutory reserve, reserve arising from shares vested for share award scheme and goodwill on consolidation

Consolidated Cash Flow Statement

For the six months ended 30 September 2024

	Note	Unaudited Six months ended 30 September	
		2024 US\$'000	2023 US\$'000
Cash flows from operating activities			
Earnings before interest, tax, depreciation and amortization	25	289,001	291,031
Other non-cash items	25	11,644	17,401
Changes in working capital	25	(38,551)	21,663
Cash generated from operations	25	262,094	330,095
Interest paid		(20,902)	(12,539)
Income taxes paid		(18,412)	(28,368)
Net cash generated from operating activities		222,780	289,188
Investing activities			
Purchase of property, plant and equipment		(97,606)	(87,673)
Proceeds from disposal of property, plant and equipment		1,150	1,191
Capitalized expenditure of engineering development	5 & 20	(773)	(776)
Finance income received		18,880	6,038
Investment in joint venture		(78,349)	(81,220)
Purchase of financial assets at fair value through profit and loss		–	(3,000)
Proceeds from sale of financial assets at fair value through profit and loss		(550)	–
Decrease in time deposits with maturities over three months		3,608	–
		60,000	–
Net cash used in investing activities		(15,291)	(84,220)

Consolidated Cash Flow Statement

	Note	Unaudited Six months ended 30 September	
		2024 US\$'000	2023 US\$'000
Financing activities			
Acquisition of non-controlling interests	26	(1,360)	–
Principal element of lease payments		(11,285)	(13,728)
Proceeds from borrowings		99,550	–
Repayments of borrowings		(303,339)	(103,347)
Dividends paid to shareholders		(52,086)	(37,431)
Purchase of shares for share award scheme		(7,015)	(3,660)
Dividends paid to non-controlling interests		(1,163)	(2,090)
Net cash used in financing activities		(276,698)	(160,256)
Net (decrease) / increase in cash and cash equivalents		(69,209)	44,712
Cash and cash equivalents at beginning of the period		749,859	408,664
Currency translations on cash and cash equivalents		7,008	(13,199)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		687,658	440,177

The reconciliation of liabilities arising from financing activities is as follows:

	Borrowings (current) US\$'000	Borrowings (non-current) US\$'000	Lease liabilities US\$'000	Total US\$'000
As of 31 March 2024	308,529	252,275	73,841	634,645
Currency translations	172	506	826	1,504
Cash flows				
– inflow from financing activities	–	99,550	–	99,550
– outflow from financing activities	(303,339)	–	(11,285)	(314,624)
– outflow from operating activities	(6,188)	–	(1,316)	(7,504)
Non-cash changes				
– new leases / extensions / modifications, net of terminations	–	–	4,628	4,628
– finance costs	4,354	625	1,520	6,499
– reclassification	10,554	(10,554)	–	–
As of 30 September 2024	14,082	342,402	68,214	424,698

The notes on pages 40 to 83 form an integral part of these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

1. General Information and Basis of Preparation

1.1 General Information

The principal operations of Johnson Electric Holdings Limited (the “Company”) and its subsidiaries (together, “the Group”) are the manufacture and sale of motion systems. The Group has manufacturing plants and sales operations throughout the world.

Johnson Electric Holdings Limited, the parent holding company, is a limited liability company incorporated in Bermuda. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The shares of the Company are listed on the Stock Exchange of Hong Kong.

These unaudited condensed consolidated interim financial statements are presented in US Dollars, unless otherwise stated and has been approved for issue by the Board of Directors on 20 November 2024. They have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountant (“HKICPA”) and Appendix 16 of the Listing Rules of The Stock Exchange of Hong Kong Limited.

1.2 Basis of preparation

The material accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the annual financial statements of the year ended 31 March 2024, except that the Group adopted all new standards, amendments to standards and interpretations of Hong Kong Financial Reporting Standards (“HKFRS”) effective for the accounting period commencing 1 April 2024, which are disclosed in Note 31.

The preparation of interim financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2024.

1. General Information and Basis of Preparation (Cont'd)

1.3 Exchange rates

The following table presents exchange rates for those currencies that are frequently used in preparing the consolidated financial statements.

	Closing rate		Average rate for the period		
	30 September 2024	31 March 2024	Six months ended 30 September		
			2024	2023	
1 foreign currency unit to USD:					
Swiss Franc	CHF	1.190	1.107	1.130	1.123
Euro	EUR	1.116	1.083	1.088	1.089
British Pound	GBP	1.337	1.264	1.281	1.260
1 USD to foreign currency:					
Brazilian Real	BRL	5.435	4.978	5.373	4.912
Canadian Dollar	CAD	1.352	1.357	1.366	1.342
Renminbi	RMB	7.010	7.095	7.113	7.095
Hong Kong Dollar	HKD	7.772	7.824	7.809	7.831
Hungarian Forint	HUF	355.872	364.964	361.011	347.222
Israeli Shekel	ILS	3.728	3.684	3.719	3.695
Indian Rupee	INR	83.682	83.333	83.612	82.440
Japanese Yen	JPY	142.248	151.286	152.439	140.845
South Korean Won	KRW	1,315.789	1,351.351	1,369.863	1,315.789
Mexican Peso	MXN	19.670	16.532	18.083	17.355
Polish Zloty	PLN	3.830	3.986	3.946	4.149
Serbian Dinar	RSD	105.263	108.696	107.527	107.527
Turkish Lira	TRY	34.165	32.258	32.927	23.425

2. Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (as defined in HKFRS). The chief operating decision maker has been identified as the Group's Executive Committee. Given the integrated nature of our business model, the Group has a single operating segment.

The Group's management assesses the performance of its operating segment based on the measure of operating profit, excluding items which are not directly related to the segment performance. These include non-operating income / (expenses) such as rental income, fair value gains / (losses) on investment property, gains / (losses) on disposals of fixed assets and investments, unrealized gains / (losses) on currency hedges, monetary assets and liabilities and structured foreign currency contracts and subsidies and other income.

The reconciliation of the operating profit presented to management to the consolidated income statement was as follows:

	Six months ended 30 September	
	2024 US\$'000	2023 US\$'000
Operating profit presented to management	160,464	159,052
Other expenses, net (Note 16)	(2,610)	(7,593)
Operating profit per consolidated income statement	157,854	151,459

Sales

The Group recognizes sales when control of product is transferred at a point in time on delivery of product to the customer and the transfer of the title and the risks of loss under the standard international commercial terms applicable to the contract.

Johnson Electric is one of the world's largest providers of motors, solenoids, micro-switches, flexible printed circuits and microelectronics. The Group has the following business units aligned with the broad markets they serve: Automotive Products Group ("APG") and Industry Products Group ("IPG").

APG provides custom motors, actuators, switches, and motion sub-system solutions for all critical automotive motion related functions. IPG provides motion products and customized solutions for various commercial and industrial applications.

Sales from external customers by business unit were as follows:

	Six months ended 30 September	
	2024 US\$'000	2023 US\$'000
Automotive Products Group	1,564,418	1,618,295
Industry Products Group	289,750	318,761
	1,854,168	1,937,056

2. Segment Information (Cont'd)

APG accounted for 84% of the Group total sales in the first half of FY24/25 (first half of FY23/24: 84%). Within this, the cooling fan business primarily engaged in the manufacture and sale of condenser radiator fan modules for OEM and Tier 1 customers, accounted for 17% of the Group's business (first half of FY23/24: 17%).

Sales by geography

Sales to external customers by region of destination were as follows:

	Six months ended 30 September	
	2024 US\$'000	2023 US\$'000
North America *	589,775	632,529
Europe, the Middle East and Africa **	567,785	598,726
People's Republic of China ("PRC")	436,000	482,354
Asia-Pacific (excluding PRC)	229,194	188,112
South America	31,414	35,335
	1,854,168	1,937,056

* Included in North America were sales to external customers in the USA of US\$467.0 million for the first half of FY24/25 (first half of FY23/24: US\$512.6 million)

** Included in Europe, the Middle East and Africa were sales to external customers in Germany of US\$107.1 million, Czech Republic of US\$88.3 million and France of US\$63.1 million for the first half of FY24/25 (first half of FY23/24: US\$128.7 million, US\$78.2 million and US\$64.3 million respectively)

No single external customer contributed 10% or more of the total Group sales.

2. Segment Information *(Cont'd)*

Segment assets

For the first half of FY24/25, the additions to non-current segment assets were US\$103.4 million (first half of FY23/24: US\$80.4 million).

	Six months ended 30 September	
	2024 US\$'000	2023 US\$'000
Additions to property, plant and equipment – owned assets	89,558	76,562
Additions / extensions / modifications to property, plant and equipment – right-of-use assets	4,644	2,228
Additions to intangible assets	773	776
Addition to investment in joint venture	–	3,000
Additions / (reduction) to other non-current assets	8,442	(2,193)
Additions to non-current segment assets	103,417	80,373

The non-current segment assets (representing property, plant and equipment, investment property, intangible assets, investments in associate and joint venture, other non-current assets) by geographic location as of 30 September 2024 and 31 March 2024 were as follows:

	30 September 2024 US\$'000	31 March 2024 US\$'000
PRC	930,564	923,008
Canada	305,521	324,006
Switzerland	115,047	112,375
Serbia	89,420	87,581
Others	290,230	295,417
	1,730,782	1,742,387

3. Property, Plant and Equipment and Other Non-Current Assets

Property, plant and equipment

	Freehold land, leasehold land and buildings US\$'000	Machinery and equipment US\$'000	Assets under construction US\$'000	Moulds and tools US\$'000	Other assets ** US\$'000	Right-of-use assets US\$'000	Total US\$'000
First half of FY24/25							
As of 31 March 2024	419,310	714,185	146,003	93,767	45,208	94,929	1,513,402
Currency translations	4,647	9,296	2,459	1,518	449	1,140	19,509
Additions – owned assets	1,637	10,475	70,532	4,329	2,585	–	89,558
Additions – right-of-use assets	–	–	–	–	–	2,957	2,957
Extension / modification of leases	–	–	–	–	–	1,687	1,687
Transfer	4,950	29,199	(55,261)	18,707	2,405	–	–
Disposals / termination of leases	–	(23)	–	(5)	(76)	(33)	(137)
Impairment charges (Note 20 & 25)	(59)	(753)	–	(46)	(23)	–	(881)
Depreciation (Note 20)	(9,671)	(67,795)	–	(21,724)	(7,172)	(11,300)	(117,662)
As of 30 September 2024	420,814 *	694,584	163,733	96,546	43,376	89,380	1,508,433
First half of FY23/24							
As of 31 March 2023	429,699	748,378	193,672	93,632	45,338	120,351	1,631,070
Currency translations	(10,646)	(22,151)	(5,003)	(3,105)	(941)	(4,275)	(46,121)
Additions – owned assets	679	7,158	58,766	6,692	3,267	–	76,562
Additions – right-of-use assets	–	–	–	–	–	1,294	1,294
Extension / modification of leases	–	–	–	–	–	934	934
Transfer	9,936	67,247	(97,025)	14,644	5,198	–	–
Disposals / termination of leases	(60)	(194)	–	(32)	(132)	(4,228)	(4,646)
Impairment charges (Note 20 & 25)	(236)	(1,939)	(1,824)	(113)	–	–	(4,112)
Depreciation (Note 20)	(9,756)	(68,830)	–	(22,701)	(6,822)	(14,915)	(123,024)
As of 30 September 2023	419,616	729,669	148,586	89,017	45,908	99,161	1,531,957

* As of 30 September 2024, freehold land, leasehold land and buildings included US\$3.6 million (31 March 2024: US\$3.7 million) for the leasehold land portion of buildings located in Hong Kong. The Group also has freehold land located in Europe, North America and South America

** Other assets comprise computers, furniture and fixtures, motor vehicles and an aircraft. Where such assets require some degree of assembly or installation, they are first recorded in assets under construction and are then transferred to other assets once they are ready for use

In the first half of FY24/25, impairment charges of US\$0.9 million (first half of FY23/24: US\$4.1 million) were mainly due to termination of customer projects and asset obsolescence.

3. Property, Plant and Equipment and Other Non-Current Assets (Cont'd)

Right-of-use assets

Property, plant and equipment includes the following amounts relating to right-of-use assets:

	Land use rights US\$'000	Leasehold buildings US\$'000	Machinery, equipment and other assets * US\$'000	Total US\$'000
First half of FY24/25				
As of 31 March 2024	28,429	60,604	5,896	94,929
Currency translations	326	663	151	1,140
Additions – right-of-use assets	–	1,616	1,341	2,957
Extension / modification of leases	–	1,563	124	1,687
Termination of leases	–	–	(33)	(33)
Depreciation	(418)	(9,533)	(1,349)	(11,300)
As of 30 September 2024	28,337	54,913	6,130	89,380
First half of FY23/24				
As of 31 March 2023	33,545	81,969	4,837	120,351
Currency translations	(1,250)	(2,890)	(135)	(4,275)
Additions – right-of-use assets	–	146	1,148	1,294
Extension / modification of leases	–	898	36	934
Termination of leases	(3,314)	(892)	(22)	(4,228)
Depreciation	(449)	(13,215)	(1,251)	(14,915)
As of 30 September 2023	28,532	66,016	4,613	99,161

* Other assets comprise office equipment and motor vehicles

Other non-current assets

Purchase deposits for machinery and construction of factory included in other non-current assets in the balance sheet were US\$21.4 million (31 March 2024: US\$14.1 million). The amount will be transferred to property, plant and equipment on receipt of the assets. The other non-current assets by nature as of 30 September 2024 and 31 March 2024 were as follows:

	30 September 2024 US\$'000	31 March 2024 US\$'000
Purchase deposits for machinery and construction of factory	21,425	14,139
Deferred contract costs (Note 10)	4,531	3,843
Other deposits and prepayments	4,304	3,836
Total other non-current assets	30,260	21,818

4. Investment Property

	2024 US\$'000	2023 US\$'000
As of 31 March	17,221	18,340
Currency translations	113	(394)
As of 30 September	17,334	17,946

The valuation method and assumptions of investment property are discussed in Note 29.

5. Intangible Assets

	Technology, patents and engineering development US\$'000	Brands US\$'000	Client relationships US\$'000	Total US\$'000
First half of FY24/25				
As of 31 March 2024	19,345	25,604	138,662	183,611
Currency translations	369	134	1,916	2,419
Capitalization of engineering development costs (Note 20)	773	–	–	773
Amortization (Note 20 & 25)	(3,418)	(2,020)	(8,918)	(14,356)
As of 30 September 2024	17,069	23,718	131,660	172,447
First half of FY23/24				
As of 31 March 2023	28,595	29,780	157,730	216,105
Currency translations	(492)	13	(1,655)	(2,134)
Capitalization of engineering development costs (Note 20)	776	–	–	776
Amortization (Note 20 & 25)	(6,184)	(2,055)	(9,056)	(17,295)
As of 30 September 2023	22,695	27,738	147,019	197,452

5. Intangible Assets (Cont'd)

Total intangible assets as of 30 September 2024 and 31 March 2024 were denominated in the following underlying currencies:

	30 September 2024 US\$'000	31 March 2024 US\$'000
In CAD	98,836	107,184
In EUR	55,708	57,929
In KRW	11,874	12,257
In USD	4,015	4,108
In GBP	2,014	2,133
Total intangible assets	172,447	183,611

6. Other Financial Assets and Liabilities

	30 September 2024			31 March 2024		
	Assets US\$'000	(Liabilities) US\$'000	Net US\$'000	Assets US\$'000	(Liabilities) US\$'000	Net US\$'000
Cash flow hedge						
– raw material commodity contracts (Note a (i))	4,228	–	4,228	4,093	(168)	3,925
– forward foreign currency exchange contracts and foreign exchange swaps (Note a (ii))	99,360	(3,944)	95,416	119,748	(9,637)	110,111
Net investment hedge (Note b)						
– forward foreign currency exchange contracts and cross-currency interest rate swaps	3,639	–	3,639	14,179	–	14,179
Fair value hedge (Note c)						
– forward foreign currency exchange contracts	32,330	–	32,330	37,322	–	37,322
Held for trading (Note d)	–	(1,502)	(1,502)	–	(2,345)	(2,345)
Total (Note f)	139,557	(5,446)	134,111	175,342	(12,150)	163,192
Current portion	65,078	(3,782)	61,296	68,994	(8,147)	60,847
Non-current portion	74,479	(1,664)	72,815	106,348	(4,003)	102,345
Total	139,557	(5,446)	134,111	175,342	(12,150)	163,192

6. Other Financial Assets and Liabilities (Cont'd)

Note:

(a) Cash flow hedge

(i) Raw material commodity contracts

Copper, silver, aluminium and iron ore forward commodity contracts as per the table below are designated as cash flow hedges. Gains and losses initially recognized in the hedging reserve will be transferred to the balance sheet within inventories and subsequently recognized in the income statement in the period or periods in which the underlying hedged copper, silver, aluminium and steel (by iron ore contracts) volumes are consumed and sold.

As of 30 September 2024, the Group had the following outstanding contracts:

	Notional amount	Weighted average contract price (US\$)	Spot price (US\$)	Mark-to-market price (US\$)	Remaining maturities (months)	Settlement value in USD equivalent (US\$ million)	Estimated future cash flow (US\$ million)	Assets, net carrying value (US\$ '000)
Cash flow hedge contracts								
Copper	1,600 metric ton	8,008	9,767	9,774	1 – 6	12.8	2.8	2,825
Silver	20,000 oz	26.25	31.08	31.31	1 – 3	0.5	0.1	101
Aluminium	50 metric ton	2,300	2,611	2,600	1 – 2	0.1	–	15
Iron ore	81,000 metric ton	87.49	102.09	103.38	1 – 39	7.1	1.2	1,287
Total						20.5	4.1	4,228

The weighted average contract price is a ratio defined as notional amount / settlement value.

The mark-to-market rate is the current fair value for the settlement of a forward contract, as provided by the counterparties (the Group's principal bankers).

Estimated future cash flow is calculated based on the contracts' price / rate at maturity compared to the spot price / exchange rate for the agreements as of 30 September 2024.

6. Other Financial Assets and Liabilities (Cont'd)

(a) Cash flow hedge (Cont'd)

(ii) Forward foreign currency exchange contracts and foreign exchange swaps

The EUR, RMB, MXN, PLN, ILS and HUF forward foreign currency exchange contracts as per the table below are designated as cash flow hedges, to match the underlying cash flows of the business and comprised:

- Sell EUR contracts to create an economic hedge for EUR denominated export sales into USD
- Buy RMB, MXN, PLN, ILS and HUF contracts to create an economic hedge for production costs and other operating costs denominated in these currencies against their sources of revenue

During the period, the Group entered into foreign exchange swaps between USD and RMB. The embedded forward within these contracts create an economic hedge for production costs and other operating costs denominated in relevant currencies.

Gains and losses initially recognized in the hedging reserve will be recognized in the income statement in the period or periods in which the underlying hedged transactions occur (cash realization).

As of 30 September 2024, the Group had the following outstanding contracts:

	Settlement currency	Notional value (million)	Weighted average contract rate	Spot rate	Mark-to- market rate	Remaining maturities range (months)	Settlement value in USD equivalent (US\$ million)	Estimated future cash flow (US\$ million)	Assets / (liabilities), net carrying value (US\$'000)
Cash flow hedge contracts									
Sell EUR forward *	USD	EUR 286.6	1.36	1.12	1.15	1 – 48	389.3	69.4	60,539
Buy RMB forward	USD	RMB 3,453.5	7.11	7.01	6.86	1 – 37	485.7	6.9	17,674
Buy MXN forward	USD	MXN 2,112.6	25.02	19.67	21.34	1 – 45	84.4	23.0	14,545
Buy PLN forward	EUR	PLN 167.2	5.02	4.28	4.41	1 – 25	37.2	6.4	5,123
Buy ILS forward	USD	ILS 4.2	3.62	3.73	3.71	1 – 5	1.1	–	(26)
Buy HUF forward	EUR	HUF 8,267.4	364.35	397.26	405.47	1 – 20	25.3	(2.1)	(2,568)
Foreign exchange swaps (Buy RMB, pay USD)	USD	RMB 376.0	7.02	7.01	6.95	11 – 12	53.5	0.1	559
Foreign exchange swaps (Buy USD, pay RMB)	RMB	USD 54.4	6.92	7.01	6.86	11 – 12	53.6	0.7	(430)
Total							1,130.1	104.4	95,416

* The EUR to USD is stated in the inverse order

During the period, the decrease in fair value of US\$14.4 million for derivatives of raw material commodity, forward foreign currency exchange contracts and foreign exchange swaps designated as cash flow hedges approximated the fair value movement of the underlying hedged items. There was no hedge ineffectiveness recognized in profit and loss during the period (first half of FY23/24: nil).

As of 30 September 2024, the pre-tax fair value gains recognized in cash flow hedge reserve were US\$100.3 million (31 March 2024: US\$116.7 million).

6. Other Financial Assets and Liabilities (Cont'd)

(b) Net investment hedge

The Group hedges its net investment in its European operations to protect itself from exposure to future changes in currency exchange rates. The EUR forward foreign currency exchange contracts as per the table below are designated as net investment hedges. Gains and losses recognized in the exchange reserve will be released from equity to profit and loss on the disposal or partial disposal of the foreign operations.

As of 30 September 2024, the Group had the following outstanding contracts:

	Settlement currency	Notional value (million)	Weighted average contract rate	Spot rate	Mark-to- market rate	Remaining maturities range (months)	Settlement value in USD equivalent (US\$ million)	Estimated future cash flow (US\$ million)	Assets, net carrying value (US\$'000)
Net investment hedge contracts									
Sell EUR forward *	USD	EUR 20.0	1.30	1.12	1.12	3	26.0	3.7	3,639

* The EUR to USD is stated in the inverse order

As of 30 September 2024, the carrying amount of the Group's net investment in its European operations denominated in EUR was US\$733.2 million in USD equivalent.

During the period, the fair value movement of derivatives approximated the fair value movement of the hedged item. There was no hedge ineffectiveness recognized in profit and loss during the period (first half of FY23/24: nil).

(c) Fair value hedge

The EUR forward foreign currency exchange contracts as per the table below are designated as fair value hedges to hedge the currency risk from USD intragroup monetary balances in its European operation and results in exchange gains or losses which are not fully eliminated on consolidation. Gains and losses are recognized in the income statement.

As of 30 September 2024, the Group had the following outstanding contracts:

	Settlement currency	Notional value (million)	Weighted average contract rate	Spot rate	Mark-to- market rate	Remaining maturities range (months)	Settlement value in USD equivalent (US\$ million)	Estimated future cash flow (US\$ million)	Assets, net carrying value (US\$'000)
Fair value hedge contracts									
Sell EUR forward *	USD	EUR 130.5	1.41	1.12	1.16	1 – 43	183.5	37.9	32,330

* The EUR to USD is stated in the inverse order

As of 30 September 2024, the carrying amount of intragroup balances (the hedged item) was US\$183.5 million. In the first half of FY24/25, hedge ineffectiveness of US\$3.6 million was credited to profit and loss (first half of FY23/24: US\$4.5 million charged to profit and loss).

6. Other Financial Assets and Liabilities (Cont'd)

(d) Held for trading

The ineffective portion of HUF forward foreign currency exchange contracts (resulting from the shutdown of a manufacturing facility in Hungary) was designated as held for trading. Fair value gains and losses on the forward contracts are immediately recognized in the income statement.

As of 30 September 2024, the ineffective portion of the outstanding contracts was:

	Settlement currency	Notional value (million)	Weighted average contract rate	Spot rate	Mark-to- market rate	Remaining maturities range (months)	Settlement value in USD equivalent (US\$ million)	Estimated future cash flow (US\$ million)	(Liabilities), net carrying value (US\$'000)
Held for trading contracts									
Buy HUF forward	EUR	HUF 4,722.6	362.39	397.26	404.11	1 – 18	14.5	(1.3)	(1,502)

(e) The income statement effect from raw material commodity and foreign currency exchange contracts (excluding structured contracts, see Note 7) and the cross-currency interest rate swaps recognized in the first half of FY24/25 was a net gain of US\$15.6 million (first half of FY23/24: net gain of US\$18.2 million).

	Six months ended 30 September	
	2024	2023
	US\$'000	US\$'000
Benefit / (expense)		
Cost of goods sold includes:		
Effect of raw material commodity contracts	5,407	9,820
Effect of forward foreign currency exchange contracts	3,004	(2,850)
Effect on cost of goods sold	8,411	6,970
Other expense, net includes:		
Effect of unrealized forward foreign currency exchange contracts (Note 16)	(5,095)	3,206
Selling and administrative expenses includes:		
Effect of forward foreign currency exchange contracts (Note 17)	13,582	9,290
Finance costs includes:		
Cross-currency interest rate swaps	(1,329)	(1,254)
Effect of other financial assets and liabilities in consolidated income statement, net gain	15,569	18,212

6. Other Financial Assets and Liabilities *(Cont'd)*

- (f) The maximum exposure of other financial assets to credit risk at the reporting date was the fair value in the balance sheet.
- (g) Net cash generated from operating activities due to the realized hedge contracts was US\$31.3 million (first half of FY23/24: US\$11.9 million).
- (h) Estimate of future cash flow
In terms of estimating future cash flow, the contracts' price / rate at maturity compared to the spot price / exchange rate for the commodity and currency agreements as of 30 September 2024 would result in approximately US\$149 million cash flow benefit (31 March 2024: US\$198 million).
- (i) As of 30 September 2024, the balance in the exchange reserve for continuing hedges that are accounted for as a net investment hedge was US\$78.2 million (31 March 2024: US\$76.1 million).
- (j) The Group applies a hedge ratio of 1:1 and determines the existence of economic relationship between the hedged items and the hedging instruments by reviewing their critical terms. As a result, the Group concludes that the hedged items and the hedging instruments are sufficient aligned. Certain ineffectiveness can arise during the hedging process. The main source of ineffectiveness in these hedging relationships are changes in the timing of the forecast transactions.

7. Financial Assets at Fair Value through Profit and Loss

	30 September 2024 US\$'000	31 March 2024 US\$'000
Investments (Note a)	24,429	33,155
Structured foreign currency contracts (Note b)	5,517	12,076
Total (Note c)	29,946	45,231
Current portion	6,517	13,076
Non-current portion	23,429	32,155
Total	29,946	45,231

Note:

(a) Investments

The Group's investments comprise investments in an autonomous driving start-up company focusing on the China market, a venture capital fund with a diversified portfolio, an artificial intelligence technology company in Israel and an artificial intelligence processor company in the United States. The changes in fair value are reflected in Note 16 "Other expenses, net".

(b) Structured foreign currency contracts (economic hedge)

The Group assesses its hedging position requirements based on the estimated future exposures of the underlying transactions and the potential fluctuation of the foreign currencies.

In FY17/18, the Group entered into structured foreign currency contracts for economic hedging purposes, for mitigating potential future risks from changes in currency exchange rates. These structured contracts achieved exchange rates that were not available at the time using plain vanilla contracts. These contracts have option features written to the counterparty banks, which potentially reduce the notional value to be delivered. Therefore, they do not qualify for hedge accounting under HKFRS 9. Consequently, the unrealized mark-to-market adjustments flow through the income statement in each accounting year and will eventually reverse on settlement at the various option expiration dates. The final realized gain or loss for each contract will crystallize based on the prevailing spot rate at the date of maturity versus the contract rate. The weighted average contract rates are shown on the next page.

The Group considers these contracts as economic hedges, since the contracts are able to mitigate the risk of foreign exchange movements in underlying transactions and assets. The maximum deliverable amounts of the structured foreign currency contracts are not expected to exceed the Group's future needs.

7. Financial Assets at Fair Value through Profit and Loss (Cont'd)

(b) Structured foreign currency contracts (economic hedge) (Cont'd)

As of 30 September 2024, the Group had following structured foreign currency contracts for net investment:

Settlement currency	Notional value – minimum (million)	Notional value – maximum (million)	Range of contract rates	Weighted average contract rate	Mark-to-market rate	Remaining maturities range (months)	Estimated future cash flow (US\$ million)	Assets, net carrying value (US\$'000)	
Structured foreign currency contracts									
(With option features: Reduction of notional amount)									
Sell EUR									
(for net investment) *	USD	EUR 20.0	EUR 40.0	1.39 – 1.40	1.40	1.26	3	5.6	5,517

* The EUR to USD is stated in the inverse order

In the first half of FY24/25, net losses on structured foreign currency contracts decreased net profit by US\$0.2 million, net of tax (pre-tax US\$0.1 million) (first half of FY23/24: gains increased net of tax profit by US\$3.7 million, pre-tax US\$4.1 million). Please see Note 16 & 17.

Sensitivity

As of 30 September 2024, a 1% change in the exchange rate for EUR against USD will have the following impact to the Group's income statement:

EUR contracts	Profit before income tax increase / (decrease)
Increase by 1%	US\$(0.1) million
Decrease by 1%	US\$0.2 million

Due to the non-linear characteristics of these structured foreign exchange contracts, the incremental fair value change due to the fluctuation of the foreign currency will decrease (i.e. the fair value change of a 2% change in exchange rate is less than twice of 1% change in exchange rate).

Estimate of future cash flow

In terms of estimating future cash flow, the structured contract rates at maturity compared to exchange rates as of 30 September 2024 would give rise to a cash flow benefit of approximately US\$6 million (assuming minimum delivery for EUR contracts depending on the contract delivery rate) (31 March 2024: US\$13 million).

(c) The maximum exposure of these investments to credit risk at the reporting date was the fair value in the balance sheet.

8. Trade and Other Receivables

	30 September 2024 US\$'000	31 March 2024 US\$'000
Trade receivables – gross *	677,898	658,365
Less: impairment of trade receivables	(7,096)	(4,210)
Trade receivables – net	670,802	654,155
Prepayments and other receivables	118,131	119,044
	788,933	773,199

* The balance included bank acceptance drafts from customers amounting to US\$6.5 million (31 March 2024: US\$25.0 million). The maturity dates of the drafts all fall within 6 months of the balance sheet date

All trade and other receivables were due within one year from the end of the reporting period. Therefore, the fair value of the Group's trade and other receivables was approximately equal to the carrying value.

Customer credit risk, aging and impairment of gross trade receivables

- (a) The Group normally grants credit terms ranging from 30 to 120 days to its trade customers. No significant element of financing is deemed present as the sales are made with a credit term which is consistent with market practice. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognized as a provision, see Note 14. It has a policy in place to evaluate customer credit risk by considering their current financial position, past payment history, common credit-risk characteristics, and the macroeconomic factor and economic environment in which the customers operate. Management monitors overdue amounts to identify and resolve collection issues. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators of no reasonable expectation of recovery include the failure of a debtor to commit to a repayment plan.

There was no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers and no single customer represents more than 10% or more of trade receivables.

8. Trade and Other Receivables (Cont'd)

- (b) The impairment of trade receivables is estimated using the forward-looking expected credit loss method and considering the aging of gross trade receivables based on due date.

The aging of gross trade receivables and estimated impairment by due date was as follows:

	Gross carrying amount US\$'000	Impairment of trade receivables US\$'000	Trade receivables – net US\$'000
As of 30 September 2024			
Current	606,179	(255)	605,924
1 – 30 days overdue	38,216	(124)	38,092
31 – 90 days overdue	15,729	(83)	15,646
Over 90 days overdue	17,774	(6,634)	11,140
Total	677,898	(7,096)	670,802

As of 31 March 2024

Current	615,883	(709)	615,174
1 – 30 days overdue	25,026	(12)	25,014
31 – 90 days overdue	8,689	(51)	8,638
Over 90 days overdue	8,767	(3,438)	5,329
Total	658,365	(4,210)	654,155

No significant changes to estimation techniques or assumptions on expected credit losses were made during the period.

- (c) The aging of gross trade receivables based on invoice date was as follows:

	30 September 2024 US\$'000	31 March 2024 US\$'000
0 – 30 days	342,268	344,938
31 – 90 days	278,012	282,068
Over 90 days	57,618	31,359
Total	677,898	658,365

9. Trade and Other Payables

	30 September 2024 US\$'000	31 March 2024 US\$'000
Trade payables	413,784	384,497
Accrual for property, plant and equipment and other production consumables	121,553	124,853
Accrued payroll and other staff related costs	104,131	122,757
Contract liabilities (Note 10)	30,484	33,629
Deferred income *	31,381	30,213
Other creditors and accrued charges	68,381	71,232
	769,714	767,181
Current portion	730,168	724,133
Non-current portion	39,546	43,048

* Mainly comprised of government grants

The fair value of the Group's trade payables was approximately equal to the carrying value. The aging analysis of trade payables based on invoice date was as follows:

	30 September 2024 US\$'000	31 March 2024 US\$'000
0 – 60 days	296,428	266,278
61 – 90 days	71,083	68,002
Over 90 days	46,273	50,217
Total	413,784	384,497

10. Contract Balances

Contract assets relate to the deferred contract costs incurred to obtain the customer contract. These costs are subsequently amortized in the consolidated income statement over the expected contract period. The Group assesses the carrying value of each contract asset annually and recognizes an expected credit loss if the carrying value exceeds the amounts of consideration that the Group expects to receive from the contract.

Contract liabilities primarily relate to consideration received from customers in advance of transferring goods promised in a contract. Recognition of this income is therefore deferred until the contractual performance obligation is satisfied.

The total contract assets and liabilities are included in various non-current and current balance sheet accounts as shown below:

	30 September 2024 US\$'000	31 March 2024 US\$'000
Deferred contract costs included in:		
Trade and other receivables	1,519	1,658
Other non-current assets (Note 3)	4,531	3,843
Total deferred contract costs	6,050	5,501
Contract liabilities balances included in:		
Trade and other payables – current	(18,900)	(18,036)
Trade and other payables – non-current	(11,584)	(15,593)
Total contract liabilities (Note 9)	(30,484)	(33,629)

In the first half of FY24/25, US\$9.1 million (first half of FY23/24: US\$8.9 million) included in the contract liability balance at the previous year end date was recognized in profit and loss.

11. Borrowings

	30 September 2024			31 March 2024		
	Current US\$'000	Non-current US\$'000	Total US\$'000	Current US\$'000	Non-current US\$'000	Total US\$'000
Bonds (Note a)	–	–	–	301,834	–	301,834
Syndicated loan (Note b)	–	195,353	195,353	–	194,796	194,796
Loan from Export Development Canada (“EDC”) (Note c)	–	99,618	99,618	–	–	–
Loan from The Hongkong and Shanghai Banking Corporation Limited (“HSBC”) (Note d)	10,164	47,431	57,595	6,695	53,561	60,256
Other borrowings	3,918	–	3,918	–	3,918	3,918
Total borrowings	14,082	342,402	356,484	308,529	252,275	560,804

Note:

- (a) Bonds (US\$300 million, 4.125% due July 2024)

On 30 January 2019, the Company issued bonds in an aggregate principal amount of US\$300 million. The bonds are listed on the Stock Exchange of Hong Kong by way of debt issues to professional investors under Chapter 37 of the Listing Rules. The bonds bear a fixed interest rate of 4.125% per annum, payable semi-annually. The issue price of the bonds was 99.402% of the principal amount of the bonds. The effective interest rate of the bonds is 4.36% including all transaction costs.

The US\$300 million principal was repaid on maturity of the bonds in July 2024.

- (b) Syndicated loan

In August 2023, the Group entered into a US\$400 million facilities agreement for financing the general working capital of the Group and refinancing the existing indebtedness of the Group, comprising a US\$200 million term loan facility and a US\$200 million revolving credit facility.

The term loan was drawn down in FY23/24, and as of 30 September 2024, the carrying value, net of amortized costs, was US\$195.4 million. The revolving credit facility remains unutilized.

- (c) Loan from EDC

The principal amount of US\$100.0 million was drawn down in May 2024 for the Group’s general operating and capital expenditure purposes. The loan is repayable in January 2027. As of 30 September 2024, the carrying value, net of amortized costs, was US\$99.6 million.

11. Borrowings (Cont'd)

Note (Cont'd):

(d) Loan from HSBC

The Group received a RMB475 million three-year credit facility from HSBC to refinance the loan from The Export-Import Bank of China in FY22/23. Repayments will be made every six months until November 2025.

The maturity of borrowings was as follows:

	Bank borrowings		Bonds and other borrowings	
	30 September 2024 US\$'000	31 March 2024 US\$'000	30 September 2024 US\$'000	31 March 2024 US\$'000
Less than 1 year	10,164	6,695	3,918	301,834
1 – 2 years	47,431	53,561	–	3,918
2 – 5 years	195,353	194,796	99,618	–
	252,948	255,052	103,536	305,752

As of 30 September 2024, the interest rate charged on the significant outstanding balances ranged from 2.9% to 6.2% per annum (31 March 2024: 3.0% to 6.6% per annum) and the weighted average effective interest rate of the borrowings was approximately 5.6% (31 March 2024: 5.7% including the impact of interest rate swaps). Interest expense is disclosed in Note 19.

Johnson Electric subscribes to both Moody's Investors Service and S&P Global Ratings to provide independent long-term credit ratings. As of 30 September 2024, the Group maintained investment grade ratings with a stable outlook from both agencies. These ratings reflect the Group's solid market position, resilience and prudent financial leverage.

The fair value of borrowings approximately equals their carrying amount.

As of 30 September 2024, borrowings with carrying amount of US\$352.6 million are subject to financial covenants. The Group remains in full compliance with its financial covenants, including requirements for net worth, the ratios of total liabilities to net worth, net debt to earnings before interest, tax and amortization ("EBITDA") and EBITDA to interest expense.

12. Lease Liabilities

	2024 US\$'000	2023 US\$'000
As of 31 March	73,841	93,397
Currency translations	826	(3,289)
New leases / extensions / modifications	4,644	2,228
Termination of leases	(16)	(944)
Finance costs	1,520	1,861
Principal element of lease payments	(11,285)	(13,728)
Interest element of lease payments	(1,316)	(1,767)
As of 30 September	68,214	77,758
Current portion	16,276	20,495
Non-current portion	51,938	57,263

The income statement shows the following amounts included in cost of goods sold and selling and administrative expenses relating to leases which are not shown above as leases are as follows:

	Six months ended 30 September	
	2024 US\$'000	2023 US\$'000
Expense relating to short-term leases	1,243	1,232
Expense relating to leases of low-value assets	27	13
Expense relating to variable lease payments	1,043	1,244
	2,313	2,489

13. Retirement Benefit Obligations

	Defined benefit pension plans US\$'000	Defined contribution pension plans and long service payment US\$'000	Total US\$'000
First half of FY24/25			
As of 31 March 2024	12,331	5,460	17,791
Currency translations	13	44	57
Charges	2,461	5,583	8,044
Utilizations	(2,727)	(5,153)	(7,880)
Remeasurements *	1,117	–	1,117
As of 30 September 2024	13,195	5,934	19,129
First half of FY23/24			
As of 31 March 2023	4,917	4,736	9,653
Currency translations	(700)	(144)	(844)
Charges	3,081	4,746	7,827
Utilizations	(3,440)	(4,394)	(7,834)
Remeasurements *	4,434	–	4,434
As of 30 September 2023	8,292	4,944	13,236

* Remeasurements represent actuarial (gains) and losses. In the first half of FY24/25, the actuarial losses of US\$1.1 million mainly arose from changes in financial assumptions

The retirement benefit plans are located in the United Kingdom, Canada, Switzerland, Israel, South Korea, Germany, Italy and France. Net obligations of US\$13.2 million (31 March 2024: US\$12.3 million) comprised the gross present value of obligations of US\$221.0 million (31 March 2024: US\$202.7 million) less the fair value of plan assets of US\$207.8 million (31 March 2024: US\$190.4 million).

Retirement benefit plans that are in a net liability position (i.e. plan obligations exceed plan assets) and in a net asset position (i.e. plan assets exceed plan obligations) as of 30 September 2024 are shown below:

	Defined benefit pension plans US\$'000	Defined contribution pension plans and long service payment US\$'000	Total US\$'000
Retirement benefit obligations:			
Current portion	621	411	1,032
Non-current portion	32,305	5,523	37,828
Defined benefit pension plan assets:			
Non-current portion	(19,731)	–	(19,731)
As of 30 September 2024	13,195	5,934	19,129

14. Provisions and Other Liabilities

	Legal and warranty US\$'000	Restructuring and severance US\$'000	Reinstatement cost of right-of-use assets US\$'000	Total US\$'000
First half of FY24/25				
As of 31 March 2024	47,722	6,728	991	55,441
Currency translations	507	186	20	713
Charged / (credited) to income statement				
– additional provisions	10,410	3,510	–	13,920
– unused amounts reversed	(383)	–	–	(383)
– finance costs	–	–	10	10
Utilizations	(11,505)	(4,334)	–	(15,839)
As of 30 September 2024	46,751	6,090	1,021	53,862
Current portion	38,074	6,090	–	44,164
Non-current portion	8,677	–	1,021	9,698
As of 30 September 2024	46,751	6,090	1,021	53,862
First half of FY23/24				
As of 31 March 2023	32,362	716	998	34,076
Currency translations	(414)	(19)	(26)	(459)
Charged / (credited) to income statement				
– additional provisions	12,099	–	–	12,099
– unused amounts reversed	(116)	–	–	(116)
– finance costs	–	–	9	9
Utilizations	(5,038)	(160)	–	(5,198)
As of 30 September 2023	38,893	537	981	40,411

15. Share Capital

	Share capital – ordinary shares (thousands)	Shares held for share award scheme (thousands)	Total shares (thousands)
First half of FY24/25			
As of 31 March 2024	934,412	(10,686)	923,726
Shares purchased by trustee for share award scheme	–	(4,726)	(4,726)
Shares vested to Directors and employees for share award scheme	–	1,844	1,844
As of 30 September 2024	934,412	(13,568)	920,844
First half of FY23/24			
As of 31 March 2023	928,687	(8,086)	920,601
Shares purchased by trustee for share award scheme	–	(2,888)	(2,888)
Shares vested to Directors and employees for share award scheme	–	4,116	4,116
Shares issued in lieu of cash dividends	2,166	–	2,166
Scrip dividend for shares held for share award scheme	–	(184)	(184)
As of 30 September 2023	930,853	(7,042)	923,811

As of 30 September 2024, the total authorized number of ordinary shares was 1,760.0 million (31 March 2024: 1,760.0 million) with a par value of HK\$0.05 per share (31 March 2024: HK\$0.05 per share). All issued shares were fully paid.

15. Share Capital (Cont'd)

	Share capital – ordinary shares US\$'000	Shares held for share award scheme US\$'000	Share premium US\$'000	Total US\$'000
First half of FY24/25				
As of 31 March 2024	6,026	(17,413)	88,963	77,576
Shares purchased by trustee for share award scheme	–	(7,015)	–	(7,015)
Shares vested to Directors and employees for share award scheme	–	4,926	–	4,926
As of 30 September 2024	6,026	(19,502)	88,963	75,487
First half of FY23/24				
As of 31 March 2023	5,989	(20,479)	72,204	57,714
Shares purchased by trustee for share award scheme	–	(3,660)	–	(3,660)
Shares vested to Directors and employees for share award scheme	–	11,932	8,682	20,614
Shares issued in lieu of cash dividends	14	–	2,877	2,891
Scrip dividend for shares held for share award scheme	–	(245)	–	(245)
As of 30 September 2023	6,003	(12,452)	83,763	77,314

Scrip dividend

The final dividend of FY23/24 was paid out in September 2024 in cash with no scrip alternative.

In the first half of FY23/24, 2.2 million shares were issued to shareholders who elected to receive shares in lieu of cash dividends pursuant to the scrip dividend scheme in relation to the final dividend of FY22/23. The Group's scrip price was the average closing price in the period during 18 July 2023 to 24 July 2023 discounted by 4% on the average price – the actual scrip price was HK\$10.45 (US\$1.34). The date of allotment of the scrip shares was 6 September 2023.

Cancellation of issued capital

A general mandate was approved and given to the Board by shareholders at the Company's AGM held on 12 July 2024 empowering the Board to repurchase shares up to 10% (93.4 million shares) of the aggregate nominal amount of the issued share capital of the Company. This mandate which had also existed in the previous year was extended to the next 12-month period. No shares were purchased in the first half of FY24/25 for cancellation (first half of FY23/24: nil).

15. Share Capital (Cont'd)

Share award scheme

A new Restricted and Performance Stock Unit Plan ("2023 Stock Unit Plan") was approved by the shareholders on 13 July 2023. The Restricted and Performance Stock Unit Plan which was adopted on 9 July 2015 ("2015 Stock Unit Plan") was terminated by the shareholders on 13 July 2023 and no further grants of share awards under the 2015 Stock Unit Plan could be made afterwards. Unvested share awards granted under the 2015 Stock Unit Plan continue to be valid subject to the provisions of the 2015 Stock Unit Plan which together with 2023 Stock Unit Plan are collectively as "Stock Unit Plan". The Board may grant time-vested units (Restricted Stock Units ("RSU")) and performance-vested units (Performance Stock Units ("PSU")) or cash payment in lieu of shares to such eligible employees and directors as the Board may select at its absolute discretion under the 2023 Stock Unit Plan.

Senior management of the Group receive annual grants of RSUs and PSUs, typically on 1 June of the year. According to current granting policy, RSUs typically vest after three years. PSUs vest after three years, subject to achievement of performance conditions over a three-year performance period. The measure for grants is the three-year cumulative earnings per share.

If the primary condition is met in full, then the entire grant of PSUs will vest at the end of the vesting period. If the primary performance condition is not met, then the secondary performance conditions are considered. The secondary performance conditions consist of a series of one-year earnings per share targets for the Group set at the beginning of each year of the three-year performance period. Partial vesting occurs if one or more of the one-year targets is met.

Movements in the number of unvested units granted were as follows:

	Number of unvested units granted (thousands)		
	Restricted Stock Units	Performance Stock Units	Total
First half of FY24/25			
Unvested units granted, as of 31 March 2024	10,004	8,750	18,754
Units granted to Directors and employees during the period	3,317	2,917	6,234
Units vested to Directors and employees during the period	(1,780)	(422)	(2,202)
Forfeited during the period	(61)	(1,360)	(1,421)
Unvested units granted, as of 30 September 2024	11,480	9,885	21,365
First half of FY23/24			
Unvested units granted, as of 31 March 2023	10,205	6,826	17,031
Units granted to Directors and employees during the period	4,042	3,604	7,646
Units vested to Directors and employees during the period	(3,769)	(1,210)	(4,979)
Forfeited during the period	(302)	(470)	(772)
Unvested units granted, as of 30 September 2023	10,176	8,750	18,926

15. Share Capital *(Cont'd)*

The weighted average fair value of the unvested units granted during the period was HK\$12.08 (US\$1.55) (first half of FY23/24: HK\$9.48 (US\$1.22)).

The weighted average closing price of the shares immediately before the dates on which the awards were vested during the period is HK\$11.92 (US\$1.53) (first half of FY23/24: HK\$9.60 (US\$1.23)).

In the first half of FY24/25, the Company did not issue any new shares under this program (first half of FY23/24: nil) and the program is currently operated through purchasing existing shares from the market.

The total fair value of unvested units at the date of grant was US\$8.2 million (first half of FY23/24: US\$7.8 million). As the Directors and employees are not entitled to dividends or dividend equivalents between the grant date and the vesting date, the grant date valuation of the rights to shares were reduced by the present value of dividends expected to be paid during the vesting period (interim dividend of HK cents 17 and final dividend of HK cents 44 for each year), discounted by the local currency government bond yields on the corresponding grant dates with tenor equal to the vesting periods (fair value of unvested units granted on 1 June 2024 was discounted using 3.7%).

As of 30 September 2024, the number of unvested units outstanding under the Stock Unit Plan was as follows:

Vesting year *	Number of unvested units granted (thousands)		Total
	Restricted Stock Units	Performance Stock Units	
FY25/26	4,238	3,458	7,696
FY26/27	3,943	3,537	7,480
FY27/28	3,299	2,890	6,189
Total unvested units granted	11,480	9,885	21,365

* Shares are typically vested on 1 June of the year

16. Other Expenses, Net

	Six months ended 30 September	
	2024 US\$'000	2023 US\$'000
Gross rental income from investment property	594	584
Net (losses) / gains on financial assets at fair value through profit and loss	(5,268)	274
Gains on disposal of property, plant and equipment	1,029	1,130
Loss on disposal of an associate	(398)	–
Unrealized net (losses) / gains on other financial assets and liabilities (Note 6(e))	(5,095)	3,206
Unrealized net gains / (losses) from revaluation of monetary assets and liabilities	9,319	(12,296)
Unrealized net (losses) on structured foreign currency contracts	(6,559)	(3,102)
Subsidies and other income	3,768	2,611
Other expenses, net	(2,610)	(7,593)

Subsidies and other income mainly comprised government grants for the capital investments and funding for technology and economic development.

17. Selling and Administrative Expenses

	Six months ended 30 September	
	2024 US\$'000	2023 US\$'000
Selling expenses	66,667	59,866
Administrative expenses	218,885	210,173
Legal and warranty	10,027	11,983
Net (gains) on realization of other financial assets and liabilities (Note 6(e))	(13,582)	(9,290)
Net (gains) / losses on realization of monetary assets and liabilities	(1,488)	4,975
Net (gains) on realization of structured foreign currency exchange contracts	(6,432)	(7,180)
Selling and administrative expenses	274,077	270,527

18. Restructuring and Other Related Costs

	Six months ended 30 September	
	2024 US\$'000	2023 US\$'000
Restructuring and other related costs	3,510	–

Note: The restructuring and other related costs in the first half of FY24/25 primarily consisted of severance payments for the restructuring in China (first half of FY23/24: nil).

19. Finance Income / (Costs), Net

	Six months ended 30 September	
	2024 US\$'000	2023 US\$'000
Interest income	18,880	6,038
Interest expense on:		
Borrowings	(14,034)	(4,622)
Lease liabilities	(1,520)	(1,861)
Bonds	(4,354)	(6,518)
	(19,908)	(13,001)
Interest expense capitalized	–	58
Total interest expense	(19,908)	(12,943)
Net finance (costs) (Note 25)	(1,028)	(6,905)

Borrowings are discussed in Note 11.

20. Expenses by Nature

Operating profit was stated after crediting and charging the following:

	Six months ended 30 September	
	2024 US\$'000	2023 US\$'000
Depreciation		
Depreciation of property, plant and equipment (Note 3)	117,662	123,024
Less: amounts capitalized in assets under construction	(871)	(747)
Net depreciation (Note 25)	116,791	122,277
Engineering expenditure		
Engineering expenditure *	79,886	77,930
Less: capitalization of engineering development costs (Note 5)	(773)	(776)
Net engineering expenditure	79,113	77,154
Employee compensation		
Wages, salaries and other benefits	453,357	451,016
Share-based payments	4,832	2,988
Social security costs	55,995	58,170
Pension costs – defined benefit plans	2,461	3,081
Pension costs – defined contribution plans	5,087	4,360
	521,732	519,615
Less: amounts capitalized in assets under construction	(3,588)	(3,804)
	518,144	515,811
Other items:		
Cost of goods sold **	1,416,117	1,507,477
Auditors' remuneration	1,485	1,426
Amortization of intangible assets (Note 5 & 25)	14,356	17,295
Impairment of inventories	7,272	6,906
Reversal of impairment of inventories	(5,352)	(6,692)
Impairment of property, plant and equipment (Note 3 & 25)	881	4,112
Impairment of trade receivables / bad debt expense	2,786	2,386

* Engineering expenditure as a percentage of sales was 4.3% in the first half of FY24/25 (first half of FY23/24: 4.0%)

** Cost of goods sold comprised materials, direct labour costs (including their social costs) and production overheads

21. Taxation

The amount of taxation in the consolidated income statement represents:

	Six months ended 30 September	
	2024 US\$'000	2023 US\$'000
Current income tax		
Charges for the period	24,796	34,219
Reduction of tax for prior years	(556)	(61)
	24,240	34,158
Deferred income tax	320	(12,371)
Total income tax expense	24,560	21,787
Effective tax rate	15.8%	15.2%

Tax has been provided at the applicable rates on the estimated assessable profit in the respective countries of operations for the period. The overall global effective tax rate for the first half of FY24/25 was 15.8% (first half of FY23/24: 15.2%). The Group's effective tax rate differed from the statutory tax rate of Hong Kong of 16.5% (first half of FY23/24: 16.5%) as follows:

	Six months ended 30 September 2024		Six months ended 30 September 2023	
		US\$'000		US\$'000
Profit before income tax		155,751		143,613
Tax charged at Hong Kong profits tax rate	16.5%	25,699	16.5%	23,696
Effect of different tax rates in other countries				
– countries with taxable profit	2.4%	3,702	4.1%	5,923
– countries with taxable loss	(1.0%)	(1,593)	(0.9%)	(1,292)
Reductions of tax for prior years – current and deferred	(0.2%)	(336)	(0.0%)	(52)
Withholding tax	3.9%	6,132	5.0%	7,176
Effect of income, net of expenses, not subject to tax	(7.8%)	(12,087)	(7.5%)	(10,823)
Effect of permanent and temporary differences, tax losses and other taxes	2.0%	3,043	(2.0%)	(2,841)
Total income tax expense	15.8%	24,560	15.2%	21,787

21. Taxation (Cont'd)

The Organisation for Economic Co-operation and Development (“OECD”) has released the Pillar Two model rules (the Global Anti-Base Erosion Proposal, the “GloBE”). Under the rules, the Group would be liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15 percent minimum tax rate. Income tax expenses could be adversely affected as the legislation becomes effective in countries in which the Group does business. As of 30 September 2024, Pillar Two legislation has become effective in several jurisdictions in which the Group operates, including Canada, France, Germany, Hungary, Italy, Japan, the Netherlands, South Korea, Switzerland, Türkiye and the United Kingdom. An immaterial top-up tax expense to the Group’s profit was made in the first half of FY24/25.

Additionally, the Group has carried out an initial assessment, simulating the top-up tax exposure assuming full enactment of Pillar Two, based on the Group’s financial performance for the first half of FY24/25. The result of this assessment indicated that the tax impact would not be material to the Group’s profit for the first half of FY24/25.

22. Earnings Per Share

Basic earnings per share

Basic earnings per share was calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period excluding ordinary shares purchased by the Company for share award scheme.

	Six months ended 30 September	
	2024	2023
Profit attributable to shareholders (thousands US Dollar)	129,613	120,149
Weighted average number of ordinary shares in issue (thousands)	922,565	922,343
Basic earnings per share (US cents per share)	14.05	13.03
Basic earnings per share (HK cents per share)	109.71	102.02

22. Earnings Per Share (Cont'd)

Diluted earnings per share

Diluted earnings per share was calculated by adjusting the weighted average number of ordinary shares as per basic earnings per share, to include the weighted average number of all the dilutive potential ordinary shares.

	Six months ended 30 September	
	2024	2023
Profit attributable to shareholders (thousands US Dollar)	129,613	120,149
Weighted average number of ordinary shares issued and outstanding (thousands)	922,565	922,343
Adjustments for incentive shares granted		
– Share award scheme - Restricted Stock Units	5,758	2,409
– Share award scheme - Performance Stock Units	2,804	–
Weighted average number of ordinary shares (diluted) (thousands)	931,127	924,752
Diluted earnings per share (US cents per share)	13.92	12.99
Diluted earnings per share (HK cents per share)	108.70	101.75

23. Interim Dividend

	Six months ended 30 September	
	2024 US\$'000	2023 US\$'000
Interim, of 17 HK cents (2.18 US cents) per share, to be paid in January 2025 (FY23/24: 17 HK cents or 2.18 US cents)	20,141*	20,058

* The interim dividend is calculated based on the total number of shares as of 30 September 2024, will be payable on 8 January 2025 to shareholders whose names appear on the Register of Shareholders of the Company on 17 December 2024

24. Commitments

	30 September 2024 US\$'000	31 March 2024 US\$'000
Capital commitments, contracted but not provided for: Property, plant and equipment	41,266	39,825

25. Cash Generated from Operations

	Six months ended 30 September	
	2024 US\$'000	2023 US\$'000
Profit before income tax	155,751	143,613
Add: Depreciation of property, plant and equipment (Note 20)	116,791	122,277
Amortization of intangible assets (Note 5 & 20)	14,356	17,295
Net finance costs (Note 19)	1,028	6,905
Share of losses of associate and joint venture	1,075	941
EBITDA*	289,001	291,031
Other non-cash items		
(Gains) on disposal of property, plant and equipment	(1,029)	(1,130)
Impairment of property, plant and equipment (Note 3 & 20)	881	4,112
Net losses / (gains) on financial assets at fair value through profit and loss	5,268	(274)
Share-based payments	3,791	2,501
Loss on disposal of an associate	398	–
Unrealized currency losses	2,335	12,192
	11,644	17,401
EBITDA * net of other non-cash items	300,645	308,432
Changes in working capital		
Increase in inventories	(34,195)	(30,215)
Increase in trade and other receivables	(4,844)	(3,730)
(Increase) / decrease in other non-current assets	(1,071)	851
(Decrease) / increase in trade and other payables	(6,483)	51,954
Increase / (decrease) in retirement benefit obligations **	164	(7)
(Decrease) / increase in provisions and other liabilities	(2,302)	6,785
Change in other financial assets and liabilities	10,180	(3,975)
	(38,551)	21,663
Cash generated from operations	262,094	330,095

* EBITDA: Earnings before interest, tax, depreciation and amortization

** Net of defined benefit pension plan assets

26. Transactions with Non-Controlling Interests

On 13 October 2022, the Group acquired 80% of the share capital of Pendix GmbH ("Pendix"). The founding members of Pendix, retained 20% of the share capital, continue driving business growth of the e-bike sector within the Industry Products Group.

On 19 April 2024, the founding members of Pendix exercised a put option to sell 6% shares in Pendix to the Group. The Group agreed and acquired the shares at the consideration of EUR1.25 million (US\$1.36 million), resulting in an increase in the Group's ownership interest in Pendix from 80% to 86%.

The carrying amount of the net assets of Pendix at the date of acquisition was EUR14.6 million (US\$15.9 million). The following table summarizes the effect of the change in the Group's ownership interest:

	First half of FY24/25 US\$'000
Carrying amount of non-controlling interests acquired	951
Consideration paid to non-controlling interests	(1,360)
Decrease in equity attributable to shareholders	(409)

The decrease of US\$0.4 million in the equity attributable to the shareholders was recognized within retained earnings.

There were no business transactions with non-controlling interests in the first half of FY23/24.

27. Material Related Party Transactions

27.1 Directors' remuneration

The remuneration of Directors was as follows:

	Six months ended 30 September	
	2024 US\$'000	2023 US\$'000
Fees	330	282
Salaries *	743	723
Bonuses	1,480	1,316
Share-based payments	655	1,286
Employer's contributions to retirement benefit scheme	89	87
	3,297	3,694

Directors' remuneration represents the amounts paid during the period

* Salaries included basic salaries, housing allowances and other benefits in kind

27.2 Senior management compensation

Other than the directors' remuneration disclosed above, emoluments paid to 7 members (first half of FY23/24: 7) of senior management were as follows:

	Six months ended 30 September	
	2024 US\$'000	2023 US\$'000
Salaries, allowances and other benefits	1,975	1,871
Retirement scheme contributions	191	186
Share-based payments	931	1,586
Bonuses	2,592	2,418
	5,689	6,061

Senior management compensation represents the amounts paid during the period

Except for the remuneration to Directors and senior management compensation disclosed above and the transactions with non-controlling interests in Note 26, the Group had no material related party transactions during the period.

28. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and commodity price risk), credit and customer collection risk, liquidity risk and capital risk.

These condensed consolidated interim financial statements do not include all financial risks management information and disclosures required in the annual financial statement, and should be read in conjunction with the Group's annual financial statement as of 31 March 2024.

There has been no change in the Group's risk management policies since 31 March 2024.

29. Fair Value Estimation

The fair value of the Group's assets and liabilities is classified into a 3 levels hierarchy based on measurement according to HKFRS 7 and HKFRS 13 requirements and disclosed as below:

- Level 1: No financial assets and liabilities of the Group are quoted in public markets.
- Level 2: The Group's level 2 investment property is valued on an open market basis. The Group's level 2 other financial assets and liabilities are traded in the market and the fair values are based on bank valuations.
- Level 3: The Group's level 3 investment property is not traded actively in the market and their fair values are obtained by appraisals performed by independent professional qualified valuers. The Group's level 3 financial assets at fair value through profit and loss are mainly structured foreign currency contracts with option features and investments in unlisted preference shares. The fair values of the structured foreign currency contracts are based on the valuations issued by the investment banks, which have inputs that were not observable market data. For investments in unlisted companies, the Group establishes fair value by using appropriate valuation techniques. These include the use of recent arm's length transactions, comparable transaction price and reference to other substantially similar instruments.

29. Fair Value Estimation (Cont'd)

The following table presents the Group's assets and liabilities that are measured at fair value as of 30 September 2024 and 31 March 2024.

	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
As of 30 September 2024				
Assets				
Investment property				
– industrial property	–	–	9,497	9,497
– residential property and car parks	–	91	7,746	7,837
Other financial assets				
– derivatives used for hedging	–	139,557	–	139,557
Financial assets at fair value through profit and loss				
– investments	–	–	24,429	24,429
– structured foreign currency contracts	–	–	5,517	5,517
Total assets	–	139,648	47,189	186,837
Liabilities				
Other financial liabilities				
– derivatives used for hedging	–	3,944	–	3,944
– derivatives held for trading	–	1,502	–	1,502
Total liabilities	–	5,446	–	5,446
As of 31 March 2024				
Assets				
Investment property				
– industrial property	–	–	9,384	9,384
– residential property and car parks	–	91	7,746	7,837
Other financial assets				
– derivatives used for hedging	–	175,342	–	175,342
Financial assets at fair value through profit and loss				
– investments	–	–	33,155	33,155
– structured foreign currency contracts	–	–	12,076	12,076
Total assets	–	175,433	62,361	237,794
Liabilities				
Other financial liabilities				
– derivatives used for hedging	–	9,805	–	9,805
– derivatives held for trading	–	2,345	–	2,345
Total liabilities	–	12,150	–	12,150

29. Fair Value Estimation (Cont'd)

There was no transfer of assets and liabilities between the level 1, level 2 and level 3 fair value hierarchy during the period.

Discussion of valuation processes and results are held between the Group's senior management, valuers and banks to validate the major inputs and validation process.

The following summarizes the major methods and assumptions used in estimating the fair values of the assets and liabilities classified as level 2 or 3 and the valuation process for assets and liabilities classified as level 3:

- (i) **Investment property**
Fair values of industrial property and residential property which are classified as level 3 are derived using the income capitalization and market comparison method respectively. The most significant input in this valuation approach is the price per square feet.
- (ii) **Other financial assets and liabilities**
The Group's other financial assets and liabilities are classified as level 2. The Group relies on bank valuations to determine the fair value of financial assets and liabilities which in turn are determined using discounted cash flow analysis. These valuations maximize the use of observable market data. Commodity prices and foreign currency exchange rates are the key observable inputs in the valuation.
- (iii) **Financial assets at fair value through profit and loss**
The majority of the Group's financial assets at fair value through profit and loss are structured foreign currency contracts with option features, investments in a venture capital fund and unlisted preference shares which are classified as level 3. For structured foreign currency contracts, the Group relies on bank valuations to determine the fair value of the instruments. Key observable inputs in the valuation are spot rates, strike rates, volatility, time to expiration and risk-free rate. For investments in the venture capital fund that are not traded in an active market are valued based on information derived from fund reports, or audited reports received from the venture capital fund and adjusted by other relevant factors if deemed necessary. The main input includes the use of recent arm's length transactions and substantially similar instruments. For the investment in unlisted preference shares, the Group establishes fair value by using appropriate valuation techniques. This includes the use of recent arm's length transactions and comparable transaction price.

29. Fair Value Estimation (Cont'd)

The following table presents the changes in level 3 assets for the first half of FY24/25 and FY23/24:

	Investment property				Financial assets at fair value through profit and loss		Total	
	Industrial property		Residential property		2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
As of 31 March	9,384	9,726	7,746	8,523	45,231	68,218	62,361	86,467
Currency translations	113	(394)	–	–	–	–	113	(394)
Additions	–	–	–	–	550	–	550	–
Settlement / disposal	–	–	–	–	(10,432)	(7,180)	(10,432)	(7,180)
Fair value (losses) / gains	–	–	–	–	(5,403)	4,352	(5,403)	4,352
As of 30 September	9,497	9,332	7,746	8,523	29,946	65,390	47,189	83,245
Change in unrealized (losses) / gains for the period included in the income statement for assets held at balance sheet date	–	–	–	–	(4,354)	4,079	(4,354)	4,079
Total (losses) / gains for the period included in the income statement	–	–	–	–	(5,403)	4,352	(5,403)	4,352

30. Financial Instruments by Category

According to HKFRS 7 and HKFRS 9, financial assets represent assets with contractual rights to receive cash flows. Financial liabilities represent liabilities with contractual obligations to pay the cash flows to one or more recipients. The financial instruments of the Group are classified into two categories disclosed as below:

	Financial assets and (liabilities) at amortized cost US\$'000	Financial assets and (liabilities) at fair value US\$'000	Total US\$'000
As of 30 September 2024			
Assets as per balance sheet			
Other non-current assets	3,446	–	3,446
Government Green Bonds at amortized cost	4,993 *	–	4,993
Other financial assets	–	139,557	139,557
Financial assets at fair value through profit and loss	–	29,946	29,946
Trade and other receivables excluding prepayments	704,986	–	704,986
Cash and cash equivalents	687,658	–	687,658
Total financial assets	1,401,083	169,503	1,570,586
Liabilities as per balance sheet			
Other financial liabilities	–	(5,446)	(5,446)
Trade and other payables	(587,367)	–	(587,367)
Borrowings	(356,484)	–	(356,484)
Lease liabilities	(68,214)	–	(68,214)
Total financial liabilities	(1,012,065)	(5,446)	(1,017,511)
As of 31 March 2024			
Assets as per balance sheet			
Other non-current assets	3,086	–	3,086
Government Green Bonds at amortized cost	4,933 *	–	4,933
Other financial assets	–	175,342	175,342
Financial assets at fair value through profit and loss	–	45,231	45,231
Trade and other receivables excluding prepayments	689,473	–	689,473
Time deposits with maturities over three months	60,000	–	60,000
Cash and cash equivalents	749,859	–	749,859
Total financial assets	1,507,351	220,573	1,727,924
Liabilities as per balance sheet			
Other financial liabilities	–	(12,150)	(12,150)
Trade and other payables	(560,198)	–	(560,198)
Borrowings	(560,804)	–	(560,804)
Lease liabilities	(73,841)	–	(73,841)
Total financial liabilities	(1,194,843)	(12,150)	(1,206,993)

* The Government Green Bonds were issued by the Hong Kong Monetary Authority in 2022. This investment of the Group will be held until maturity in November 2024. As of 30 September 2024 and 31 March 2024, the fair value of the Government Green Bonds at amortized cost approximately equals its carrying amount

31. Effect of Adopting New, Revised and Amended HKFRS

Standards, interpretation and amendments to published standards effective since 1 April 2024 which are relevant to the Group

In the first half of FY24/25, the Group adopted the new, revised and amended standards of HKFRS listed below, relevant to its operations and having an impact on the consolidated financial statements:

HKAS 1 (amendment)	Classification of liabilities as current or non-current and non-current liabilities with covenants
HKAS 7 (amendment) and HKFRS 7 (amendment)	Supplier finance arrangements
HKFRS 16 (amendment)	Lease liability in a sale and leaseback
HK Int 5 (Revised)	Presentation of financial statements – classification by the borrower of a term loan that contains a repayment on demand clause

The adoption of such new, revised and amended standards did not have material impact on the consolidated financial statements except as described below:

Supplier finance arrangements

The amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements (“SFAs”) and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of SFAs on an entity’s liabilities, cash flows and exposure to liquidity risk.

The Group entered a SFA with a bank. The adoption of the amendments will result in the Group providing more disclosures about the arrangement in the consolidated financial statements for the year ending 31 March 2025.

The transition rules clarify that an entity is not required to provide the disclosures in the interim periods in the year of initial application of the amendments. Thus, the new disclosures are not required to be provided in the interim report 2024.

Corporate and Shareholder Information

Johnson Electric Holdings Limited

(Incorporated in Bermuda with limited liability)

Corporate Information

Board of Directors

Executive Directors

Patrick Shui-Chung WANG *SBS, JP*
Chairman and Chief Executive
 Austin Jesse WANG

Non-Executive Directors

WANG KOO Yik-Chun
Honorary Chairman
 MAK WANG Wing-Yee Winnie
Vice-Chairman
 Peter Kin-Chung WANG
 Patrick Blackwell PAUL *CBE, FCA* *
 Michael John ENRIGHT *
 Christopher Dale PRATT *CBE* *
 Catherine Annick Caroline BRADLEY *CBE* *
 Michelle Mei-Shuen LOW *
 David Alan ROSENTHAL *

* *Independent Non-Executive Director*

Company Secretary

Lai-Chu CHENG

Auditor

PricewaterhouseCoopers
 Certified Public Accountants
 Registered Public Interest Entity
 Auditor

Share Registrars and Transfer Offices

Principal Registrar:
 MUFG Fund Services (Bermuda)
 Limited
 4th Floor North, Cedar House
 41 Cedar Avenue
 Hamilton HM 12
 Bermuda

Share Registrar in Hong Kong:
 Computershare Hong Kong
 Investor Services Limited
 Shops 1712-1716, 17th Floor
 Hopewell Centre
 183 Queen's Road East
 Wan Chai, Hong Kong

Registered Office

Victoria Place, 5th Floor
 31 Victoria Street
 Hamilton HM 10
 Bermuda

Hong Kong Head Office

12 Science Park East Avenue, 6/F
 Hong Kong Science Park
 Shatin, New Territories
 Hong Kong
 Tel : (852) 2663 6688
 Fax : (852) 2897 2054
 Website : www.johnsonelectric.com

Principal Bankers

Bank of China (Hong Kong) Limited
 BNP Paribas
 Citibank, N.A.
 Commerzbank AG
 Hang Seng Bank Limited
 JPMorgan Chase Bank, N.A.
 Mizuho Bank, Ltd.
 MUFG Bank, Ltd.
 Standard Chartered Bank
 The Hongkong and Shanghai
 Banking Corporation Limited

Rating Agencies

Moody's Investors Service
 S&P Global Ratings

Listing Information

Share Listing

The Company's shares are listed on The Stock Exchange of Hong Kong Limited

Stock Code

The Stock Exchange of Hong Kong Limited : 179
 Bloomberg : 179:HK
 Reuters : 0179.HK

Shareholders' Calendar

Register of Shareholders

Closure of Register (both dates inclusive)
 13 – 17 December 2024 (Fri – Tue)

Dividends (per Share)

Interim Dividend : 17 HK cents
 Payable on : 8 January 2025 (Wed)



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