

CORPORATE PROFILE

Johnson Electric is the motor industry's **growth leader**. Established in 1959, Johnson Electric has shipped over 5 billion motors to more than thirty countries in over one hundred different motor applications and has a capacity of producing over 3 million motors a day (1 billion annually).

The organization is structured into 3 business groups, the Commercial Motors Group (CMG), the Automotive Motors Group (AMG) and the Components & Services Group (C&S). All business groups are supported by corporate functional departments including engineering, finance, supply chain services, quality assurance, human resources, sales and strategic marketing.

Johnson Electric's **goal** is the **creation of shareholder and customer value**. The focus of the Group's business strategy is on **working with its customers** to produce motors that meet or exceed the expectations of product end-users in an efficient and effective manner.

Johnson Electric's principal financial objective is to maximize long-term cash flows by investing in markets and product segments that offer **superior growth prospects** and where the Group can leverage its substantial resources and competencies.

Johnson Electric employs over 32,000 people in 14 countries, with the majority of the workforce engaged in production activities in China. Design engineering centers are located in Hong Kong, Italy, China, Japan and the USA.

Listed on the Hong Kong Stock Exchange since 1984, Johnson Electric is a constituent stock of the Hang Seng Index. It is also a constituent stock of the Morgan Stanley Capital International Index and has a sponsored American Depository Receipt Program in the United States through JPMorgan Chase Bank.

CONTENTS

CORPORATE AND SHAREHOLDER INFORMATION	3	FINANCIAL REVIEW	16
		Overview	16
		Total Shareholder Return	16
		Financial Management and Treasury Policy	16
FINANCIAL HIGHLIGHTS	4	Results of Operations	18
		Financial Conditions	21
A MESSAGE FROM PATRICK WANG	6	Cash Flows	23
		CORPORATE GOVERNANCE	24
BUSINESS REVIEW	11	REPORT OF THE DIRECTORS	26
Overview	11		
Automotive Motors Group	11	BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT	34
Commercial Motors Group	12		
Quality and Reliability	14	STATEMENT OF ACCOUNTS	37
Investing in People	14		
		JOHNSON ELECTRIC GROUP TEN-YEAR SUMMARY	82