

Creating Our Future Together

Annual Report 2025/26



Johnson Electric Holdings Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 179



Johnson Electric in 2025/26

Contents

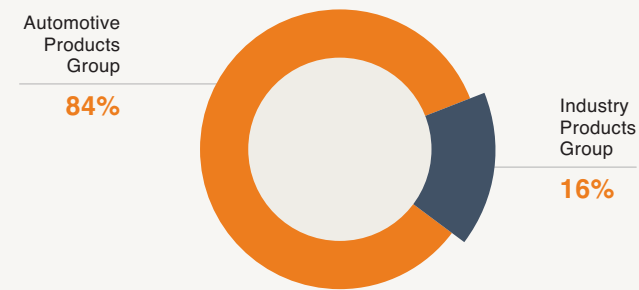
- 2 About Johnson Electric
- 4 Six Strategic Action Areas
- 6 Letter to Shareholders
- 10 Our Business
- 28 Sustainability
- 36 Management's Discussion and Analysis
- 66 Corporate Governance Report
- 81 Report of the Directors
- 93 Dividend
- 93 Closing Register of Shareholders
- 94 Consolidated Financial Statements
- 196 Johnson Electric Group Ten-Year Summary
- 198 Profile of Directors and Senior Management
- 204 Corporate and Shareholder Information



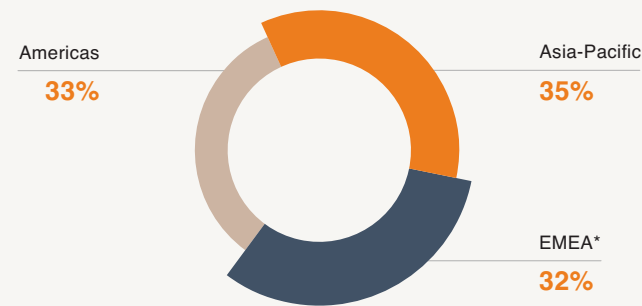
About the cover

Johnson Electric believes in "Creating Our Future Together" by delivering innovative motion solutions that bring efficiency, convenience and comfort to every end user we touch.

Sales by Operating Division

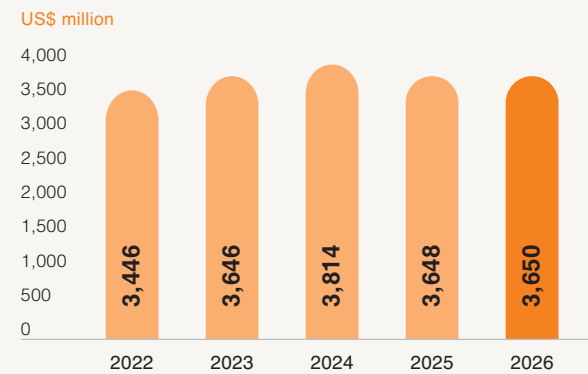


Sales by Destination

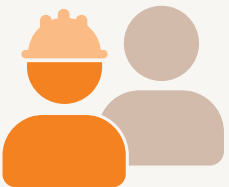


* Europe, the Middle East and Africa

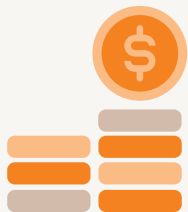
Total Group Sales



Employing over
30,000 people
including over
1,600 engineers



Generating Total
Sales Revenue of
US\$3.7 billion
and Net Income of
US\$202 million



Providing
motion solutions
to approximately
1,500 customers



Operating in over
20 countries
across **4** continents



Making over
4 million products*
per day



* Motors and other motion-related products

About Johnson Electric



When Mr. and Mrs. Wang Seng Liang founded Johnson Electric in 1959, it was with the simple desire to help make people's lives better – through the products we make and the jobs we create.

Our purpose — **“Improving the quality of life of everyone we touch”** — continues to guide Johnson Electric's evolution from a small Hong Kong business in the year 1959 into a multinational company with over 30,000 employees in more than 20 countries.

Johnson Electric Group is a global leader in precision motors, motion subsystems and related electromechanical components, serving industries that strive to make people's lives more comfortable, safer and healthier. Johnson Electric Holdings Limited, the Group's parent company, is listed on the Stock Exchange of Hong Kong.

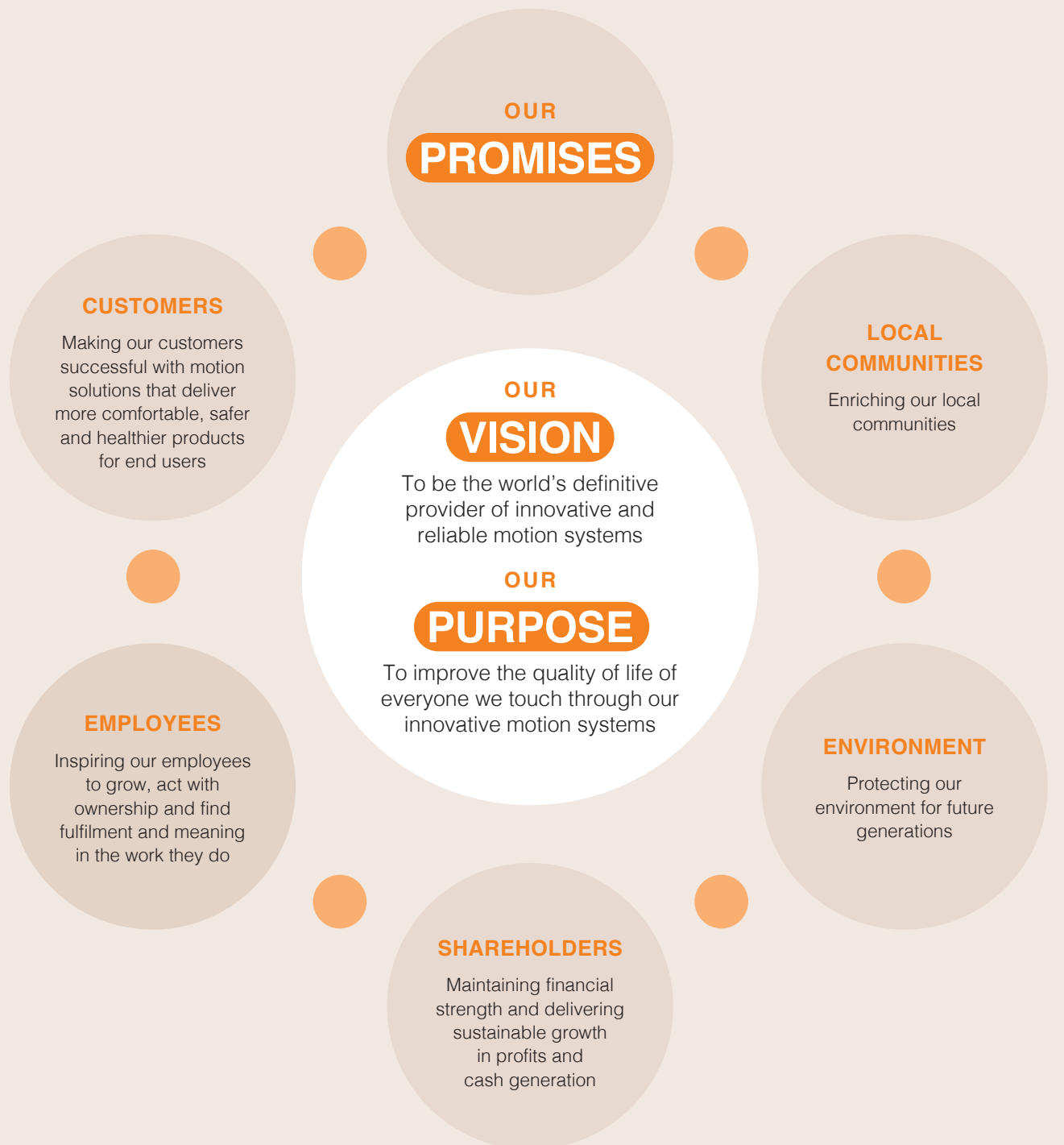
Engineering a Sustainable Future

“Business as usual is no longer sufficient to meet the challenges of today, let alone preserve our noble purpose to help improve people's lives.”

Dr Patrick Wang, Chairman and Chief Executive

Global markets are facing increasing uncertainty, shaped by international trade tensions, and disruptions to raw materials and supply chains. These pressures, alongside environmental and social challenges, demand new approaches from industry leaders.

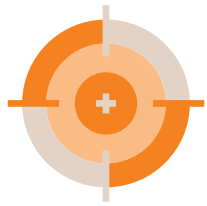
At Johnson Electric, we believe our purpose must guide how we respond. By leveraging our expertise in motion systems and our deep ties to local communities worldwide, we are committed to creating positive impact, partnering with customers to address shared challenges, and generating sustainable value for all stakeholders.



Six Strategic Action Areas

Six Strategic Action Areas

We seek to achieve our vision and purpose through six strategic action areas



Focus

on serving customers whose products are aligned to key underlying trends that drive long-term consumer demand – including the imperatives to reduce greenhouse gas and other emissions, improve health and safety, and increase mobility and controllability.

Across a diverse range of industries and geographies, we seek to work closely with our customers to meet their requirements arising from changing regulations and end user needs. Whether those requirements are for better energy efficiency, a cleaner environment, support for ageing populations, improved security, superior product functionality or ease of use, Johnson Electric delivers.



Invest

in technology innovation to provide unique motion solutions to customer problems and redefine industry standards.

Technology leadership and application-specific know-how are the drivers that make Johnson Electric a global leader in our industry. Over the past years, we have invested heavily in ambitious program to transform our business through advanced automation and digital technology from a labour-intensive model to a more digitally advanced enterprise.

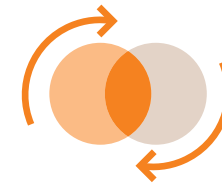
Looking to the future, we are moving aggressively to embed AI tools into our business processes to accelerate product innovation, respond faster to customer needs, and enhance productivity.



Build

a resilient global manufacturing footprint supported by a strong “in region” supply chain network to provide greater customer responsiveness, improved cost competitiveness, and reduced exposure to tariffs, foreign currency volatility and single country risk.

The key goals of Johnson Electric’s manufacturing strategy are to be global, sustainable, flexible and cost competitive. In doing so, we aim to support our customers by being close to where they are operating and being able to ensure fast, reliable supplies and highly responsive levels of service.



Align

design and production processes with the industrial logic of advanced automation to continuously reduce cycle times and improve product quality.

As the size, scope and complexity of the Group’s operations have grown, we are making significant investments in high-speed automated manufacturing and in the standardization of product design to ensure consistent output quality at scale and flawless new product launches.



Acquire

selective businesses that bring complementary technologies to the Group, strengthen our position in key markets, and open new avenues of growth.

Over the past two decades, we have completed more than a dozen acquisitions which have been successfully integrated into our core businesses. These include projects of complementary technology, promising end-market applications, strong customer relationships and cultural fit with Johnson Electric.



Develop and retain

a diverse, talented and inclusive team of people, committed to making our customers successful and growing a world-class company that can share in that success.

This goes beyond ensuring competitive compensation, benefit and incentive structures to implementing a range of talent management programmes designed to match the right people to the right jobs, and providing employees with an inspiring environment to find fulfilment and meaning in the work they do.

Letter to Shareholders



Patrick Wang SBS, JP
Chairman and Chief Executive

“

We are committed to invest in adapting and scaling our business model to meet strong underlying demand for our motion subsystem solutions in several high-growth end-markets.

Operating conditions for global manufacturing businesses during the financial year 2025/26 remained challenging, with end-market demand in most regions subdued and geopolitical events and uncertainties placing upward pressure on input costs.

In the face of these headwinds, Johnson Electric maintained its long-standing resilience with sales and gross profit margins both holding up comparatively well. The bottom-line result, however, was negatively impacted by the effects of higher overhead expenses on a flat sales base, adverse net changes in the fair value of investments, and a non-cash intangible assets impairment charge.

Summary of Results for the Financial Year ended 31 March 2026

- Group sales US\$3,650 million – up 0.1% compared to the prior year; a decrease of 2% on a constant currency basis
- Gross profit US\$840 million or 23.0% of sales (compared to US\$843 million or 23.1% of sales in the prior year)
- Adjusted EBITA US\$287 million or 7.9% of sales (compared to US\$344 million or 9.4% of sales in the prior year)
- Net profit attributable to shareholders totalled US\$202 million – a decrease of 23% compared to the prior year

- Net profit, excluding non-cash unrealized currency movements, restructuring costs, impairment of certain intangible assets, and adverse fair value movements in investments, declined by 13% to US\$234 million
- Free cash flow from operations totalled US\$217 million compared to US\$286 million in the prior year
- A recommended final dividend of 44 HK cents per share (5.64 US cents)
- As of 31 March 2026, cash reserves amounted to US\$902 million (compared to US\$791 million at the prior year end); and the ratio of total debt to capital was 10%

Divisional Sales Performance

The Automotive Products Group (“APG”) achieved sales of US\$3,054 million, which amounted to 84% of total Group sales. Excluding currency effects, APG’s sales decreased by 3%.

Global automotive industry production volumes increased slightly over the prior year, but growth remains lacklustre in most markets due to affordability concerns and the challenges faced by OEMs and suppliers in adjusting to geopolitical uncertainty, tariff pressures, and the shifting economics of battery electric vehicles that continue to be shaped by the level of government subsidies available to consumers.

APG’s sales are divided broadly equally across the three major geographic regions of demand, but performance over the past year reflected distinct variations in local market conditions, as well as APG’s own mix of OEM customers and the timing of new program launches.

In Asia, the division’s sales declined by 7% on a constant currency basis primarily due to the ongoing erosion in market share held by Sino-foreign joint venture OEM customers in China. APG has continued to win significant new business awards from Chinese domestic OEMs and their suppliers, which now account for the majority of its sales in China. However, the division’s historically large share among joint venture customers has acted as a drag on its recent sales performance that is taking time to reverse. The domestic passenger vehicle market in China itself experienced a sharp slowdown in sales in the first quarter of 2026 due to the phasing out of trade-in subsidies designed to encourage the purchase of electric vehicles.

APG’s sales to the Americas increased by 1% on a constant currency basis in a market that saw total light vehicle production volumes broadly flat. The predominant factor constraining new car sales in North America is cost of living concerns, with many low to middle income car buyers struggling to afford new vehicles that, on average, have increased in price by over 30% since 2020.

In Europe, APG's sales decreased by 2% on a constant currency basis. The European auto market continues to experience sluggish consumer demand at the same time that OEMs are hampered by excess production capacity and the impact of shifting emissions regulations on their product model line-ups.

APG's strategy in the context of the varied and unpredictable operating environment for component suppliers is, firstly, to focus on bringing to market innovative motion technologies that enable electrification, reduce emissions, and enhance passenger safety and comfort. Secondly, APG aims to offer its diverse base of customers an unrivalled total cost and value proposition that combines speed, scale, and reliability of production with an adaptable global operating footprint.

The Industry Products Group ("IPG") achieved sales of US\$596 million – an increase of 2% compared to the prior year on a constant currency basis. After three successive years of declining sales, this marks an important return to growth for the division. In more commoditized product application segments, new business development has been redirected towards the rapidly growing base of Chinese manufacturers who are capturing an increasing share of the global market for consumer and commercial hardware goods – particularly for low-priced, entry-level products. In parallel, IPG is focused on supplying motion subsystem solutions to more specialized, higher-growth segments, including humanoid robotics, warehouse automation, medical devices, semiconductor manufacturing equipment, and liquid cooling applications.

Gross Margins and Operating Profitability

The Group's gross profit of US\$840 million, or 23.0% of sales, was essentially flat compared to the prior financial year. Slight increases in production staff costs, depreciation, and raw materials were offset by savings in other production overheads and direct labour.

Reported earnings before interest, tax and amortization ("EBITA") amounted to US\$258 million, a decrease of 22% compared to US\$331 million achieved in the prior year. The decline was due to a combination of factors, including higher selling and administrative staff costs and other provisions, an impairment of intangible assets arising from a past acquisition, and reduced other income due to an adverse net change in the fair value of certain investments.

Net Profit and Financial Condition

Net profit attributable to shareholders decreased by 23% to US\$202 million or 21.59 US cents per share on a fully diluted basis. Adjusted net profit, excluding the effects of non-cash foreign exchange rate movements, the impairment of intangible assets, restructuring charges, and adverse fair value movements in investments, amounted to US\$234 million compared to US\$268 million in the prior year.

The Group's overall financial condition remains robust with a total debt to capital ratio of 10%, an interest coverage ratio of 22 times, and year-end cash reserves of US\$902 million.

Dividends

The Board considers it appropriate to recommend maintaining the final dividend of 44 HK cents (5.64 US cents) per share, which together with the interim dividend of 17 HK cents per share, represents a total dividend of 61 HK cents (7.82 US cents) per share.

Formation of PRC Joint Ventures to pursue opportunities in Humanoid Robotics

In July 2025, the Group announced the formation of two joint venture companies with Shanghai Mechanical & Electrical Industry Co., Ltd, a leading Chinese industrial manufacturing company with extensive interests across a wide range of end markets. This new initiative has been established to enable the end-to-end delivery of high-performance humanoid robotic core components and subsystems to customers across China. The two joint ventures are structured to complement one another – combining sales, business development and customer application support with product design, engineering, and manufacturing expertise.

The joint ventures are at an early stage, but encouraging progress is being made in collaboration with key humanoid robotic makers in China. Outside of China, the Group is actively working with leading subsystem suppliers, including several joint and dexterous hand makers.

Expansion in India

Johnson Electric has been manufacturing in India for more than 15 years. Our early operations focused on supplying a select number of automotive product applications for domestic consumption in a market that then ranked seventh globally in light vehicle production volume. India has since grown to become the world's fourth largest automotive vehicle producer (surpassing Germany and South Korea), and the Group has been deepening the scope of its activities and investment in the country. This has included the establishment of an engineering and IT shared services centre, and the opening of a second manufacturing facility in Chennai. In early 2026, Johnson Electric acquired land for a third Indian plant that will enable the Group to strengthen further its presence in the growing domestic market, as well as function as an additional export base to serve both APG and IPG customers worldwide.

Outlook

The global economy demonstrated resilience over the past year, despite the protracted conflict between Russia and Ukraine and the geopolitical shock of tariffs being imposed on US imports of goods from almost all countries. Looking ahead, the unstable and unpredictable conditions for trade and global manufacturing have been made even more precarious by the outbreak of war in the Middle East.

Johnson Electric has a long-standing track record in successfully navigating volatile global markets. In the near term, with geopolitical and macro-economic dynamics impossible to forecast with precision, management remains focused on cost control, managing the effects of inflation, and maintaining a prudent financial risk profile.

In parallel, however, we are also committed to invest in adapting and scaling our business model to meet strong underlying demand for our motion subsystem solutions in several high-growth end-markets and new product applications. Included among these are:

- Thermal management systems for electric and hybrid vehicles that depend on a combination of water pumps, valves and actuators to support optimal vehicle cabin temperature, extend electric vehicle driving range, and contribute to longer battery life. APG is strengthening its position in this growing application segment and has secured significant program wins with multiple OEMs or their key suppliers.
- Solid oxide fuel cell power generation systems that are becoming established as an important source of low-emission, on-site electricity supply to AI data centres. The Group's Stackpole Powder Metal business is a key partner and supplier of mission-critical sintered metal components to the leading provider of fuel cell energy platforms in North America.

- AI-enabled humanoid robots, which are widely viewed as one of the most significant industrial and commercial opportunities over the next ten to twenty years. A key challenge on the path to broader adoption is achieving the fine motor control needed to handle and manipulate objects with near-human dexterity. With decades of experience solving complex motion challenges and a large-scale global micromotor manufacturing footprint, we believe Johnson Electric is exceptionally well positioned to support the sector's development as it scales over time.

On behalf of the Board, I would like to thank our customers, employees, suppliers, and shareholders for their continued support.

Patrick Wang *SBS, JP*
Chairman and Chief Executive

Hong Kong, 28 May 2026

Our Business

Making our customers successful with motion solutions that deliver more comfortable, safer and healthier products for end users

E-Mobility (APG)

We contribute to a more sustainable mobility industry, serving both the transportation needs of people and goods. We provide safe, reliable, precisely-controlled motors and other critical motion related products that deliver benefits to our customers and to society as a whole by:

- Tackling climate change. Our products perform critical functions that enable the transition to new-energy vehicles. We also reduce the harmful impact of internal combustion engines through improved fuel consumption.
- Improving air quality in cities through reduced engine emissions.
- Enhancing road safety with products for active and passive safety applications.
- Reducing consumption with less materials used in manufacture and longer product life-cycles.

Innovating for a sustainable future

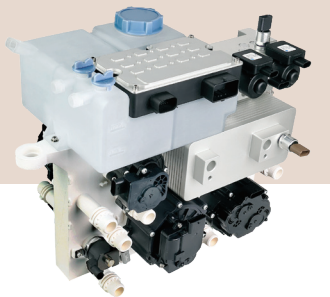
Sustainability is an integral part of Johnson Electric's mission and purpose, and we feel excited about the possibilities for us to make an impact in this area. We are working closely with our customers to develop motion-related products that reduce greenhouse gas emissions and energy consumption. We are conducting internal research to improve the durability of our products and to reduce the environmental impact of the materials we use.

Industrial, professional and consumer (IPG)

We serve a wide range of industrial, professional and consumer segments. Many of these are experiencing rapid social and technological disruption owing to a complex mix of shifting customer demands and priorities. We are actively seizing new opportunities arising from these changes through products that directly or indirectly address environmental and social needs.

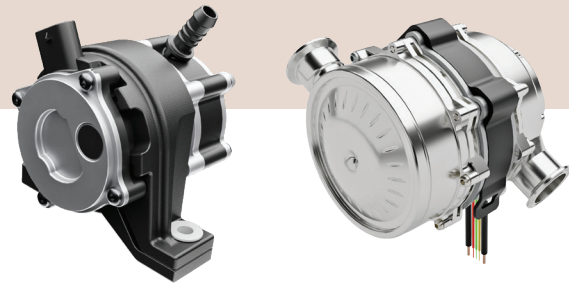
- Our innovative technologies enable our customers to achieve success while reducing consumption and waste, increasing energy efficiency and reducing carbon emissions, and lowering barriers to equality.
- Our MedTech products improve patient well-being, reduce labour intensity and deliver better clinical outcomes in the healthcare applications.
- Our research, development and manufacturing of complete joint modules, dexterous hands and integrated systems form the "bones and muscles" of humanoid robots, positioning our customers to accelerate growth and scale globally in a rapidly expanding market that demands agile, lifelike motion across China and international markets.

The Next Era of Thermal Management for EVs



In 2025, Johnson Electric advanced its industry-leading Integrated Thermal Management System (ITMS) with a new generation of flexible, intelligent solutions for EVs. These latest ITMS variants support multi-energy powertrains, including battery electric, range extender and hybrid systems, as well as autonomous driving and driver assistance technologies, while enabling the adoption of low-GWP (Global Warming Potential) refrigerants. Thanks to their compact and highly reliable design, Johnson Electric's ingenious ITMS systems help OEMs enhance competitive advantage through innovations such as front trunks and ultrafast charging, and reduce weight, packaging volume and assembly labour by up to 20% compared to non-integrated thermal systems.

Liquid Cooling for Critical Infrastructure



In 2025, Johnson Electric launched two breakthrough liquid cooling solutions under our new JECooLing™ platform, driving greener growth in AI data centres and ultra-fast EV charging: critical infrastructures that are increasingly central to everyday life.

The 1800W Fully Liquid-Cooled Canned Motor Pump supports liquid cooling systems in racks of high-performance computers that run advanced AI systems, packing far more computing power into the same space while optimising energy consumption. The compact 80W vortex pump, meanwhile, enables safer, more user-friendly EV fast-charging solutions, supporting uptake of electric vehicles. Together, these solutions are a crucial enabler for digital and energy infrastructure to scale more safely, efficiently and sustainably.





Next-generation Robotics in Action



Game-changing humanoid robots can now replicate human movements with stunning precision and agility, meaning they can make workplaces safer and more efficient by taking over tasks that are dull, dangerous, or just plain repetitive. It's all thanks to highly sophisticated joint mechanisms: brushless motors, electronic controllers and gears combine to power the rotary joints in arms, linear actuators in legs, and intricate mechanisms in dexterous robotic hands. Johnson Electric is proud to be at the forefront of creating next-generation humanoid robot joints and actuators to push the capabilities of these remarkable machines even further.

VersaSort™ for Warehouse Automation



VersaSort™ modules offer a groundbreaking approach to warehouse sortation, powering intelligent, flexible systems designed to meet increasing throughput demands and evolving operational needs. Built on a modular architecture, VersaSort™ allows system designers to configure and scale sortation solutions with speed and precision, expanding automation into traditionally challenging applications. The platform handles a broad range of package profiles, including irregular parcels that have historically required manual handling, and supports both diverting and singulation applications across e-commerce, retail and distribution.

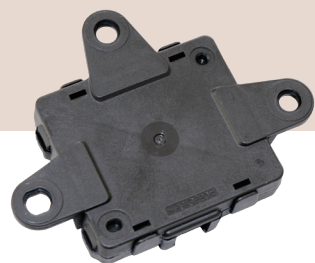


Intelligent Seats • Comfortable Cabin



Smart cabin technology is redefining comfort and safety, creating a truly personalised driving experience. Johnson Electric's latest ultra-quiet, high-power-density motors are enabling a new generation of intelligent seating and adaptive cabin features, delivering smoother movement while cutting noise and vibration by up to 40%. Their compact, miniaturized design frees up valuable space and supports the shift toward fully electric, digitally controlled seats – including AI-powered seat adjustment systems that respond in real time to passenger ergonomics, posture and signs of fatigue. Together, this creates a more comfortable, responsive cabin for users, while helping OEMs build cars that stand out by delivering premium features reliably and cost-effectively.

Precision Lighting for Safer Roads



Johnson Electric's innovative LuMEMS system brings next-generation precision to automatic headlamp aiming and levelling, helping automakers and OEMs gain competitive advantage while meeting the stringent global requirements on vehicle lighting installation to enhance road safety (UNR48-09).

Using high-precision MEMS sensing, LuMEMS ensures real-time beam adjustment by dynamically responding to changes in road and vehicle load conditions. This enhances visibility, reduces glare and supports a safer, more intelligent driving experience. Its compact, plug-and-play design can reduce system weight by up to 1kg while integrating seamlessly across diverse vehicle platforms, making it attractive to automakers seeking efficiency without compromise. Designed for durability and future-ready performance, LuMEMS supports regulatory compliance through smarter, space-saving technology.



Smarter Ventilation for Greener Buildings

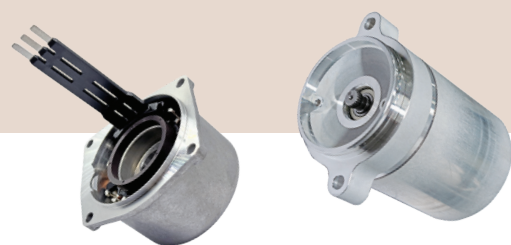


Johnson Electric is powering a global shift to smart ventilation systems, using next-generation electronically commutated motor technology to deliver precise, self-adjusting airflow. This can reduce energy consumption by up to 60% compared with traditional shaded-pole and AC motors.

Buildings account for nearly a third of global energy demand, making smart ventilation crucial to addressing climate challenges. Our products support residential, commercial and HVAC applications, and are engineered for long service lifetimes even under continuous 24/7 operation.

Already widely adopted across Europe, North America and China, our solutions offer vast retrofit opportunities, helping to create greener buildings, reduce costs and build more sustainable communities.

Smart Chassis Enables Advanced Autonomy



Autonomous driving is a key differentiator of modern software-defined vehicles (SDVs) and is increasingly accepted by consumers. As a critical enabler, by-wire chassis systems integrate seamlessly with ADAS and autonomous driving functions. Johnson Electric's innovative motion solutions deliver multiple redundancy, fast response and precise actuation, forming the essential foundation of by-wire systems while enabling more compact and lightweight vehicle architectures.

Advances in electromechanical design are redefining vehicle comfort and control. Quieter, more compact steering and braking systems enhance steering precision and free up valuable space. Fully by-wire steering and braking support highly responsive vehicle performance, including variable and rear-wheel steering for effortless parking and tighter turns, while reducing overall vehicle weight by up to 10 kg – extending EV driving range by 5-10%.





“

In 2025, Johnson Electric made significant progress across our Sustainability Framework. We earned our first EcoVadis Gold Medal, ranking in the top 3% globally and top 1% in our industry. We nearly eliminated Scope 2 emissions with a 99.7% reduction and achieved 100% renewable electricity across all manufacturing sites. We also achieved zero waste to landfill for the fourth consecutive year and advanced Product Carbon Footprint, Life Cycle Assessment, and supplier sustainability efforts. Our people worldwide continue to drive this progress and our long-term ambition.

Austin Wang

Executive Vice President

Our Approach

We strive to build a sustainability culture that empowers every employee to make a positive impact in their day-to-day role.

Sustainability is closely entwined with our values and goals as a business, as well as with our passion for solving customers' problems. Our sustainability journey is inspired by our heritage and character as a company.

As a family business, we have always kept in mind the legacy we leave for future generations. We see ourselves as members of the communities we serve and feel privileged to help those in need.

As engineers, problem-solving is what makes us tick. We have always reinvented “business as usual” to adapt to changing priorities and new technological possibilities. Today, we apply this problem-solving passion to the challenge of achieving ‘sustainability by design’: not tinkering around the edges, but going to the root of each problem, with every creative leap underpinned by robust systems and accountability processes.

As a manufacturing firm, collaboration is our lifeblood. Our six decades of success have been built on an intimate understanding of our customers' and end users' needs, and we pride ourselves on partnering with our customers to help them achieve their own sustainability goals.

Drawing on these strengths, we create positive impact through our products and the way we make them; through the jobs we create and the people who fill them; and through the trusted relationships we forge with the customers and communities we serve.

Our Sustainability Framework



About our sustainability logo: The five leaves represent the five spirits of sustainable development and connect to form a blooming flower. The logo conveys a sense of continuous rotation, which also shows that we will continue to be a gear that animates society.

* Source: US EPA. 217,000 tonnes of carbon emissions avoided refers to the amount of emissions reduced from our FY22/23 baseline.

ESG Awards and Ratings



Gold 82%

Top 3% among 150,000+
rated companies

Top 1% in the industry*



**Climate
Change: B
Water
Security: B**



Ranked #1

in the Auto Components
companies in China
and **Top 15%** Auto
Components industry globally
in S&P Corporate Sustainability
Assessment 2024

Featured in the S&P
Sustainability Yearbook
(China) 2025



**ESG Grand
Award 2025**

By Master Insight and the
Research Centre for ESG
at Hang Seng University



A+ Rating

Top 170 assessed stocks
in the Sustainability Rating
and Research



ISS ESG

Prime Rating

in 2025



Hang Seng Corporate
Sustainability Index
Series Member 2025-2026

**Hang Seng
Corporate
Sustainability
Benchmark
Index**

Index constituent since 2018



**Caring
Company**

Recognized by the Hong Kong
Council of Social Service for
the past **10 years**



FTSE4Good

**FTSE4Good
Index**

Index constituent since 2024

* Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus.

FY25/26 Sustainability Highlights



Products

- Partnered with customers to quantify the product carbon footprint of **130** products
- **11% reduction** in the number of complaints as a ratio of sales compared with last year
- **9% reduction** in internal defect costs as a ratio of sales compared with last year
- Avoided **1,540** tonnes of packaging materials by providing returnable packaging services to customers



Environment

- Achieved **100%** renewable electricity usage, up from 83% the previous year
- **99.7% reduction** in Scope 2 carbon emissions from FY22/23 baseline, surpassing our near-term Scope 2 target of a 65% reduction by FY34/35
- **3% reduction** in waste intensity per sales from FY20/21 baseline
- **20% reduction** in hazardous waste intensity from FY20/21 baseline, achieving our 20% reduction target
- **24% reduction** in water withdrawal intensity per sales from FY20/21 baseline
- **4th consecutive year** achieving zero waste to landfill*

* 99% or more of generated waste being diverted away from landfill



Employees

- **92%** of sites by number of hours worked hold ISO 45001 certifications
- **30% reduction** in lost-time accidents from last year, with lost-time accident rate and recordable injury rate remaining well below industry averages[#]
- **22% increase** in near-miss reports and **34% increase** in hazard reports from last year
- Achieved **15%** female representation in senior management, meeting our FY25/26 target

[#] Source: U.S. Bureau of Labor Statistics, incidence rates of nonfatal occupational injuries and illnesses by industry and case types for motor and generator manufacturing (NAICS code 335312).



Trust & Transparency

- Launched discretionary **Reward Scheme** for our whistle-blower hotline
- **93%** of our workforce employees completed ethics training, based on a rolling two-year training cycle
- **64%** of employees work in entities accredited by TISAX
- **88%** of suppliers by direct material expenditure have been assessed on their ESG performance



Communities

- More than **1,750** students have now graduated from our Johnson Electric Technical College
- More than **700** children joined the Junior Engineer program in 2025
- More than **400** community activities organized through our JGenerations program in 2025
- Recognized as Caring Company by the Hong Kong Council of Social Service for the past **10 years**

Management's Discussion and Analysis

Financial Performance

US\$ million	FY25/26	FY24/25
Sales	3,650.4	3,647.6
Gross profit	840.5	843.3
<i>Gross margin</i>	<i>23.0%</i>	<i>23.1%</i>
EBITA ¹	257.7	330.6
EBITA adjusted ²	287.4	344.3
<i>EBITA adjusted margin</i>	<i>7.9%</i>	<i>9.4%</i>
Profit attributable to shareholders	202.1	262.8
Adjusted net profit ²	221.9	274.0
Diluted earnings per share (US cents)	21.59	28.16
Free cash flow from operations	217.3	285.7
US\$ million	31 Mar 2026	31 Mar 2025
Cash ³	901.9	790.6
Total debt ⁴	324.3	359.3
Net cash ⁵	577.6	431.3
Total equity	2,881.7	2,707.9
Market capitalization ⁶	2,778.5	1,881.2
Enterprise value ⁷	2,243.7	1,491.8
Key Financial Ratios	31 Mar 2026	31 Mar 2025
Total debt to capital ⁸	10%	12%
Gross debt ⁹ to EBITDA adjusted ¹⁰	0.8	0.8
Enterprise value to EBITDA adjusted	4.2	2.6
Interest cover ¹¹	21.9	17.4

¹ Earnings before interest, tax and amortization

² Adjusted to exclude impairment of intangible assets, unrealized gains or losses relating to exchange rate movements as well as restructuring and other related costs (for further information see page 42)

³ Cash and cash equivalents

⁴ Bank loans and other miscellaneous borrowings

⁵ Cash and cash equivalents less total debt

⁶ Number of outstanding shares multiplied by the closing price (HK\$23.30 per share as of 31 March 2026 and HK\$15.66 per share as of 31 March 2025) converted to USD at the closing exchange rate

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

⁸ Total equity plus total debt

⁹ Including pension and lease liabilities

¹⁰ Adjusted ² earnings before interest, tax, depreciation and amortization, giving adjusted EBITDA of US\$533.4 million (31 March 2025: US\$582.2 million)

¹¹ Adjusted EBITDA divided by gross interest expense. The Group has updated the calculation of this ratio to use adjusted EBITDA; the comparative figure has been re-presented accordingly

Business Review

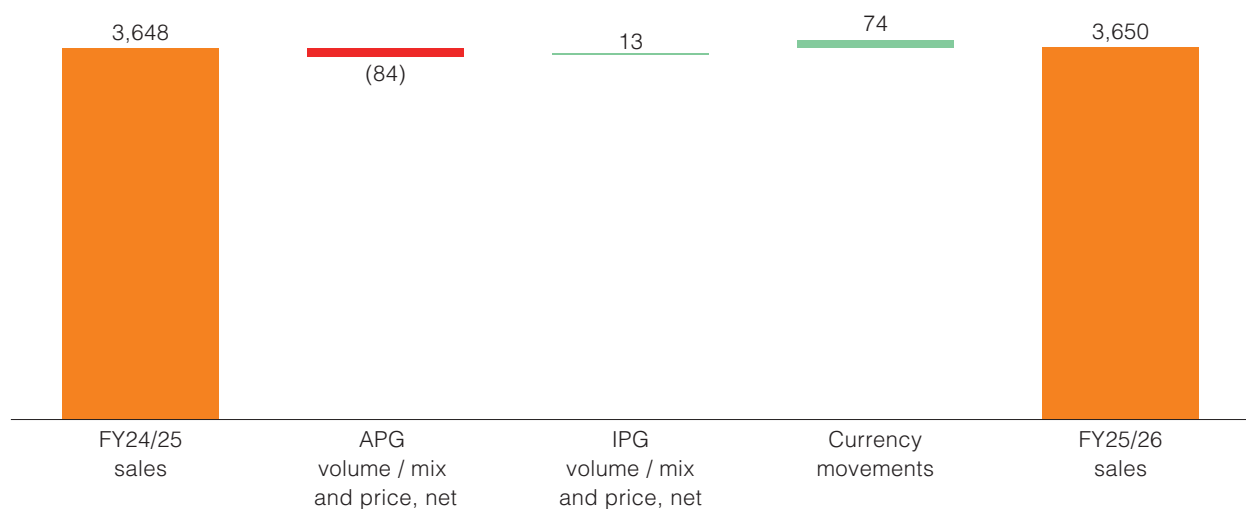
Sales

Sales increased by US\$2.8 million to US\$3,650.4 million in FY25/26 (FY24/25: US\$3,647.6 million), as shown below:

US\$ million	FY25/26		FY24/25		Change	
Automotive Products Group ("APG") sales						
Excluding currency movements	2,988.0		3,072.4		(84.4)	(3%)
Currency movements	66.0		–		66.0	
APG sales, as reported	3,054.0	84%	3,072.4	84%	(18.4)	(1%)
Industry Products Group ("IPG") sales						
Excluding currency movements	588.1		575.2		12.9	2%
Currency movements	8.3		–		8.3	
IPG sales, as reported	596.4	16%	575.2	16%	21.2	4%
Group sales						
Excluding currency movements	3,576.1		3,647.6		(71.5)	(2%)
Currency movements	74.3		–		74.3	
Group sales, as reported	3,650.4	100%	3,647.6	100%	2.8	0%

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

US\$ million



Note: Numbers do not add across due to rounding

Volume and price reductions, and mix changes, together, reduced sales by US\$71.5 million in FY25/26, compared to FY24/25. APG decreased by US\$84.4 million, while IPG increased by US\$12.9 million.

The underlying changes in APG and IPG's sales are discussed on pages 39 to 40

Currency movements contributed an increase of US\$74.3 million in sales. This was largely due to the impact of stronger average exchange rates for the Euro and the Renminbi compared to the prior financial year.

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 50 to 52 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 FY24/25. APG accounted for 84% of the Group's total sales in FY25/26 (FY24/25: 84%).

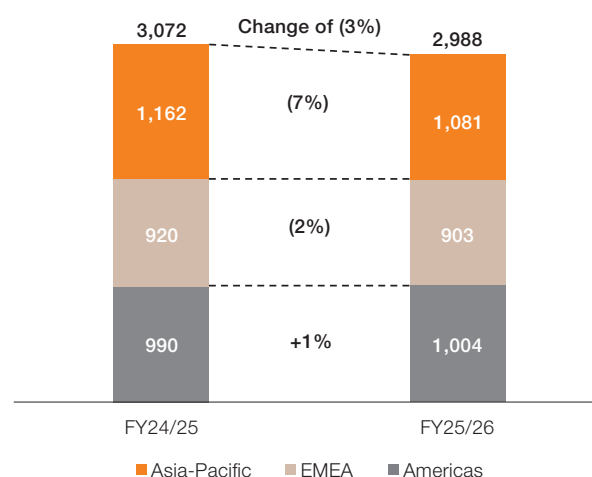
By region, excluding currency movements:

- In the **Asia-Pacific** region, sales decreased by 7%, driven by pricing adjustments implemented to remain competitive and weaker demand for non-domestic car brands in China, historically a strong market for APG. Sales of products for thermal management and closure applications, as well as oil pumps, decreased. This was partially offset by increased sales of products for braking and vision applications, as the Group continued to strengthen its presence in the China market
- In the **Europe, the Middle East and Africa ("EMEA")** region, sales declined by 2%. Lower sales of products for closure, braking, steering and thermal management applications were cushioned by increased sales of oil pumps and powder metal components
- In the **Americas** region, sales increased by 1%. Sales of powder metal components and products for engine and fuel management increased, largely offset by lower sales of products for braking and closure applications due to the phasing out of certain programs

APG sales by region

(excluding currency movements)

US\$ million



Growth / (decline) in APG sales

(excluding currency movements and acquisitions)

Year ended	Asia-Pacific	EMEA	Americas	Total
31 March 2026	(7%)	(2%)	1%	(3%)
31 March 2025	(1%)	(4%)	(6%)	(3%)
31 March 2024	10%	13%	9%	10%
31 March 2023	13%	17%	19%	16%
31 March 2022	4%	3%	10%	5%

Industry Products Group

IPG's sales, excluding currency movements, increased by 2% compared to FY24/25. IPG accounted for 16% of the Group's total sales in FY25/26 (FY24/25: 16%).

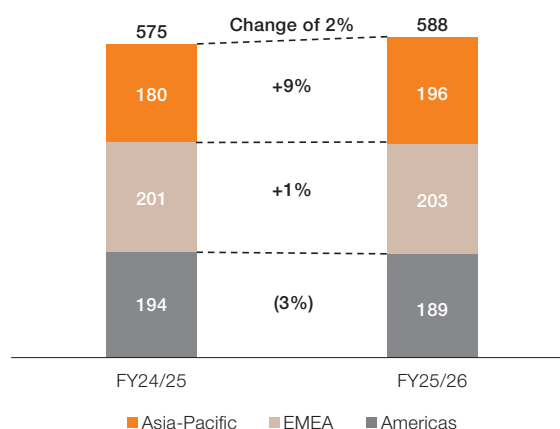
By region, excluding currency movements:

- In the **Asia-Pacific** region, sales increased by 9%. Sales of products for lawn and garden, medical and data centre cooling applications increased due to higher volumes on recently awarded programs and new business wins. This was offset by lower sales of products for food and beverage, floor care and printer applications
- In the **EMEA** region, sales increased by 1%, driven by inventory replenishment by certain customers following their consumption of prior inventory surpluses, as well as the launch of new products. This resulted in higher sales of products for heating, lawn and garden applications, as well as flexible printed circuits. This was offset by lower sales of products for food and beverage applications
- In the **Americas** region, sales decreased by 3% driven primarily by reduced demand from certain customers and the end-of-life of some programs. This resulted in lower sales of products for surgical and ventilation applications, offset by stronger sales of piezo motors, which benefited from strong demand for high-precision equipment semiconductor manufacturing applications

IPG sales by region

(excluding currency movements)

US\$ million



Growth / (decline) in IPG sales

(excluding currency movements and acquisitions)

Year ended	Asia-Pacific	EMEA	Americas	Total
31 March 2026	9%	1%	(3%)	2%
31 March 2025	9%	(9%)	(10%)	(5%)
31 March 2024	(13%)	(24%)	(17%)	(19%)
31 March 2023	(26%)	(2%)	9%	(7%)
31 March 2022	(5%)	27%	20%	12%

IPG's leadership continues to implement measures to reduce overheads and refocus the business around a product portfolio that emphasizes standardization and cost competitiveness. At the same time, the division is investing in the development of differentiated and innovative motion system solutions for high-growth markets, including robotics, thermal management for data centres, warehouse automation, medical devices, and high-precision manufacturing and measurement applications. This dual-track approach has strengthened IPG's cost competitiveness in mature, price-sensitive markets, while supporting innovation-led growth in attractive market segments over the long term.

Profitability

US\$ million	FY25/26	FY24/25	Increase/ (decrease) in profit
Sales	3,650.4	3,647.6	2.8
Gross profit	840.5	843.3	(2.8)
<i>Gross margin %</i>	<i>23.0%</i>	<i>23.1%</i>	
Other income, net	2.6	14.7	(12.1)
Intangible assets amortization expense	(29.2)	(28.1)	(1.1)
Other selling and administrative expenses	(554.6)	(516.8)	(37.8)
<i>As a % of sales</i>	<i>15.2%</i>	<i>14.2%</i>	
Restructuring and other related costs	(8.2)	(7.2)	(1.0)
Impairment of intangible assets	(22.4)	–	(22.4)
Operating profit	228.7	305.9	(77.2)
<i>Operating profit margin %</i>	<i>6.3%</i>	<i>8.4%</i>	
Share of losses of associate and joint venture	(0.1)	(3.4)	3.3
Net finance income / (costs)	6.4	(1.1)	7.5
Profit before income tax	235.0	301.4	(66.4)
Income tax expense	(34.2)	(36.3)	2.1
<i>Effective tax rate</i>	<i>14.5%</i>	<i>12.0%</i>	
Profit for the year	200.8	265.1	(64.3)
Non-controlling interests	1.3	(2.3)	3.6
Profit attributable to shareholders	202.1	262.8	(60.7)
Basic earnings per share (US cents)	21.82	28.51	(6.69)
Diluted earnings per share (US cents)	21.59	28.16	(6.57)

Profit attributable to shareholders was US\$202.1 million in FY25/26, representing a decrease of US\$60.7 million or 23% from US\$262.8 million in FY24/25.

The net profit as reported includes:

- Significant gains or losses relating to exchange rate movements, which are non-cash items
- Restructuring and other related costs that do not form part of the Group's routine operations
- A non-cash impairment of intangible assets arising from a past acquisition

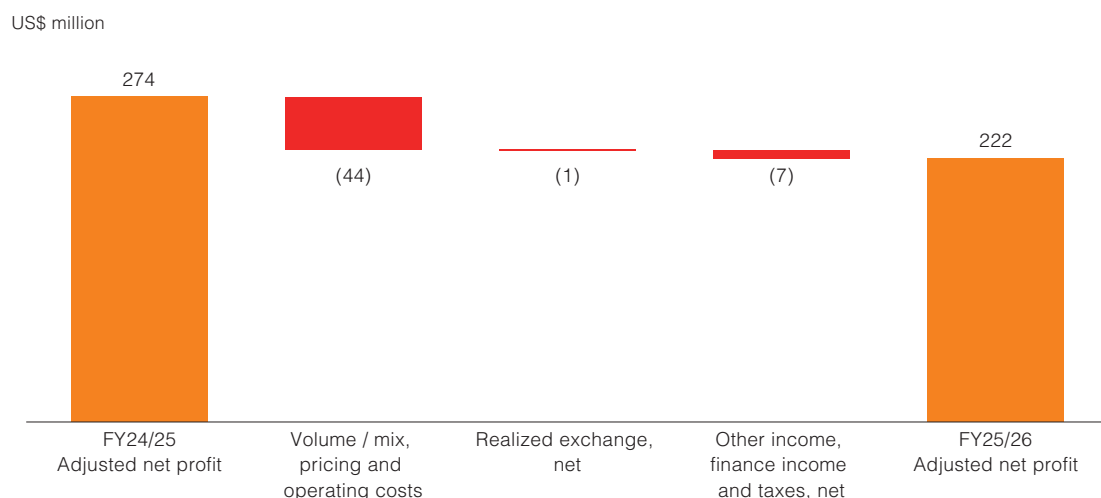
Adjusting net profit to exclude non-cash foreign exchange rate movements, restructuring costs and impairment of intangible assets provides additional insight into the underlying performance of the business. Starting from reported net profit, the table below details the adjustments applied to derive the adjusted net profit:

US\$ million	FY24/25			FY25/26		
	Before tax	Tax effect	Net of tax effect	Before tax	Tax effect	Net of tax effect
Net profit, as reported			262.8			202.1
As a % of sales			7.2%			5.5%
Unrealized net losses / (gains) on revaluation of monetary assets and liabilities, and foreign currency contracts	6.5	(1.3)	5.2	(0.9)	0.4	(0.5)
Restructuring and other related costs	7.2	(1.2)	6.0	8.2	(1.4)	6.8
Impairment of intangible assets *	–	–	–	19.3	(5.8)	13.5
Net losses of significant non-cash items, restructuring and other related costs	13.7	(2.5)	11.2	26.6	(6.8)	19.8
Adjusted net profit			274.0			221.9
As a % of sales			7.5%			6.1%

Adjusted net profit as stated above, excluding changes in fair value of certain investments amounted to US\$234 million (FY24/25: US\$268 million on the same basis), representing a decrease of 13%.

* Gross impairment of intangible assets before tax amounted to US\$22.4 million in FY25/26. For details, please refer to Note 5 to the accounts. Amounts presented for impairment before tax and the related tax impact are shown net of non-controlling interests

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



Volume / mix, pricing and operating costs were primarily affected by price adjustments and wage inflation, partially offset by cost-saving initiatives. The combined effect of these changes reduced adjusted net profit by US\$44.4 million.

- **Gross margin** was broadly stable year-on-year at 23.0% in FY25/26 (FY24/25: 23.1%). Cost saving initiatives substantially mitigated the impacts of price changes and increase in production costs
- **Selling and administrative expenses** (excluding impairment and amortization of intangible assets) increased to 15.2% of sales (FY24/25: 14.2%), primarily due to an increase in staff costs and other provisions

Realized exchange, 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 had a negligible adverse impact on net profit of US\$1.0 million compared to the prior year.

For further information on the Group's foreign exchange risk and forward foreign currency contracts, see pages 50 to 52 in the Financial Management and Treasury Policy section

Other income, finance income and taxes, net, adversely impacted profit by US\$6.7 million compared to the prior year.

- **Other income** decreased by US\$12.1 million, mainly due to adverse year-on-year movements in the fair value of certain investments

For details, please refer to Note 21 to the accounts

- **Net finance income** improved by US\$7.5 million, shifting from a net finance cost in the prior year. This improvement was primarily attributable to lower finance charges following the maturity of the US\$300 million bonds in July 2024, as well as a reduction in interest rates during the year

For details, please refer to Note 24 to the accounts

- **Income tax expenses**, as reported, decreased during the year. The effective tax rate ("ETR") for FY25/26 was 14.5% (FY24/25: 12.0%)

Taxes are further analyzed in Note 18 to the accounts

Working Capital

US\$ million	Balance sheet as of 31 Mar 2025	Currency translation	Working capital changes per cash flow	Pension, hedging and non-working capital items	Balance sheet as of 31 Mar 2026
Inventories	531.8	5.7	77.7	–	615.2
Trade and other receivables	816.9	13.5	13.0	2.3	845.7
Other non-current assets	27.0	1.1	(1.6)	10.5	37.0
Trade and other payables ¹	(731.9)	(17.0)	(59.5)	(33.4)	(841.8)
Retirement benefit obligations ^{1, 2}	(12.2)	0.4	(17.1) ³	2.2	(26.7)
Provisions and other liabilities ¹	(54.4)	(1.5)	(2.4)	–	(58.3)
Other financial assets / (liabilities), net ^{1, 4}	100.6	2.2	0.6	(40.4)	63.0
Total working capital per balance sheet	677.8	4.4	10.7	(58.8)	634.1

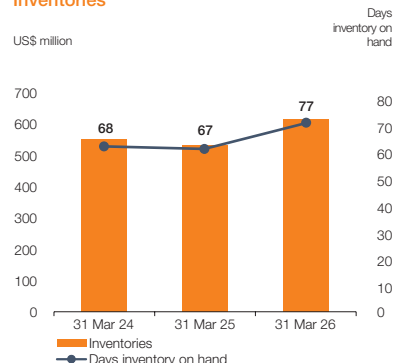
1 Current and non-current

2 Net of defined benefit pension plan assets

3 This mainly represents the net proceeds received from the buyout of a pension plan in Europe

4 Other financial assets / (liabilities), net represent the aggregate fair values of the Group's hedge contracts. Further details of the Group's hedging activities are provided in pages 50 to 52 in the Financial Management and Treasury Policy section and in Note 7 to the accounts

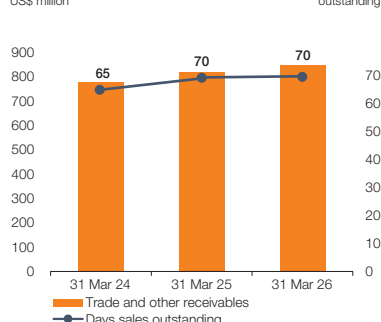
Inventories



Inventories increased by US\$83.4 million to US\$615.2 million as of 31 March 2026. The increase was mainly attributable to higher raw material inventories to support new project launches and customer demand fluctuations.

Consequently, days inventory on hand increased to 77 days as of 31 March 2026 (67 days as of 31 March 2025).

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

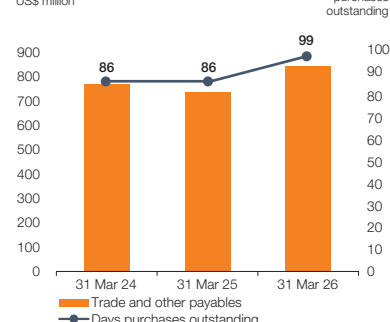


Trade and other receivables increased by US\$28.8 million to US\$845.7 million as of 31 March 2026.

Days sales outstanding ("DSOs") remain flat at 70 days as of 31 March 2026.

Current and overdue balances of less than 30 days represented 95% gross trade receivables, reflecting the high quality of the receivables.

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



Trade and other payables increased by US\$109.9 million to US\$841.8 million as of 31 March 2026, mainly attributable to higher trade payables resulting from increased raw material purchases to support new project launches.

DPOs increased to 99 days as of 31 March 2026 (86 days as of 31 March 2025) as raw material purchases temporarily outpaced consumption.

Cash Flow

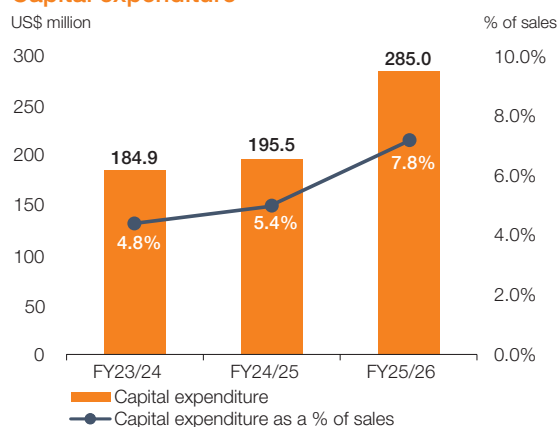
US\$ million	FY25/26	FY24/25	Change
Operating profit	228.7	305.9	(77.2)
Depreciation and amortization (including leases)	275.0	262.7	12.3
EBITDA	503.7	568.6	(64.9)
Other non-cash items	45.0	10.6	34.4
Working capital changes	(10.7)	(46.7)	36.0
Interest paid (including leases)	(23.0)	(33.7)	10.7
Interest received	29.7	32.5	(2.8)
Income taxes paid	(43.8)	(50.8)	7.0
Capital expenditure	(285.0)	(195.5)	(89.5)
Proceeds from disposal of fixed assets	3.4	2.4	1.0
Engineering development costs, capitalized	(2.0)	(1.7)	(0.3)
Free cash flow from operations	217.3	285.7	(68.4)
Capital contributions and acquisitions, net of disposal of investment in associate	0.4	(1.4)	1.8
Dividends paid	(72.4)	(72.2)	(0.2)
Purchase of shares for share award scheme	(4.0)	(7.0)	3.0
Other investing activities	10.9	8.1	2.8
Dividends paid to non-controlling interests	(4.5)	(3.9)	(0.6)
Payment of lease – principal portion	(18.0)	(20.3)	2.3
Repayment of borrowings, net	(33.8)	(200.2)	166.4
Time deposits with maturities over three months	–	60.0	(60.0)
Increase in cash and cash equivalents excluding currency movements	95.9	48.8	47.1
Currency translation gains / (losses) on cash and cash equivalents	15.4	(8.1)	23.5
Net movement in cash and cash equivalents	111.3	40.7	70.6

Management's Discussion and Analysis

The Group generated free cash flow of US\$217.3 million in FY25/26 (FY24/25: US\$285.7 million). The movement in free cash flow for FY25/26 included the following:

- **EBITDA** of US\$503.7 million, a decrease of US\$64.9 million
- **Other non-cash items** of US\$45.0 million, an increase of US\$34.4 million. This was primarily driven by the non-cash impairment of intangible assets arising from a past acquisition and fair value changes in investments, partially offset by the unrealized foreign currency movements
- **Working capital changes** of US\$10.7 million, as explained in the previous section
- **Income taxes paid** of US\$43.8 million, a decrease of US\$7.0 million
- **Capital expenditure** of US\$285.0 million, an increase of US\$89.5 million. The Group's investments in automation, vertical integration, and technology development strengthened its manufacturing capabilities across regions and enable new product launches

Capital expenditure



The net movement in cash and cash equivalents of US\$111.3 million (FY24/25: US\$40.7 million) includes the following:

- **Dividends and shares:** The Company utilized US\$72.4 million cash for dividend payments in FY25/26 (FY24/25: US\$72.2 million).

The Company purchased 1.1 million shares for US\$4.0 million including brokerage fees for the share award scheme (FY24/25: 4.7 million shares purchased for US\$7.0 million)

For further details of dividends and shares, including the proposed final dividend for FY25/26, see next section

- **Other investing activities:**
 - The Group received proceeds of US\$11.8 million (FY24/25: US\$3.6 million), from the partial disposal of its investment in an autonomous driving technology company
 - In FY24/25, the Group redeemed its investment in Government Green Bonds for US\$4.9 million
- **Repayment of borrowings, net:** The Group repaid US\$33.8 million, net (FY24/25: US\$200.2 million, net)
- **Time deposits:** A US\$60.0 million 6-month time deposit placed in FY23/24 matured in May 2024

For further details of the Group's borrowings, see next section

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 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 31 March 2026, 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 and cash equivalents, available unutilized credit lines, expected access to capital markets and 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 and cash equivalents increased by US\$111.3 million to US\$901.9 million as of 31 March 2026 (31 March 2025: US\$790.6 million).

Cash, cash equivalents and credit lines

US\$ million	31 Mar 2026	31 Mar 2025	Change
Cash and cash equivalents	901.9	790.6	111.3
Unutilized committed credit lines	438.6	409.7	28.9
Unutilized uncommitted credit lines	572.1	542.0	30.1
Available unutilized credit lines	1,010.7	951.7	59.0
Combined available funds	1,912.6	1,742.3	170.3

Available credit lines: The Group had US\$1,010.7 million available unutilized credit lines as of 31 March 2026, comprised of:

- US\$200.0 million syndicated revolving credit facility maturing in November 2028
- US\$238.6 million remaining unutilized amount of committed revolving credit facilities provided by its principal bankers, on a bilateral basis. These facilities have staggered maturity dates ranging from December 2026 to May 2028
- US\$572.1 million uncommitted credit facilities provided by its principal and other bankers

Management's Discussion and Analysis

Net cash increased by US\$146.3 million to US\$577.6 million as of 31 March 2026 (31 March 2025: US\$431.3 million).

Net cash

US\$ million	31 Mar 2026	31 Mar 2025	Change
Cash and cash equivalents	901.9	790.6	111.3
Borrowings	(324.3)	(359.3)	35.0
Net cash	577.6	431.3	146.3

Cash and cash equivalents by currency

US\$ million	31 Mar 2026	31 Mar 2025
USD	564.3	466.8
RMB	115.1	122.3
EUR	86.4	98.4
CAD	45.9	43.4
KRW	31.9	36.6
INR	21.5	0.2
Others	36.8	22.9
Total	901.9	790.6

Borrowings decreased by US\$35.0 million to US\$324.3 million as of 31 March 2026. The significant borrowings included:

- **Syndicated term loan:** Drawn down in FY23/24 to finance general working capital. The loan is scheduled for repayment in November 2028
- **Loan from Export Development Canada:** Drawn down in FY24/25, and is scheduled for repayment in January 2027
- **Loan from BOC:** The increase in this loan was used to finance the purchase of production equipment in China. The final maturity of the facilities will be in December 2027
- **Loan from HSBC:** This loan was drawn down in FY22/23 to fund capital expenditure for the Group's China operations. The loan was fully repaid in November 2025

Changes in borrowings

US\$ million	31 Mar 2026	31 Mar 2025	Change
Syndicated Loan	197.0	195.9	1.1
Loan from Export Development Canada	99.9	99.7	0.2
Loan from BOC	27.4	6.8	20.6
Loan from HSBC	–	53.0	(53.0)
Other borrowings	–	3.9	(3.9)
Total borrowings	324.3	359.3	(35.0)

Repayment schedule

US\$ million	31 Mar 2026
Repayable within one year	105.8
Repayable after more than one year	218.5
Total borrowings	324.3

Lease liabilities decreased by US\$5.0 million to US\$59.2 million as of 31 March 2026.

The corresponding right-of-use assets are presented within property, plant and equipment.

Changes in lease liabilities

US\$ million	31 Mar 2026	31 Mar 2025	Change
Current	16.6	16.3	0.3
Non-current	42.6	47.9	(5.3)
Total lease liabilities	59.2	64.2	(5.0)

Financial covenants: The Group maintains a prudent level of debt and was in full compliance with its financial covenants as of 31 March 2026. It remains in compliance as of the date of this report. Key financial covenants include 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 leverage, coverage and valuation ratios as of 31 March 2026 reflected the following changes:

- **Total debt to capital** decreased to 10% (12% as of 31 March 2025) due to the increase in total equity
- **Gross debt to adjusted EBITDA** remained unchanged at 0.8 times (0.8 times as of 31 March 2025)
- **Enterprise value to adjusted EBITDA** increased to 4.2 times (2.6 times as of 31 March 2025) due to the increase in market capitalization
- **Interest cover** increased to 21.9 times (17.4 times as of 31 March 2025) due to lower interest expense

Please refer to page 36 for definitions and bases of calculation (including adjustments) of financial ratios

Dividends

Final dividend: The Board has recommended a final dividend of 44 HK cents per share for FY25/26 equivalent to US\$52.0 million (FY24/25: 44 HK cents per share), payable in cash in August 2026.

Interim dividend: The Company paid an interim dividend of 17 HK cents per share for the first half of FY25/26 (first half of FY24/25: 17 HK cents per share) equivalent to US\$20.3 million.

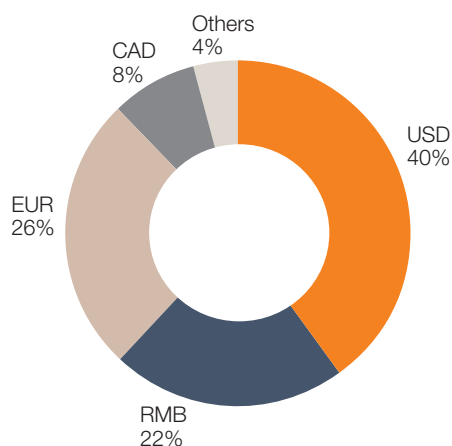
		FY25/26		FY24/25		FY23/24	
		Final	Interim	Final	Interim	Final	Interim
HK cents per share	Dividend	44*	17	44	17	44	17
US\$ million	Cash	52.0	20.3	52.1	20.1	52.1	15.0
	Scrip shares	–	–	–	–	–	5.1
	Total	52.0	20.3	52.1	20.1	52.1	20.1

* Proposed dividend

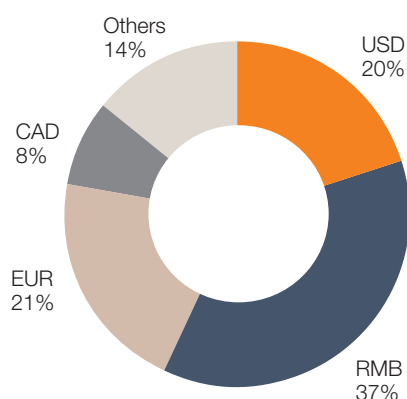
Foreign Exchange Risk

The Group is exposed to foreign exchange risk, largely from sales and costs denominated in a number of currencies. It mitigates this risk through a combination of natural hedging, the holding of cash balances in multiple currencies and forward currency contracts. The forward currency contracts have varying maturity dates, ranging from 1 to 59 months after 31 March 2026, to match the underlying cash flows of the business.

Sales by currency



Operating costs by currency



The net fair value gains of currency contracts decreased by US\$38.5 million to US\$62.1 million as of 31 March 2026. This was largely due to a reduction in the net fair value of Euro ("EUR") forward contracts, partly offset by an increase in fair value of Renminbi ("RMB") and Mexican Peso ("MXN") contracts.

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

Net fair value of currency contracts

US\$ million		31 Mar 2026	31 Mar 2025	Change
EUR	Forward currency contracts	37.3	84.1	(46.8)
MXN	Forward currency contracts	16.1	11.5	4.6
RMB	Forward currency contracts	7.5	2.5	5.0
Others	Forward currency contracts and swaps ¹	1.2	2.5	(1.3)
Total		62.1	100.6	(38.5)

¹ Others comprised of Polish Zloty ("PLN"), Hungarian Forint ("HUF") contracts and US Dollar ("USD") and RMB swaps

Spot rates of significant currencies

	Spot rates as of 31 Mar 2026	Spot rates as of 31 Mar 2025	
USD per EUR	1.15	1.08	EUR Strengthen 6%
HUF per EUR	387.21	402.60	EUR Weaken 4%
PLN per EUR	4.29	4.18	EUR Strengthen 3%
CAD per USD	1.39	1.43	USD Weaken 3%
RMB per USD	6.92	7.18	USD Weaken 4%
MXN per USD	18.10	20.40	USD Weaken 11%

Euro contracts: The Group's forward contracts to sell EUR and buy USD create an economic hedge for Euro-denominated sales. It also hedges its USD intragroup monetary balances in its European operation from changes in exchange rates.

The financial assets representing the cumulative fair value gains of EUR contracts decreased by US\$46.8 million to US\$37.3 million as of 31 March 2026 (31 March 2025: US\$84.1 million financial assets). This decrease was mainly due to the consumption of contracts as well as strengthening of the EUR against the USD as of 31 March 2026.

Mexican Peso contracts: The Group's forward contracts to buy MXN to create an economic hedge for production costs and other operating costs denominated in MXN.

The financial asset representing cumulative fair value gains for forward contracts increased by US\$4.6 million to US\$16.1 million as of 31 March 2026 (31 March 2025: US\$11.5 million financial assets). This was due to the strengthening of the MXN against the USD as of 31 March 2026 partially offset by the consumption of contracts.

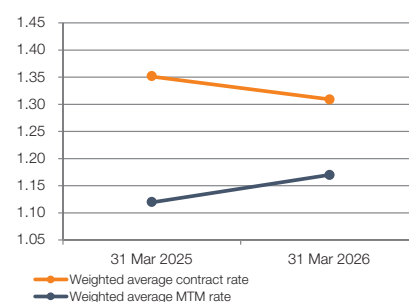
Renminbi contracts: The Group's forward contracts to buy RMB to create an economic hedge for production costs and other operating costs denominated in RMB.

The financial asset representing cumulative fair value gains for forward contracts increased by US\$5.0 million to US\$7.5 million as of 31 March 2026 (31 March 2025: US\$2.5 million financial assets). This was mainly due to the strengthening of the RMB against the USD as of 31 March 2026.

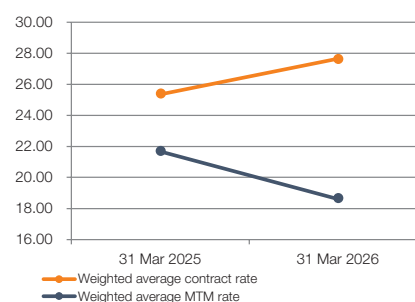
Other currency contracts and swaps: The Group's forward contracts to buy PLN and HUF create an economic hedge for production costs and other operating costs denominated in these currencies. The Group also entered currency swaps between the USD and RMB to hedge against relevant operating costs.

The financial asset representing cumulative fair value gains for forward contracts and swaps for other currencies decreased by US\$1.3 million to US\$1.2 million (31 March 2025: US\$2.5 million financial assets). The decrease came from mark-to-market losses on contracts for PLN and USD and RMB swaps, offset by mark-to-market gains on contracts for HUF.

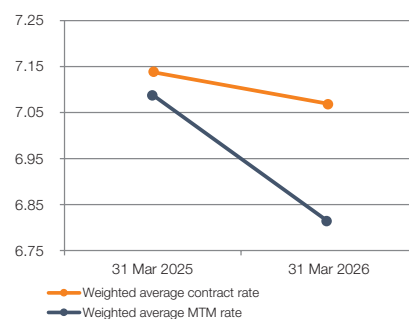
EUR – Forward currency contracts



MXN – Forward currency contracts



RMB – Forward currency contracts



Estimated future cash flow: The gain or loss for each contract will realize 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 31 March 2026 would result in approximately US\$66 million aggregate cash flow benefit from forward foreign currency contracts and swaps (31 March 2025: US\$116 million).

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

Raw Material Commodity Price Risk

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

This risk is managed through a combination of commercial, operational, procurement and financial mitigation strategies. Depending on the commodity and contractual arrangements, these measures include pricing provisions in customer contracts, negotiated price adjustments with customers where and when possible, and material substitution where feasible. These measures reduce, but do not eliminate, the Group's exposure to commodity price movements.

The price risk from copper and silver can also be reduced by hedging through cash flow hedge contracts whenever feasible and possible.

Residual price risk from steel is reduced through short-term fixed price purchase contracts with maturities ranging from 1 to 6 months.

Further information about the Group's raw material commodity contracts can be found in Note 7 to the accounts

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.

Risk Management

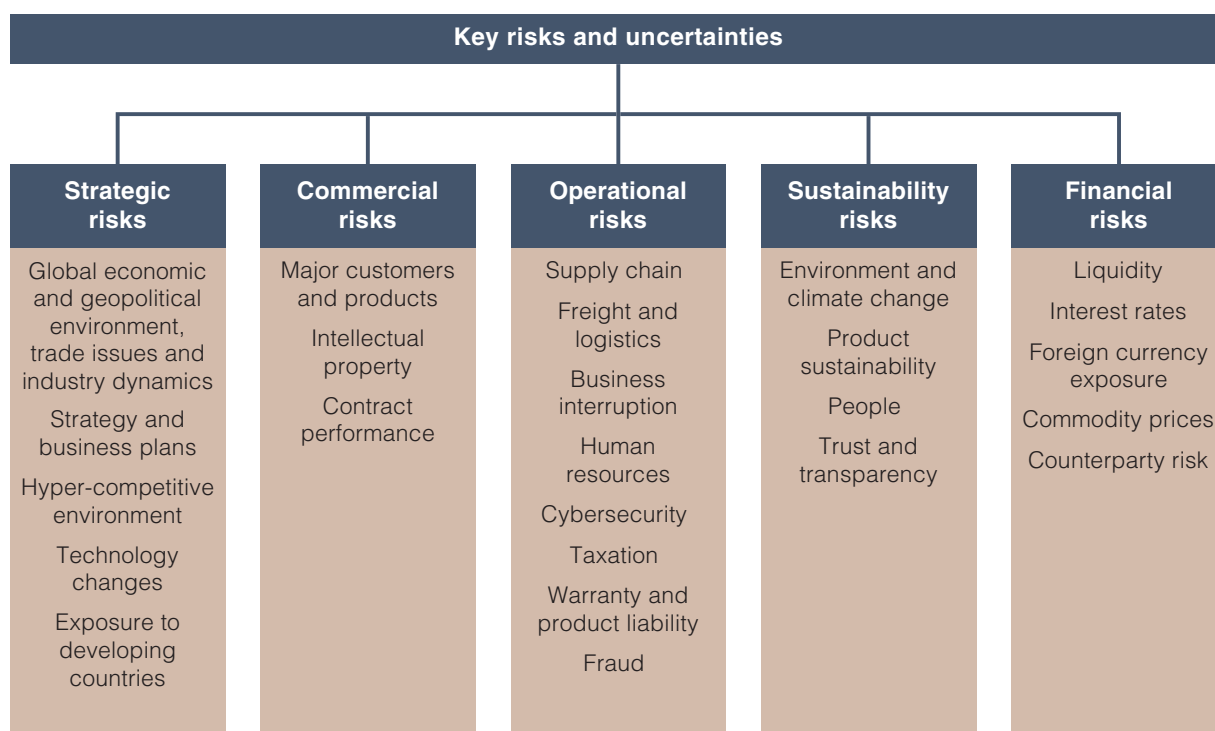
The Group identifies, mitigates and manages its exposure to risk and uncertainty through proactive oversight and robust business processes. Management and the Group's internal audit function monitor these business processes, testing them periodically to ensure their continued effectiveness.

Existing and emerging risks are analyzed and tracked on a quarterly basis by the Group's Enterprise Risk Management Steering Committee. This is chaired by the Group's Chief Executive and includes the Chief Financial Officer, the Chief Information Officer, the Chief Human Resources Officer, the Senior Vice Presidents of Supply Chain Services, Global Operations and Corporate Engineering, and the Group's leaders from the Environment, Health and Safety departments, Legal, Intellectual Property and Internal Audit. There are additional management committees that focus on specific risk areas to ensure that they are managed in a timely and sufficient manner.

The goals of this process are to:

- Identify emerging risks
- Assess and prioritize risks
- Ensure responsibility and ownership of risks
- Embed risk management into the Group's work processes and corporate culture
- Ensure the appropriate management of crises and incidents
- Strive for an optimal risk management approach that aligns with Johnson Electric's goals and resources

The Group operates in an increasingly volatile and complex global environment. While Johnson Electric is exposed to a broad range of strategic, commercial, operational, sustainability and financial risks and uncertainties, the Board and Management consider certain risks across these categories to be of particular significance due to their potential impact, likelihood of occurrence, or ability to amplify other risks. The nature, severity and frequency of these risks may change over time as the Group's business environment and global operations evolve, and the Group may be exposed to new or emerging risks, or to existing risks that are not currently significant but that may become material in the future. These principal risks are outlined below and are discussed in more detail in the following pages, together with the Group's approach to managing them.



The nature of these risks and the Group's policies for managing its exposure to them is set out below:

Strategic risks	How we respond
Global economic and geopolitical environment, trade issues and industry dynamics Johnson Electric is exposed to global economic and geopolitical factors that can affect demand, operations and financial performance. Key risks include: • Trade disputes, protectionism: Ongoing trade disputes, shifting tariff regimes, export controls and geopolitical fragmentation are increasing operational complexity, compliance burden and cost, while also influencing customer decisions on regional production and local content. Changes in regulatory or trade policy could disrupt supply chains, increase costs or adversely affect operational efficiency • Financial and market uncertainty: Geopolitical events could impact customer forecasts and credit quality, as well as trading conditions across regions • Instability in global environment: Severe or prolonged instability such as pandemics or conflicts could disrupt markets, restrict access to or create inflation in prices of certain raw materials and energy, and affect consumer behaviour • Cyclical nature of industries: The sectors served by the Automotive and Industry Products Groups are sensitive to consumer preferences, economic conditions and broader trade-related issues	The Group seeks to manage these risks through: • Global footprint optimization: Diversified and flexible manufacturing footprint and technology to enhance resilience, cost efficiency and responsiveness to changing customer demands as well as regulatory and supply chain changes • Trade, regulatory and financial management: Proactive monitoring, compliance governance, and product redesign where appropriate • Supply chain resilience: Increased localization, disciplined supplier selection and strong supplier relationships to support continuity, quality and reliability • Financial discipline and resilience: Conservative balance sheet and strong liquidity with diversified sources of funding, capex control, customer credit checks, and natural and financial hedges • Diversification: Diversification of customer and product portfolios through internal development, joint ventures and targeted acquisitions • Customer and contracts: Cost-sharing with customers, where feasible • Customer insights: Evaluation of end-customer behaviour and practices to anticipate demand shifts and adjust strategies accordingly
Strategy and business plans The Group's future business plans depend on several critical factors, some beyond its control. In particular: • Production capacity: Optimizing production capacity and developing and maintaining a balanced global footprint • Resource demands: Growth places pressure on management, operational and financial resources • Capital investment: Ongoing investment is required to support regionally integrated manufacturing and long-term growth	To support the effective execution of its strategy, the Group focuses on: • Management oversight: Senior leadership and cross functional teams align through regular meetings and reviews • Site oversight: Close monitoring of new site development and changes to existing facilities • Capital expenditure control: Rigorous review to ensure efficient capital expenditure deployment, equitable resource sharing and strategic prioritization • Strategic evaluation: Thorough assessment of potential joint ventures and acquisitions • Global talent: Leveraging diverse talent pools across regions to ensure access to critical skills and expertise

Strategic risks	How we respond
Hyper-competitive environment The Group operates in highly competitive existing and emerging markets with intense price pressure from both global and niche competitors. Furthermore, volume fluctuations may occur due to competitive pressures faced by the Group's customers. Structural pricing pressure persists due to overcapacity in key markets, especially China and the rapid entry of low-cost competitors using contract manufacturing models and government subsidies. Competitive pressures may limit the Group's ability to fully recover cost increases or resist unfavourable contract terms. Competitive dynamics also increasingly encompass expectations around speed of response, reliability and global delivery capability, which can further intensify pressure on both pricing and volumes.	The Group seeks to maintain competitiveness through: • Footprint optimization: An optimized multi-regional manufacturing footprint designed to support cost efficiency, resilience and responsiveness • Standardization: A disciplined focus on standardized, cost-leading product groups to reduce complexity, support scalability and strengthen cost competitiveness • Materials optimization: Active cost management, alternative sourcing and material substitution • Productivity and efficiency: Ongoing investment in innovation and operational efficiency • Deep vertical integration: Insourcing to ensure consistent quality, reduce cost and improve efficiency • Market insights: Regular monitoring of competitive dynamics, trends, prospects, products and pricing
Technology (and related regulatory) changes Technological competitiveness: Johnson Electric must continually innovate and maintain cost-effective product and manufacturing technologies. Failure to do so could result in loss of customers and product obsolescence. Changes in technology regulations and standards: Continuously evolving regulations and industry standards over technologies require the development of new or improved products and process adaptation. Automotive market disruption: The transition to new energy vehicles is driving structural change in the automotive market. Digitalization challenges: Increased use of automation and artificial intelligence is driving an enterprise-wide transformation and the development of smart-factory capabilities. This involves significant implementation challenges and changes workforce skill requirements, including the elimination of some roles. Failure to execute effectively, ensure system reliability, and manage workforce disruption could compromise production integrity and delay the realization of expected benefits.	The Group seeks to mitigate risks and exploit opportunities from technology and related regulatory changes through: • Innovation and intellectual property: Continuous development of motion solutions to improve cost, efficiency and competitiveness • Diversification: Broadened customer and product portfolios through development and acquisitions • Standardization: Faster time-to-market through rapid sampling, and the increased standardization of products and production lines • Strategic planning and risk assessment: Strategic planning aligned with AI, automation, analytics, cyber-physical systems and the internet of things • Reskilling and awareness: Workforce reskilling to sustain productivity and adaptability to technological and regulatory change
Exposure to developing countries Expansion in developing countries exposes the Group to political, regulatory, social and economic volatility	Mitigation measures include: • Global footprint development: Reducing reliance on any single country, through a balanced manufacturing and sales presence, supported by strong local leadership and corporate oversight • Ethical standards: Group-wide policies and practices address integrity, environmental stewardship, human rights, labour practices and health and safety

Commercial risks	How we respond
Major customers and products Sales of certain major product lines and to certain major customers form a significant part of Group revenue. As a result, the Group could be affected by declines in major customers and products and by fluctuations in the global automotive market. Additionally, volatile tariffs could increase customer demand for regional production and local content.	The Group seeks to mitigate these risks through: • Diversification of customer and product portfolios: Ongoing diversification through internal development and strategic acquisitions, with no single customer accounting for more than 10% of total sales • Innovation: Continuous introduction of new products to the market to remain resilient to shifts in customer preferences and market dynamics • Supply chain development: Development of alternative suppliers to enhance supply chain resilience • Global footprint development: An optimized multi-regional manufacturing footprint, supported by strong local leadership and corporate oversight
Intellectual property The Group's success depends on safeguarding and leveraging its intellectual property including patents, trade secrets and know-how. Risks include the cost of protection and the defence of potential infringement claims.	The Group seeks to mitigate these risks through: • Protection of know-how: Systematic identification, registration and safeguarding of trade secrets and proprietary knowledge • Strategic patent filings: Proactive patenting of key technologies and process improvements • Enforcement measures: Swift action against infringements • Patent searches: Comprehensive searches before launching new products or processes to reduce infringement risk
Contract performance The Group may incur losses arising from failure in contract performance or onerous terms.	The Group seeks to mitigate contract risk through effective training on contract management, customer relationship management, review of contract terms and conditions in line with industry standards, and legal oversight.
Operational risks	How we respond
Supply chain Prolonged shortages of raw materials or critical components could disrupt production and customer deliveries. Inflation, material scarcities and supply disruptions could also increase costs.	The Group seeks to mitigate supply chain risks through: • Supply chain resilience: Maintains strong supplier relationships to support continuity, quality and reliability • Strategic insourcing: Uses insourcing and dual sourcing to secure supply and alleviate cost pressures

Operational risks	How we respond
Freight and logistics The Group ships products globally and is exposed to risks including shipping delays, freight cost volatility, cargo damage, import / export and customs compliance issues, and disruption from regional conflicts.	To mitigate freight and logistics risks, the Group seeks to: • Build in-region manufacturing capability to reduce lead-times, regulatory complexity and reliance on global supply chains • Localize supply chains where feasible • Optimize incoterms to improve shipping efficiency • Maintain safety stock to offset disruptions • Partner with strategic carriers to improve reliability
Business interruption Operation disruption from internal or external events, both within and beyond the Group's control such as industrial accidents, equipment failures, fires, floods or other natural disasters, epidemics, strikes or other labour difficulties, disruption of transportation networks or markets, and rising geopolitical complexity could impact production, delivery and customer commitments.	The Group seeks to mitigate the risks of business interruption by: • Regional footprint: Strengthening regional facilities and local supply chains to reduce single-site dependency • Labour relations: Strong employee engagement to minimize disruption • Crisis response: Clear escalation processes for flexible incident response and senior management oversight • Financial discipline: Conservative balance sheet and strong liquidity
Human resources The Group's success depends on attracting and retaining skilled employees and maintaining workforce stability. Demographic trends including falling birth rates and aging populations could increase labour shortages.	The Group seeks to mitigate human resources risks by: • Talent management: Focus on attraction, retention and development of key personnel • Employee Engagement: Active employee networks and regular engagement surveys to address concerns • Succession planning: Reducing the impact of staff turnover • Operational efficiency: Increased automation and use of digital technology
Cybersecurity Cyber threats could disrupt the Group's operations, compromise data or damage Johnson Electric's reputation. An evolving digital ecosystem and increasingly sophisticated cyberattack methods continue to heighten this risk.	The Group seeks to mitigate this risk through layered security controls, ongoing monitoring, and Group-wide governance and awareness.

Operational risks	How we respond
Taxation Changes in tax laws could affect the Group's financial position, results, compliance burden and the valuation of deferred tax assets. The valuation of deferred tax assets also depends on the Group's ability to generate sufficient future taxable profits. The Group may face direct and indirect tax audits across its jurisdictions, which involve inherent uncertainty as to outcome.	The Group seeks to mitigate tax risks by: • Tax compliance: Adhering to applicable tax laws and regulations • Professional guidance: Management of tax matters by the in-house tax team, supported by expert advice on evolving and unclear tax laws and regulations • Monitoring and training: Ongoing review of tax regulation and related training
Warranty and product liability Manufacturing complex products exposes the Group to warranty and product liability risks from alleged or actual defects. These may result in customer dissatisfaction, reputational damage, and liabilities related to the replacement of faulty products, recalls or legal action.	The Group seeks to mitigate warranty and product liability risks by: • Supplier management: Robust supplier selection and oversight • Continuous improvement: Refinement of engineering and manufacturing processes and quality standards • Quality management: Use of data analytics, failure analysis, and product safety reviews. Ensuring that products are fail-safe and adhere to the highest market standards • Insourcing: Increased in-house component manufacture to meet quality requirements • Insurance: Product liability insurance providing partial financial cover
Fraud Cyber fraud is increasing in frequency and sophistication, with fraudsters potentially impersonating suppliers, employees or customers. Like all businesses, the Group is also exposed to occupational fraud.	The Group seeks to mitigate its exposure to fraud by: • Culture building: Clear tone set by the top, Code of Conduct, ethics training and zero tolerance for fraud • Internal control framework: Robust business processes with embedded preventative and detective anti-fraud controls • Identity authentication: Authentication of customers, employees and suppliers • Governance and oversight: Clear delegation of authority and prohibition of single-signature approvals

Sustainability risks	How we respond
Environment and climate change Johnson Electric must address environmental and climate change risks to support a resilient business model. Key risks include the need to balance energy-intensive production with carbon footprint reduction, manage waste, water use and emissions, ensure supplier environmental compliance, adapt to extreme weather events, and comply with evolving environmental regulations. Failure to manage these could disrupt operations, damage reputation and result in regulatory penalties.	Johnson Electric has established a long-term commitment to protect the environment for future generations. The Group seeks to do so through: • Reducing carbon emissions: Setting targets to reduce carbon emissions across the value chain, increase renewable energy use and improve energy efficiency • Ecological impact minimization: Monitoring and reducing waste, water consumption, and emissions through site-specific programs to improve efficiency, increase recycling and enhance treatment facilities • Supplier sustainability monitoring: Evaluating the environmental performance of key suppliers • Climate adaptation: Assessing exposure to climate change and extreme weather events and strengthening climate resilience • Environmental management system (EMS): Integrating legal requirements into the EMS to proactively manage compliance. Ensuring all manufacturing sites hold ISO 14001 certification
Product sustainability Electrification solutions: Climate change mitigation is driving automotive demand for electrification solutions that replace internal combustion engines and reduce tailpipe emissions. IPG's customers require energy-efficient solutions for domestic and industry applications. Challenges in sustainable production: Some customers impose strict sustainability requirements, including carbon emissions reduction, higher recycled material content and meeting quality and safety standards. Failure to meet these requirements may limit future business opportunities.	The Group seeks to improve product sustainability by: • Carbon emissions reduction: Offering products for zero- and low-carbon applications • Sustainable by design: Designing eco-friendly products and processes that minimize resource and energy use • Sustainability assessments: Conducting product carbon footprint assessments • Compliance with standards: Ensuring products meet quality, health and safety standards
People Meaningful work and equal opportunities: An engaged workforce is essential for success. Employees seek meaningful work, equal opportunities, respect, potential growth, and safe working conditions. Digital transformation: Upskilling employees to adapt to digital transformation and secure their livelihoods. Consequences of breaches: Breaches of human and labour rights could lead to reputational damage, loss of business, regulatory penalties and negative impacts on employees and communities.	The Group fosters a conducive working environment by: • Embedding human and labour rights: Promoting diversity and equal opportunity and integrating human and labour rights into business practices • Labour standards: Adhering to applicable labour laws and regulations • Health and safety: Meeting or exceeding health and safety requirements and supporting employee wellbeing • Talent attraction and retention: Supporting talent acquisition and retention through training and development programs • Employee engagement: Regular engagement assessments with targeted follow-up actions • Culture: Fostering a culture of trust and respect to support engagement and positive social impact

Sustainability risks	How we respond
Trust and transparency The Group could suffer reputational damage and business loss if its ethics or quality are questioned, or if it fails to consider the interests of its primary stakeholders. Non-compliance with relevant laws and regulations could lead to fines or non-monetary penalties. Environmental, social and ethical hazards within its supply chain could also adversely affect the Group's reputation.	The Group seeks to mitigate these reputational risks by: • Board and leadership: A balanced board and senior management team with appropriate skills, experience and diverse perspectives supported by ongoing training • Values and culture: Aligning values, strategy and culture, supported by a strong ethical tone at the top • Ethical conduct: Clear expectations, training, whistle-blower hotline and internal controls • Stakeholder engagement: Transparent communication of sustainability performance and stakeholder engagement where appropriate • Regulatory oversight: Ongoing monitoring of legal and regulatory developments • Supplier oversight: Supplier selection and monitoring based on cost, quality, safety, environmental, social and ethical standards
Financial risks	How we respond
The Group is exposed to financial risks, including: • Liquidity risk as the Group requires sufficient funding to meet obligations as they fall due • Interest rate risk affecting borrowing costs and returns on cash balances • Foreign exchange risk arising from sales, costs, cash holdings and other assets denominated in multiple currencies • Commodity price risk arising from fluctuations in raw material prices used in manufacturing • Counterparty risk if customers, suppliers or financial institutions fail to meet contractual obligations These risks may be heightened by geopolitical events that spill over into financial markets and credit conditions, increasing volatility across interest rates, currencies and commodity prices.	The Group seeks to mitigate its exposure to financial risks through a variety of measures including: • Credit strength: Maintaining investment grade credit ratings and prudent long-term debt leverage • Liquidity management: Maintaining cash reserves, optimized internal dividend flows, committed and uncommitted credit lines, and forecast cash flows to meet current and planned cash needs • Financial risk management: Active management of interest rate, foreign exchange, commodity price and counterparty risks • Customer and supplier diversification: Maintaining a diversified customer and supplier base to reduce reliance on any single counterparty for a material share of revenue or supplies • Banking relationships: Maintaining long-term relationships with strong and reputable banking partners
	Further information about the Group's financial risk management strategies and activities including credit ratings, cash holdings, borrowings, credit lines, currency and commodity management including hedging is set out in the Financial Management and Treasury Policy section on pages 47 to 52

Social Impact and Sustainability

Johnson Electric's long-term value creation strategy is underpinned by a disciplined and integrated approach to sustainability that is embedded within the Group's strategic planning, enterprise risk management and capital allocation processes. Sustainability considerations are treated as material drivers of resilience, competitiveness and regulatory readiness, reflecting the increasingly central role that environmental, social and governance ("ESG") factors play in shaping long-term financial performance, customer relationships and licence to operate. Rather than being managed as standalone initiatives, sustainability priorities are incorporated into core business processes, investment appraisal, operational execution and performance management, with clear targets and measurable outcomes.

During FY25/26, the Group made measurable progress across all five pillars of its Sustainability Framework — Products, Environment, Employees, Communities, and Trust and Transparency — and continued to strengthen the linkage between sustainability performance, risk management and long-term value creation.

Products and Customers

Product sustainability directly supports revenue growth, customer retention and competitive positioning, particularly in markets driven by electrification, energy efficiency and regulatory change.

Johnson Electric's product strategy is centred on delivering innovative, reliable motion solutions that improve comfort, safety and health while supporting customers' own sustainability goals. Serving approximately 1,500 customers globally across automotive and non-automotive sectors, the Group maintains long-standing relationships built on technical collaboration, quality excellence and localized support through a global manufacturing footprint. Customers increasingly require evidence of product carbon performance, responsible sourcing and consistent quality, safety and regulatory compliance. Customer relationships are reinforced through continuous dialogue, joint development programs and transparent reporting. As sustainability regulations and expectations evolve, Johnson Electric positions itself as a trusted partner capable of supporting customers across the full product lifecycle, from design and validation to production and end-of-life considerations.

A Smarter and Greener Alternative to O-ring Conveyor Systems

Our TrueDrive™ motorized rollers deliver a safer, more sustainable alternative to traditional O-ring conveyor systems. By eliminating O-rings, gearboxes and pneumatics, TrueDrive™ reduces maintenance risks and removes key pinch-point hazards for workers. With up to 250% higher throughput, near 100% uptime and intelligent energy-saving control, it enables cleaner, safer and more efficient material-handling operations.



Performance in FY25/26:

- Product carbon footprints:** By year-end, over 130 products had quantified product carbon footprints, enabling structured engagement with customers on value-chain emissions and supporting customers' Scope 3 reporting requirements
- Safety and quality:** There were zero product safety incidents or recalls, in line with the Group's standing target of zero product safety and regulatory compliance incidents. Quality performance improved, with reductions in complaint ratios and internal defect costs, supporting margin protection and customer satisfaction
- Packaging efficiency:** Sustainable packaging initiatives avoided approximately 1,540 tonnes of packaging material, a 36% increase year-on-year, reducing waste generation

Johnson Electric's "sustainability-by-design" approach integrates life-cycle assessment and product carbon footprint methodologies into product development to meet increasingly stringent regulatory and procurement requirements. Product quality and safety remain core differentiators: the Group operates under rigorous international standards including ISO 9001, IATF 16949 and industry-specific certifications.

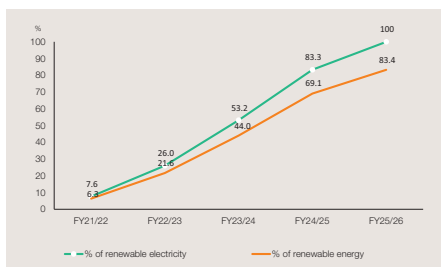
Environmental Matters

Environmental stewardship is a cornerstone of Johnson Electric's sustainability agenda and risk management framework. These efforts are supported by a global environmental management framework consistent with internationally recognized standards, including ISO 14001 for environmental management systems and ISO 50001 for energy management.

FY25/26 represented a landmark year for environmental performance:

- **100% renewable electricity** was achieved across all global operations, resulting in a 99.7% reduction in Scope 2 emissions versus the FY22/23 baseline. This significantly exceeded the Group's near-term target of a 65% reduction by FY34/35. Overall renewable energy accounted for 83% of total energy consumption (FY24/25: 69%). The Group's climate strategy is aligned with Science Based Targets initiative ("SBTi") approved emissions reduction pathways and overseen by the Board and Audit Committee

Renewable electricity and energy



- **Zero waste to landfill** was achieved for the fourth consecutive year
- **Waste intensity per sales** decreased by 3% and hazardous waste intensity decreased by 20% versus the FY20/21 baseline, achieving the Group's 20% hazardous-waste reduction target
- **Water withdrawal and consumption intensities** were reduced by 24% and 18% respectively versus the FY20/21 baseline

Scope 1 emissions increased modestly relative to the baseline due to production expansion at certain sites, particularly in Canada. Management has identified this as a focus area and is pursuing further electrification, biomethane use and process efficiency initiatives to support progress toward the FY34/35 Scope 1 target.

Attention is increasingly focused on Scope 3 emissions. In FY24/25, Scope 3 emissions (Categories 1 and 11) were reduced by 6% versus the FY22/23 baseline, and further assessment of FY25/26 performance is underway. As regulatory focus and stakeholder expectations increasingly shift towards value-chain emissions, supplier engagement continues to expand, with suppliers representing 88% of direct material spend assessed on ESG criteria during the year.

Employees

Johnson Electric's people are fundamental to its success. With over 30,000 employees across more than 20 countries, the Group focuses on building a safe, inclusive and engaging workplace that supports skills development, internal mobility and long-term careers.



We are a truly global team bound together by our shared values. We recognize that the talent and diversity of our people drive business results.



We thrive on innovation and excel in execution. We are committed to making our customers successful and our world a better place.



We believe that hiring the right people and putting them in the right jobs maximizes the success of our people and the business.

Health and safety remains a top priority:

- **Lost-time accidents** decreased by 30% year-on-year, with injury rates remaining significantly below industry benchmarks
- **Certifications:** 92% of sites, by hours worked, are certified to ISO 45001, reflecting a mature safety management system and preventative culture
- **Leading indicators** improved markedly, with a 22% increase in near-misses communicated and a 34% increase in hazards communicated, supporting proactive risk prevention

Talent development and internal progression continue to strengthen organizational capability:

- **Internal progression:** 85% of senior management roles were filled internally
- **Women in management:** Women represented 15% of senior management, meeting the Group's FY25/26 target
- **Development:** Investment in leadership, technical, digital and AI-related skills continued through structured development programs



Johnson Electric Baccalaureate 2025 class opening and graduation ceremony, held in Jiangmen, China.

This structured internal development initiative is designed to strengthen our technical capabilities and support digital transformation and automation. It adopts a blended learning model that integrates e-learning instructor-led workshops on advanced technologies, and on-the-job practical training.

Communities

Johnson Electric seeks to deliver positive social impact in the communities in which it operates, with a focus on education, skills development and employee volunteerism.

- **Johnson Electric Technical College ("JETC"):** More than 1,750 students have graduated from the JETC programs across China, India and Mexico. For more than two decades, JETC has created meaningful career pathways for young people from rural areas, lifting up not only individuals but also families and entire communities across China, India and Mexico. As a pre-university technical college, JETC offers

fully funded technical training, English language instruction, and structured opportunities for personal development

- **Junior engagement:** Over 700 children participated in the Junior Engineer program during the year. This simple but effective global community outreach program targets children aged 6 to 12 to encourage an early interest in STEM subjects by building a DIY J-Bot toy kit powered by a Johnson Electric motor

Junior Engineer activity in Niš, Serbia



- **Community engagement:** More than 400 community activities were organized globally through the JGenerations volunteering initiative

The Group's long-standing commitment to community engagement has been externally recognized, including being named a "Caring Company" by the Hong Kong Council of Social Service for the tenth consecutive year.

Compliance, Ethics and Corporate Governance

Strong governance, ethical conduct and transparent disclosure are fundamental to maintaining stakeholder trust in Johnson Electric. Oversight of governance, ethics and compliance is provided by the Board, supported by specialist committees that monitor ethical standards, regulatory compliance, risk management, and climate-related matters. These governance structures are designed to ensure accountability, integrity and alignment with the Group's long-term strategic objectives.

Sustainability-related factors are integrated within the Group's enterprise risk management framework and are reflected in the principal risks relating to environmental and climate change, product sustainability, people, and trust and transparency. Failure to manage these risks effectively could disrupt operations, increase regulatory or compliance costs, limit market opportunities, or damage stakeholder trust.

Integration of enterprise risk management, sustainability topics and the double materiality assessment

Enterprise risk topics	Linked sustainability pillars and topics (by pillar)	Double materiality assessment reference
Global economic and geopolitical environment, trade issues and industry dynamics	Trust and transparency Supply chain	Management of relationships with suppliers
Exposure to developing countries	Environment - Energy and climate - Emissions - Waste Products - Sustainable products - Product carbon footprint - Material management and use Employees - Health and safety - Training and development - Diversity, equity and inclusion - Labour rights Communities - Community engagement Trust and transparency - Ethics - Corporate governance - Compliance - Supply chain	- Climate change mitigation - Climate change adaptation - Energy - Circular economy - Materials efficiency - Health and safety - Employee wellbeing - Training and skills development - Gender equality and diversity - Labour rights - Child and forced labour - Corruption and bribery
Supply chain	Products - Material management and use Trust and transparency - Ethics - Supply chain	- Material sourcing - Child and forced labour - Management of relationships with suppliers
Business interruption	Products - Material management and use Environment - Energy and climate Employees - Health and safety Trust and transparency - Supply chain	- Climate change adaptation - Health and safety - Material sourcing - Management of relationships with suppliers
Fraud	Trust and transparency - Corporate governance - Ethics - Compliance	Corruption and bribery
Environment and climate change	Environment - Energy and Climate - Emissions - Waste Products - Sustainable products - Product carbon footprint - Material management and use	- Climate change mitigation - Climate change adaptation - Energy - Circular Economy - Materials efficiency
Product sustainability	Products - Sustainable products - Product safety	- Innovation in sustainable products - Product safety

Enterprise risk topics	Linked sustainability pillars and topics (by pillar)	Double materiality assessment reference
People	Employees - Health and safety - Training and development - Diversity equity and inclusion - Labour rights	- Health and Safety - Employee wellbeing - Training and skills development - Gender equality and diversity - Labour rights - Child and forced labour
	Communities - Community engagement Trust and transparency - Ethics - Supply chain	
Trust and transparency	Products - Material management and use Trust and transparency - Corporate governance - Ethics - Compliance - Supply chain	- Corruption and bribery - Management of relationships with suppliers - Material sourcing

This is further supported by an internal control framework with policies, delegated authorities, risk assessment processes, operational controls, monitoring activities and reporting mechanisms embedded across business functions and geographies. It is designed to operate as a cohesive system and is subject to regular review by management and the Board to ensure its ongoing effectiveness. Internal audit provides independent challenge, reviewing selected areas of higher risk, reporting its findings to the Audit Committee. In addition, independent third-party certifications and assessments provide external validation over specific systems underpinning the control environment, including TISAX accreditation for information security and ISO 14001 and ISO 50001 certifications at relevant sites.

The Group maintains comprehensive policies covering anti-corruption, data protection, information security and fair competition, supported by ethics training and confidential whistle-blowing mechanisms. All reported concerns are reviewed and addressed in accordance with established procedures. Transparency is further supported through comprehensive public reporting and alignment with applicable regulatory requirements and recognized international disclosure frameworks.

Supply Chain Management

Johnson Electric recognizes that supply chain resilience and sustainability are critical to long-term value creation. The Group works closely with approximately 2,000 direct material suppliers worldwide, emphasizing ethical conduct, environmental responsibility and continuous performance improvement.

In FY25/26, suppliers representing 88% of direct material spend were assessed on environmental, social and governance criteria. Supplier engagement focused on emissions transparency, responsible sourcing and continuous improvement, contributing to a reduction in upstream (Category 1) carbon emissions versus the FY22/23 baseline.

The Supplier Code of Conduct establishes clear expectations on labour standards, ethics and environmental compliance. Where risks are identified, corrective actions are required, with commercial consequences for persistent non-performance. Localization of supply chains and increased use of returnable packaging further improve efficiency, reduce emissions and strengthen supplier relationships.

Collectively, these initiatives position Johnson Electric to manage supply-chain risks proactively while partnering with suppliers to advance shared sustainability objectives across the value chain.

Sustainability Report

For further information about Johnson Electric's sustainability including detailed policies, methodologies, targets, performance and activities, please refer to the Group's Sustainability Report, available for download from www.johnsonelectric.com.

Corporate Governance Report

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 shareholders and devotes considerable effort to identifying and formalizing best practices of corporate governance.

Johnson Electric’s Purpose, Stakeholder Focus and Culture



The Company is committed to building a positive and strong corporate culture by promoting the values and aspirations contained in Johnson Electric's "MARBLE" statement of core values. The corporate values of "MARBLE" guide our employees to become the company we aspire to be and to fulfil our purpose and vision. There are six major strategic actions areas directed towards achieving our vision and purpose: 1) focus on serving customers whose products are aligned to key underlying societal trends, 2) invest in technology innovation, 3) build a resilient global manufacturing footprint, 4) align product design and production processes with the industrial logic of advanced automation, 5) acquire complementary businesses, and 6) develop and retain a diverse, talented and inclusive team of people. Further details of the six strategic actions areas are set out on pages 4 to 5 of this Annual Report. Various initiatives, measures and programs strengthening the Group's culture and improving employees' engagement, and achievements are also discussed in the Management's Discussion and Analysis of this Annual Report and Sustainability Report FY25/26.

The Group conducts a global "MARBLE Snapshot" survey of its employees every two years. Employee engagement and alignment with the "MARBLE" core values are measured through the survey. Survey results are also compared to global manufacturing company benchmarks and country benchmarks where applicable. Appropriate follow-up actions are implemented in a timely manner to respond to the feedback from our employees.

Role of the Board

The board of directors of the Company ("Board") is accountable to shareholders for the activities and performance of the Group. Directors meet in person on a quarterly basis and on other occasions when a board-level decision on a particular matter is required. The Board has reserved for its decision or consideration matters covering corporate strategy, annual and interim results, directors' appointment, succession planning, risk management, environmental, social and governance reporting, major acquisitions, disposals and capital transactions, and other significant operational and financial matters.

The Company seeks to provide its independent non-executive directors with extensive exposure and access to its operations and management. The board meeting agendas are structured to address the broad spectrum of key governance issues on a regular and systematic basis. One of the scheduled Board meetings focuses specifically on the annual corporate strategic plan and planning process which is intended to identify and assess the opportunities, challenges and key risks that are expected to have the greatest potential impact on the Group's future business performance. Forming part of the continuous professional development program for Directors, visits to the Group's principal operating facilities are arranged and relevant subject area experts are also invited to address the Board from time to time.

The Board recognizes the importance and benefits of conducting regular evaluations of its performance to ensure the effectiveness of its functioning. On an annual basis, a Board Effectiveness Survey is sent to each Director in order to enable the performance of the Board to be evaluated in a structured and candid manner. Responses to the survey are analyzed and discussed at the Board meeting. Suggestions made by the Directors have been implemented to further improve the performance of the Board.

Major corporate matters that are specifically delegated by the Board to management include the preparation of annual and interim accounts for board approval before public reporting, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, environment, social and governance assessments and compliance with relevant statutory requirements and rules and regulations.

Subject to retirement by rotation and re-election at an annual general meeting, non-executive directors are appointed for a term of three years with automatic renewal for further terms of three years per term. Under the Company's Bye-law 109(A), one-third of the directors except the director holding office as executive chairman, who have served longest on the Board since their last election, shall retire from office and be eligible for re-election at each annual general meeting. As such, except for the executive chairman, no director has a term of appointment longer than three years.

Board Composition

The Board currently consists of two executive directors and eight non-executive directors (of whom six are independent) (“Directors”) following the retirement of Madam Yik-Chun Wang Koo as the Honorary Chairman and a non-executive director on 17 July 2025.

Biographical details of the Directors are set out in the Profile of Directors and Senior Management section on pages 198 to 203 of this Annual Report.

The independent non-executive directors are all experienced individuals from a range of industries and geographies. Their mix of professional skills and experience is an important element in the proper functioning of the Board and in ensuring a high standard of objective debate and overall input to the decision-making process. The Board has received from each independent non-executive director a written

confirmation of their independence and has satisfied itself of such independence up to the approval date of this report in accordance with the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

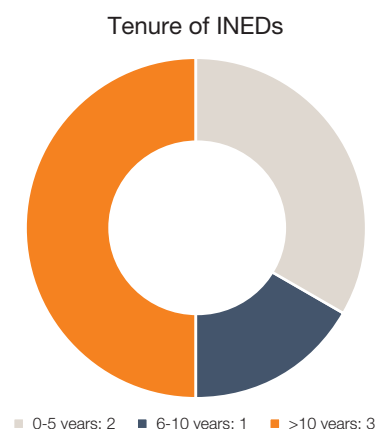
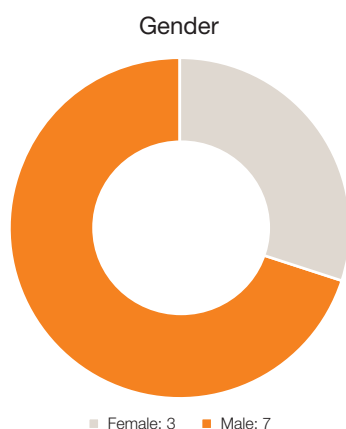
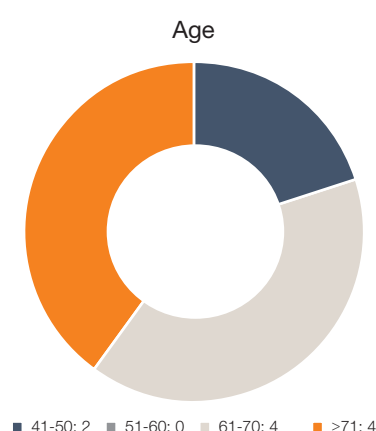
In accordance with Rule 13.51B(1) of the Listing Rules, the Company is required to disclose changes in information of Directors subsequent to the date of the Interim Report 25/26. Save as otherwise set out in this report, there are no substantial changes to the information of Directors during FY25/26.

Board Diversity

In respect of the Board Diversity Policy, the Board is cognizant of the benefits of diversity and the Nomination and Corporate Governance Committee ("Governance Committee") monitors implementation of this policy as part of the process of selecting and nominating candidates for appointment to the Board.

Candidates are considered against the broad and diverse range of aspects specified in the Nomination Policy, which among other aspects also include gender, ethnicity and cultural background.

The diagrams below outline the composition, gender, age and tenure diversity of the Board.



As of 31 March 2026, female representation on the Board is 30%. The Board targets to maintain at least the current level of female representation and this target, along with other matters related to diversity, will be reviewed annually by the Governance Committee.

Details of the Group's gender ratio and objectives for achieving gender diversity are set out in the Sustainability Report 2025/26 *.

The Board will continue to identify suitably qualified candidates to join the Board to promote and encourage diversity.

* The Sustainability Report 2025/26 is available on the websites of the Group and HKEXnews together with the Annual Report 2025/26.

Directors' Skills and Experience

The Board is comprised of Directors with skills, expertise, and experience considered relevant to the objectives of the business and the effective governance of the Company. The mix of skills varies by director with all Directors having expertise and experience that spans multiple aspects that contribute to the overall

collective functioning of the Board and the stewardship of the Company.

The chart below highlights the number of directors who are considered to have particularly significant experience or expertise in the specified area.



Note:

Category	Description
Directorship experience with other listed companies	Experience serving as a board chair, committee chair, or key officer / director in listed or public companies, demonstrating leadership in governance, strategy, and oversight.
International business	Proven experience in managing or operating businesses across multiple countries or regions, including cross-border transactions, global market strategy, and multicultural leadership.
Company's related industry experience	Significant background or direct experience in the Company's core industry or end-markets, with an understanding of industry dynamics, trends, challenges, and opportunities.
Accounting professional / financial management	Formal qualifications (e.g. CPA, CA) and / or substantial experience in accounting, auditing, financial reporting, budgeting, corporate finance, or overseeing financial operations at a senior level.
Regulatory & compliance / risk management	In-depth knowledge of relevant laws, regulations, and compliance frameworks, as well as practical experience identifying, assessing, and mitigating business and financial risks.
Technology / Digital	Expertise in information technology, digital transformation, cybersecurity, or leveraging business data and digital tools to drive business innovation and efficiency improvement.
Sustainability	Experience in integrating environmental, social, and governance (ESG) principles into business strategy and operations, including sustainability reporting and stakeholder engagement.

Board Independence

To ensure independent views and input are available to the Board, the following mechanisms were implemented. The Governance Committee has

reviewed the implementation and effectiveness of the mechanisms:

Board and Committee Composition	6 out of 10 of the Board members are independent non-executive directors which exceeds the Listing Rules requirement that at least one-third of the Board are independent non-executive directors. - The three committees, namely Audit Committee, Remuneration Committee and Governance Committee under the Board have an independent non-executive director as the respective chairs.
Review Independence	- The Governance Committee assesses the independence of all independent non-executive directors annually according to the criteria specified under the Listing Rules. - Members of the Governance Committee will abstain from assessing his / her own independence. - Each of the independent non-executive directors has submitted a written annual confirmation of independence to the Board.
Appointment of Independent Non-executive Directors	In identifying, nominating and appointing independent non-executive directors, the Governance Committee will observe the selection criteria set out in the Nomination Policy and independence assessment criteria set out in the Listing Rules.
Non-executive Directors' Remuneration	- Fee(s) payable to independent non-executive directors are in form of cash for their role as Board member and committee(s) chairman / member as appropriate. - Independent non-executive directors are not entitled to equity-based and Group performance-related remuneration.
Independent Professional Advice	Independent non-executive directors are entitled to seek independent professional advice from external advisers at the Company's expense to perform their responsibilities.

Attendance of Directors

The Board held four board meetings in FY25/26 and the average attendance rate was 98%. Details of the attendance of individual directors at board meetings,

committee meetings and the annual general meeting during FY25/26 are set out in the table below:

Directors	Number of meetings attended / held					
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination and Corporate Governance Committee Meeting	Annual General Meeting	Directors' Ongoing Training
Executive Directors						
Patrick Wang (Chairman and Chief Executive)	4/4	–	–	3/3	1/1	√
Austin Wang	4/4	–	–	–	0/1	√
Non-Executive Directors						
Yik-Chun Wang Koo (Honorary Chairman) (retired on 17 July 2025)	0/1	–	–	–	0/1	–
Winnie Wang Mak (Vice-Chairman)	4/4	–	3/3	–	1/1	√
Peter Wang	4/4	–	–	–	0/1	√
Independent Non-Executive Directors						
Catherine Bradley	4/4	–	3/3	3/3	1/1	√
Michael Enright	4/4	5/5	3/3	–	0/1	√
Michelle Low	4/4	5/5	–	–	1/1	√
Patrick Paul	4/4	5/5	–	3/3	1/1	√
Christopher Pratt	4/4	5/5	3/3	–	1/1	√
David Rosenthal	4/4	–	3/3	–	0/1	√
Average attendance rate	98%	100%	100%	100%	55%	

Directors' induction and ongoing development

On appointment to the Board, each Director receives an induction package and training covering the Group's businesses and operations, as well as details of the statutory and regulatory obligations of being a director to ensure sufficient awareness of responsibilities under the Listing Rules and other relevant regulatory requirements. Thereafter, the Company provides the Directors with regular updates relating to the Group's business and the industries in which the Group operates as well as arranging visits to the Group's major facilities.

All Directors receive on-going training to support the development of their knowledge and expertise.

Training takes various forms, including attendance at forums, conferences and seminars organized by external organizations as well as undertaking self-study or research on the following topic areas (a) board and directors' duties, (b) Listing Rules and Hong Kong law compliance, (c) corporate governance and ESG, (d) risk management and internal controls, and (e) industry and business updates.

All Directors have complied with the requirement in relation to Directors' training as shown in the table above.

Committees

The monitoring and assessment of certain governance matters are delegated to four committees which operate under defined terms of reference and are required to report to the Board on a regular basis.

The composition of the committees during FY25/26 and up to the date of this report is set out in the table below.

Directors	Audit Committee	Remuneration Committee	Nomination and Corporate Governance Committee	Board Committee
Executive Directors				
Patrick Wang			M	M
Austin Wang				M
Non-Executive Directors				
Winnie Wang Mak		M		
Peter Wang				
Independent Non-Executive Directors				
Catherine Bradley		M	C	
Michael Enright	M	M		
Michelle Low	M			
Patrick Paul	C		M	
Christopher Pratt	M	C		
David Rosenthal		M		

C – Chairman

M – Member

Board Committee

The Board Committee comprises two executive directors, Dr. Patrick Wang and Mr. Austin Wang. Its primary function is to undertake and supervise the day to day management and operating affairs of the Group. It exercises leadership and develops and keeps under review strategy and business development initiatives of the Group and supervises their implementation. The Board Committee's authority and duties are set out in the terms of reference and a summary of which are available on the Group's website.

Audit Committee

The Audit Committee comprises four independent non-executive directors who together have substantial experience in the fields of accounting, taxation, business, corporate governance and regulatory affairs.

The current members are Mr. Patrick Paul (Committee Chairman), Prof. Michael Enright, Mr. Christopher Pratt and Ms. Michelle Low.

The Audit Committee is responsible for monitoring the financial reporting, accounting, risk management and internal control aspects of the Group's activities. It has full access to the Group's global head of internal audit function to hear directly any concerns of the internal audit function that may have arisen during the course of the department's work. The Audit Committee also monitors the appointment, performance and

remuneration of the Group's external auditor. The Audit Committee's authority and duties are set out in the terms of reference which are available on the websites of the Group and HKEXnews.

Five committee meetings were held in FY25/26 to discuss and review relevant matters together with senior management and the independent auditor, including the following:

1. The FY24/25 annual results and interim results for FY25/26, to ensure that the related disclosures in the financial statements were complete, accurate and fair and complied with accounting standards, the Listing Rules and legal requirements, and to submit the same to the Board for approval;
2. The work done by the external auditor, the relevant fees and terms of engagement and appropriate actions required on any significant control weaknesses;
3. The external auditor's independence, including consideration of their provision of non-audit services;
4. The Internal Audit Department's staffing and team competencies, its internal audit plan and budget for approval, its report on work performed and the status of open issues for remedial action;
5. The overall adequacy and effectiveness of internal controls;
6. The Group's risk management activity, namely the processes by which risks are assessed and registered and by which such risks are addressed for mitigation and management;
7. The status and adequacy of the Group's insurance coverage;
8. The status of the Group's global tax position and any fiscal audits by the various jurisdictions;
9. Update on international tax developments as they affect the Group;
10. The status of litigation;
11. Update on implementation of IT modernization and cybersecurity controls;
12. Update on internal controls of the supply chain function;
13. Update on corporate sustainability reporting as they affect the Group; and
14. Review of environment, social and governance ("ESG") regulations, and of the Group's performance against ESG targets and its ESG reporting.

Remuneration Committee

The Remuneration Committee consists of four independent non-executive directors and one non-executive director. The current members are Mr. Christopher Pratt (Committee Chairman), Prof. Michael Enright, Mrs. Catherine Bradley, Mr. David Rosenthal and Mrs. Winnie Wang Mak.

The Remuneration Committee determines the compensation structure and rewards for the Chief Executive and other executive directors and monitors the policies being applied in remunerating the senior management on behalf of the Board.

In addition, it has responsibility for reviewing and making appropriate recommendations to the Board on retirement plans and on management development and succession plans for executive directors and senior management. The Remuneration Committee's authority and duties are set out in the terms of reference which are available on the websites of the Group and HKEXnews.

At Johnson Electric, remuneration and incentive schemes are linked to the achievement of annual and long term performance goals. By providing total compensation at competitive industry levels the Group seeks to attract, motivate and retain the key executives essential to its long term success. At times the Remuneration Committee engages external remuneration experts to stay abreast of best remuneration practices among comparable companies around the world. Senior management incentive schemes include an equity component that is designed to align the long term interest of management with those of shareholders.

All global staff positions, including senior management, are governed by an evaluation methodology which takes into account management / technical know-how, problem solving and accountability. Individual senior management remuneration acknowledges scope of responsibilities, contribution and performance. The base salary takes into account factors such as contribution to the business, employee retention and market remuneration. Annual incentives, when payable, are performance-based and include Company and Group financial objectives as well as individual objectives which may be non-financial. The Johnson Electric Restricted and Performance Stock Unit Plan for senior management provides for the grant of Johnson Electric Restricted Stock Units ("RSUs") and Performance Stock Units ("PSUs"). Vesting of these is subject to attainment of service milestones in the case of RSUs and, in the case of PSUs, the attainment over time of identified group wide financial goals. RSUs and PSUs are used to retain and motivate senior staff and are designed to maximize long term shareholder value.

Details of the remuneration payable to members of senior management by band are set out under Note 30 to the Notes to Consolidated Financial Statements of this Annual Report.

In determining the level of remuneration and fees paid to non-executive directors for the Board approval, a review of current practices in comparable companies is regularly conducted with the aid of an independent consultant. Board remuneration consists of an annual retainer with additional fees payable for committee memberships. Executive directors are not eligible for any remuneration or fees for board activities.

The Remuneration Committee reviewed the respective remuneration policy for senior executives and non-executive directors over the short and long term while addressing the goals of management development and retention and the enhancement of shareholder value.

No individual director or member of senior management team approves his or her own remuneration.

Three committee meetings were held in FY25/26. During the year, the Remuneration Committee addressed the following:

1. Reviewed the status of the annual incentive plan.
2. Reviewed the status of the share award scheme including the company performance relative to the targets.
3. Reviewed long term incentive plans design and options for change.
4. Approved compensation of senior management.
5. Reviewed succession planning of senior management.
6. Reviewed senior executive peer group best practices.

Nomination and Corporate Governance Committee

The Governance Committee comprises two independent non-executive directors and one executive director. The current members are Mrs. Catherine Bradley (Committee Chairman), Mr. Patrick Paul and Dr. Patrick Wang.

The Governance Committee is responsible for the identification and evaluation of candidates for appointment or re-appointment as a director, as well as the development and maintenance of the Group's overall corporate governance policies and practices. The Governance Committee's authority and duties are set out in the terms of reference which are available on the websites of the Group and HKEXnews.

Three committee meetings were held in FY25/26. The following is a summary of work performed by the Governance Committee during the year:

1. Consideration and recommendation of the retiring directors and those who offered for re-election at the Annual General Meeting;
2. Consideration of the independence of all independent non-executive directors;
3. Review and approval of the corporate governance report and information for the Annual Report and the Interim Report;
4. Review of the continuous professional development of Directors and senior management;

5. Review of the structure, size and composition of the Board;
6. Review of the implementation and effectiveness of Board Diversity Policy;
7. Review of the implementation and effectiveness of Board independence mechanism;
8. Review the implementation and effectiveness of the shareholders' communication policy;
9. Consideration of suitable independent non-executive director candidates for joining the Company;
10. Review of compliance with and disclosure on the enhancement in the Corporate Governance Code of the Listing Rules effective on 1 July 2025;
11. Review of the assessment of the Directors' skills and experience; and
12. Review of the compliance with the new requirement of Directors' training.

The business and operations of the Group are, in general, subject to regulations on trade sanctions and export controls, anti-corruption statutes and regulations, employment regulations and personal data and privacy regulations. In addition, the Listing Rules apply to the Company. The Group has established measures on risk management and corporate governance to ensure compliance with the applicable laws, regulations and rules which have significant impact on the Group.

Nomination of Candidates

The Board has adopted its Nomination Policy. The Nomination Policy (which is available on the website of the Group), as administered by the Governance Committee, sets out the criteria and procedures for identifying and nominating suitably qualified candidates for appointment to the Board. The selection criteria specified in the Policy include:

- The highest personal and professional ethics and integrity;
- Contribution to the Board in terms of qualifications, skills, business experience, independence and such other factors as the Governance Committee may consider relevant;
- Commitment in respect of available time and relevant interests;

- Board succession planning considerations;
- Consideration of the requirement of the minimum number of independent non-executive directors; and
- Diversity in all its aspects as set out in the Board Diversity Policy (incorporating relevant provisions of the Listing Rules) adopted by the Board.

Internal Control and Risk Management

The Board is responsible for ensuring that a sound and effective system of internal control and risk management is maintained within the Group and for reviewing its design and operational adequacy and effectiveness through the Audit Committee.

The internal control and risk management system, which includes a defined management structure with specified limits of authority and control responsibilities, is designed to (a) help the achievement of business objectives and safeguard the Group's assets; (b) ensure proper maintenance of accounting records and reliability of financial reporting; (c) ensure compliance with relevant legislation and regulations; and (d) identify, manage and mitigate key risks to the Group, including environmental, social and governance risks.

The internal control and risk management system is established to ensure reasonable, but not absolute, assurance against material misstatement or loss and to manage, but not to eliminate, risks of failure in achieving the Group's objectives.

Following a risk-based approach, the Group's Internal Audit Department independently reviews and tests the controls over various operations and activities and evaluates their adequacy, effectiveness and compliance. Audit findings and recommendations are reported to the Audit Committee, senior management and the external auditor. In addition, progress on audit recommendations implementation is followed up on a regular basis and discussed with the Audit Committee.

During its annual review, the Audit Committee also considers the adequacy of resources, qualifications and experience of staff of the Group's Internal Audit Department, accounting and financial reporting function and their training programs and budgets.

To supplement the above, under the Code of Ethics and Business Conduct, employees can report any suspected case of ethical misconduct, impropriety or fraud within the Group to SpeakUp, a confidential and independently operated whistleblowing system. The Company also has an Anti-Bribery Policy in place that sets out the standards of conduct and practices for certain types of payment, gifts, entertainment and political contributions.

Details of the Group's risk management are set out on pages 53 to 60 of this Annual Report.

Based on the results of evaluations and representations made by the management, the Group's Internal Audit Department and the external auditor in FY25/26, the Audit Committee is satisfied that:

- There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group that threaten the achievement of its business objectives; and
- An appropriate, effective and adequate system of internal control and risk management has been in place in FY25/26 and up to the date of approval of the Annual Report.

Auditor

The Company's independent external auditor is PricewaterhouseCoopers. The Audit Committee is responsible for considering the appointment of the external auditor and also reviews any non-audit services performed by the external auditor for the Group. In particular, the Audit Committee will consider whether such non-audit services could lead to any potential material conflict of interest.

During FY25/26 and FY24/25, the services and associated remuneration provided to the Group by PricewaterhouseCoopers were as follows:

US\$ million	FY25/26	FY24/25
Audit	3.24	3.21
Tax services	1.17	0.69
Other advisory services	0.19	0.51

Directors' and Auditor's Responsibilities for Accounts

The Directors are responsible for the preparation of accounts for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing these accounts for the year ended 31 March 2026, the Directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are prudent and reasonable, and have prepared the accounts on a going concern basis. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group.

The responsibility of the external auditor to the shareholders is set out in the Auditor's Report on pages 95 to 99.

Corporate Governance Code

During the year ended 31 March 2026, the Company complied with the code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules, 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 or hold office for a limited term 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.

Shareholders' Rights

Convening a Special General Meeting

Pursuant to Section 74 of the Bermuda Companies Act 1981, shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall have the right to submit a written requisition requiring a special general meeting ("SGM") to be called by the Board. The written requisition (i) must state the purposes of the SGM, and (ii) must be signed by the requisitionists and deposited at the registered office of the Company for attention of the Company Secretary of the Company, and may consist of several documents in like form, each signed by one or more requisitionists. Such requisitions will be verified with the Company's share registrars and upon their confirmation that the requisition is proper and in order, the Company Secretary will ask the Board to convene a SGM by serving sufficient notice to all shareholders. On the contrary, if the requisition has been verified as not in order, the requisitionists will be advised of this outcome and accordingly, the SGM will not be convened as requested.

If the Board does not within 21 days from the date of the deposit of the requisition proceed duly to convene a SGM, the requisitionists or any of them representing more than one-half of the total voting rights of all of

them may convene a SGM, but any SGM so convened shall not be held after expiration of three months from the said date of deposit of the requisition. A SGM convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in any SGM to be convened by the Board.

Putting Forward Proposals at General Meetings

Pursuant to Sections 79 and 80 of the Bermuda Companies Act 1981, either any number of shareholders representing not less than one-twentieth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the requisitionists must be deposited at the registered office of the Company with a sum reasonably sufficient to meet the Company's relevant expenses and not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in case of any other requisition.

Proposing a Person for Election as a Director

The procedures for proposing candidate(s) for election as director(s) at a general meeting are set out in the Shareholder and Bondholder Information under the Investors section of the website of the Group.

Enquiries to the Board

Shareholders may send their enquiries and concerns, in written form, to the Board by addressing them to the Company Secretary at 12 Science Park East Avenue, 6/F, Hong Kong Science Park, Shatin, New Territories, Hong Kong. Shareholders may also make enquiries to the Board at the general meetings of the Company. In addition, shareholders can contact Computershare Hong Kong Investor Services Limited, the share registrar of the Company in Hong Kong, if they have any enquiries about their shareholdings and entitlements to dividends.

Constitutional Documents

There was no significant change to the Company's constitutional documents during FY25/26.

Model Code for Securities Transactions

The Company has adopted procedures governing Directors' dealings in securities in accordance with the Model Code set out in Appendix C3 to the Listing Rules ("Model Code").

All Directors, apart from Mr. Austin Wang (an Executive Director), have specifically confirmed to the Company their compliance with the Model Code for the year ended 31 March 2026.

With respect to Mr. Wang, he informed the Company that:

- (a) on 27 June 2024, he disposed of 179,895 shares in the Company; and
- (b) on 19 November 2025, he disposed of 27,000 shares of the Company,

on both occasions inadvertently without: (1) first obtaining the prior written clearance required under paragraph B.8. of the Model Code; and, subsequently, (2) disclosing his interests under Part XV of the Securities and Futures Ordinance ("Part XV").

The Company has conducted specific enquiries with Mr. Wang regarding the above and it is satisfied that: (1) neither transaction occurred during a designated blackout period; and (2) Mr. Wang was not in

possession of any inside information about the Company at the time of either transaction.

Mr. Wang has also confirmed to the Company that, other than those matters, he complied with the Model Code for the year ended 31 March 2026. He has also confirmed that he has filed remedial disclosure of interests returns.

The Company has reviewed its existing practices of: (i) obtaining annual confirmations from Directors on Model Code compliance; (ii) notifying the Directors of blackout periods during which Directors' dealings in the Company's shares are prohibited; and (iii) reminding Directors of their obligations under the Model Code, including by attaching a copy of the Model Code with such notifications, and is satisfied that those practices remain effective.

However, in view of the matters explained above and to seek to ensure that all directors continue to comply with their obligations under Part XV and the Model Code, the Company has provided refresher training for all directors (including Mr. Wang) with respect to: (1) their obligations under: (i) Part XV; (ii) the Model Code; and (iii) the Company's relevant internal policies and procedures; and (2) various other corporate governance / compliance related topics.

Communications with Shareholders

A Shareholders Communication Policy is in place to promote the on-going dialogue with the shareholders of the Company through various communication channels set out in the policy and to facilitate investor engagement with the Company.

The Company uses a number of formal communication channels to account to shareholders for the performance of the Group. These include the annual report and accounts, the interim report, periodic announcements made through the Stock Exchange, as well as through the annual general meeting. Copies of relevant corporate and financial information are also made available through the Group's website: www.johnsonelectric.com. The Group's website is

one of the principal channels of communication with shareholders and potential investors.

During the year, the Company aims to provide its shareholders and potential investors with high standards of disclosure and financial transparency. In order to provide effective disclosure to investors and potential investors and to ensure they all receive equal access to the same information at the same time, inside information is released by way of formal public announcements as required by the Listing Rules. The Company supplements and follows up such announcements through periodic presentations, investor road shows and conference calls to facilitate the communication between the Company, shareholders and international investment community.

The Company encourages shareholders to attend and express their views and comments at its annual general meeting. The Chairman of the Board will invite the chairmen and / or members of the committees of the Board as well as external auditor to attend the Company's annual general meeting in person or by electronic means to answer shareholders' questions.

The Board has adopted a set of Internal Control and Reporting Measures in respect of Inside Information which provides guidance to Directors and management in handling and disseminating inside information. The Media and Investor Communication Policy adopted by the Group sets out guidelines to all staff to ensure inside information of the Group is to be handled in compliance with the legal requirement.

The Governance Committee is responsible for reviewing the implementation and effectiveness of the Shareholders Communication Policy. Based on the shareholder communications activities and procedures detailed above, the Governance Committee is of the view that the Policy is appropriate and the implementation of the Policy is effective.

Report of the Directors

The Directors have pleasure in submitting their report together with the audited consolidated financial statements for the year ended 31 March 2026.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries of the Group are shown in Note 39 to the accounts.

Business Review

This Annual Report provides a fair review of the Group's business and performance. A summary of the relevant sections covering the required disclosures is set out below.

Disclosure	Relevant Sections	Pages
A fair review of the Group's business and a discussion of its performance during FY25/26 including the material factors underlying its results and analysis using financial key performance indicators	Six Strategic Action Areas	4 – 5
	Letter to Shareholders	6 – 9
	Management's Discussion and Analysis	36 – 65
A description of the principal risks and uncertainties facing the Group	Management's Discussion and Analysis	36 – 65
	Corporate Governance Report	66 – 80
	Financial Risk Management – Note 32 to the Consolidated Financial Statements	173 – 178
The particulars of important events affecting the Group that have occurred since the end of FY25/26	Letter to Shareholders	6 – 9
	Management's Discussion and Analysis	36 – 65
An indication of the Group's business outlook	Letter to Shareholders	6 – 9
A discussion on the Group's environmental policies and performance	Sustainability	28 – 35
	Management's Discussion and Analysis	36 – 65
	Sustainability Report 2025/26 *	
Information on compliance with the relevant laws and regulations that have a significant impact on the Group	Management's Discussions and Analysis	36 – 65
	Corporate Governance Report	66 – 80
	Sustainability Report 2025/26 *	
An account of the Group's relationships with its key stakeholders	Our Promises	3
	Letter to Shareholders	6 – 9
	Sustainability	28 – 35
	Management's Discussions and Analysis	36 – 65
	Sustainability Report 2025/26 *	

* The Sustainability Report 2025/26 is available on the websites of the Group and HKEXnews together with the Annual Report 2025/26.

Results and Dividends

The results of the Group for the year ended 31 March 2026 are set out in the consolidated income statement on page 102 of this Annual Report.

The Directors declared an interim dividend of 17 HK cents (2.18 US cents) per share, totaling US\$20.3 million which was paid on 6 January 2026.

In line with the Company's dividend policy, the Board recommends a final dividend payment of 44 HK cents (5.64 US cents) per share. The final dividend will be payable on 12 August 2026 in cash.

Distributable Reserves

As of 31 March 2026, the distributable reserves of the Company available for distribution as dividends were US\$1,857.7 million, comprising retained earnings of US\$1,799.5 million and contributed surplus of US\$58.2 million.

Under the Bermuda Companies Act 1981 (as amended), the contributed surplus shall not be distributed to the shareholders if there are reasonable grounds for believing that:

- (i) The Company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (ii) The realizable value of the Company's assets would thereby be less than its liabilities.

Directors

The Directors during the year and up to the date of this report were:

Executive Directors

Patrick Wang *SBS, JP*
Austin Wang

Non-Executive Directors

Winnie Wang Mak
Peter Wang
Catherine Bradley *CBE **
Michael Enright ***
Michelle Low ***
Patrick Paul *CBE, FCA **
Christopher Pratt *CBE **
David Rosenthal ***
Yik-Chun Wang Koo (retired on 17 July 2025)

** Independent Non-Executive Director*

In accordance with Bye-law 109(A) of the Company's Bye-laws, Ms. Winnie Wang Mak, Ms. Michelle Low, Mr. Patrick Paul and Mr. Christopher Pratt shall retire from office by rotation and being eligible, offer themselves for re-election.

None of the directors proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors' Interests in Transactions, Arrangements and Contracts

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director of the Company or an entity connected with the Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Donations

During the year, the Group made donations of US\$0.4 million (FY24/25: US\$0.5 million).

Disclosure of Interests

Directors

As of 31 March 2026, 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	
Peter Wang	–	28,780,782 (Note 1)	3.080
Patrick Wang	5,741,900	– (Note 2)	0.614
Austin Wang	1,415,931	– (Note 3)	0.151
Winnie Wang Mak	865,586	–	0.092
Christopher Pratt	56,000	–	0.005
Patrick Paul	32,750	–	0.003
Michael Enright	15,250	–	0.001
Catherine Bradley	6,500	–	0.000

Notes:

- These shares were held under a trust of which Peter Wang was a beneficiary.
- The interest comprises 2,187,045 underlying shares in respect of the awarded shares granted, which remained unvested, under the Johnson Electric Restricted and Performance Stock Unit Plan.
- The interest comprises 729,015 underlying shares in respect of the awarded shares granted, which remained unvested, under the Johnson Electric Restricted and Performance Stock Unit Plan.

The Company has been notified that Mr. Austin Wang:

- on 27 June 2024, disposed of 179,895 shares in the Company; and
 - on 19 November 2025, disposed of 27,000 shares of the Company,
- on both occasions inadvertently without disclosing his interests under Part XV of the Securities and Futures Ordinance (please see page 79).

Given the above, the Company wishes to take this opportunity to clarify its previous disclosures relating to Mr. Wang's disclosure of interests which are contained in the section headed "Disclosure of Interests – Directors" in the Company's Interim Report 2024/25, Annual Report 2024/25 and Interim Report 2025/26, as follows:

	Shares of HK\$0.05 each of the Company		Approximate % of shareholding
	Personal Interests	Other Interests	
As of 30 September 2024	1,293,174*	–	0.138
As of 31 March 2025	1,293,174**	–	0.138
As of 30 September 2025	1,442,931***	–	0.154

* 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.

** 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.

*** The interest comprises 729,015 underlying shares in respect of the awarded shares granted, which remained unvested, under the Johnson Electric Restricted and Performance Stock Unit Plan.

Save as disclosed in the previous page, 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, 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 31 March 2026, 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
Britannia Trust Co. Ltd. (Note 3)	Trustee	221,760,000 (Note 1)	23.73
HSBC International Trustee Limited	Trustee	217,070,710 (Notes 1 & 4)	23.23
Winibest Company Limited	Beneficial owner	217,743,364 (Note 5)	23.30
Federal Trust Company Limited	Trustee	93,385,646 (Note 1)	9.99
Merriland Overseas Limited	Interest of controlled Corporation	61,896,046 (Note 6)	6.62

Notes:

1. The shares in which Britannia Trust Co. Ltd. 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. Britannia Trust Co. Ltd. was appointed as trustee in place of Deltec Bank & Trust Limited with effect from 15 December 2025.
4. The number of shares held is based on the Corporate Substantial Shareholder Notice filed with the Stock Exchange on 11 September 2023.
5. The interests of Winibest Company Limited in the Company formed part of the interests in the Company held by HSBC International Trustee Limited.
6. 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 31 March 2026, 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 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.

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.

The following is a summary of the 2023 Stock Unit Plan:

1. Participants

The participants of the 2023 Stock Unit Plan are the Directors, the directors of the Company's subsidiaries and the employees of the Group who the Board considers, in its sole and absolute discretion, have contributed or will contribute to the Group ("Participants").

2. Awards

A contingent right to receive either fully paid ordinary shares of the Company or a cash payment, in either case is awarded pursuant to the 2023 Stock Unit Plan ("Awards").

3. Term

Subject to any early termination of the 2023 Stock Unit Plan in accordance with the 2023

Stock Unit Plan, the 2023 Stock Unit Plan shall be valid and effective for a term of 10 years commencing from the date of adoption of the 2023 Stock Unit Plan ("Term").

4. Eligibility

The Board may, at its discretion, invite directors and employees of the Group, who the Board considers, in its sole and absolute discretion, have contributed or will contribute to the Group, to participate in the 2023 Stock Unit Plan.

5. Administration

The 2023 Stock Unit Plan shall be subject to the administration of the remuneration committee and the Board. The Company may appoint a professional trustee to assist with the administration and vesting of Awards granted.

6. Grant of Awards

The Board may, at any time during the Term, at its sole and absolute discretion, make an offer of the grant of an Award ("Grant") to any Participant as the Board may in its sole and absolute discretion select, subject to the terms of the 2023 Stock Unit Plan.

Any offer of the Grant to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the grant in question) and all grants to connected persons shall be subject to compliance with the requirements of the Listing Rules.

7. Vesting of Awards

Subject to the terms of the 2023 Stock Unit Plan, the Board may determine from time to time such vesting conditions or vesting periods for an Award to be vested. For the purpose of satisfying the grant of Awards, the Board shall determine whether the Company shall, at its sole and absolute discretion, (a) allot and issue new shares (by using the general mandate to issue and

allot shares for grantees who are not connected persons); and / or (b) direct and procure the trustee of the 2023 Stock Unit Plan appointed by the Company to acquire through on-market purchases of shares; and / or (c) pay or procure the payment of a cash payment.

8. Maximum Number of Shares to be Granted

The total number of shares that may underlie the Awards granted pursuant to the 2023 Stock Unit Plan and any other equity-based incentive awards granted under any other equity-based incentive schemes of the Company shall not exceed 10% of the aggregate number of shares of the Company in issue as of the date of adoption of the 2023 Stock Unit Plan ("Scheme Mandate Limit").

The Scheme Mandate Limit may be renewed subject to prior approval of the shareholders of the Company but, in any event, the total number of shares that may underlie the Awards granted following the new approval date under the limit as renewed must not exceed 10% of the aggregate number of shares of the Company in issue as of the new approval date. Shares underlying the Awards granted pursuant to the 2023 Stock Unit Plan (including those outstanding, cancelled or vested Awards) prior to the new approval date will not be counted for the purpose of determining the maximum aggregate number of shares that may underlie the Awards granted following the new approval date under the limit as renewed. For the avoidance of doubt, shares issued prior to the new approval date pursuant to the vesting of Awards granted pursuant to the 2023 Stock Unit Plan will be counted for the purpose of determining the aggregate number of shares in issue as of the new approval date.

9. Maximum Entitlement of Each Participant

Where any grant of Awards to a grantee would result in the shares issued and to be issued in respect of all options, awards and Awards granted to such grantee (excluding any options, awards and Awards lapsed in accordance with the terms of the 2023 Stock Unit Plan or the other share schemes of the Company) in the 12-month period up to and including the date

of such grant representing in aggregate over 1% of the shares in issue, such grant must be separately approved by shareholders in general meeting with such grantee and his close associates (or associates if the grantee is a connected person) abstaining from voting.

Where any grant of Awards to an independent non-executive Director or a substantial shareholder of the Company or any of his associates would result in the shares issued and to be issued in respect of all options, awards and Awards granted (excluding any options, awards and Awards lapsed in accordance with the terms of the 2023 Stock Unit Plan or the other share schemes of the Company) to such grantee in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the shares in issue, such further grant of Awards must be approved by the shareholders in the Company's general meeting with such grantee, his associates, and all core connected persons of the Company abstaining from voting in favour at such general meeting.

10. Dividends and Voting Rights

The Awards do not carry any right to vote at general meetings. A grantee shall not be entitled to any dividends or distributions in respect of any shares underlying the Awards granted until such shares have been allotted and issued or transferred (as the case may be) to the grantee.

11. Transferability

Subject to the terms of the 2023 Stock Unit Plan, an Award shall be personal to the grantee and shall not be assignable or transferable. A grantee shall not in any way sell, transfer, charge, mortgage, encumber or create any interests in favour of any third party over or in relation to any Award.

12. Alteration

The Board may alter any of the terms of the 2023 Stock Unit Plan at any time provided that any changes to the authority of the Board in relation to any alteration of the terms of the 2023 Stock Unit Plan shall not be made without the prior approval of shareholders of the Company in general meeting or any alterations to the terms and conditions of the 2023 Stock Unit Plan which are of a material nature or are related to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Participants must be approved by the shareholders of the Company

in general meeting, except where the alterations or changes take effect automatically under the existing terms of the 2023 Stock Unit Plan.

13. Termination

The Company by ordinary resolution in general meeting or the Board may at any time terminate the 2023 Stock Unit Plan and, in such event, no further Awards may be granted but in all other respects the terms of the 2023 Stock Unit Plan shall remain in full force and effect in respect of Awards which are granted during the Term and which remain unvested immediately prior to the termination.

During the year ended 31 March 2026, the Company purchased 1,100,000 shares of the Company at a cost of HK\$31.08 million in connection with the Stock Unit Plan. The highest and the lowest purchase price paid per share were HK\$30.16 and HK\$25.29, respectively.

Details of the interests of the Directors, three top paid senior management (excluding two Executive 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 2025	Granted during the year	Vested in shares during the year	Vested in cash during the year	Lapsed during the year	Number of unvested units held as of 31 March 2026	Vesting Date (dd/mm/yyyy)
Directors									
Patrick Wang	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
	01/06/2025	RSU	–	179,708	–	–	–	179,708	01/06/2028
	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
	01/06/2025	PSU	–	269,562	–	–	–	269,562	01/06/2028
Austin Wang	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
	01/06/2025	RSU	–	59,903	–	–	–	59,903	01/06/2028
	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
	01/06/2025	PSU	–	89,854	–	–	–	89,854	01/06/2028

Name	Award Date (dd/mm/yyyy)	Award Type	Number of unvested units held as of 1 April 2025	Granted during the year	Vested in shares during the year	Vested in cash during the year	Lapsed during the year	Number of unvested units held as of 31 March 2026	Vesting Date (dd/mm/yyyy)
Three Top Paid Senior Management (excluding two Executive Directors)									
	25/01/2021	RSU	121,544	–	121,544	–	–	–	01/12/2025
	01/06/2022	RSU	525,465	–	525,465	–	–	–	01/06/2025
	01/06/2023	RSU	601,927	–	–	–	–	601,927	01/06/2026
	01/06/2024	RSU	484,183	–	–	–	–	484,183	01/06/2027
	01/06/2025	RSU	–	318,233	–	–	–	318,233	01/06/2028
	01/06/2022	PSU	666,936	–	666,936	–	–	–	01/06/2025
	01/06/2023	PSU	662,118	–	–	–	–	662,118	01/06/2026
	01/06/2024	PSU	532,602	–	–	–	–	532,602	01/06/2027
	01/06/2025	PSU	–	308,873	–	–	–	308,873	01/06/2028
Other Selected Employees									
	01/06/2022	RSU	2,866,203	–	2,535,279	322,032	8,892	–	01/06/2025
	30/09/2022	RSU	66,794	–	52,481	14,313	–	–	30/09/2025
	01/06/2023	RSU	2,602,572	–	–	–	246,388	2,356,184	01/06/2026
	01/06/2023	RSU	25,682	–	25,682	–	–	–	29/08/2025
	01/06/2023	RSU	51,364	–	51,364	–	–	–	31/12/2025
	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	2,303,858	–	–	–	164,298	2,139,560	01/06/2027
	01/06/2024	RSU	41,317	–	41,317	–	–	–	31/12/2025
	17/06/2024	RSU	16,139	–	–	–	–	16,139	01/06/2027
	30/05/2025	RSU	–	30,000	30,000	–	–	–	30/05/2025
	01/06/2025	RSU	–	1,456,968	–	–	101,086	1,355,882	01/06/2028
	30/09/2025	RSU	–	4,525	–	–	–	4,525	01/06/2028
	01/06/2022	PSU	1,860,146	–	1,635,571	224,575	–	–	01/06/2025
	01/06/2023	PSU	2,070,628	–	–	–	378,010	1,692,618	01/06/2026
	01/06/2024	PSU	1,710,125	–	–	–	224,660	1,485,465	01/06/2027
	01/06/2025	PSU	–	979,397	–	–	114,564	864,833	01/06/2028

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\$)
30/05/2025	22.00
01/06/2025	21.00
30/09/2025	43.78

- (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 2025	11,252	9,668	20,920	2.24%
Units granted to Directors and employees during the year	2,049	1,648	3,697	0.40%
Shares vested to Directors and employees during the year	(4,237)	(3,303)	(7,540)	0.82%
Forfeited during the year	(524)	(717)	(1,241)	0.13%
Unvested units granted, as of 31 March 2026	8,540	7,296	15,836	1.69%
Vested in FY26/27	(36)	–	(36)	0.00%
Forfeited in FY26/27	(51)	–	(51)	0.00%
Unvested units granted, as of the date of this report	8,453	7,296	15,749	1.69%

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	
FY26/27	3,541	3,125	6,666	0.71%
FY27/28	3,016	2,638	5,654	0.61%
FY28/29	1,896	1,533	3,429	0.37%
Unvested units granted, as of the date of this report	8,453	7,296	15,749	1.69%

As of 1 April 2025, the total number of shares available for grant under the 2023 Stock Unit Plan was 86,538,084 shares.

Total 3,697,023 share awards were granted under the 2023 Stock Unit Plan during the year ended 31 March 2026, hence, the total number of shares available for grant was 82,841,061 shares as of the date of this Annual Report.

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 19 to the accounts 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 year ended 31 March 2026.

Johnson Electric Group Ten-Year Summary

A summary of the results and of the assets and liabilities of the Group for the previous ten financial years are set out on pages 196 to 197.

Pre-emptive Rights

No pre-emptive rights exist under the laws of Bermuda in relation to issues of new shares by the Company.

Major Suppliers and Customers

During the year, the Group purchased less than 30% of its goods and services from its five largest suppliers and sold less than 30% of its goods and services to its five largest customers.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

Related Party Transactions

Details of the material related party transactions are set out in Note 31 to the accounts. None of these constitutes a discloseable connected transaction as defined under the Listing Rules.

Equity-Linked Agreements

Other than the Share Award Scheme of the Company as disclosed, no equity-linked agreements were entered into by the Company during the year or subsisted at the end of the year. Particulars of the Share Award Scheme are set out in Note 19 to the accounts.

Permitted Indemnity Provision

During the financial year and up to the date of this report, subject to the applicable laws, the directors of the Company and its subsidiaries are entitled to be indemnified pursuant to the provisions in force for the benefit of directors against liabilities incurred in the execution and discharge of their duties in accordance with the respective articles of associations or constitutional documents of the Company and its subsidiaries.

Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors of the Company, as of the date of this report, there is sufficient public float as required under the Listing Rules.

Senior Management

The profile of the senior management is set out in the Profile of Directors and Senior Management section on pages 198 to 203.

Corporate Governance

Principal corporate governance practices as adopted by the Company are set out in the Corporate Governance Report on pages 66 to 80.

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.

Auditor

The financial statements have been audited by PricewaterhouseCoopers, who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Patrick Wang SBS, JP
Chairman and Chief Executive

Hong Kong, 28 May 2026

Dividend

Dividend Policy

Johnson Electric seeks to provide shareholders with stable and sustainable dividends that form a meaningful contribution to long-term “total shareholder return”. Among the factors that the Board considers in determining the amount of dividends paid in any financial year are current and projected net profits, current and projected free cash flow (net of capital expenditure), and the maintenance of a prudent capital structure to fund organic growth.

Final Dividend

The Board will recommend at the Annual General Meeting to be held on 17 July 2026 (Friday) a final dividend of 44 HK cents equivalent to 5.64 US cents per share (2025: 44 HK cents or 5.64 US cents) payable on 12 August 2026 (Wednesday) in cash to persons who are registered shareholders of the Company on 27 July 2026 (Monday).

Closing Register of Shareholders

Attending Annual General Meeting

The Register of Shareholders of the Company will be closed from 14 July 2026 (Tuesday) to 17 July 2026 (Friday) inclusive, during which no transfer of shares will be registered.

In order to qualify for attending and voting at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s share 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 13 July 2026 (Monday).

Final Dividend

The Register of Shareholders of the Company will be closed from 23 July 2026 (Thursday) to 27 July 2026 (Monday) inclusive, during which no transfer of shares will be registered.

In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s share 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 22 July 2026 (Wednesday). Shares of the Company will be traded ex-dividend as from 21 July 2026 (Tuesday).

Consolidated Financial Statements

Contents

Independent Auditor's Report	95
Consolidated Balance Sheet	100
Consolidated Income Statement	102
Consolidated Statement of Comprehensive Income	103
Consolidated Statement of Changes In Equity	104
Consolidated Cash Flow Statement	106
Notes to the Consolidated Financial Statements	108

Independent Auditor's Report

To the Shareholders of Johnson Electric Holdings Limited

(incorporated in Bermuda with limited liability)

Opinion

What we have audited

The consolidated financial statements of Johnson Electric Holdings Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 100 to 195, comprise:

- the consolidated balance sheet as at 31 March 2026;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarized as follows:

- Deferred income tax assets and income taxes
- Warranty provisions

Key Audit Matter	How our audit addressed the Key Audit Matter
Deferred income tax assets and income taxes (Refer to Note 18 Taxation and Note 36(a) Accounting Estimates and Judgements to the consolidated financial statements) The Group has recognized US\$102.4 million deferred income tax assets and US\$34.3 million current income tax liabilities on the consolidated balance sheet. The recognition of deferred income tax assets involves judgement by management as to the likelihood of the realization of these deferred income tax assets. The expectation that these assets will be realized is dependent on a number of factors, including whether there will be sufficient taxable profits in future periods and appropriate taxable temporary timing differences to support such recognition. The Group has a wide geographic footprint and is subject to tax laws in a number of jurisdictions. Tax provisioning requires subjective judgements to be made by management about the expected ultimate settlement, if any, of anticipated tax audit issues. We focused on this area because of the inherent uncertainties and judgements involved in forecasting future taxable profits and tax provisions.	We obtained an understanding of management's internal controls and assessment processes for deferred income tax assets and income taxes and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors. We evaluated management's assessment as to whether there will be sufficient taxable profits in future periods to support the recognition of deferred income tax assets by reviewing their forecasts, the process by which they were prepared, testing the underlying calculations and comparing them to the latest financial budgets and forecasts. We also assessed whether the tax losses could be carried forward and utilized before their expiry dates. We held meetings with the Group's management to understand tax developments and related tax risks, and the status of any tax audits. We used our tax specialists to assist us in assessing the appropriateness of management's judgements regarding the level of the tax provisions made in accordance with local tax rules. We also considered whether the judgements made in selecting the factors regarding expectations of deferred income tax assets realization and tax provisioning would give rise to indicators of possible management bias and the implications for the audit when indicators of possible management bias are identified. Based on the work performed, we found the Group's judgements and assumptions used in the recognition of deferred income tax assets and income tax liabilities were supported by available evidence.

Key Audit Matter	How our audit addressed the Key Audit Matter
Warranty provisions (Refer to Note 17 Provisions and Other Liabilities and Note 36(b) Accounting Estimates and Judgements to the consolidated financial statements) The Group generally offers warranties for its motors and other products. The warranty provisions of US\$51.6 million was based on the estimated costs of warranty claims against products sold by the Group. Management uses historical warranty claims experience as well as recent trends to determine the level of provisioning. Where specific claims have been brought against the Group, the level of provision is made based on the consideration of the merits of a warranty claim against the Group, the existence of any obligation under the warranty commitment and legal advice if appropriate. We focused on this area as the estimation and timing of costs to be incurred in respect of future warranty claims requires significant and complex judgements.	We obtained an understanding of management's internal controls and assessment processes for warranty provisions and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors. We compared the actual warranty claims incurred with the prior years' provision level to assess the effectiveness of management's estimation process. We evaluated the Group's methodology and assumptions used for recognizing warranty provisions, which contained an element based on percentage of claims relative to sales levels, and specific elements for known warranty issues or claims against the Group. We tested relevant input data and the underlying mathematical accuracy of warranty estimates. For specific claims, our work included discussion with relevant quality and operation personnel to understand the underlying issues, obtaining correspondence for the claims and, corroborating them with other evidence obtained. Based on the work performed, we found the Group's judgements used in connection with the provisions made were supported by available evidence.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yam Kwok Damien Chow (practising certificate number: P06351).

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 28 May 2026

Consolidated Balance Sheet

As of 31 March 2026

	Note	2026 US\$'000	2025 US\$'000
Non-current assets			
Property, plant and equipment	3	1,563,152	1,452,790
Investment property	4	18,923	17,039
Intangible assets	5	109,742	153,634
Investment in associate and joint venture	6	5,178	–
Other financial assets	7	33,452	54,105
Financial assets at fair value through profit and loss	8	7,911	8,375
Defined benefit pension plan assets	16	498	19,092
Deferred income tax assets	18	102,351	100,083
Other non-current assets	3	37,008	26,961
		1,878,215	1,832,079
Current assets			
Inventories	9	615,228	531,816
Trade and other receivables	10	845,734	816,895
Other financial assets	7	29,940	55,070
Financial assets at fair value through profit and loss	8	4,623	27,349
Income tax recoverable		12,779	10,441
Cash and cash equivalents	11	901,944	790,633
		2,410,248	2,232,204
Current liabilities			
Trade and other payables	12	804,632	693,997
Current income tax liabilities		34,292	33,833
Other financial liabilities	7	435	7,888
Borrowings	14	105,829	57,563
Lease liabilities	15	16,553	16,351
Retirement benefit obligations	16	726	796
Provisions and other liabilities	17	47,775	44,582
		1,010,242	855,010
Net current assets		1,400,006	1,377,194
Total assets less current liabilities		3,278,221	3,209,273

Consolidated Balance Sheet

	Note	2026 US\$'000	2025 US\$'000
Non-current liabilities			
Trade and other payables	12	37,194	37,938
Other financial liabilities	7	–	727
Borrowings	14	218,476	301,772
Lease liabilities	15	42,655	47,855
Deferred income tax liabilities	18	61,212	72,699
Retirement benefit obligations	16	26,519	30,524
Provisions and other liabilities	17	10,484	9,861
		396,540	501,376
NET ASSETS		2,881,681	2,707,897
Equity			
Share capital – ordinary shares (at par value)	19	6,026	6,026
Shares held for share award scheme (at purchase cost)	19	(5,645)	(19,501)
Share premium	19	88,963	88,963
Reserves	20	2,749,519	2,590,552
		2,838,863	2,666,040
Non-controlling interests		42,818	41,857
TOTAL EQUITY		2,881,681	2,707,897

The notes on pages 108 to 195 form an integral part of these consolidated financial statements.

Approved by the Board of Directors on 28 May 2026.

Patrick Wang *SBS, JP*
Director

Austin Wang
Director

Consolidated Income Statement

For the year ended 31 March 2026

	Note	2026 US\$'000	2025 US\$'000
Sales	2	3,650,418	3,647,606
Cost of goods sold		(2,809,965)	(2,804,271)
Gross profit		840,453	843,335
Other income, net	21	2,586	14,733
Selling and administrative expenses	22	(583,782)	(545,037)
Restructuring and other related costs	23	(8,230)	(7,159)
Impairment of intangible assets	5	(22,369)	–
Operating profit		228,658	305,872
Share of losses of associate and joint venture	6	(128)	(3,383)
Finance income	24	30,811	32,451
Finance costs	24	(24,369)	(33,493)
Profit before income tax		234,972	301,447
Income tax expense	18	(34,177)	(36,299)
Profit for the year		200,795	265,148
Loss / (profit) attributable to non-controlling interests		1,332	(2,345)
Profit attributable to shareholders		202,127	262,803
Basic earnings per share for profit attributable to the shareholders for the year (expressed in US cents per share)	26	21.82	28.51
Diluted earnings per share for profit attributable to the shareholders for the year (expressed in US cents per share)	26	21.59	28.16

The notes on pages 108 to 195 form an integral part of these consolidated financial statements.

Please see Note 27 for details of dividend.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2026

	Note	2026 US\$'000	2025 US\$'000
Profit for the year		200,795	265,148
Other comprehensive income / (expenses)			
Items that will not be recycled to profit and loss:			
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, net	20	2,125	2,444
– transferred to inventory and subsequently recognized in the income statement	7(c) & 20	(2,327)	(7,955)
– deferred income tax effect	20	33	909
Defined benefit plans			
– remeasurements	16 & 20	2,601	6,291
– deferred income tax effect	18 & 20	627	(389)
Long service payment			
– remeasurements	16 & 20	(356)	861
– deferred income tax effect	18 & 20	18	(14)
Hyperinflation adjustments		(266)	(532)
Currency translations of subsidiaries		1,622	(280)
Total items that will not be recycled to profit and loss directly		4,077	1,335
Items that will be recycled to profit and loss:			
Hedging instruments			
– forward foreign currency exchange contracts and foreign exchange swaps			
– fair value gains / (losses), net	20	11,618	(5,179)
– transferred to the income statement	20	(39,703)	(35,870)
– deferred income tax effect	20	4,546	7,731
– net investment hedge			
– fair value gains, net	20	–	3,190
Hyperinflation adjustments		701	1,569
Currency translations of subsidiaries		59,513	(49,036)
Currency translations of associate and joint venture	20	135	213
Total items that will be recycled to profit and loss directly		36,810	(77,382)
Other comprehensive income / (expenses) for the year, net of tax		40,887	(76,047)
Total comprehensive income for the year, net of tax		241,682	189,101
Total comprehensive income attributable to:			
Shareholders		241,392	187,036
Non-controlling interests			
Share of (losses) / profits for the year		(1,332)	2,345
Currency translations		1,622	(280)
		241,682	189,101

The notes on pages 108 to 195 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

	Note	Attributable to shareholders of the Company				Non-controlling interests US\$'000	Total equity US\$'000
		Share capital and share premium US\$'000	Other reserves * US\$'000	Retained earnings US\$'000	Total US\$'000		
As of 31 March 2025		75,488	(67,026)	2,657,578	2,666,040	41,857	2,707,897
Profit for the year		–	–	202,127	202,127	(1,332)	200,795
Other comprehensive income / (expenses):							
Hedging instruments							
– raw material commodity contracts							
– fair value gains, net	20	–	2,125	–	2,125	–	2,125
– transferred to inventory and subsequently recognized in the income statement	7(c) & 20	–	(2,327)	–	(2,327)	–	(2,327)
– deferred income tax effect	20	–	33	–	33	–	33
– forward foreign currency exchange contracts and foreign exchange swaps							
– fair value gains, net	20	–	11,618	–	11,618	–	11,618
– transferred to the income statement	20	–	(39,703)	–	(39,703)	–	(39,703)
– deferred income tax effect	20	–	4,546	–	4,546	–	4,546
Defined benefit plans							
– remeasurements	16 & 20	–	–	2,601	2,601	–	2,601
– deferred income tax effect	18 & 20	–	–	627	627	–	627
Long service payment							
– remeasurements	16 & 20	–	–	(356)	(356)	–	(356)
– deferred income tax effect	18 & 20	–	–	18	18	–	18
Hyperinflation adjustments		–	701	(266)	435	–	435
Currency translations of subsidiaries	20	–	59,513	–	59,513	1,622	61,135
Currency translation of associate	20	–	135	–	135	–	135
Total comprehensive income for FY25/26		–	36,641	204,751	241,392	290	241,682
Transactions with shareholders:							
Appropriation of retained earnings to statutory reserve	20	–	1,974	(1,974)	–	–	–
Share award scheme							
– shares vested	20	17,859	(17,859)	–	–	–	–
– value of employee services	20	–	7,843	–	7,843	–	7,843
– purchase of shares	19	(4,003)	–	–	(4,003)	–	(4,003)
Capital contribution from non-controlling interests		–	–	–	–	5,194	5,194
Dividends paid to non-controlling interests		–	–	–	–	(4,523)	(4,523)
FY24/25 final dividend – cash paid	20	–	–	(52,145)	(52,145)	–	(52,145)
FY25/26 interim dividend – cash paid	20	–	–	(20,264)	(20,264)	–	(20,264)
Total transactions with shareholders		13,856	(8,042)	(74,383)	(68,569)	671	(67,898)
As of 31 March 2026		89,344**	(38,427)	2,787,946	2,838,863	42,818	2,881,681

* Other reserves mainly represent capital reserve, exchange reserve, share-based employee compensation reserve, hedging reserve, property revaluation reserve, statutory reserve, reserve arising from shares vested for share award scheme and goodwill on consolidation

** The total of US\$89.3 million comprised share capital of US\$6.0 million, share premium of US\$88.9 million and shares held for share award scheme of US\$(5.6) million

The notes on pages 108 to 195 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Note	Attributable to shareholders of the Company				Non-controlling interests US\$'000	Total equity US\$'000
		Share capital and share premium US\$'000	Other reserves * US\$'000	Retained earnings US\$'000	Total US\$'000		
As of 31 March 2024		77,576	4,672	2,469,761	2,552,009	44,658	2,596,667
Profit for the year		–	–	262,803	262,803	2,345	265,148
Other comprehensive income / (expenses):							
Hedging instruments							
– raw material commodity contracts							
– fair value gains, net	20	–	2,444	–	2,444	–	2,444
– transferred to inventory and subsequently recognized in the income statement	7(c) & 20	–	(7,955)	–	(7,955)	–	(7,955)
– deferred income tax effect	20	–	909	–	909	–	909
– forward foreign currency exchange contracts and foreign exchange swaps							
– fair value losses, net	20	–	(5,179)	–	(5,179)	–	(5,179)
– transferred to the income statement	20	–	(35,870)	–	(35,870)	–	(35,870)
– deferred income tax effect	20	–	7,731	–	7,731	–	7,731
– net investment hedge							
– fair value gains, net	20	–	3,190	–	3,190	–	3,190
Defined benefit plans							
– remeasurements	16 & 20	–	–	6,291	6,291	–	6,291
– deferred income tax effect	18 & 20	–	–	(389)	(389)	–	(389)
Long service payment							
– remeasurements	16 & 20	–	–	861	861	–	861
– deferred income tax effect	18 & 20	–	–	(14)	(14)	–	(14)
Hyperinflation adjustments		–	1,569	(532)	1,037	–	1,037
Currency translations of subsidiaries	20	–	(49,036)	–	(49,036)	(280)	(49,316)
Currency translations of associate and joint venture	20	–	213	–	213	–	213
Total comprehensive income / (expenses) for FY24/25		–	(81,984)	269,020	187,036	2,065	189,101
Transactions with shareholders:							
Appropriation of retained earnings to statutory reserve	20	–	8,573	(8,573)	–	–	–
Share award scheme							
– shares vested	20	4,927	(4,927)	–	–	–	–
– value of employee services	20	–	6,640	–	6,640	–	6,640
– purchase of shares	19	(7,015)	–	–	(7,015)	–	(7,015)
Acquisition of non-controlling interests		–	–	(409)	(409)	(951)	(1,360)
Dividends paid to non-controlling interests		–	–	–	–	(3,915)	(3,915)
FY23/24 final dividend – cash paid	20	–	–	(52,086)	(52,086)	–	(52,086)
FY24/25 interim dividend – cash paid	20	–	–	(20,135)	(20,135)	–	(20,135)
Total transactions with shareholders		(2,088)	10,286	(81,203)	(73,005)	(4,866)	(77,871)
As of 31 March 2025		75,488	(67,026)	2,657,578	2,666,040	41,857	2,707,897

* Other reserves mainly represent capital reserve, exchange reserve, share-based employee compensation reserve, hedging reserve, property revaluation reserve, statutory reserve, reserve arising from share vested for share award scheme and goodwill on consolidation

Consolidated Cash Flow Statement

For the year ended 31 March 2026

	Note	2026 US\$'000	2025 US\$'000
Cash flows from operating activities			
Earnings before interest, tax, depreciation and amortization	29(a)	503,678	568,605
Other non-cash items	29(a)	44,930	10,662
Changes in working capital	29(a)	(10,708)	(46,738)
Cash generated from operations	29(a)	537,900	532,529
Interest paid		(23,037)	(33,653)
Income taxes paid		(43,773)	(50,789)
Net cash generated from operating activities		471,090	448,087
Investing activities			
Purchase of property, plant and equipment		(284,993)	(195,504)
Proceeds from disposal of property, plant and equipment	29(a)	3,444	2,444
Engineering development cost, capitalized	5 & 25	(1,988)	(1,749)
Finance income received		29,705	32,451
		(253,832)	(162,358)
Business combination		(261)	(1,934)
Investment in an associate	6	(5,171)	–
Proceeds from disposal of an associate		687	1,943
Redemption of Government Green Bonds at amortized cost		–	4,933
Purchase of financial assets at fair value through profit and loss		(1,000)	(550)
Proceeds from sale of financial assets at fair value through profit and loss		11,838	3,709
Decrease in time deposits with maturities over three months		–	60,000
Net cash used in investing activities		(247,739)	(94,257)

Consolidated Cash Flow Statement

	Note	2026 US\$'000	2025 US\$'000
Financing activities			
Acquisition of non-controlling interests		–	(1,360)
Capital contribution from non-controlling interests	29(c)	5,194	–
Principal element of lease payments	15 & 29(b)	(17,964)	(20,289)
Proceeds from borrowings	29(b)	22,191	106,434
Repayments of borrowings	29(b)	(55,945)	(306,654)
Dividends paid to shareholders		(72,409)	(72,221)
Purchase of shares for share award scheme		(4,003)	(7,015)
Dividends paid to non-controlling interests		(4,523)	(3,915)
Net cash used in financing activities		(127,459)	(305,020)
Net increase in cash and cash equivalents		95,892	48,810
Cash and cash equivalents at beginning of the year		790,633	749,859
Currency translations on cash and cash equivalents		15,419	(8,036)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		901,944	790,633

The notes on pages 108 to 195 form an integral part of these consolidated financial statements.

Notes to the Consolidated 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 consolidated financial statements are presented in US Dollars, unless otherwise stated and have been approved for issue by the Board of Directors on 28 May 2026. They have been prepared in accordance with all applicable HKFRS Accounting Standards. The consolidated financial statements have been prepared on a historical cost basis, except for investment property that has been measured at fair value, financial assets and financial liabilities at fair value through profit and loss (including derivative instruments), and the application of hyperinflationary accounting at the Group’s subsidiary in Argentina.

1.2 Basis of preparation

The material accounting policies applied in the preparation of these consolidated financial statements are set out in corresponding notes and Note 35. In FY25/26, the Group adopted new, revised standards and interpretations of HKFRS Accounting Standards effective for the first time in FY25/26. The effects are disclosed in Note 37.

The preparation of financial statements in conformity with HKFRS Accounting Standards 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 36.

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

1.3 Exchange rates

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

		Closing rate		Average rate for the year	
		2026	2025	2026	2025
1 foreign currency unit to USD:					
Swiss Franc	CHF	1.251	1.135	1.247	1.129
Euro	EUR	1.146	1.083	1.159	1.074
British Pound	GBP	1.318	1.294	1.341	1.276
1 USD to foreign currency:					
Brazilian Real	BRL	5.249	5.757	5.438	5.593
Canadian Dollar	CAD	1.393	1.432	1.382	1.390
Renminbi	RMB	6.922	7.175	7.091	7.139
Hong Kong Dollar	HKD	7.836	7.778	7.804	7.793
Hungarian Forint	HUF	337.838	371.747	337.838	371.747
Israeli Shekel	ILS	3.172	3.698	3.320	3.688
Indian Rupee	INR	94.787	85.470	88.261	84.531
Japanese Yen	JPY	159.744	149.925	150.602	152.207
South Korean Won	KRW	1,515.152	1,470.588	1,428.571	1,388.889
Mexican Peso	MXN	18.103	20.400	18.505	19.142
Polish Zloty	PLN	3.744	3.860	3.663	3.979
Serbian Dinar	RSD	102.041	108.696	101.010	108.696
Turkish Lira	TRY	44.464	37.994	41.288	34.083

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 Accounting Standards). 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, fair value gains / (losses) on financial assets at fair value through profit and loss, gains / (losses) on disposals of fixed assets and investments, and subsidies and other income.

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

	2026 US\$'000	2025 US\$'000
Operating profit presented to management	226,072	291,139
Other income, net (Note 21)	2,586	14,733
Operating profit per consolidated income statement	228,658	305,872

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:

	2026 US\$'000	2025 US\$'000
Automotive Products Group	3,054,002	3,072,432
Industry Products Group	596,416	575,174
	3,650,418	3,647,606

2. Segment Information (Cont'd)

APG accounted for 84% of the Group's total sales in FY25/26 (FY24/25: 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 18% of the Group's business (FY24/25: 17%).

Sales by geography

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

	2026 US\$'000	2025 US\$'000
Europe, the Middle East and Africa *	1,168,528	1,121,206
North America **	1,123,893	1,124,196
People's Republic of China ("PRC")	847,634	896,330
Asia-Pacific (excluding PRC) ***	437,469	445,419
South America	72,894	60,455
	3,650,418	3,647,606

* Included in Europe, the Middle East and Africa were sales to external customers in Germany of US\$218.6 million, Czech Republic of US\$164.6 million and France of US\$137.4 million for FY25/26 (FY24/25: US\$208.2 million, US\$172.7 million and US\$129.4 million respectively)

** Included in North America were sales to external customers in the USA of US\$858.6 million for FY25/26 (FY24/25: US\$893.2 million)

*** Included in Asia-Pacific were sales to external customers in South Korea of US\$207.5 million for FY25/26 (FY24/25: US\$221.6 million)

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

Segment assets

For FY25/26, the additions to non-current segment assets were US\$336.1 million (FY24/25: US\$210.4 million) excluding the additions from acquisitions.

	2026 US\$'000	2025 US\$'000
Additions to property, plant and equipment – owned assets	303,709	192,721
Additions / extensions / modifications to property, plant and equipment – right-of-use assets	15,152	10,775
Additions to intangible assets	1,988	1,749
Addition to investment in associate	5,171	–
Additions to other non-current assets	10,047	5,143
Additions to non-current segment assets	336,067	210,388

2. Segment Information (Cont'd)

The non-current segment assets (representing property, plant and equipment, investment property, intangible assets, investment in associate and joint venture, other non-current assets) by geographic location as of 31 March 2026 and 31 March 2025 were as follows:

	2026 US\$'000	2025 US\$'000
PRC	1,026,232	919,343
Canada	251,242	273,756
Switzerland	115,009	100,967
Serbia	86,062	87,312
Mexico	62,413	54,135
Germany	38,483	62,290
USA	25,126	27,234
South Korea	21,825	25,610
India	20,556	7,212
Others	87,055	92,565
	1,734,003	1,650,424

Accounting policy

Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. Revenue from the sales of goods is recognized when performance obligations under the terms of a contract are satisfied, which generally occurs with the transfer of control of the Group's products.

Customers are invoiced according to the agreed billing schedule set out in the customer contracts. If consideration is received from customers in advance of transferring goods promised in a contract, a contract liability is recognized, see Note 13.

No significant financing component exists as the period between payments for goods by the customers and transfer of goods is within 1 year.

The Group's obligation to warranty claims is recognized as a provision, see Note 36(b).

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
FY25/26							
As of 31 March 2025							
Cost	602,216	1,968,259	147,633	565,509	215,002	168,485	3,667,104
Accumulated depreciation and impairment	(197,731)	(1,290,895)	(1,829)	(466,495)	(173,079)	(84,285)	(2,214,314)
Net book amount, as of 31 March 2025	404,485	677,364	145,804	99,014	41,923	84,200	1,452,790
Currency translations	13,451	24,654	6,616	3,969	936	2,256	51,882
Additions – owned assets	6,043	71,370	195,833	23,310	7,153	–	303,709
Additions – right-of-use assets	–	–	–	–	–	8,692	8,692
Extension / modification of leases	–	–	–	–	–	6,460	6,460
Transfer	4,284	69,368	(112,187)	26,652	11,883	–	–
Disposals / termination of leases	(773)	(561)	(161)	(194)	(29)	(356)	(2,074)
Impairment charges (Note 25 & 29(a))	(287)	(6,044)	(1,769)	(1,670)	(24)	–	(9,794)
Depreciation (Note 25)	(21,083)	(145,584)	–	(47,411)	(15,385)	(19,050)	(248,513)
As of 31 March 2026	406,120*	690,567	234,136	103,670	46,457	82,202	1,563,152
As of 31 March 2026							
Cost	628,995	2,155,454	242,026	626,846	233,500	182,467	4,069,288
Accumulated depreciation and impairment	(222,875)	(1,464,887)	(7,890)	(523,176)	(187,043)	(100,265)	(2,506,136)
Net book amount	406,120	690,567	234,136	103,670	46,457	82,202	1,563,152

* As of 31 March 2026, freehold land, leasehold land and buildings included US\$2.6 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 assets require some degree of assembly or installation, they are first recorded in assets under construction and are then transferred to other categories once they are ready for use.

In FY25/26, impairment charges of US\$9.8 million (FY24/25: US\$4.8 million) were mainly due to termination of customer projects and asset obsolescence.

Notes to the Consolidated Financial Statements

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

	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
FY24/25							
As of 31 March 2024							
Cost	614,675	1,926,990	147,832	548,426	210,629	190,809	3,639,361
Accumulated depreciation and impairment	(195,365)	(1,212,805)	(1,829)	(454,659)	(165,421)	(95,880)	(2,125,959)
Net book amount, as of 31 March 2024	419,310	714,185	146,003	93,767	45,208	94,929	1,513,402
Currency translations	(7,216)	(11,474)	(1,830)	(982)	(339)	(954)	(22,795)
Business combination	–	683	–	–	–	175	858
Additions – owned assets	5,793	47,589	114,622	17,881	6,836	–	192,721
Additions – right-of-use assets	–	–	–	–	–	4,907	4,907
Extension / modification of leases	–	–	–	–	–	5,868	5,868
Transfer	6,494	68,114	(112,811)	33,164	5,039	–	–
Disposals / termination of leases	(76)	(323)	(180)	(131)	(102)	(82)	(894)
Impairment charges (Note 25 & 29(a))	(90)	(4,536)	–	(186)	(29)	–	(4,841)
Depreciation (Note 25)	(19,730)	(136,874)	–	(44,499)	(14,690)	(20,643)	(236,436)
As of 31 March 2025	404,485*	677,364	145,804	99,014	41,923	84,200	1,452,790

* As of 31 March 2025, freehold land, leasehold land and buildings included US\$3.4 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

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
FY25/26				
As of 31 March 2025	27,261	51,059	5,880	84,200
Currency translations	606	1,360	290	2,256
Additions – right-of-use assets	4,082	3,038	1,572	8,692
Extension / modification of leases	–	6,087	373	6,460
Termination of leases	–	(249)	(107)	(356)
Depreciation	(837)	(15,347)	(2,866)	(19,050)
As of 31 March 2026	31,112	45,948	5,142	82,202
FY24/25				
As of 31 March 2024	28,429	60,604	5,896	94,929
Currency translations	(336)	(578)	(40)	(954)
Business combination	–	175	–	175
Additions – right-of-use assets	–	2,274	2,633	4,907
Extension / modification of leases	–	5,494	374	5,868
Termination of leases	–	–	(82)	(82)
Depreciation	(832)	(16,910)	(2,901)	(20,643)
As of 31 March 2025	27,261	51,059	5,880	84,200

* 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\$28.8 million (31 March 2025: US\$18.2 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 31 March 2026 and 31 March 2025 were as follows:

	2026 US\$'000	2025 US\$'000
Purchase deposits for machinery and construction of factory	28,776	18,239
Deferred contract costs (Note 13)	3,074	4,001
Other deposits and prepayments	5,158	4,721
Total other non-current assets	37,008	26,961

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

Accounting policy

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Freehold land is not amortized. No depreciation is provided for assets under construction.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its estimated recoverable amount if this is lower.

The Group begins depreciating an item of property, plant and equipment when it is available for use. Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold land	Shorter of lease term or useful life
Buildings on leasehold land	Shorter of lease term or useful life
Buildings on freehold land	10 to 50 years
Machinery and equipment	6 to 12 years
Moulds and tools	2 to 6 years
Furniture and fixtures and computers	3 to 10 years
Motor vehicles	3 to 7 years
Aircraft	18 years

Interest expense directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, is capitalized until the assets are ready for their intended use.

Right-of-use assets

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Right-of-use assets are initially measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

4. Investment Property

	2026 US\$'000	2025 US\$'000
Valuation at beginning of the year	17,039	17,221
Currency translations	393	(108)
Fair value gains / (losses)	1,491	(74)
Valuation at end of the year	18,923	17,039

The Group's investment property portfolio in HK / PRC was valued on an open market basis as of 31 March 2026. The appraisals were performed by independent, professionally qualified valuers, Vincorn Consulting and Appraisal Limited (31 March 2025: Chung, Chan & Associates).

For the year ended 31 March 2026, the Group's investment properties generated rental income of US\$1.2 million (31 March 2025: US\$1.2 million) and incurred direct operating expenses of US\$0.2 million (31 March 2025: US\$0.2 million).

As of 31 March 2026, the Group's investment property portfolio has tenancies expiring in the period from July 2026 to October 2027 (31 March 2025: from July 2026 to June 2027).

Accounting policy

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. These valuations are reviewed annually determined by external appraisers. Changes in fair values are recognized in the income statement within "Other income, net".

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognized in equity. If a fair value gain reverses a previous impairment loss which was charged to the income statement, the gain is recognized in the income statement. Any balance of the decrease is recognized as an expense in the income statement.

5. Intangible Assets

	Technology, patents and engineering development US\$'000	Brands US\$'000	Client relationships US\$'000	Total US\$'000
FY25/26				
As of 31 March 2025				
Cost	263,798	108,445	354,687	726,930
Accumulated amortization and impairment	(246,952)	(87,927)	(238,417)	(573,296)
Net book amount, as of 31 March 2025	16,846	20,518	116,270	153,634
Currency translations	690	668	4,314	5,672
Engineering development cost, capitalized (Note 25)	1,988	–	–	1,988
Amortization (Note 25 & 29(a))	(7,276)	(4,007)	(17,900)	(29,183)
Impairment charges (Note 25 & 29(a))	–	–	(22,369)	(22,369)
As of 31 March 2026	12,248	17,179	80,315	109,742
As of 31 March 2026				
Cost	283,201	116,457	372,251	771,909
Accumulated amortization and impairment	(270,953)	(99,278)	(291,936)	(662,167)
Net book amount	12,248	17,179	80,315	109,742
FY24/25				
As of 31 March 2024				
Cost	258,572	108,780	362,289	729,641
Accumulated amortization and impairment	(239,227)	(83,176)	(223,627)	(546,030)
Net book amount, as of 31 March 2024	19,345	25,604	138,662	183,611
Currency translations	(84)	(1,114)	(4,834)	(6,032)
Business combination	2,387	–	–	2,387
Engineering development cost, capitalized (Note 25)	1,749	–	–	1,749
Amortization (Note 25 & 29(a))	(6,551)	(3,972)	(17,558)	(28,081)
As of 31 March 2025	16,846	20,518	116,270	153,634

5. Intangible Assets (Cont'd)

Total intangible assets as of 31 March 2026 and 31 March 2025 were denominated in the following underlying currencies:

	2026 US\$'000	2025 US\$'000
In CAD	72,971	87,522
In EUR	23,293	50,199
In KRW	8,451	9,985
In USD	3,757	4,213
In GBP	1,270	1,715
Total intangible assets	109,742	153,634

As of 31 March 2026 and 31 March 2025, all the intangible assets have a definite useful life.

Impairment tests for intangible assets

In accordance with the Group's accounting policy on asset impairment, intangible assets with a definite life are tested if there are indicators of potential impairment.

During the year, the Group recognized a gross impairment of intangibles of US\$22.4 million (FY24/25: nil), representing a full impairment of client relationships related to companies previously acquired by the IPG division in Europe (cash generating unit). The impairment was triggered by underperformance in the acquired customer base. The recoverable amount was determined based on value-in-use calculation using cash flow projections, applying a pre-tax discount rate of 14.8%. Management has adjusted the cash flow forecasts to reflect the current market outlook for these specific relationships.

Apart from the impairment recognized as described above, based on the impairment assessments performed, the Group did not identify other indicators that would require additional impairment testing of its intangible assets during the year.

5. Intangible Assets *(Cont'd)*

Accounting policy

(a) Research and development costs

Research and development costs are expensed as incurred and are only recognized as an intangible asset where the technical feasibility and intention of completing the product under development has been demonstrated and the resources are available to do so, costs are identifiable, can be reliably measured and there is an ability to sell or use the asset that will generate probable future economic benefits. Research and development costs that do not meet the above criteria are expensed as incurred.

(b) Other intangible assets

Technology, patents, brands and client relationships that are acquired by the Group are stated in the balance sheet at fair value at the date of acquisition less accumulated amortization and impairment losses.

Amortization is calculated using the straight-line method to allocate the cost over the estimated useful life. The amortization charge was included in "Selling and administrative expenses" in the consolidated income statement. The estimated useful life for amortization purpose is:

Technology, patents and engineering development	4 to 15 years
Brands	10 to 15 years
Client relationships	15 years

6. Investments in Associate and Joint Venture

	2026 US\$'000	2025 US\$'000
At beginning of the year	–	6,335
Currency translations	135	36
Investment in an associate	5,171	–
Disposal of an associate	–	(2,988)
Share of losses of associate and joint venture	(128)	(3,383)
At end of the year	5,178	–

As of 31 March 2026, the Group's investment in an associate represented a 49% equity interest in Jointintelligence (Shanghai) Technology Limited ("Jointintelligence Shanghai"). Jointintelligence Shanghai was formed by the Group and Shanghai Mechanical & Electrical Industry Co., Ltd. ("SMEIC") in July 2025, which focuses on sales, business development, and customer support for humanoid robotic solutions. The Group contributed US\$5.2 million in cash during FY25/26.

6. Investments in Associate and Joint Venture *(Cont'd)*

Accounting policy

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associate are accounted for using the equity method of accounting.

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The investment in joint arrangement of the Group is a joint venture. Interests in joint ventures are accounted for using the equity method.

Under the equity method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit and loss of the investee after the date of acquisition less dividends received. The Group's investment in associates and joint ventures includes goodwill identified on acquisition.

If the ownership interest in an associate and joint venture is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit and loss where appropriate.

The Group's share of post-acquisition profits or losses is recognized in the income statement and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate and joint venture equals or exceeds its interest in the associate and joint venture, including any other long-term unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associate and joint venture are eliminated to the extent of the Group's interest in the associate and joint venture. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associate and joint venture have been changed where necessary to ensure consistency with the policies adopted by the Group.

7. Other Financial Assets and Liabilities

	Assets US\$'000	2026 (Liabilities) US\$'000	Net US\$'000	Assets US\$'000	2025 (Liabilities) US\$'000	Net US\$'000
Cash flow hedge						
– raw material commodity contracts (Note a (i))	812	–	812	58	(27)	31
– forward foreign currency exchange contracts and foreign exchange swaps (Note a (ii))	41,597	(435)	41,162	76,643	(7,595)	69,048
Fair value hedge (Note b)						
– forward foreign currency exchange contracts	20,983	–	20,983	32,474	–	32,474
Held for trading	–	–	–	–	(993)	(993)
Total (Note d)	63,392	(435)	62,957	109,175	(8,615)	100,560
Current portion	29,940	(435)	29,505	55,070	(7,888)	47,182
Non-current portion	33,452	–	33,452	54,105	(727)	53,378
Total	63,392	(435)	62,957	109,175	(8,615)	100,560

Note:

(a) Cash flow hedge

- (i) Raw material commodity contracts
Iron ore, copper and silver 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 steel (by iron ore contracts), copper and silver volumes are consumed and sold.

The Group's outstanding contracts as of 31 March 2026 and 31 March 2025 were as follows:

Cash flow hedge contracts	Notional amount	Weighted average contract price (US\$)	Spot price (US\$)	Mark-to-market price (US\$)	Remaining maturities range (months)	Settlement value in USD equivalent (US\$ million)	Estimated future cash flow (US\$ million)	Assets, net carrying value (US\$'000)
31 March 2026								
Iron ore	36,000 metric ton	84.99	107.16	100.62	1 – 24	3.1	0.8	563
Copper	300 metric ton	11,800	12,160	12,309	1 – 3	3.5	0.1	152
Silver	15,000 oz	67.00	75.16	73.47	1 – 3	1.0	0.1	97
Total						7.6	1.0	812
31 March 2025								
Iron ore	45,000 metric ton	90.95	102.50	91.65	1 – 33	4.1	0.5	31

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).

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

(a) Cash flow hedge (Cont'd)

(i) Raw material commodity contracts (Cont'd)

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 31 March 2026 and 31 March 2025.

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

The EUR, MXN, RMB, PLN 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 MXN, RMB, PLN and HUF contracts to create an economic hedge for production costs and other operating costs denominated in these currencies

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).

The Group's outstanding contracts as of 31 March 2026 and 31 March 2025 were as follows:

Cash flow hedge 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)
31 March 2026									
Sell EUR forward *	USD	EUR 120.2	1.31	1.15	1.17	1 – 59	157.4	19.7	16,336
Buy MXN forward	USD	MXN 961.6	27.41	18.10	18.80	1 – 27	35.1	18.0	16,074
Buy RMB forward	USD	RMB 1,362.8	7.07	6.92	6.81	1 – 19	192.7	4.1	7,523
Buy PLN forward	EUR	PLN 26.4	5.27	4.29	4.32	1 – 7	5.7	1.3	1,273
Buy HUF forward	EUR	HUF 759.6	381.40	387.21	385.11	1 – 2	2.3	–	(22)
Foreign exchange swaps (Buy RMB, pay USD)	USD	RMB 164.0	6.99	6.92	6.89	2	23.5	0.2	334
Foreign exchange swaps (Buy USD, pay RMB)	RMB	USD 23.5	6.99	6.92	6.88	2	23.7	(0.2)	(356)
Total							440.4	43.1	41,162
31 March 2025									
Sell EUR forward *	USD	EUR 224.2	1.35	1.08	1.12	1 – 42	302.1	59.3	51,587
Buy MXN forward	USD	MXN 1,704.7	25.42	20.40	21.70	1 – 39	67.1	16.5	11,480
Buy RMB forward	USD	RMB 2,635.8	7.14	7.18	7.09	1 – 31	369.4	(2.1)	2,503
Buy PLN forward	EUR	PLN 121.1	5.04	4.18	4.29	1 – 19	26.0	5.3	4,518
Buy HUF forward	EUR	HUF 6,030.1	366.10	402.60	411.36	1 – 14	17.8	(1.6)	(1,963)
Foreign exchange swaps (Buy RMB, pay USD)	USD	RMB 1,520.0	7.06	7.18	7.15	5 – 12	215.2	(3.3)	(2,467)
Foreign exchange swaps (Buy USD, pay RMB)	RMB	USD 216.8	7.01	7.18	7.12	5 – 12	211.8	5.0	3,390
Total							1,209.4	79.1	69,048

* The EUR to USD is stated in the inverse order

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

(a) Cash flow hedge (Cont'd)

In FY25/26, the decrease in fair value of US\$27.1 million (FY24/25: 45.0 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 year (FY24/25: nil).

As of 31 March 2026, the pre-tax fair value gains recognized in cash flow hedge reserve were US\$42.0 million (31 March 2025: US\$70.1 million).

(b) 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.

The Group's outstanding contracts as of 31 March 2026 and 31 March 2025 were as follows:

Fair value hedge 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)
31 March 2026									
Sell EUR forward *	USD	EUR 83.8	1.42	1.15	1.17	1 – 25	119.0	23.0	20,983
31 March 2025									
Sell EUR forward *	USD	EUR 115.1	1.41	1.08	1.13	1 – 37	162.5	37.8	32,474

* The EUR to USD is stated in the inverse order

As of 31 March 2026, the carrying amount of intragroup balances (the hedged item) was US\$119.0 million (31 March 2025: US\$162.5 million). In FY25/26, hedge ineffectiveness of US\$3.7 million was credited to profit and loss (FY24/25: US\$3.6 million credited to profit and loss).

(c) The effect of other financial assets and liabilities in consolidated income statements were as follows:

	2026 US\$'000	2025 US\$'000
Benefit / (expense)		
Effect of raw material commodity contracts	2,327	7,955
Effect of forward foreign currency exchange contracts and foreign exchange swaps	35,212	38,846
Effect of cross-currency interest rate swaps	–	(1,329)
Effect of other financial assets and liabilities in consolidated income statement, net gain	37,539	45,472

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

- (d) The maximum exposure of other financial assets to credit risk at the reporting date was the fair value in the balance sheet.
- (e) Net cash generated from operating activities due to the realized hedge contracts was US\$48.9 million (FY24/25: US\$64.7 million).
- (f) 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 31 March 2026 would result in approximately US\$67 million cash flow benefit (31 March 2025: US\$117 million).
- (g) The Group determines the existence of economic relationship between the hedged items and the hedging instruments by reviewing their critical terms. In most of the cases, the hedging instruments have a one-to-one hedge ratio with the hedge items. 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.

Accounting policy

- (a) Other financial assets and liabilities related to hedging activities

Other financial assets and liabilities are forward and swap contracts related to hedging activities.

Hedging instruments are initially recognized at fair value on the date a contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss depends on the nature of the item being hedged:

- Hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or
- Hedges of a net investment in a foreign operation (net investment hedge); or
- Hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge).

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. When the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, a qualitative assessment of effectiveness is performed.

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

Accounting policy *(Cont'd)*

(a) Other financial assets and liabilities related to hedging activities *(Cont'd)*

(i) Cash flow hedge

A cash flow hedge of the Group hedges a particular risk associated with a highly probable forecast transaction. The effective portion of changes in the fair value of financial instruments designated and qualified as cash flow hedges are recognized in hedging reserve within equity.

Ineffectiveness is recognized on a cash flow hedge where the cumulative change in the value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, the amount that has been accumulated in the cash flow hedge reserve:

- shall remain in the cash flow hedge reserve until the future cash flows occur if the hedged future cash flows are still expected to occur;
- shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment if the hedged future cash flows are no longer expected to occur.

(ii) Fair value hedge

A fair value hedge of the Group hedges the intercompany loan balances. Unrealized and realized gain or loss of the hedging instrument is recognized in the income statement to offset the loss or gain on the revaluation of loans attributable to the risk being hedged.

(b) Financial instruments held for trading that do not qualify for hedge accounting

Financial instruments designated as held for trading do not qualify for hedge accounting and are accounted for at fair value through profit and loss. Changes in the fair value of these financial instruments are recognized immediately in the income statement.

The full fair value of a hedging financial instrument is classified as a non-current asset or liability when the remaining maturity of the hedge item is more than 12 months and is classified as a current asset or liability when the remaining maturing of the hedge item is less than 12 months.

8. Financial Assets at Fair Value through Profit and Loss

	2026 US\$'000	2025 US\$'000
Investments *	12,534	35,724
Current portion	4,623	27,349
Non-current portion	7,911	8,375
Total	12,534	35,724

* The Group's investments are mainly in an autonomous driving technology company and a venture capital fund with a diversified portfolio. The change in fair value is reflected in Note 21 "Other income, net"

The maximum exposure of these investments to credit risks at the reporting date was the fair value in the balance sheet.

9. Inventories

	2026 US\$'000	2025 US\$'000
Raw materials	394,853	334,724
Finished goods	220,375	197,092
	615,228	531,816

Accounting policy

Inventories are stated at the lower of actual cost on first-in-first-out basis (FIFO) or net realizable value. Cost comprises materials, direct labour and an appropriate proportion of all production overhead expenditure. The value calculated approximates the weighted-average actual cost. Net realizable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

10. Trade and Other Receivables

	2026 US\$'000	2025 US\$'000
Trade receivables – gross *	710,704	709,357
Less: impairment of trade receivables	(6,873)	(5,302)
Trade receivables – net	703,831	704,055
Prepayments and other receivables	141,903	112,840
	845,734	816,895

* The balance included bank acceptance drafts from customers amounting to US\$14.4 million (31 March 2025: US\$25.9 million). The maturity dates of the drafts all fall within 6 months from 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 17. The Group 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.

10. Trade and Other Receivables (Cont'd)

Customer credit risk, aging and impairment of gross trade 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 31 March 2026			
Current	645,045	(112)	644,933
1 – 30 days overdue	27,812	(50)	27,762
31 – 90 days overdue	19,019	(215)	18,804
Over 90 days overdue	18,828	(6,496)	12,332
Total	710,704	(6,873)	703,831
As of 31 March 2025			
Current	658,153	(50)	658,103
1 – 30 days overdue	30,088	(25)	30,063
31 – 90 days overdue	8,829	(18)	8,811
Over 90 days overdue	12,287	(5,209)	7,078
Total	709,357	(5,302)	704,055

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

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

	2026 US\$'000	2025 US\$'000
0 – 30 days	367,736	367,385
31 – 90 days	295,365	296,297
Over 90 days	47,603	45,675
Total	710,704	709,357

10. Trade and Other Receivables (Cont'd)

The carrying amount of the Group's gross trade receivables was denominated in the following currencies:

	2026 US\$'000	2025 US\$'000
USD	270,472	274,015
EUR	202,550	178,554
RMB	165,905	191,775
CAD	38,151	39,561
Others	33,626	25,452
Total	710,704	709,357

Movements on the impairment of trade receivables were as follows:

	2026 US\$'000	2025 US\$'000
At beginning of the year	5,302	4,210
Currency translations	198	(21)
Receivables written off during the year as uncollectible	(1,586)	(742)
Impairment of trade receivables / bad debt expense (Note 25)	2,959	1,855
At end of the year	6,873	5,302

The maximum exposure to credit risk at the reporting date is the fair value of the receivables mentioned above.

Accounting policy

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

The Group applies the simplified approach permitted by HKFRS 9, which requires the recognition of lifetime expected losses for trade receivables and contract assets from initial recognition of such assets. The expected loss rates are based on the sales over a period of 5 years and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. At every reporting date, the Group reviews and adjusts its historically observed default rates based on current conditions and changes in the future forecasts. A provision for impairment of trade and other receivables is determined using the forward-looking expected credit loss method; that is, the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. The impairment charge is recognized within "Selling and administrative expenses" in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries are credited in the income statement.

11. Cash and cash equivalents

	2026 US\$'000	2025 US\$'000
Cash at bank and in hand	360,684	476,231
Short term bank deposits	541,260	314,402
Total cash and cash equivalents	901,944	790,633

The carrying amounts of the Group's cash and cash equivalents are denominated in the following currencies:

	2026 US\$'000	2025 US\$'000
USD	564,327	466,784
RMB	115,106	122,347
EUR	86,384	98,363
CAD	45,949	43,363
KRW	31,881	36,595
INR	21,482	219
Others	36,815	22,962
Total cash and cash equivalents	901,944	790,633

Accounting policy

Cash and cash equivalents comprise cash at bank and in hand, and demand deposits with banks that are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, with original maturities of 3 months or less.

12. Trade and Other Payables

	2026 US\$'000	2025 US\$'000
Trade payables	430,745	373,647
Accrual for property, plant and equipment and other production consumables	179,910	123,965
Accrued payroll and other staff related costs	100,896	100,579
Contract liabilities (Note 13)	28,070	30,284
Other creditors and accrued charges	75,687	75,854
Deferred revenue *	26,518	27,606
	841,826	731,935
Current portion	804,632	693,997
Non-current portion	37,194	37,938

* 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:

	2026 US\$'000	2025 US\$'000
0 – 60 days	292,852	254,959
61 – 90 days	77,481	72,258
Over 90 days	60,412	46,430
Total	430,745	373,647

The carrying amount of the Group's trade payables was denominated in the following currencies:

	2026 US\$'000	2025 US\$'000
RMB	222,183	183,219
USD	119,209	103,859
EUR	61,918	61,674
HKD	5,669	4,299
CAD	4,859	6,095
Others	16,907	14,501
Total	430,745	373,647

12. Trade and Other Payables (Cont'd)

The Group has a supplier finance arrangement ("SFA") under which a finance provider pays participating suppliers the amount in respect of invoices owed by the Group and subsequently receives settlement from the Group at the later date. The principal purpose of this arrangement is to facilitate efficient payment processing of supplier invoices. The SFA allows the Group to centralize payments of trade and other payables to the finance provider rather than paying each supplier individually. While the SFA does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating, the programme assists in making cash outflows more predictable. The Group does not incur any additional interest to the finance provider on the amounts due to the suppliers. All payables under SFA are classified as current as of 31 March 2026 and 31 March 2025.

The carrying amount of trade and other payables that are part of SFA are as follows:

	2026 US\$'000	2025 US\$'000
Presented within trade and other payables	16,093	22,841
– of which suppliers have received payment from finance provider	15,457	22,581

The range of payments due dates are as follows:

	2026	2025
Trade and other payables that are part of the arrangement	90 – 180 days	60 – 180 days
Trade and other payables that are not part of the arrangement	0 – 180 days	0 – 180 days

The credit terms for suppliers participating in the Group's SFA range from 90 days to 180 days, with most suppliers falling between 90 days to 120 days. This wide range of credit terms reflects diverse nature of raw materials procured and customized agreements established with individual suppliers. The variation in terms is primarily driven by commercial negotiations and supplier-specific requirements.

There were no material business combinations or foreign exchange differences or other non-cash transfers relating to the carrying amount of liabilities subject to the supplier finance arrangement.

Accounting policy

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Trade and other payables with obligations to pay within 12 months are classified as current liabilities. Trade and other payables with obligations to pay for at least 12 months after the end of reporting period are classified as non-current liabilities.

The Group recognizes charges for profit sharing and bonus plans due wholly within 12 months after balance sheet date when it has a legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Judgemental accruals and provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

12. Trade and Other Payables (Cont'd)

Accounting policy (Cont'd)

The Group classifies financial liabilities that arise from supplier finance arrangement within trade and other payables if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables. The terms of the liabilities that are part of the supplier finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement.

13. 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:

	2026 US\$'000	2025 US\$'000
Contract assets included in:		
Trade and other receivables	2,417	1,330
Other non-current assets (Note 3)	3,074	4,001
Total contract assets	5,491	5,331
Contract liabilities included in:		
Trade and other payables – current	(16,624)	(18,059)
Trade and other payables – non-current	(11,446)	(12,225)
Total contract liabilities (Note 12)	(28,070)	(30,284)

In FY25/26, US\$14.6 million (FY24/25: US\$16.6 million) included in the contract liability balance at the previous year end date was recognized in profit and loss.

14. Borrowings

	2026			2025		
	Current US\$'000	Non-current US\$'000	Total US\$'000	Current US\$'000	Non-current US\$'000	Total US\$'000
Syndicated loan (Note a)	–	197,027	197,027	–	195,908	195,908
Loan from Export Development Canada (“EDC”) (Note b)	99,863	–	99,863	–	99,700	99,700
Loan from The Hongkong and Shanghai Banking Corporation Limited (“HSBC”) (Note c)	–	–	–	52,961	–	52,961
Loans from Bank of China (“BOC”) (Note d)	5,966	21,449	27,415	684	6,164	6,848
Other borrowings	–	–	–	3,918	–	3,918
Total borrowings	105,829	218,476	324,305	57,563	301,772	359,335

Note:

(a) Syndicated loan

In August 2023, the Group entered into a US\$400 million facilities agreement for financing the general working capital 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 31 March 2026, the carrying value, net of amortized costs, was US\$197.0 million (31 March 2025: US\$195.9 million). The loan is repayable in November 2028. The revolving credit facility remains unutilized.

(b) Loan from EDC

The principal amount of US\$100.0 million was drawn down in FY24/25. The loan is repayable in January 2027. As of 31 March 2026, the carrying value, net of amortized costs, was US\$99.9 million (31 March 2025: US\$99.7 million).

(c) Loan from HSBC

The Group received a RMB475 million three-year credit facility from HSBC in FY22/23 to fund capital expenditure for the China operations. Repayments were made every six months, and the loan was fully repaid in November 2025.

(d) Loans from BOC

The Group received RMB384 million three-year credit facilities from BOC in FY24/25 to finance the purchase of production equipment in China. As of 31 March 2026, RMB190 million (31 March 2025: RMB49 million) loans were drawn down and the carrying value was US\$27.4 million (31 March 2025: US\$6.8 million). The final maturity of the facilities will be in December 2027.

14. Borrowings (Cont'd)

The maturity of borrowings was as follows:

	Bank borrowings		Other borrowings	
	2026 US\$'000	2025 US\$'000	2026 US\$'000	2025 US\$'000
Less than 1 year	5,966	53,645	99,863	3,918
1 – 2 years	21,449	1,370	–	99,700
2 – 5 years	197,027	200,702	–	–
	224,442	255,717	99,863	103,618

As of 31 March 2026, the interest rate charged on the significant outstanding balances ranged from 2.3% to 4.9% per annum (31 March 2025: 2.4% to 5.6% per annum). Interest expense is disclosed in Note 24.

Johnson Electric subscribes to both Moody's Investors Service and S&P Global Ratings to provide independent long-term credit ratings. As of 31 March 2026, the Group maintained investment grade ratings with a stable outlook from both agencies.

The fair value of borrowings approximately equals their carrying amount.

As of 31 March 2026, the borrowings with carrying amount US\$296.9 million (31 March 2025: US\$348.6 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, depreciation and amortization ("EBITDA") and EBITDA to interest expense.

The carrying amounts of the borrowings were denominated in the following currencies:

	2026 US\$'000	2025 US\$'000
USD	296,890	299,526
RMB	27,415	59,809
Total borrowings	324,305	359,335

Accounting policy

Borrowings are initially recognized at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting period.

15. Lease Liabilities

	2026 US\$'000	2025 US\$'000
At beginning of the year	64,206	73,841
Currency translations	2,166	(606)
Business combination	–	175
New leases / extensions / modifications	11,070	10,775
Termination of leases	(356)	(82)
Finance costs	2,875	3,108
Principal element of lease payments	(17,964)	(20,289)
Interest element of lease payments	(2,789)	(2,716)
At end of the year	59,208	64,206
Current portion	16,553	16,351
Non-current portion	42,655	47,855

The remaining contractual undiscounted cash outflow of the Group's lease liabilities as of 31 March 2026 and 31 March 2025 was as follows:

	2026 US\$'000	2025 US\$'000
Less than 1 year	19,841	19,393
1 – 2 years	16,732	15,749
2 – 5 years	26,676	34,667
Over 5 years	3,416	4,675
	66,665	74,484

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:

	2026 US\$'000	2025 US\$'000
Expense relating to short-term leases	3,394	2,572
Expense relating to leases of low-value assets	23	29
Expense relating to variable lease payments	1,871	2,230
	5,288	4,831

15. Lease Liabilities (Cont'd)

Extension and termination options are included in a number of leases across the Group. These terms are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination of options held are exercisable only by the Group and not by the respective lessor.

Accounting policy

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, and
- leases payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Leases of low-value assets are leases with total lease payments lower than US\$5,000.

16. Retirement Benefit Assets and Obligations, Net

	Defined benefit pension plans US\$'000	Defined contribution pension plans and others US\$'000	Total US\$'000
FY25/26			
As of 31 March 2025	6,619	5,609	12,228
Currency translations	(159)	(204)	(363)
Charges	5,811	10,584	16,395
Utilizations	(6,922)	(10,349)	(17,271)
Remeasurements (Note 20) *	(2,601)	356	(2,245)
Settlements	18,003	–	18,003
As of 31 March 2026	20,751**	5,996	26,747
Retirement benefit obligations:			
Current portion	349	377	726
Non-current portion	20,900	5,619	26,519
Defined benefit pension plan assets:			
Non-current portion	(498)	–	(498)
As of 31 March 2026	20,751	5,996	26,747
FY24/25			
As of 31 March 2024	12,331	5,460	17,791
Currency translations	(1,321)	(384)	(1,705)
Charges	7,265	11,661	18,926
Utilizations	(5,365)	(10,267)	(15,632)
Remeasurements (Note 20) *	(6,291)	(861)	(7,152)
As of 31 March 2025	6,619**	5,609	12,228
Retirement benefit obligations:			
Current portion	433	363	796
Non-current portion	25,278	5,246	30,524
Defined benefit pension plan assets:			
Non-current portion	(19,092)	–	(19,092)
As of 31 March 2025	6,619	5,609	12,228

* Remeasurements represent actuarial gains and losses. In FY25/26, the actuarial gains of US\$2.6 million mainly arose from changes in return on plan assets (FY24/25: actuarial gains of US\$6.3 million mainly arose from changes in return on plan assets)

** The retirement benefit plans are located in Canada, Switzerland, Israel, South Korea, Germany, Italy and France (31 March 2025: the United Kingdom, Canada, Switzerland, Israel, South Korea, Germany, Italy and France). Net obligations of US\$20.8 million (31 March 2025: US\$6.6 million) comprised the gross present value of obligations of US\$191.1 million (31 March 2025: US\$209.4 million) less the fair value of plan assets of US\$170.3 million (31 March 2025: US\$202.8 million)

16. Retirement Benefit Assets and Obligations, Net (Cont'd)

16.1 Defined benefit pension plans

The Group operates defined benefit pension plans in various countries, providing benefits to members in the form of a guaranteed level of pension payable for life.

The Group's defined benefit pension plans provide pensions to employees after meeting specific retirement ages or periods of service. Pensions are based on specific pension rates applied to each participating employee's years of service. The assets of funded plans are held independently of the Group's assets in separate trustee administered funds.

In FY25/26, the Group completed a buy-out of defined benefit pension plan in the United Kingdom by transferring all obligations to an insurance company. The Group was legally discharged from all future obligations relating to the plan and the buy-out has been accounted as a settlement. Immediately prior to the settlement, the defined benefit obligation was measured using updated actuarial assumptions, and the fair value of plan assets was re-measured at the settlement date.

The defined benefit plans are valued by independent external actuaries using the projected unit credit method. The latest actuarial valuations were completed as of 31 March 2026. The main actuaries engaged by the Group are listed below.

Country of pension plan	Firm	Qualifications of valuers
Canada	Robertson Eadie & Associates Ltd.	Fellow of the Canadian Institute of Actuaries
Switzerland	Mercer Switzerland Inc.	Members of the Swiss Association of Actuaries
Israel	Alan Dubin F.S.A. Ltd.	Fellow, Israel Association of Actuaries
South Korea	Hyundai Motor Securities	Fellow, the Institute of Actuaries of Korea
Germany	Mercer Deutschland GmbH	Fellow, The German Association of Actuaries
Italy	Deloitte Consulting SB Srl – Italy	Fellow of the Italian Register of Actuaries

The amounts recognized in the balance sheet were determined as follows:

	2026 US\$'000	2025 US\$'000
Present value of obligations that are funded	181,665	199,197
Present value of obligations that are unfunded	9,399	10,190
Gross present value of obligations	191,064	209,387
Less: Fair value of plan (assets)	(170,313)	(202,768)
Total retirement benefit obligations – net liability	20,751	6,619
Represented by:		
Defined benefit pension plan (assets)	(498)	(19,092)
Retirement benefit obligations	21,249	25,711

16. Retirement Benefit Assets and Obligations, Net (Cont'd)

16.1 Defined benefit pension plans (Cont'd)

The movement of the retirement benefit obligations was as follows:

	Present value of obligations US\$'000	Fair value of plan (assets) US\$'000	Total net liability US\$'000
FY25/26			
As of 31 March 2025	209,387	(202,768)	6,619
Current service cost	6,124	–	6,124
Interest cost / (income)	4,318	(3,838)*	480
Past service cost	(793)	–	(793)
Net cost / (income) to the income statement (Note 25)	9,649	(3,838)	5,811
Remeasurements:			
– losses from change in demographic assumptions	7	–	7
– gains from change in financial assumptions	(2,414)	–	(2,414)
– experience losses / (gains)	2,193	(19)	2,174
– return on plan assets, excluding amounts included in interest income	–	(2,368)	(2,368)
Gains recognized in equity (Note 20)	(214)	(2,387)	(2,601)
Currency translations	16,106	(16,265)	(159)
Contributions by plan participants	3,414	(3,414)	–
Contributions by employer	–	(4,046)	(4,046)
Benefits paid	(24,289)	21,413	(2,876)
Settlements	(22,989)	40,992	18,003
As of 31 March 2026	191,064	(170,313)	20,751
FY24/25			
As of 31 March 2024	202,696	(190,365)	12,331
Current service cost	7,087	–	7,087
Interest cost / (income)	4,949	(4,771)*	178
Net cost / (income) to the income statement (Note 25)	12,036	(4,771)	7,265
Remeasurements:			
– losses from change in demographic assumptions	20	–	20
– losses from change in financial assumptions	4,855	–	4,855
– experience losses	1,494	–	1,494
– return on plan assets, excluding amounts included in interest income	–	(12,660)	(12,660)
Losses / (gains) recognized in equity (Note 20)	6,369	(12,660)	(6,291)
Currency translations	2,236	(3,557)	(1,321)
Contributions by plan participants	3,167	(3,167)	–
Contributions by employer	–	(3,740)	(3,740)
Benefits paid	(17,117)	15,492	(1,625)
As of 31 March 2025	209,387	(202,768)	6,619

* The interest income on plan assets was calculated at the discount rates shown on the next page

16. Retirement Benefit Assets and Obligations, Net (Cont'd)

16.1 Defined benefit pension plans (Cont'd)

Through its defined benefit pension plans, the Group is exposed to a number of risks: asset volatility, inflation risks and life expectancy risk. As the plan liabilities are calculated using a discount rate set with reference to corporate bond yields, any underperformance of plan assets relative to this yield will result in a deficit. Some of the Group's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities. The plans' obligations are to provide benefits for the lives of members, increases in life expectancy will also increase the plans' liabilities.

Principal actuarial assumptions

The principal actuarial assumptions used in the pension valuation relate to the discount rate and life expectancy. The discount rate adopted for FY25/26 ranged from 1.3% to 5.7% (FY24/25: 1.3% to 5.7%). Assumptions regarding life expectancy are based on mortality tables issued by the relevant local authorities in the respective countries.

Sensitivity analysis

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions are:

	Impact on defined benefit obligations	
	Increase in assumption	Decrease in assumption
Discount rate – change by 0.5%	Decrease by 4.6%	Increase by 5.5%
Life expectancy – change by 1 year	Increase by 2.4%	Decrease by 2.4%

This is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The discount rates of major pension plans were as follows:

	2026 Percentage	2025 Percentage
Canada	5.0%	4.6%
Switzerland	1.3%	1.3%
South Korea	5.7%	4.5%

16. Retirement Benefit Assets and Obligations, Net (Cont'd)

16.1 Defined benefit pension plans (Cont'd)

The weighted average duration of the defined benefit obligations is 13.5 years (31 March 2025: 13.6 years).

The expected maturity of undiscounted pension benefits as of 31 March 2026 and 31 March 2025 was:

	2026 US\$'000	2025 US\$'000
Less than 1 year	10,595	11,618
1– 2 years	10,712	12,182
2– 5 years	31,720	32,210
Over 5 years	201,227	245,274
	254,254	301,284

Plan assets

Plan assets comprised the following:

	2026 US\$'000 Percentage		2025 US\$'000 Percentage	
<u>Quoted</u>				
Equities				
Europe	16,898	10%	14,395	7%
Global	35,350	21%	32,596	16%
Bonds				
Asia	1,974	1%	1,986	1%
Europe	15,281	9%	15,054	7%
Americas	13,453	8%	16,579	8%
Global	16,909	10%	16,299	8%
Others				
Europe	46,331	27%	44,606	23%
Americas	2,224	1%	2,742	1%
	148,420	87%	144,257	71%
<u>Unquoted</u>				
Property investment – Europe	21,893	13%	20,178	10%
Cash and annuities – Europe	–	0%	38,333	19%
	21,893	13%	58,511	29%
	170,313	100%	202,768	100%

16. Retirement Benefit Assets and Obligations, Net *(Cont'd)*

16.1 Defined benefit pension plans *(Cont'd)*

Plan assets *(Cont'd)*

The Group's defined benefit pension plans had total assets of US\$170.3 million and total obligations of US\$191.1 million as of 31 March 2026 (31 March 2025: US\$202.8 million and US\$209.4 million respectively). This represents a funding level of 89% in aggregate as of 31 March 2026 (31 March 2025: 97%).

The plan asset mix is established through consideration of many factors including assumptions of tolerance for fluctuations in market values, portfolio diversification and the targeted long-term rate of return for the assets. Foreign exchange risk is inherent in the asset mix policy and foreign currency fluctuations may significantly affect the return on the assets held by the trustees of the funds.

The Group ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve long-term investments that are in line with the obligations under the pension schemes. Within this framework, the Group's asset-liability matching objective is to match assets to the pension obligations with maturities that match the benefit payments as they fall due and in the appropriate currency.

The Group's main defined benefit pension plans are in Canada and Switzerland, which accounted for 98% of the pension assets and 88% of the pension liabilities respectively (31 March 2025: main defined benefits pension plan in the United Kingdom, Canada and Switzerland accounted for 98% of the plan assets and 87% of the pension liabilities). The Group also operates defined benefit schemes in Israel, South Korea, Germany, Italy and France.

The funding levels of the Group's pension schemes as of 31 March 2026 are set out below:

The Group's defined benefit pension plans in Canada reported funding levels of 103%. The surplus is mainly due to favourable investment performance. The Swiss and Israeli schemes had a funding level of 99% and 88% respectively. The deficit arises in part as a result of local funding rules, according to which funding obligations with respect to active employees are satisfied through regular contributions.

The schemes in South Korea and Germany are immaterial to the Group and have a lower funding level of 15% as benefits to certain employees are funded whilst benefits to other employees enrolled in the schemes are unfunded, as allowed under local regulations. The defined benefit plans in Italy and France are unfunded, as allowed under local regulations.

The Group expects to make contributions of US\$4.6 million to post-employment benefit plans for FY26/27 (FY25/26: US\$4.9 million).

16. Retirement Benefit Assets and Obligations, Net *(Cont'd)*

16.2 Defined contribution pension plans

The charge to the income statement for all defined contribution plans for FY25/26 was US\$10.0 million (FY24/25: US\$10.1 million). All forfeited contributions can be used to reduce employer's contributions.

The Group's Hong Kong and Canadian schemes accounted for 70% of total contributions in FY25/26 (FY24/25: 70%).

- The largest defined contribution schemes are in Hong Kong where the Group operates two defined contribution schemes. These comply with all the respective requirements under the Occupational Retirement Schemes Ordinance ("ORSO") and the Mandatory Provident Fund ("MPF") Ordinance. All scheme assets are held separately from the Group in independently administered funds. Contributions to the MPF Scheme follow the MPF Ordinance while contributions made by the employer to the ORSO Scheme range between 5% and 12% of basic salary depending on level and years of service. If employees leave the ORSO scheme prior to the contributions fully vesting, these may be forfeited and the charge to income statement reduced accordingly. During the year, forfeited contributions of US\$0.1 million were utilized (FY24/25: nil) to reduce the employer's contribution. There were no forfeited contributions as of 31 March 2026 (31 March 2025: nil).
- In Canada, employees are eligible for defined contribution plan after one year of service, governed by the Income Tax Act (Canada) and Pension Benefits Act (Ontario). The employer's base contribution is 3% of employee's earnings. The employer can match additional contributions from the employee up to 3% of their earnings, for a total of 6%. No forfeited contributions were available in FY25/26 and FY24/25 to reduce the employer's contributions. There were no forfeited contributions as of 31 March 2026 (31 March 2025: nil).

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

- In the USA, contributions to the defined contribution plan are made in accordance with Subsection 401(k) of the Internal Revenue Code. The employer's contribution matches 100% of the first 1% and 50% of the next 5% of employee's contribution. Matched contributions are capped at 6% of the employee's contribution, giving an employer maximum contribution of 3.5%. The employer's contribution is fully vested with the employee after two years of service. During the year, forfeited contributions of US\$0.04 million (FY24/25: US\$0.09 million) under the plans were used to cover plan expenses. As of 31 March 2026, the employer had US\$0.13 million forfeited contributions available to cover the plan expenses in future years (31 March 2025: US\$0.15 million).
- For the United Kingdom, both the employer and employee must make at least 4% contributions, which are fully vested. In the Netherlands, contributions are age based and range from 2.79% to 18.84% of annual salary. In the Turkish plan, the employer contributes a base of TRY1,217 (US\$27) per employee per month and then matches employee contributions up to a maximum of 1.5% of monthly gross salary. Singapore Central Provident Fund employer contributions are 17% of salary (18% for age 55 to 60), but lower after age 60. No forfeited contributions were available in FY25/26 (FY24/25: nil) and no forfeited contributions as of 31 March 2026 (31 March 2025: nil) to reduce the employer's contributions in any of these schemes.

16. Retirement Benefit Assets and Obligations, Net *(Cont'd)*

Accounting policy

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans.

(a) Defined benefit plan

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The Group's long service payment is a kind of defined benefit plan.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in the income statement.

(b) Defined contribution plan

For defined contribution plans, the Group and the employees pay fixed contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. Contributions are recognized as employee compensation when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

17. Provisions and Other Liabilities

	Warranty US\$'000	Restructuring and severance US\$'000	Reinstatement cost of right-of-use assets US\$'000	Total US\$'000
FY25/26				
As of 31 March 2025	47,395	6,088	960	54,443
Currency translations	1,174	333	(20)	1,487
Charged / (credited) to income statement				
– additional provisions	31,569	9,411	–	40,980
– unused amounts reversed	(4,477)	(1,058)	–	(5,535)
– finance costs	–	–	(36)	(36)
Utilizations	(24,078)	(9,002)	–	(33,080)
As of 31 March 2026	51,583	5,772	904	58,259
Current portion	42,003	5,772	–	47,775
Non-current portion	9,580	–	904	10,484
As of 31 March 2026	51,583	5,772	904	58,259
FY24/25				
As of 31 March 2024	47,722	6,728	991	55,441
Currency translations	(221)	(4)	(51)	(276)
Charged / (credited) to income statement				
– additional provisions	24,945	7,159	–	32,104
– unused amounts reversed	(5,177)	–	–	(5,177)
– finance costs	–	–	20	20
Utilizations	(19,874)	(7,795)	–	(27,669)
As of 31 March 2025	47,395	6,088	960	54,443
Current portion	38,494	6,088	–	44,582
Non-current portion	8,901	–	960	9,861
As of 31 March 2025	47,395	6,088	960	54,443

18. Taxation

18.1 Income tax expense

The amount of taxation in the consolidated income statement represents:

	2026 US\$'000	2025 US\$'000
Current income tax		
Charges for the year	39,994	45,969
Additions / (reductions) of tax for prior years	994	(63)
	40,988	45,906
Deferred income tax (Note 18.2)	(6,811)	(9,607)
Total income tax expense	34,177	36,299
Effective tax rate	14.5%	12.0%

Tax has been provided at the applicable rates on the estimated assessable profit in the respective countries or territories of operations for the year. The overall global effective tax rate for FY25/26 was 14.5% (FY24/25: 12.0%). The Group's effective tax rate differed from the statutory tax rate of Hong Kong of 16.5% (FY24/25: 16.5%) as follows:

	2026	2025
	US\$'000	US\$'000
Profit before income tax	234,972	301,447
Tax charged at Hong Kong profits tax rate	16.5% 38,770	16.5% 49,739
Effect of different tax rates in other countries or territories		
– countries or territories with taxable profit	3.4% 8,083	2.4% 7,330
– countries or territories with taxable loss	(2.2%) (5,134)	(1.3%) (3,808)
Additions / (reductions) of tax for prior years		
– current and deferred	0.4% 960	(0.1%) (274)
Withholding tax	4.3% 10,143	4.2% 12,775
Effect of income, net of expenses, not subject to tax	(9.2%) (21,597)	(8.4%) (25,456)
Effect of permanent differences, tax losses previously not recognized and other taxes	1.3% 2,952	(1.3%) (4,007)
Total income tax expense	14.5% 34,177	12.0% 36,299

18. Taxation (Cont'd)

18.1 Income tax expense (Cont'd)

As of 31 March 2026, Pillar Two legislation has been enacted and is in effect in certain jurisdictions where the Group operates. Based on the Group's assessment for the year ended 31 March 2026 and the information currently available, the overall impact of Pillar Two rules on the Group's income tax position while included in current tax, is not material. The Group will continue to monitor developments in Pillar Two legislation across relevant jurisdictions and assess the potential future impact on its financial statements.

18.2 Deferred income tax

Deferred tax assets and liabilities are offset when the deferred income taxes relate to the same fiscal authority and when there is a legally enforceable right to offset current tax assets against current tax liabilities.

The following amounts, determined after appropriate offsetting within a tax jurisdiction, are shown in the consolidated balance sheet:

	2026 US\$'000	2025 US\$'000
Deferred income tax assets	102,351	100,083
Deferred income tax liabilities	(61,212)	(72,699)
Deferred income tax assets, net	41,139	27,384

The gross differences between book and tax accounting, before netting were as follows:

	2026 US\$'000	2025 US\$'000
Gross deferred income tax assets	142,932	148,393
Gross deferred income tax liabilities	(101,793)	(121,009)
Deferred income tax assets, net	41,139	27,384

18. Taxation (Cont'd)

18.2 Deferred income tax (Cont'd)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, was as follows:

	Provisions US\$'000	Tax depreciation US\$'000	Tax losses US\$'000	Fair value (gains) / losses US\$'000	Others US\$'000	Total US\$'000
FY25/26						
Deferred income tax assets						
As of 31 March 2025	33,098	54,918	33,416	952	26,009	148,393
Currency translations	1,054	1,711	945	6	563	4,279
Charged to income statement	(1,803)	(4,883)	(519)	(1,250)	(1,039)	(9,494)
Credited / (charged) to equity	–	–	–	414	(660)	(246)
Assets as of 31 March 2026	32,349	51,746	33,842	122	24,873	142,932
Deferred income tax (liabilities)						
As of 31 March 2025	(155)	(17,864)	–	(55,474)	(47,516)	(121,009)
Currency translations	(11)	(495)	–	(1,734)	(319)	(2,559)
(Charged) / credited to income statement	(40)	2,597	–	13,023	725	16,305
Credited to equity	–	–	–	4,165	1,305	5,470
(Liabilities) as of 31 March 2026	(206)	(15,762)	–	(40,020)	(45,805)	(101,793)
Deferred income tax assets / (liabilities), net as of 31 March 2026	32,143	35,984	33,842	(39,898)	(20,932)	41,139
FY24/25						
Deferred income tax assets						
As of 31 March 2024	30,273	59,080	34,951	1,098	25,351	150,753
Currency translations	(150)	(1,641)	(58)	–	(298)	(2,147)
Credited / (charged) to income statement	2,975	(2,521)	(1,477)	701	1,501	1,179
Charged to equity	–	–	–	(847)	(545)	(1,392)
Assets as of 31 March 2025	33,098	54,918	33,416	952	26,009	148,393
Deferred income tax (liabilities)						
As of 31 March 2024	(529)	(21,815)	–	(71,868)	(46,301)	(140,513)
Currency translations	30	162	–	1,389	625	2,206
Business combination	–	(162)	–	(597)	–	(759)
Credited / (charged) to income statement	344	3,951	–	6,115	(1,982)	8,428
Credited to equity	–	–	–	9,487	142	9,629
(Liabilities) as of 31 March 2025	(155)	(17,864)	–	(55,474)	(47,516)	(121,009)
Deferred income tax assets / (liabilities), net as of 31 March 2025	32,943	37,054	33,416	(54,522)	(21,507)	27,384

Deferred income tax liabilities of US\$2.0 million (FY24/25: US\$1.9 million) have not been recognized in respect of the withholding or other tax payable on the unremitted profits of certain subsidiaries where the Company controls the dividend policy and it has been determined that these undistributed profits will not be distributed in the foreseeable future.

18. Taxation *(Cont'd)*

18.2 Deferred income tax *(Cont'd)*

The movement table on the previous page describes the component parts of the deferred income tax assets and liabilities shown on the balance sheet.

Provisions:

Certain tax authorities do not allow provisions as deductions against current taxable profit until utilized, which gives rise to a different basis for calculating accounting and taxable profit.

Tax depreciation:

This represents the difference between the rate of depreciation which is charged against accounting profit and the rate of depreciation which is charged against taxable profit.

Tax losses:

This represents the value of current tax losses that can be offset against future taxable profits to reduce future taxation charges. As of 31 March 2026, certain Group subsidiaries had accumulated net operating losses carried forward of US\$210.4 million (31 March 2025: US\$236.3 million) to offset future taxable income.

Fair value (gains) / losses:

The extent to which a change in value resulting from the reassessment of an asset's carrying value is not treated as current year taxable income until realized.

Others:

This mainly represents other temporary differences arising from taxation on profit distributions from foreign subsidiaries, unrealized profits on unsold inventory from intragroup sales, tax credits available to offset future tax payments, temporary differences arising from deduction of expenses and the capitalization of engineering development costs.

18. Taxation (Cont'd)

18.2 Deferred income tax (Cont'd)

The recoverability of the deferred tax assets and liabilities was as follows:

	2026 US\$'000	2025 US\$'000
Deferred income tax assets:		
Deferred income tax assets to be recovered after more than 12 months	100,815	107,905
Deferred income tax assets to be recovered within 12 months	42,117	40,488
Deferred income tax assets	142,932	148,393
Deferred income tax liabilities:		
Deferred income tax liabilities to be settled after more than 12 months	(88,144)	(105,574)
Deferred income tax liabilities to be settled within 12 months	(13,649)	(15,435)
Deferred income tax liabilities	(101,793)	(121,009)
Deferred income tax assets, net	41,139	27,384

The movement on the deferred income tax account, net was as follows:

	2026 US\$'000	2025 US\$'000
At beginning of the year, net assets	27,384	10,240
Currency translations	1,720	59
Business combination	–	(759)
Credited to income statement (Note 18.1)	6,811	9,607
Credited to equity	5,224	8,237
At end of the year, net assets	41,139	27,384

18. Taxation (Cont'd)

18.2 Deferred income tax (Cont'd)

The deferred income tax credited / (charged) to equity in FY25/26 and FY24/25 was as follows:

	2026 US\$'000	2025 US\$'000
Fair value change of hedging instruments	4,579	8,640
Remeasurements of defined benefit plans (Note 20)	627	(389)
Remeasurements of long service payment (Note 20)	18	(14)
	5,224	8,237

Deferred income tax assets are recognized for tax losses carried forward to the extent that it is probable that future taxable profit or temporary differences will be available against which the unused tax losses can be utilized.

The movement in the Group's unrecognized tax losses for FY25/26 and FY24/25 is presented below:

	2026 US\$'000	2025 US\$'000
At beginning of the year	83,309	86,174
Currency translations	3,248	(749)
(Utilized / recognized) / generated during the year	(18,012)	7,267
Additions / (reductions) for tax positions of prior years	1,852	(9,383)
At end of the year	70,397	83,309

Deferred income tax assets in respect of tax losses amounting to US\$70.4 million (FY24/25: US\$83.3 million) have not been recognized primarily due to the uncertainty over the availability of future profit generation to recover such losses before their expiry or temporary differences in the legal entities where such losses were incurred.

18. Taxation (Cont'd)

18.2 Deferred income tax (Cont'd)

The aging of unrecognized tax losses by expiry date is as follows:

	2026 US\$'000	2025 US\$'000
Less than 1 year	1,251	2,236
1 – 2 years	887	368
2 – 5 years	4,462	3,569
5 – 20 years	26,036	11,787
Unlimited	37,761	65,349
	70,397	83,309

Deferred income tax assets amounting to US\$3.0 million (FY24/25: US\$3.6 million) have not been recognized with respect to other deductible temporary differences for which no taxable profit or temporary differences will be available to offset the deductible temporary difference.

Accounting policy

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in comprehensive income or directly in equity. In this case, the tax is also recognized in comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries, associate and joint venture operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit and loss at the time of such a transaction. Deferred income tax is determined using tax rates enacted or substantively enacted at the balance sheet date or expected to be applied in future. Deferred tax related to assets and liabilities arising from a single transaction which on initial recognition gives rise to equal amounts of taxable and deductible temporary differences requires the separate recognition of the related deferred tax assets and liabilities.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through use.

Deferred income tax liability is recognized in respect of the undistributed profits of subsidiaries which is expected to be distributed in the foreseeable future.

19. Share Capital

	Share capital – ordinary shares (thousands)	Shares held for share award scheme (thousands)	Total shares (thousands)
FY25/26			
As of 31 March 2025	934,412	(13,568)	920,844
Shares purchased by trustee for share award scheme	–	(1,100)	(1,100)
Shares vested to Directors and employees for share award scheme	–	6,979	6,979
As of 31 March 2026	934,412	(7,689)	926,723
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 31 March 2025	934,412	(13,568)	920,844

As of 31 March 2026, the total authorized number of ordinary shares was 1,760.0 million (31 March 2025: 1,760.0 million) with a par value of HK\$0.05 per share (31 March 2025: HK\$0.05 per share). All issued shares were fully paid.

19. 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
FY25/26				
As of 31 March 2025	6,026	(19,501)	88,963	75,488
Shares purchased by trustee for share award scheme	–	(4,003)	–	(4,003)
Shares vested to Directors and employees for share award scheme	–	17,859	–	17,859
As of 31 March 2026	6,026	(5,645)	88,963	89,344
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	–	4,927	–	4,927
As of 31 March 2025	6,026	(19,501)	88,963	75,488

Cancellation of issued capital

A general mandate was approved and given to the Board by shareholders at the Company's AGM held on 17 July 2025 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 FY25/26 for cancellation (FY24/25: nil).

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.

19. Share Capital (Cont'd)

Share award scheme (Cont'd)

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)		
	RSU	PSU	Total
FY25/26			
Unvested units granted, as of 31 March 2025	11,252	9,668	20,920
Units granted to Directors and employees during the year	2,049	1,648	3,697
Units vested to Directors and employees during the year	(4,237)	(3,303)	(7,540)
Forfeited during the year	(524)	(717)	(1,241)
Unvested units granted, as of 31 March 2026	8,540	7,296	15,836
FY24/25			
Unvested units granted, as of 31 March 2024	10,004	8,750	18,754
Units granted to Directors and employees during the year	3,317	2,917	6,234
Units vested to Directors and employees during the year	(1,780)	(422)	(2,202)
Forfeited during the year	(289)	(1,577)	(1,866)
Unvested units granted, as of 31 March 2025	11,252	9,668	20,920

The weighted average fair value of the unvested units granted during the year was HK\$21.02 (US\$2.69) (FY24/25: HK\$12.08 (US\$1.55)).

The weighted average closing price of the shares immediately before the dates on which the awards were vested during the year is HK\$21.50 (US\$2.76) (FY24/25: HK\$11.92 (US\$1.53)).

In FY25/26, the Company did not issue any new shares under this program (FY24/25: 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\$9.0 million (FY24/25: US\$8.2 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 2025 and 30 September 2025 was discounted using 1.96% and 2.54% respectively).

19. Share Capital (Cont'd)

Share award scheme (Cont'd)

As of 31 March 2026, the number of unvested units outstanding under the Stock Unit Plan was as follows:

Vesting year *	Number of unvested units granted (thousands)		
	RSU	PSU	Total
FY26/27	3,569	3,125	6,694
FY27/28	3,053	2,638	5,691
FY28/29	1,918	1,533	3,451
Total unvested units granted	8,540	7,296	15,836

* Shares are typically vested on 1 June of the year

Accounting policy

(a) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity until the shares are vested, cancelled or reissued. Where such shares are subsequently sold or reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to the Company's shareholders.

(b) Share-based compensation

The Group operates a share-based compensation plan, settled by equity or cash, under which the entity receives services from employees as consideration for equity instruments of the Group. The fair value of such employee services is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the shares granted.

For share-based compensation settled by equity, shares granted to eligible employees for their services are charged as an expense based on the share price at the grant date. For cash settled share-based transaction, at the end of each reporting period and at the date of settlement, the Group re-measures the fair value of the incentive plan payable with any changes in fair value charged as an expense.

Non-market vesting conditions are included in assumptions about the number of shares expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of shares that are expected to vest. Any impact of the revision to original estimates are recognized in the income statement, with a corresponding adjustment to equity.

The grant by the Company of shares over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognized over the vesting period, with a credit to equity in the parent entity accounts.

Notes to the Consolidated Financial Statements

20. Reserves

	Note	Capital reserve US\$'000	Goodwill on consolidation US\$'000	Exchange reserve US\$'000	Share-based employee compensation reserve US\$'000	Hedging reserve US\$'000	Miscellaneous reserves* US\$'000	Retained earnings US\$'000	Total US\$'000
As of 31 March 2025		17,338	(233,885)	23,410	10,820	57,616	57,675	2,657,578	2,590,552
Profit for the year		–	–	–	–	–	–	202,127	202,127
Other comprehensive income / (expenses):									
Hedging instruments									
– raw material commodity contracts									
– fair value gains, net		–	–	–	–	2,125	–	–	2,125
– transferred to inventory and subsequently recognized in the income statement	7(c)	–	–	–	–	(2,327)	–	–	(2,327)
– deferred income tax effect		–	–	–	–	33	–	–	33
– forward foreign currency exchange contracts and foreign exchange swaps									
– fair value gains, net		–	–	–	–	11,618	–	–	11,618
– transferred to the income statement		–	–	–	–	(39,703)	–	–	(39,703)
– deferred income tax effect		–	–	–	–	4,546	–	–	4,546
Defined benefit plans									
– remeasurements	16	–	–	–	–	–	–	2,601	2,601
– deferred income tax effect	18	–	–	–	–	–	–	627	627
Long service payment									
– remeasurements	16	–	–	–	–	–	–	(356)	(356)
– deferred income tax effect	18	–	–	–	–	–	–	18	18
Hyperinflation adjustments		–	–	701	–	–	–	(266)	435
Currency translations of subsidiaries		–	–	59,342	–	171	–	–	59,513
Currency translation of associate		–	–	135	–	–	–	–	135
Total comprehensive income / (expenses) for FY25/26		–	–	60,178	–	(23,537)	–	204,751	241,392
Transactions with shareholders:									
Appropriation of retained earnings to statutory reserve		–	–	–	–	–	1,974	(1,974)	–
Share award scheme									
– shares vested		–	–	–	(8,480)	–	(9,379)	–	(17,859)
– value of employee services		–	–	–	7,843	–	–	–	7,843
FY24/25 final dividend – cash paid		–	–	–	–	–	–	(52,145)	(52,145)
FY25/26 interim dividend – cash paid		–	–	–	–	–	–	(20,264)	(20,264)
Total transactions with shareholders		–	–	–	(637)	–	(7,405)	(74,383)	(82,425)
As of 31 March 2026		17,338	(233,885)	83,588	10,183	34,079	50,270	2,787,946	2,749,519
Final dividend proposed	27	–	–	–	–	–	–	52,038	52,038
Others		17,338	(233,885)	83,588	10,183	34,079	50,270	2,735,908	2,697,481
As of 31 March 2026		17,338	(233,885)	83,588	10,183	34,079	50,270	2,787,946	2,749,519

* Miscellaneous reserves mainly represent property revaluation reserve, statutory reserve and reserve arising from shares vested for share award scheme

Notes to the Consolidated Financial Statements

20. Reserves (Cont'd)

	Note	Capital reserve US\$'000	Goodwill on consolidation US\$'000	Exchange reserve US\$'000	Share-based employee compensation reserve US\$'000	Hedging reserve US\$'000	Miscellaneous reserves* US\$'000	Retained earnings US\$'000	Total US\$'000
As of 31 March 2024		17,338	(233,885)	67,464	8,718	95,546	49,491	2,469,761	2,474,433
Profit for the year		–	–	–	–	–	–	262,803	262,803
Other comprehensive income / (expenses):									
Hedging instruments									
– raw material commodity contracts									
– fair value gains, net		–	–	–	–	2,444	–	–	2,444
– transferred to inventory and subsequently recognized in the income statement	7(c)	–	–	–	–	(7,955)	–	–	(7,955)
– deferred income tax effect		–	–	–	–	909	–	–	909
– forward foreign currency exchange contracts and foreign exchange swaps									
– fair value losses, net		–	–	–	–	(5,179)	–	–	(5,179)
– transferred to the income statement		–	–	–	–	(35,870)	–	–	(35,870)
– deferred income tax effect		–	–	–	–	7,731	–	–	7,731
– net investment hedge									
– fair value gains, net		–	–	3,190	–	–	–	–	3,190
Defined benefit plans									
– remeasurements	16	–	–	–	–	–	–	6,291	6,291
– deferred income tax effect	18	–	–	–	–	–	–	(389)	(389)
Long service payment									
– remeasurements	16	–	–	–	–	–	–	861	861
– deferred income tax effect	18	–	–	–	–	–	–	(14)	(14)
Hyperinflation adjustments		–	–	1,569	–	–	–	(532)	1,037
Currency translations of subsidiaries		–	–	(49,026)	–	(10)	–	–	(49,036)
Currency translations of associate and joint venture		–	–	213	–	–	–	–	213
Total comprehensive income / (expenses) for FY24/25		–	–	(44,054)	–	(37,930)	–	269,020	187,036
Transactions with shareholders:									
Appropriation of retained earnings to statutory reserve		–	–	–	–	–	8,573	(8,573)	–
Share award scheme									
– shares vested		–	–	–	(4,538)	–	(389)	–	(4,927)
– value of employee services		–	–	–	6,640	–	–	–	6,640
Acquisition of non-controlling interests		–	–	–	–	–	–	(409)	(409)
FY23/24 final dividend – cash paid		–	–	–	–	–	–	(52,086)	(52,086)
FY24/25 interim dividend – cash paid		–	–	–	–	–	–	(20,135)	(20,135)
Total transactions with shareholders		–	–	–	2,102	–	8,184	(81,203)	(70,917)
As of 31 March 2025		17,338	(233,885)	23,410	10,820	57,616	57,675	2,657,578	2,590,552
Final dividend proposed	27	–	–	–	–	–	–	52,089	52,089
Others		17,338	(233,885)	23,410	10,820	57,616	57,675	2,605,489	2,538,463
As of 31 March 2025		17,338	(233,885)	23,410	10,820	57,616	57,675	2,657,578	2,590,552

* Miscellaneous reserves mainly represent property revaluation reserve, statutory reserve and reserve arising from shares vested for share award scheme

21. Other Income, net

	2026 US\$'000	2025 US\$'000
Gross rental income from investment property	1,219	1,219
Net (losses) / gains on financial assets at fair value through profit and loss	(12,352)	6,128
Gains on disposal of property, plant and equipment	5,069	1,632
Loss on disposal of an associate	–	(398)
Fair value gains / (losses) on investment property	1,491	(74)
Net gains on structured foreign currency contracts	–	1,099
Subsidies and other income	7,159	5,127
Other income, net	2,586	14,733

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

Accounting policy

(a) Rental income

Rental income is recognized on a straight-line basis over the period of the lease.

(b) Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to future operating costs are recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in income statement in the period in which they become receivable.

Government grants relating to assets are included in liabilities as deferred government grants and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

22. Selling and Administrative Expenses

	2026 US\$'000	2025 US\$'000
Selling expenses	124,935	126,491
Administrative expenses	472,347	440,168
Warranty claims	27,092	19,768
Net gains on other financial assets and liabilities	(21,659)	(34,678)
Net gains on revaluation of monetary assets and liabilities	(18,933)	(6,712)
Selling and administrative expenses	583,782	545,037

23. Restructuring and Other Related Costs

	2026 US\$'000	2025 US\$'000
Restructuring and other related costs	8,230	7,159

Note: The restructuring and other related costs primarily consisted of severance payments for the restructuring in Europe (FY24/25: China and Europe)

24. Finance Income / (Costs), net

	2026 US\$'000	2025 US\$'000
Interest income	30,811	32,451
Interest expense on:		
Borrowings	(21,494)	(26,031)
Lease liabilities	(2,875)	(3,108)
Bonds	–	(4,354)
Total interest expense	(24,369)	(33,493)
Net finance income / (costs) (Note 29(a))	6,442	(1,042)

Borrowings are discussed in Note 14.

Accounting policy

Interest income is recognized when it is earned on a time-proportion basis using the effective interest method.

25. Expenses by Nature

Operating profit was stated after crediting and charging the following:

	2026 US\$'000	2025 US\$'000
Depreciation		
Depreciation of property, plant and equipment (Note 3)	248,513	236,436
Less: amounts capitalized in assets under construction	(2,676)	(1,784)
Net depreciation (Note 29(a))	245,837	234,652
Engineering expenditure		
Engineering expenditure *	182,603	163,873
Less: capitalization of engineering development costs (Note 5)	(1,988)	(1,749)
Net engineering expenditure	180,615	162,124
Employee compensation		
Wages, salaries and other benefits	908,999	892,604
Share-based payments	8,437	9,639
Social security costs	124,190	111,379
Pension costs – defined benefit plans (Note 16.1)	5,811	7,265
Pension costs – defined contribution plans (Note 16.2)	10,043	10,070
	1,057,480	1,030,957
Less: amounts capitalized in assets under construction	(9,821)	(7,854)
	1,047,659	1,023,103
Other items:		
Cost of goods sold **	2,809,965	2,804,271
Auditors' remuneration	3,243	3,206
Amortization of intangible assets (Note 5 & 29(a))	29,183	28,081
Impairment of inventories	11,781	15,600
Reversal of impairment of inventories	(7,172)	(9,507)
Impairment of property, plant and equipment (Note 3 & 29(a))	9,794	4,841
Impairment of intangible assets (Note 5 & 29(a))	22,369	–
Impairment of trade receivables / bad debt expense (Note 10)	2,959	1,855

* Engineering expenditure as a percentage of sales was 5.0% in FY25/26 (FY24/25: 4.5%)

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

26. 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 year excluding ordinary shares purchased by the Company for share award scheme.

	2026	2025
Profit attributable to shareholders (thousands US Dollar)	202,127	262,803
Weighted average number of ordinary shares in issue (thousands)	926,231	921,708
Basic earnings per share (US cents per share)	21.82	28.51
Basic earnings per share (HK cents per share)	170.30	222.20

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.

	2026	2025
Profit attributable to shareholders (thousands US Dollar)	202,127	262,803
Weighted average number of ordinary shares issued and outstanding (thousands)	926,231	921,708
Adjustments for incentive shares granted		
– Share award scheme – Restricted Stock Units	6,562	6,650
– Share award scheme – Performance Stock Units	3,415	4,820
Weighted average number of ordinary shares (diluted) (thousands)	936,208	933,178
Diluted earnings per share (US cents per share)	21.59	28.16
Diluted earnings per share (HK cents per share)	168.49	219.47

27. Dividends

	2026 US\$'000	2025 US\$'000
Interim, of 17 HK cents (2.18 US cents) per share, paid in January 2026 (FY24/25: 17 HK cents or 2.18 US cents)	20,259	20,141
Final, proposed, of 44 HK cents (5.64 US cents) per share, to be paid in August 2026 (FY24/25: 44 HK cents or 5.64 US cents) (Note 20)	52,038*	52,089
	72,297	72,230

* Proposed dividend is calculated based on the total number of shares as of 31 March 2026. The final dividend will be payable on 12 August 2026 to persons who are registered shareholders of the Company on 27 July 2026

At a meeting held on 28 May 2026, the Board recommended a final dividend of 44 HK cents (5.64 US cents) per share to be paid out in August 2026. The recommended final dividend will be reflected as an appropriation of retained earnings for FY26/27.

Dividends for the periods FY16/17 through FY25/26 are shown in the table below:

	Interim HK cents per share	Final HK cents per share	Total HK cents per share	Total dividend US\$'000
FY16/17	16.0	34.0	50.0	55,323
FY17/18	17.0	34.0	51.0	56,123
FY18/19	17.0	34.0	51.0	56,594
FY19/20	17.0	–	17.0	19,297
FY20/21	17.0	34.0	51.0	58,582
FY21/22	17.0	17.0	34.0	38,969
FY22/23	17.0	34.0	51.0	59,545
FY23/24	17.0	44.0	61.0	72,005
FY24/25	17.0	44.0	61.0	72,230
FY25/26	17.0	44.0	61.0	72,297

Accounting policy

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

28. Commitments

28.1 Capital commitments

	2026 US\$'000	2025 US\$'000
Capital commitments, contracted but not provided for: Property, plant and equipment	81,257	46,807

28.2 Lease commitments

The future aggregate minimum lease payments of leases included short-term leases with a term of 12 months or less, leases of low-value assets and leases with variable lease payments are as follows:

	2026 US\$'000	2025 US\$'000
Less than 1 year	1,388	991

28.3 Non-cancellable operating leases

The Group's future aggregate minimum lease rental receivables under non-cancellable operating leases as of 31 March 2026 and 31 March 2025 were as follows:

	2026 US\$'000	2025 US\$'000
Less than 1 year	1,180	1,360
1 – 2 year	296	1,299
2 – 3 year	–	314
	1,476	2,973

Accounting policy

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over lease term (Note 3 and 4). The respective leased assets are included in the consolidated balance sheet based on their natures.

29. Notes to Consolidated Cash Flow Statement

(a) Reconciliation of profit before income tax to cash generated from operations

	2026 US\$'000	2025 US\$'000
Profit before income tax	234,972	301,447
Add: Depreciation of property, plant and equipment (Note 25)	245,837	234,652
Amortization of intangible assets (Note 5 & 25)	29,183	28,081
Net finance (income) / costs (Note 24)	(6,442)	1,042
Share of losses of associate and joint venture	128	3,383
EBITDA*	503,678	568,605
Other non-cash items		
Gains on disposal of property, plant and equipment	(5,069)	(1,632)
Impairment of property, plant and equipment (Note 3 & 25)	9,794	4,841
Impairment of intangible assets (Note 5 & 25)	22,369	–
Net losses / (gains) on financial assets at fair value through profit and loss	12,352	(6,128)
Share-based payments	7,843	6,640
Fair value (gains) / losses on investment property	(1,491)	74
Loss on disposal of an associate	–	398
Unrealized currency (gains) / losses	(868)	6,469
	44,930	10,662
EBITDA * net of other non-cash items	548,608	579,267
Changes in working capital		
(Increase) / decrease in inventories	(77,736)	9,878
Increase in trade and other receivables	(12,955)	(57,606)
Decrease / (increase) in other non-current assets	1,560	(1,574)
Increase / (decrease) in trade and other payables	59,526	(27,400)
Change in retirement benefit assets and obligations, net **	17,127	3,294
Increase / (decrease) in provisions and other liabilities	2,365	(742)
Change in other financial assets and liabilities	(595)	27,412
	(10,708)	(46,738)
Cash generated from operations	537,900	532,529

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

** Net of defined benefit pension plan assets

In the cash flow statement, proceeds from disposal of property, plant and equipment comprise:

	2026 US\$'000	2025 US\$'000
Net book amount	1,718	812
Gains on disposal of property, plant and equipment (Note 21)	5,069	1,632
Cash from disposal of property not received at balance sheet date	(3,343)	–
Proceeds from disposal of property, plant and equipment	3,444	2,444

29. Notes to Consolidated Cash Flow Statement (Cont'd)

(b) Reconciliation of liabilities arising from financing activities

	Borrowings (current) US\$'000	Borrowings (non-current) US\$'000	Lease liabilities US\$'000	Total US\$'000
FY25/26				
As of 31 March 2025	57,563	301,772	64,206	423,541
Currency translations	924	664	2,166	3,754
Cash flows				
– inflow from financing activities	6,103	16,088	–	22,191
– outflow from financing activities	(55,945)	–	(17,964)	(73,909)
– outflow from operating activities	–	–	(2,789)	(2,789)
Non-cash changes				
– new leases / extensions / modifications, net of terminations	–	–	10,714	10,714
– finance costs	–	1,282	2,875	4,157
– reclassification	97,184	(101,330)	–	(4,146)
As of 31 March 2026	105,829	218,476	59,208	383,513
FY24/25				
As of 31 March 2024	308,529	252,275	73,841	634,645
Currency translations	(207)	(470)	(606)	(1,283)
Business combination	–	–	175	175
Cash flows				
– inflow from financing activities	689	105,745	–	106,434
– outflow from financing activities	(306,654)	–	(20,289)	(326,943)
– outflow from operating activities	(6,188)	–	(2,716)	(8,904)
Non-cash changes				
– new leases / extensions / modifications, net of terminations	–	–	10,693	10,693
– finance costs	4,354	1,262	3,108	8,724
– reclassification	57,040	(57,040)	–	–
As of 31 March 2025	57,563	301,772	64,206	423,541

(c) Capital contribution from non-controlling interests

Jointelligence (Shenzhen) Technology Limited (“Jointelligence Shenzhen”) was formed by the Group and Shanghai Mechanical & Electrical Industry Co., Ltd. (“SMEIC”) in July 2025. Jointelligence Shenzhen focuses on engineering design, research and development, and manufacturing of humanoid robot hardware.

The Group holds a 51% equity interest in Jointelligence Shenzhen and contributed US\$5.2 million in cash during FY25/26. Jointelligence Shenzhen is consolidated as a subsidiary of the Group. SMEIC holds the remaining 49% interest and contributed US\$5.2 million in cash in FY25/26.

30. Benefits and Interests of Directors and Senior Management Compensation

30.1 Directors' remuneration

The remuneration of Directors for FY25/26 was as follows:

Name of Director	Fees US\$'000	Salaries, allowances and other benefits US\$'000	Discretionary bonus US\$'000	Share- based payment US\$'000	Employer's contribution to retirement benefit scheme US\$'000	Total US\$'000
Yik-Chun Wang Koo *	37	–	–	–	–	37
Patrick Wang	–	990	444	2,562	111	4,107
Austin Wang	–	645	194	854	69	1,762
Winnie Wang Mak	75	68	–	–	–	143
Peter Wang	42	–	–	–	–	42
Catherine Bradley	60	–	–	–	–	60
Michael Enright	66	–	–	–	–	66
Michelle Low	57	–	–	–	–	57
Patrick Paul	75	–	–	–	–	75
Christopher Pratt	72	–	–	–	–	72
David Rosenthal	51	–	–	–	–	51
	535	1,703	638	3,416	180	6,472

The remuneration of Directors for FY24/25 was as follows:

Name of Director	Fees US\$'000	Salaries, allowances and other benefits US\$'000	Discretionary bonus US\$'000	Share- based payment US\$'000	Employer's contribution to retirement benefit scheme US\$'000	Total US\$'000
Yik-Chun Wang Koo	125	–	–	–	–	125
Patrick Wang	–	981	1,233	392	111	2,717
Austin Wang	–	626	247	131	68	1,072
Winnie Wang Mak	75	60	–	131	–	266
Peter Wang	48	–	–	–	–	48
Catherine Bradley	60	–	–	–	–	60
Michael Enright	66	–	–	–	–	66
Michelle Low	57	–	–	–	–	57
Patrick Paul	75	–	–	–	–	75
Christopher Pratt	72	–	–	–	–	72
David Rosenthal	51	–	–	–	–	51
Joseph Yam **	14	–	–	–	–	14
	643	1,667	1,480	654	179	4,623

* Retired on 17 July 2025

** Retired on 12 July 2024

30. Benefits and Interests of Directors and Senior Management Compensation (Cont'd)

30.2 Senior management compensation

Other than the directors' remuneration disclosed in Note 30.1, the aggregate remuneration of senior management comprises remuneration paid to 7 members (FY24/25: 7), one of whom resigned during the year. The remaining 6 members are set out in the section Profile of Directors and Senior Management on pages 198 to 203. The remuneration for FY25/26 and FY24/25 was as follows:

	2026 US\$'000	2025 US\$'000
Salaries, allowances and other benefits	4,314	4,308
Retirement scheme contributions	395	386
Share-based payments	6,240	930
Bonuses	1,334	2,592
	12,283	8,216

Remuneration bands

	Number of individuals	
	2026	2025
US\$768,001 – US\$896,000 (HK\$6,000,001 – HK\$7,000,000)	–	1
US\$896,001 – US\$1,024,000 (HK\$7,000,001 – HK\$8,000,000)	1	–
US\$1,024,001 – US\$1,152,000 (HK\$8,000,001 – HK\$9,000,000)	–	4
US\$1,408,001 – US\$1,536,000 (HK\$11,000,001 – HK\$12,000,000)	1	1
US\$1,536,001 – US\$1,664,000 (HK\$12,000,001 – HK\$13,000,000)	2	1
US\$1,920,001 – US\$2,048,000 (HK\$15,000,001 – HK\$16,000,000)	1	–
US\$2,304,001 – US\$2,432,000 (HK\$18,000,001 – HK\$19,000,000)	2	–

30. Benefits and Interests of Directors and Senior Management Compensation (Cont'd)

30.3 Five highest individuals compensation

Of the five highest paid individuals of the Group, 2 are directors of the Group whose remuneration is included in Note 30.1 (FY24/25: 2 directors in the five highest paid individuals). The compensation paid to the remaining 3 (FY24/25: 3) highest paid employees were as follows:

	2026 US\$'000	2025 US\$'000
Salaries, allowances and other benefits	2,149	2,061
Retirement scheme contributions	201	191
Share-based payments	3,614	544
Bonuses	707	1,360
	6,671	4,156

Remuneration bands

	Number of individuals	
	2026	2025
US\$1,088,001 – US\$1,152,000 (HK\$8,500,001 – HK\$9,000,000)	–	1
US\$1,408,001 – US\$1,472,000 (HK\$11,000,001 – HK\$11,500,000)	–	1
US\$1,536,001 – US\$1,600,000 (HK\$12,000,001 – HK\$12,500,000)	–	1
US\$1,984,001 – US\$2,048,000 (HK\$15,500,001 – HK\$16,000,000)	1	–
US\$2,304,001 – US\$2,368,000 (HK\$18,000,001 – HK\$18,500,000)	2	–

31. Material Related Party Transactions

Except for the investment in an associate disclosed in Note 6, the capital contribution from non-controlling interests disclosed in Note 29(c), and the emoluments to Directors and senior management compensation disclosed in Note 30, the Group had no material related party transactions during the year.

32. 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. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Group's Treasury department, from the corporate headquarters in Hong Kong. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

32.1 Market risk

(a) Foreign exchange risk

The Group operates globally and is exposed to foreign exchange risk primarily through sales and purchases transactions that are denominated in a currency other than the functional currency of the subsidiaries.

For FY25/26, of the sales, 40% (FY24/25: 42%) were in USD, 26% (FY24/25: 24%) in EUR, 22% (FY24/25: 23%) in RMB with the rest being in other currencies including CAD, KRW and JPY.

The major currencies used for commodity purchases, production overhead costs and selling and administrative expenses are USD, HKD, RMB, EUR, HUF, MXN, CHF, PLN, ILS, CAD, RSD and TRY.

Open foreign exchange exposures are hedged with forward foreign currency exchange contracts and foreign exchange swaps, with a view to reducing the net exposure to currency fluctuation. As of 31 March 2026, forward foreign currency exchange contracts and foreign exchange swaps had durations up to 59 months.

The Group's most significant currency exposures relate to RMB and EUR. As of 31 March 2026, if USD had weakened / strengthened by 5% against RMB with all other variables held constant, pre-tax profit for the year would be 2.4% (FY24/25: 0.9%) higher / lower. If USD had weakened / strengthened by 5% against EUR with all other variables held constant, pre-tax profit for the year would be 0.8% (FY24/25: 4.6%) higher / lower. The above sensitivity ignores the potential impact of cash flow hedges.

32. Financial Risk Management *(Cont'd)*

32.1 Market risk *(Cont'd)*

(b) Interest rate risk

The Group's interest rate risk mainly arises from interest-bearing borrowings with floating interest rates.

The Group continues to monitor interest rate risk and will consider the use of both fixed and floating interest rate borrowings in the functional currencies where the Group operates.

Borrowings as of 31 March 2026 were US\$324.3 million (31 March 2025: US\$359.3 million) bearing interest ranging from 2.3% to 4.9% per annum (31 March 2025: 2.4% to 5.6% per annum). A 0.25% increase / decrease in interest rate would decrease / increase the profit by US\$0.8 million (31 March 2025: US\$0.9 million).

Cash and cash equivalents as of 31 March 2026 amounted to US\$901.9 million (31 March 2025: US\$790.6 million) and were interest bearing. The Group's exposure to interest rate risk arising from cash and cash equivalents is considered insignificant. Other than cash and cash equivalents, the Group has no significant interest bearing assets.

(c) Commodity price risk

The Group is exposed to commodity price risk, mainly from fluctuations in steel, copper, silver and aluminium prices. The Group manages these commodity prices by way of incorporating appropriate clauses in certain customer contracts to pass changes in raw material costs onto these customers.

Price risk due to steel is reduced through fixed price contracts for steel from 1 to 6 months forward with the Group's suppliers and through cash flow hedge contracts for iron ore with varying maturities ranging from 1 to 24 months as of 31 March 2026. Price risks from copper and silver are reduced by hedging through appropriate financial instruments with varying maturities ranging from 1 to 3 months as of 31 March 2026.

The price risk of steel includes iron ore components. The iron ore component has accounted for one of the key portions of the cost of steel supplied. The Group considers the iron ore components to be separately identifiable and reliably measurable components of steel price. As such, iron ore commodity contracts are designated as hedges of the iron ore risk components of highly probable steel purchase transactions. An increase / decrease in iron ore price would not have a material impact on the Group's equity.

32. Financial Risk Management *(Cont'd)*

32.2 Credit and customer collection risk

The Group's credit and customer collection risk mainly arises from trade and other receivables. The Group has no significant concentrations of credit risk. It has a policy in place to evaluate customers' credit risk by considering their current financial position and past repayment history. Management monitors overdue accounts to identify and resolve collection issues. The impairment of trade receivables as of 31 March 2026 was determined using the forward looking expected credit loss method, resulting in the expected loss rates by grouping based on the shared risk characteristics and the days past due. For details, please see Note 10.

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customers' ability to meet their obligations
- actual or expected significant changes in performance and behaviour of the customers, including changes in their payment status and operating results

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

A default on a financial asset is when the counterparty fails to make contractual payments after 1 year when they fall due.

The Group manages its deposits with banks and financial institutions and transactions involving derivative financial instruments by monitoring credit ratings and limiting the aggregate risk to any individual counterparty. The majority of the Group's cash and cash equivalents are held with, and transactions involving derivative financial instruments were made with, major financial institutions (i.e. the Group's principal bankers) with strong investment grade credit ratings.

32. Financial Risk Management *(Cont'd)*

32.3 Liquidity risk

Management believes that the combination of cash and cash equivalents, available unutilized credit lines, expected access to the capital markets and 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. Available credit lines include financing of trade receivables by subsidiary companies in Europe and Hong Kong, guaranteed by the Company.

The Group had cash and cash equivalents of US\$901.9 million as of 31 March 2026 (31 March 2025: US\$790.6 million), which constitute 21% (31 March 2025: 19%) of its total assets.

As of 31 March 2026, the Group had US\$1,010.7 million (31 March 2025: US\$951.7 million) available unutilized credit lines, comprised of:

- US\$200.0 million (31 March 2025: US\$200.0 million) syndicated revolving credit facility maturing in November 2028
- US\$238.6 million (31 March 2025: US\$209.7 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 December 2026 to May 2028
- US\$572.1 million (31 March 2025: US\$542.0 million) uncommitted credit facilities

As disclosed in Note 12, the Group entered into a supplier finance arrangement with a finance provider. This improved the Group's working capital. The finance provider is in good financial condition and the Group has no significant concentration of liquidity risk with this finance provider.

The table below analyzes the Group's borrowings and other financial assets and liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year US\$'000	1 – 2 years US\$'000	2 – 5 years US\$'000	Over 5 years US\$'000
As of 31 March 2026				
Borrowings	143,033	11,165	206,955	–
Other financial assets and liabilities				
– raw material commodity contracts	(732)	(297)	–	–
– forward foreign currency exchange contracts and foreign exchange swaps				
– net settled	(1,060)	(679)	–	–
– gross settled				
– inflow	(213,683)	(102,801)	(35,040)	–
– outflow	194,654	85,769	29,714	–
– fair value hedge				
– inflow	(46,000)	(48,500)	(24,500)	–
– outflow	37,472	38,996	19,528	–
Trade and other payables	668,743	–	–	–
Lease liabilities	21,229	16,732	26,676	3,416

32. Financial Risk Management *(Cont'd)*

32.3 Liquidity risks *(Cont'd)*

	Less than 1 year US\$'000	1 – 2 years US\$'000	2 – 5 years US\$'000	Over 5 years US\$'000
As of 31 March 2025				
Borrowings	74,759	116,951	222,888	–
Other financial assets and liabilities				
– raw material commodity contracts	(35)	(327)	(158)	–
– forward foreign currency exchange contracts and foreign exchange swaps				
– net settled	979	1,224	993	–
– gross settled				
– inflow	(818,689)	(106,317)	(112,810)	–
– outflow	777,499	89,107	89,671	–
– fair value hedge				
– inflow	(43,500)	(46,000)	(73,000)	–
– outflow	33,979	35,408	55,299	–
Trade and other payables	552,037	–	–	–
Lease liabilities	20,384	15,749	34,667	4,675

32. Financial Risk Management *(Cont'd)*

32.4 Capital risk

As of 31 March 2026, the Group's total debt to capital ratio was 10% (31 March 2025: 12%).

Total debt to capital ratio as of 31 March 2026 and 31 March 2025 was as follows:

	2026 US\$'000	2025 US\$'000
Borrowings – current (Note 14)	105,829	57,563
Borrowings – non-current (Note 14)	218,476	301,772
Total debt	324,305	359,335
Total equity	2,881,681	2,707,897
Total capital (equity + debt)	3,205,986	3,067,232
Total debt to capital ratio	10%	12%

The net cash position as of 31 March 2026 and 31 March 2025 was as follows:

	2026 US\$'000	2025 US\$'000
Total debt	(324,305)	(359,335)
Cash and cash equivalents (Note 11)	901,944	790,633
Net cash	577,639	431,298

Management believes the combination of cash and cash equivalents, available unutilized credit lines, expected access to the capital markets and 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.

33. 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: The Group's level 1 investment in listed shares is 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 properties are not traded actively in the market and their fair values are determined through appraisals performed by independent professional qualified valuers. The Group's level 3 financial assets at fair value through profit and loss consist of investments in a venture capital fund that are not traded in an active market. Their fair values are valued based on information derived from fund reports or audited reports received from the venture capital fund, adjusted for other relevant factors if deemed necessary.

33. Fair Value Estimation (Cont'd)

The following table presents the Group's assets and liabilities that are measured at fair value as of 31 March 2026 and 31 March 2025.

	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
As of 31 March 2026				
Assets				
Investment property				
– industrial property	–	–	11,558	11,558
– residential property and car parks	–	91	7,274	7,365
Other financial assets				
– derivatives used for hedging	–	63,392	–	63,392
Financial assets at fair value through profit and loss				
– investments	3,623	–	8,911	12,534
Total assets	3,623	63,483	27,743	94,849
Liabilities				
Other financial liabilities				
– derivatives used for hedging	–	435	–	435
Total liabilities	–	435	–	435
As of 31 March 2025				
Assets				
Investment property				
– industrial property	–	–	9,877	9,877
– residential property and car parks	–	91	7,071	7,162
Other financial assets				
– derivatives used for hedging	–	109,175	–	109,175
Financial assets at fair value through profit and loss				
– investments	–	27,349	8,375	35,724
Total assets	–	136,615	25,323	161,938
Liabilities				
Other financial liabilities				
– derivatives used for hedging	–	7,622	–	7,622
– derivatives held for trading	–	993	–	993
Total liabilities	–	8,615	–	8,615

33. Fair Value Estimation (Cont'd)

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 1 and level 2, 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. Income capitalization method is based on the capitalization of the net income by adopting appropriate capitalization rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have been referenced to valuers' view of recent lettings, within the subject property and other comparable property. The market comparison method takes into account properties that are similar in nature in the general locality, which have recently transacted, with adjustments made on factors such as size, age, location and condition. The most significant input in this valuation approach is the price per square feet.

Significant inputs used to determine the fair value of investment property are as follows:

Property	Valuation method	As of 31 March 2026		As of 31 March 2025	
		Rent per month / market rate (per sq.ft)	Market yield	Rent per month / market rate (per sq.ft)	Market yield
Industrial	Income capitalization	RMB3.8	6.25%	RMB5.4	10.10%
Residential	Market comparison	HK\$26,207		HK\$24,038	

Market rates / rents are estimated based on valuers' view of recent lettings, within the subject property and other comparable property. The higher the rents, the higher the fair value.

Market yields are estimated by valuers based on the risk profile of the property being valued. The lower the rates, the higher the fair value.

(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.

33. Fair Value Estimation (Cont'd)

(iii) Financial assets at fair value through profit and loss

As of 31 March 2026, the majority of the Group's financial assets at fair value through profit and loss are the investment in listed shares classified as level 1 and investments in a venture capital fund classified as level 3 (31 March 2025: the investment in unlisted preference shares was classified as level 2 and the investments in a venture capital fund was classified as level 3).

During the year, investments in unlisted preference shares, previously classified as level 2, were converted into listed shares and reclassified as level 1. As of 31 March 2026, the fair value of these investments in listed shares is quoted in public markets. As of 31 March 2025, the Group relied on the quoted share price of the listed shares of the investee traded in the open markets to determine the fair value of the unlisted preference shares.

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, with reference to portfolio reports.

The following table presents the changes in level 3 assets and (liabilities) for FY25/26 and FY24/25:

	Investment property				Financial assets at fair value through profit and loss		Total	
	Industrial property		Residential property					
	2026 US\$'000	2025 US\$'000	2026 US\$'000	2025 US\$'000	2026 US\$'000	2025 US\$'000	2026 US\$'000	2025 US\$'000
At the beginning of the year	9,877	9,384	7,071	7,746	8,375	45,231	25,323	62,361
Currency translations	393	(108)	–	–	–	–	393	(108)
Additions	–	–	–	–	1,000	550	1,000	550
Transfer	–	–	–	–	–	(27,349)	–	(27,349)
Settlement / disposal	–	–	–	–	–	(17,261)	–	(17,261)
Fair value gains / (losses)	1,288	601	203	(675)	(464)	7,204	1,027	7,130
At end of the year	11,558	9,877	7,274	7,071	8,911	8,375	27,743	25,323
Change in unrealized gains / (losses) for the year included in the income statement for assets held at balance sheet date	1,288	601	203	(675)	(464)	10,832	1,027	10,758
Total gains / (losses) for the year included in the income statement	1,288	601	203	(675)	(464)	7,204	1,027	7,130

34. 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 31 March 2026			
Assets as per balance sheet			
Other non-current assets	4,342	–	4,342
Other financial assets	–	63,392	63,392
Financial assets at fair value through profit and loss	–	12,534	12,534
Trade and other receivables excluding prepayments	741,022	–	741,022
Cash and cash equivalents	901,944	–	901,944
Total financial assets	1,647,308	75,926	1,723,234
Liabilities as per balance sheet			
Other financial liabilities	–	(435)	(435)
Trade and other payables	(668,743)	–	(668,743)
Borrowings	(324,305)	–	(324,305)
Lease liabilities	(59,208)	–	(59,208)
Total financial liabilities	(1,052,256)	(435)	(1,052,691)
As of 31 March 2025			
Assets as per balance sheet			
Other non-current assets	3,879	–	3,879
Other financial assets	–	109,175	109,175
Financial assets at fair value through profit and loss	–	35,724	35,724
Trade and other receivables excluding prepayments	739,171	–	739,171
Cash and cash equivalents	790,633	–	790,633
Total financial assets	1,533,683	144,899	1,678,582
Liabilities as per balance sheet			
Other financial liabilities	–	(8,615)	(8,615)
Trade and other payables	(552,037)	–	(552,037)
Borrowings	(359,335)	–	(359,335)
Lease liabilities	(64,206)	–	(64,206)
Total financial liabilities	(975,578)	(8,615)	(984,193)

34. Financial Instruments by Category (Cont'd)

Accounting policy

The Group's financial assets only comprise debt instruments and it classifies its financial assets (not part of a hedging relationship) in the following categories: those to be measured at amortized cost and those to be measured subsequently at fair value.

(a) Financial assets at amortized cost

A financial asset is classified as measured at "amortized cost" only if both of the following criteria are met: the objective is to hold the asset to collect the contractual cash flows; and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A gain or loss is recognized in profit and loss when the financial asset is derecognized or impaired and through the amortization process using the effective interest rate method.

(b) Financial assets at fair value

If either of the two criteria above are not met, a financial asset is classified as measured at "fair value through profit and loss". The subsequent unrealized and realized fair value changes are recognized in profit and loss.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit and loss are expensed in the income statement.

The financial asset is classified as a non-current asset when the remaining maturity of the instrument is more than 12 months and is classified as a current asset when the remaining maturity of the instrument is less than 12 months.

35. Material Accounting Policies

The material accounting policies applied in the preparation of these consolidated financial statements are set out in the respective notes and below. These policies have been consistently applied to all of the years presented, unless otherwise stated.

35.1 Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31 March 2026.

35.2 Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets and liabilities measured initially at their fair values at the acquisition date and the equity interests issued by the Group. Acquisition transaction costs are expensed as incurred. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount recognized for non-controlling interest and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired, the difference is recognized directly in the income statement. Inter-company transactions, balances and unrealized gains and losses on transactions between group companies are eliminated.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost. Gains and losses arising on disposal is recognized in the income statement. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are reclassified to profit and loss.

35. Material Accounting Policies *(Cont'd)*

35.3 Foreign currency translation

- (a) **Functional and presentation currency**
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in US Dollars, which is the Company's functional and the Group's presentation currency.
- (b) **Transactions and balances**
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges. The foreign exchange gains and losses are recognized in the income statement.
- (c) **Group companies**
The results and financial position of all the group entities (except for a subsidiary company in Argentina which has a functional currency considered to be hyperinflationary) that have a functional currency different from the presentation currency are translated into the presentation currency at the year end closing rate for assets and liabilities and at average exchange rates for the year for the income statement items. The results and transactions of the subsidiary in Argentina are translated into the Group's presentational currency using year end closing rate of exchange as a result of the use of hyperinflationary accounting. All resulting exchange differences are recognized in other comprehensive income. On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, such exchange differences (that were recorded in equity) are transferred out of the exchange reserve and are recognized in the income statement as part of the gain or loss on disposal.

35.4 Impairment of investments in subsidiaries, associates, joint ventures and non-financial assets

Assets that have an indefinite useful life (e.g. goodwill) and assets that are not subject to amortization and depreciation are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount (the higher of an asset's fair value less costs to sell and the value in use). For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment testing of investments in subsidiaries, associates and joint ventures is required if the carrying amount of the investment exceeds the carrying amount of the investee's net assets including goodwill.

35. Material Accounting Policies *(Cont'd)*

35.5 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognized but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that the outflow is probable (more likely than not), it will then be recognized as a liability on the balance sheet.

35.6 Hyperinflation adjustments

For entities whose functional currency is the currency of a hyperinflationary economy, the historical cost of the non-monetary assets and liabilities and equity items of the entity from their date of acquisition or inclusion in the balance sheet would be adjusted to reflect the changes in the purchasing power of the currency resulting from inflation by applying the changes in the general price index of the hyperinflationary economy. Monetary items are not restated as they are already expressed in terms of the measuring unit current at the date of the balance sheet. All items of the statement of profit or loss would be restated into the measuring unit current at the date of the balance sheet by applying the general price index of the economy.

For the year ended 31 March 2026, Argentina was deemed as a hyperinflationary economy for accounting purposes as its cumulative inflation rate for the past three years has exceeded 100%. The financial information of a manufacturing company in Argentina which is using Peso as its functional currency has therefore been prepared in accordance with this policy. The financial information of this company in Argentina for the year ended 31 March 2026 are stated in terms of current purchasing power using the Argentina consumer price index as of 31 March 2026.

The financial results of the company in Argentina have been translated and presented in US dollars at the prevailing exchange rate on 31 March 2026. The Group's comparative information presented in US dollars with respect to the year ended 31 March 2025 has not been restated.

36. Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are made based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Income taxes and deferred income tax assets

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognizes liabilities for anticipated tax audit issues when management assesses that it is probable such issues will impact the current and deferred income tax assets and liabilities.

36. Accounting Estimates and Judgements *(Cont'd)*

(a) Income taxes and deferred income tax assets *(Cont'd)*

Deferred income tax assets are recognized, particularly in respect of the tax losses, to the extent that it is probable that future taxable profit or taxable temporary differences will be available against which the deferred income tax assets can be utilized. It involves significant judgement when determining probable future taxable profits and temporary differences for the realization of the deferred income tax assets.

(b) Warranty and claims

The Group generally offers warranties for its motors and other products. Provisions for estimated expenses related to product warranty are made at the time products are sold. These estimates are established using historical information about the nature, frequency and average cost of warranty claim settlements as well as product manufacturing and industry developments and recoveries from third parties. On specific claims brought against the Group by customers, a provision is made based on the consideration of the merits of a warranty claim against the Group, the existence of any obligation under the warranty commitment and legal advice if appropriate. These warranty and claims typically arise in the normal course of business and may include, but not be limited to, commercial or contractual disputes with our customers and suppliers, intellectual property matters, personal injury, product liability, environmental and employment claims.

(c) Useful lives and impairment assessments of property, plant and equipment and other intangible assets

The Group's management determines the estimated useful lives, residual values and related depreciation and amortization charges for property, plant and equipment and other intangible assets by reference to the estimated periods that the Group intends to derive future economic benefits from the use of these assets. Management will revise the depreciation and amortization charges where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic reviews could result in a change in depreciable lives and residual values and therefore depreciation and amortization expense in the future periods.

The Group reviews tangible and intangible assets for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recovered. Assessing the impairment loss requires a determination of recoverable amount which is based on the best estimates and information available.

(d) Fair value of other financial assets and liabilities and financial assets at fair value through profit and loss

The fair value of other financial assets and liabilities and financial assets at fair value through profit and loss is determined using various valuation techniques such as use of recent arm's length transactions, comparable transaction price and reference to other substantially similar instruments.

37. Effect of Adopting New, Revised and Amended HKFRS Accounting Standards

Standards, interpretation and amendments to published standards effective since 1 April 2025 which are relevant to the Group

In FY25/26, the Group adopted the amendments to HKAS 21 – Lack of Exchangeability, the amendments did not have material impact on the consolidated financial statements.

Standards, interpretation and amendments to published standards that are not effective in FY25/26

Certain new standards and amendments to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 April 2026 or later periods, which the Group has not early adopted, are as follows:

HKFRS 9 (amendment) and HKFRS 7 (amendment)	Classification and Measurement of Financial Instruments ¹
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards ¹
HKFRS 9 (amendment) and HKFRS 7 (amendment)	Contracts Referencing Nature-dependent Electricity ¹
HKFRS 18	Presentation and Disclosure in Financial Statements ²
HK Int 5	Presentation of financial statements – classification by the borrower of a term loan that contains a repayment on demand clause ²
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ²
HKFRS 10 (amendment) and HKAS 28 (amendment)	Sale or contribution of assets between an investor and its associate or joint venture ³

Note:

- (1) Effective for annual periods beginning on or after 1 January 2026
- (2) Effective for annual periods beginning on or after 1 January 2027
- (3) To be determined

The Group is in the process of making an assessment of the impact of these developments in the period of initial application. The adoption of these developments is unlikely to have a significant impact on the consolidation financial statement except for the following:

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 will replace HKAS 1 – Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements. The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of adoption.

38. Company Balance Sheet

38.1 Company balance sheet

	2026 US\$'000	2025 US\$'000
Non-current assets		
Interests in subsidiaries	1,312,512	1,360,775
	1,312,512	1,360,775
Current assets		
Amounts due from subsidiaries	619,783	613,949
Other receivables	1,744	1,205
Cash and cash equivalents	117	65
	621,644	615,219
Current liabilities		
Amount due to a subsidiary	–	1
Other payables	266	315
	266	316
NET ASSETS	1,933,890	1,975,678
Equity		
Share capital – ordinary shares (at par value)	6,026	6,026
Shares held for share award scheme (at purchase cost)	(5,645)	(19,501)
Share premium	88,963	88,963
Reserves	1,844,546	1,900,190
TOTAL EQUITY	1,933,890	1,975,678

Approved by the Board of Directors on 28 May 2026.

Patrick Wang *SBS, JP*
Director

Austin Wang
Director

38. Company Balance Sheet (Cont'd)

38.2 Company reserves

The reserve movements of the Company for FY25/26 and FY24/25 are set out below:

	Contributed surplus US\$'000	Share-based employee compensation reserve US\$'000	Hedging reserve US\$'000	Other reserve US\$'000	Retained earnings US\$'000	Total US\$'000
FY25/26						
As of 31 March 2025	58,208	10,820	–	(13,975)	1,845,137	1,900,190
Profit for the year	–	–	–	–	26,781	26,781
Share award scheme						
– shares vested	–	(8,480)	–	(9,379)	–	(17,859)
– value of employee services	–	7,843	–	–	–	7,843
FY24/25 final dividend – cash paid	–	–	–	–	(52,145)	(52,145)
FY25/26 interim dividend paid – cash paid	–	–	–	–	(20,264)	(20,264)
As of 31 March 2026	58,208	10,183	–	(23,354)	1,799,509	1,844,546
Final dividend proposed	–	–	–	–	52,038	52,038
Others	58,208	10,183	–	(23,354)	1,747,471	1,792,508
As of 31 March 2026	58,208	10,183	–	(23,354)	1,799,509	1,844,546
FY24/25						
As of 31 March 2024	58,208	8,718	14,180	(13,586)	1,863,757	1,931,277
Profit for the year	–	–	–	–	53,601	53,601
Hedging instruments						
– fair value gains, net	–	–	3,190	–	–	3,190
– transferred to income statement	–	–	(17,370)	–	–	(17,370)
Share award scheme						
– shares vested	–	(4,538)	–	(389)	–	(4,927)
– value of employee services	–	6,640	–	–	–	6,640
FY23/24 final dividend – cash paid	–	–	–	–	(52,086)	(52,086)
FY24/25 interim dividend paid – cash paid	–	–	–	–	(20,135)	(20,135)
As of 31 March 2025	58,208	10,820	–	(13,975)	1,845,137	1,900,190
Final dividend proposed	–	–	–	–	52,089	52,089
Others	58,208	10,820	–	(13,975)	1,793,048	1,848,101
As of 31 March 2025	58,208	10,820	–	(13,975)	1,845,137	1,900,190

As of 31 March 2026, the distributable reserves of the Company available for distribution as dividends were US\$1,857.7 million (31 March 2025: US\$1,903.3 million), comprising retained earnings of US\$1,799.5 million (31 March 2025: US\$1,845.1 million) and contributed surplus of US\$58.2 million (31 March 2025: US\$58.2 million). Under the Bermuda Companies Act 1981 (as amended), the contributed surplus shall not be distributed to the shareholders if there are reasonable grounds for believing that the Company is, or would after the payment be, unable to pay its liabilities as they become due; or the realizable value of the Company's assets would thereby be less than its liabilities.

39. Principal Subsidiaries and Associate

The following list contains particulars of subsidiaries and an associate of the Group that in the opinion of the Directors, materially affect the results and assets of the Group:

Name	Principal activities	Place of incorporation / establishment and operation	Issued and paid up capital	Effective shareholding by Company	by subsidiary
Principal subsidiaries					
AML Automotive Active Modules (Wuxi) Co., Ltd. *	Manufacturing, sales and marketing, R&D	China	RMB27,244,529	–	100%
AML Systems SAS	Manufacturing, sales and marketing, R&D, licensing, provision of service, investment holding	France	EUR9,015,000	–	100%
Changchun Ri Yong JEA Gate Electric Co., Ltd. #	Manufacturing, sales and marketing	China	RMB10,000,000	–	70%
Chengdu Ri Yong JEA Gate Electric Co., Ltd. #	Manufacturing, sales and marketing	China	RMB20,000,000	–	70%
Hwa Sun (Guangdong) Co Ltd *	Manufacturing, sales	China	US\$15,200,000	–	100%
Hwa Sun (Jiangmen) Co Ltd *	Manufacturing, sales	China	RMB1,400,000,000	–	100%
JE Fulfilment (Shenzhen) Limited *	Sales	China	RMB5,093,760	–	100%
Johnson Electric Aachen GmbH	Sales and marketing, R&D, investment holding	Germany	EUR9,451,150	–	100%
Johnson Electric Asti S.r.l.	Manufacturing, sales and marketing, R&D, licensing	Italy	EUR2,600,000	–	100%
Johnson Electric Automotivo Brasil Ltda.	Manufacturing, sales and marketing	Brazil	BRL129,943,887.27	–	100%
Johnson Electric (Beijing) Co. Ltd.	Manufacturing, sales and marketing	China	US\$14,000,000	–	100%
Johnson Electric Canada Ltd.	Manufacturing, sales and marketing, R&D, licensing	Canada	CAD223,482,801	–	100%
Johnson Electric Doo Niš	Manufacturing, provision of service	Serbia	RSD1,371,076,608.42	–	100%
Johnson Electric Germany GmbH & Co. KG	Manufacturing, sales and marketing, R&D, licensing, investment holding	Germany	EUR15,338,800	–	100%
Johnson Electric Group Mexico, S. de R.L. de C.V.	Manufacturing	Mexico	MXN290,837,893	–	100%
Johnson Electric (Guangdong) Co., Ltd. *	Manufacturing, sales and marketing, R&D	China	US\$4,250,000	–	100%

* Wholly foreign owned enterprises

Equity joint ventures

39. Principal Subsidiaries and Associate (Cont'd)

Name	Principal activities	Place of incorporation / establishment and operation	Issued and paid up capital	Effective shareholding by Company	Effective shareholding by subsidiary
Principal subsidiaries					
Johnson Electric Hungary Kft.	Manufacturing, R&D, provision of service	Hungary	EUR160,130	–	100%
Johnson Electric Industrial Manufactory, Limited	Manufacturing, sales and marketing, purchasing, investment holding	Hong Kong	HK\$3,601,529,937	100%	–
Johnson Electric International AG	Manufacturing, sales and marketing, R&D, licensing, provision of service, purchasing, investment holding	Switzerland	CHF12,002,130.66	100%	–
Johnson Electric International France S.a.r.l.	Sales and marketing	France	EUR100,000	–	100%
Johnson Electric International (IT) S.r.l.	Sales and marketing	Italy	EUR3,700,000	–	100%
Johnson Electric International Limited	Manufacturing, sales and marketing, R&D, provision of service, investment holding	Hong Kong	HK\$670,920,846	–	100%
Johnson Electric International (UK) Limited	Sales and marketing, licensing, investment holding	United Kingdom	GBP88,483,077	–	100%
Johnson Electric (Jiangmen) Co Ltd *	Manufacturing, sales and marketing, R&D	China	RMB130,000,000	–	100%
Johnson Electric Motion Technology Canada Ltd.	Manufacturing, sales and marketing, R&D, licensing	Canada	CAD275,697,738	–	100%
Johnson Electric Motion Technology (Changzhou) Co. Ltd. *	Manufacturing, sales and marketing, R&D	China	US\$40,000,000	–	100%
Johnson Electric Nanjing Co., Ltd. *	Manufacturing, sales, R&D	China	US\$6,100,000	–	100%
Johnson Electric North America, Inc.	Manufacturing, sales and marketing, R&D, purchasing, investment holding	United States of America	US\$120,000	–	100%
Johnson Electric Oehringen GmbH	Manufacturing, R&D, investment holding	Germany	EUR30,000	–	100%
Johnson Electric Operations Ltd.	Manufacturing, sales and marketing, R&D, licensing, purchasing, investment holding	South Korea	KRW37,800,000,000	–	100%

* Wholly foreign owned enterprises

Equity joint ventures

39. Principal Subsidiaries and Associate (Cont'd)

Name	Principal activities	Place of incorporation / establishment and operation	Issued and paid up capital	Effective shareholding by Company	Effective shareholding by subsidiary
Principal subsidiaries					
Johnson Electric Otomotiv Urunleri Limited Sirketi	Manufacturing	Türkiye	TRY39,865,350	–	100%
Johnson Electric Poland Sp.z o.o.	Manufacturing	Poland	PLN41,651,000	–	100%
Johnson Electric Private Limited	Manufacturing, sales and marketing	India	INR1,691,362,400	–	100%
Johnson Electric (Shanghai) Company Limited *	Sales and marketing	China	US\$200,000	–	100%
Johnson Electric (Shenzhen) Co., Ltd. *	R&D	China	HK\$30,000,000	–	100%
Johnson Electric Trading Mexico, S. de R.L. de C.V.	Sales and distribution	Mexico	MXN39,222,400	–	100%
Johnson Electric World Trade Limited	Sales and marketing, provision of service	Hong Kong	HK\$100,000	–	100%
Johnson MedTech Germany GmbH	R&D	Germany	EUR25,000	–	100%
Johnson Medtech (HK) Limited	Manufacturing, sales and marketing, R&D, investment holding	Hong Kong	HK\$1	–	100%
Johnson Medtech LLC	Manufacturing, sales and marketing, R&D	United States of America	US\$1,000,000	–	100%
Johnson Medtech (Shenzhen) Co Ltd *	Manufacturing, sales	China	US\$2,100,000	–	100%
Jointelligence (Shenzhen) Technology Limited #	Manufacturing	China	RMB75,000,000	–	51%
M.M.A. (Manufactura de Motores Argentinos) S.r.l.	Manufacturing, sales and marketing	Argentina	ARS11,727,100	–	100%
Nanomotion Inc.	Sales & Marketing	United States of America	US\$1	–	100%
Nanomotion Ltd.	Manufacturing, sales and marketing, R&D, investment holding	Israel	US\$18,052,542.34	–	100%
Parlex (Pacific) Limited	Manufacturing, sales and marketing, R&D, investment holding	Hong Kong	HK\$10,000	–	100%

* Wholly foreign owned enterprises

Equity joint ventures

39. Principal Subsidiaries and Associate (Cont'd)

Name	Principal activities	Place of incorporation / establishment and operation	Issued and paid up capital	Effective shareholding by Company	by subsidiary
Principal subsidiaries					
Parlex (Shanghai) Electronics Co., Ltd. *	Manufacturing, sales and marketing, R&D	China	US\$15,000,000	–	100%
Parlex USA LLC	Manufacturing, sales and marketing, R&D	United States of America	US\$88,319,639.81	–	100%
Pendix GmbH	Manufacturing, marketing, R&D, investment holding	Germany	EUR80,327	–	86%
Saia-Burgess Automotive Actuators LLC	Manufacturing, sales and marketing, R&D	United States of America	US\$8,000,000	–	100%
Saia-Burgess LLC	Manufacturing, sales and marketing, R&D	United States of America	US\$12,600,126	–	100%
Shanghai Malu Ri Yong JEA Gate Electric Co., Ltd. #	Manufacturing, sales and marketing, R&D	China	RMB85,000,000	–	70%
Shenzhen Smart Medtech Limited *	Manufacturing, sales and marketing	China	RMB100,000	–	100%
VSC Bike GmbH	Manufacturing, marketing	Germany	EUR25,000	–	86%
Wuhan Ri Yong JEA Gate Electric Co., Ltd #	Manufacturing, sales and marketing	China	RMB20,000,000	–	70%
Yantai Ri Yong JEA Gate Electric Co., Ltd #	Manufacturing, sales and marketing	China	RMB20,000,000	–	70%
Zhengzhou Ri Yong JEA Gate Electric Co., Ltd #	Manufacturing, sales and marketing	China	RMB5,000,000	–	70%
Associate					
Jointelligence (Shanghai) Technology Limited #	Sales and marketing	China	RMB75,000,000	–	49%

* Wholly foreign owned enterprises

Equity joint ventures

Johnson Electric Group Ten-Year Summary

US\$ million	2026	2025	2024
Consolidated income statement			
Sales	3,650.4	3,647.6	3,814.2
Earnings before interest and tax (EBIT) ¹	228.5	302.5	282.7
Profit / (loss) before income tax	235.0	301.4	271.1
Income tax expense	(34.2)	(36.3)	(38.8)
Profit / (loss) for the year	200.8	265.1	232.3
Non-controlling interests	1.3	(2.3)	(3.1)
Profit / (loss) attributable to shareholders	202.1	262.8	229.2
Consolidated balance sheet			
Fixed assets	1,582.1	1,469.8	1,530.6
Goodwill and intangible assets	109.7	153.6	183.6
Cash, cash equivalents and time deposits	901.9	790.6	809.9
Other current and non-current assets	1,694.8	1,650.3	1,697.4
Total assets	4,288.5	4,064.3	4,221.5
Equity attributable to shareholders	2,838.9	2,666.0	2,552.0
Non-controlling interests	42.8	41.9	44.7
Total equity	2,881.7	2,707.9	2,596.7
Total debt ²	324.3	359.3	560.8
Other current and non-current liabilities	1,082.5	997.1	1,064.0
Total equity and liabilities	4,288.5	4,064.3	4,221.5
Per share data			
Basic earnings per share (US cents)	21.8	28.5	24.8
Dividend per share (US cents)	7.8	7.8	7.8
Closing stock price (HKD)	23.3	15.7	10.8
Other information			
Free cash inflow / (outflow) from operations ³	217.3	285.7	422.4
Earnings before interest, tax and amortization (EBITA) ⁴	287.4	344.3	342.8
EBITA to sales %	7.9%	9.4%	9.0%
Earnings before interest, tax, depreciation and amortization (EBITDA) ⁴	533.4	582.2	587.8
EBITDA to sales %	14.6%	16.0%	15.4%
Capital expenditure (CAPEX)	285.0	195.5	184.9
CAPEX to sales %	7.8%	5.4%	4.8%
Market capitalization	2,778.5	1,881.2	1,294.6
Enterprise value (EV)	2,243.7	1,491.8	1,090.2
Ratios			
Return on average total equity % ⁵	7.2%	10.0%	9.1%
Total debt to capital %	10%	12%	18%
Free cash inflow / (outflow) from operations to gross debt %	54%	64%	63%
Gross debt to EBITDA (times) ⁴	0.8	0.8	1.1
EV / EBITDA ⁴	4.2	2.6	1.9
Interest cover (times) ^{4 & 6}	21.9	17.4	18.6

1 Earnings before interest and tax (EBIT) is defined as operating profit plus share of profits / (losses) of associates and joint venture

2 Total debt calculated as borrowings plus bonds

3 Net interest received, net capital expenditure and capitalization of engineering development costs are included in free cash inflow / (outflow) from operations

4 We adjusted EBITA and EBITDA to exclude the impairment of goodwill and other intangible assets and significant non-cash, divested items and restructuring and other related costs. Where a business is acquired part way through the year, we adjusted EBITA and EBITDA to include 12 months for that year on a pro forma basis. EBITDA for FY16/17 to FY18/19 included a corresponding adjustment to annual lease expense on the effect of adoption of HKFRS 16 in FY19/20

5 Return on average total equity is calculated as profit for the year divided by average total equity during the year

6 Interest cover (times) is calculated as adjusted EBITDA (see note 4) divided by gross interest expense, adjusted to exclude notional interest on a put option and to include capitalized interest. The Group has updated the calculation of this ratio to use adjusted EBITDA; the comparative figures have been re-presented accordingly

Johnson Electric Group Ten-Year Summary

2023	2022	2021	2020	2019	2018	2017
3,646.1	3,446.1	3,156.2	3,070.5	3,280.4	3,236.6	2,776.1
197.1	187.2	258.8	(454.9)	344.4	336.3	300.3
181.0	170.1	248.4	(471.7)	327.9	322.8	290.3
(19.7)	(17.9)	(29.2)	(15.2)	(38.3)	(48.6)	(43.8)
161.3	152.2	219.2	(486.9)	289.6	274.2	246.5
(3.5)	(5.8)	(7.2)	(6.8)	(8.3)	(10.2)	(8.6)
157.8	146.4	212.0	(493.7)	281.3	264.0	237.9
1,649.4	1,774.8	1,548.5	1,405.0	1,351.4	1,214.6	892.8
216.1	229.9	245.0	246.1	1,109.7	1,178.6	1,076.7
408.7	345.4	539.5	384.4	340.0	168.9	127.7
1,827.4	1,988.7	1,685.4	1,424.9	1,476.9	1,440.1	1,257.5
4,101.6	4,338.8	4,018.4	3,460.4	4,278.0	4,002.2	3,354.7
2,446.9	2,416.3	2,224.6	1,828.2	2,487.2	2,298.4	1,992.2
48.5	85.4	83.4	73.5	71.3	67.4	32.8
2,495.4	2,501.7	2,308.0	1,901.7	2,558.5	2,365.8	2,025.0
474.0	490.8	426.2	415.5	685.7	492.2	384.0
1,132.2	1,346.3	1,284.2	1,143.2	1,033.8	1,144.2	945.7
4,101.6	4,338.8	4,018.4	3,460.4	4,278.0	4,002.2	3,354.7
17.4	16.4	23.8	(55.8)	32.5	30.6	27.7
6.5	4.4	6.5	2.2	6.5	6.5	6.4
8.9	10.8	20.9	12.2	18.2	29.5	23.2
214.8	(132.4)	171.1	258.4	73.5	104.5	176.2
220.1	243.8	335.5	284.5	332.9	402.3	345.3
6.0%	7.1%	10.6%	9.3%	10.1%	12.4%	12.4%
461.5	492.2	555.0	488.8	517.6	569.7	478.1
12.7%	14.3%	17.6%	15.9%	15.8%	17.6%	17.2%
226.6	316.4	263.6	282.1	391.4	305.8	240.2
6.2%	9.2%	8.4%	9.2%	11.9%	9.4%	8.7%
1,052.9	1,239.4	2,398.5	1,401.2	2,019.2	3,236.1	2,565.6
1,166.7	1,470.2	2,368.6	1,505.8	2,436.2	3,626.7	2,854.7
6.5%	6.3%	10.4%	(21.8%)	11.8%	12.5%	12.6%
16%	16%	16%	18%	21%	17%	16%
36%	(20%)	33%	48%	9%	17%	35%
1.3	1.3	0.9	1.1	1.6	1.1	1.1
2.5	3.0	4.3	3.1	4.7	6.4	6.0
20.6	24.1	40.0	23.8	27.5	42.0	43.1

Profile of Directors and Senior Management

Chairman and Executive Directors

Patrick Shui-Chung WANG SBS, JP (75)

Chairman and Chief Executive

Appointed to the Board: 1976 *

Son of Madam Koo, a substantial shareholder of the Company

Career and Experience: Dr. Wang joined the Group in 1972, became Managing Director in 1984, and has served as Chairman and Chief Executive since 1996. He is a director of certain subsidiaries of the Group. With over 50 years of experience in industrial component manufacturing and global business management, Dr. Wang has a deep understanding of the Group's industry, markets, products, and technologies. He holds Master of Science and Bachelor of Science degrees in Electrical Engineering, and an Honorary Doctorate of Engineering, from Purdue University.

External Appointments:

- Independent Non-executive Director of VTech Holdings Limited
- Non-executive director of Tristate Holdings Limited
- Member of the HKSH Medical Group Limited's Clinical Governance Committee

Austin Jesse WANG (45)

Executive Vice President

Appointed to the Board: 2009

Son of the Chairman and Chief Executive, Dr. Patrick Wang

Career and Experience: Mr. Wang joined the Group in 2006, was appointed Senior Vice President in 2019, and Executive Vice President in 2024. He is responsible for the Industry Products Group and Powder Metal Group globally, and serves as chair of the Group's management-led Social Impact and Sustainability Committee. He is a director of certain subsidiaries of the Group. He previously worked as a consulting engineer in the computing industry. He holds Master of Engineering and Bachelor of Science degrees in Computer Science and Electrical Engineering from Massachusetts Institute of Technology.

Non-Executive Directors

Winnie WANG MAK (79)

Vice-Chairman

Appointed to the Board: 1971 *

Sister of the Chairman and Chief Executive, Dr. Patrick Wang

Career and Experience: Mrs. Mak joined the Group in 1969 and became a director in 1971 and held various senior positions related to finance, purchasing and corporate administration. She became Vice Chairman in 1996 and was re-designated as a Non-Executive Director in 2022. She is a director of certain subsidiaries of the Group. She holds a Bachelor of Science degree from Ohio University. Her former name was Wang Wing-Yee Winnie.

External Appointment:

- Non-executive director of Tristate Holdings Limited

Peter Kin-Chung WANG (72)

Non-Executive Director

Appointed to the Board: 1982 *

Brother of the Chairman and Chief Executive, Dr. Patrick Wang

Career and Experience: Mr. Wang is Chairman and Chief Executive Officer of Tristate Holdings Limited and has over four decades of global manufacturing experience in the garment industry. He holds a Bachelor of Science degree in Industrial Engineering from Purdue University and a Master of Business Administration degree from Boston University.

External Appointments:

- Chairman and Managing Director of Hua Thai Manufacturing Public Company Limited
- Member of Council of Institute of New Structural Economics at Peking University
- Honorary Chairman of the Hong Kong Garment Manufacturers Association
- General Committee Member of the Textile Council of Hong Kong Limited
- Director of The Federation of Hong Kong Garment Manufacturers

* The date given is that of appointment to the board of a member company of the Group prior to its listing and Group reorganization in 1988.

Independent Non-Executive Directors

Catherine Annick Caroline BRADLEY CBE (67)

Independent Non-Executive Director

Appointed to the Board: 2019

Career and Experience: Mrs. Bradley has more than 30 years of experience in investment banking and risk management across the US, UK and Asia. She was Head of Advisory Global Markets with Societe Generale in Asia prior to her retirement in 2014 and prior to that held senior finance roles at Credit Suisse and several other major investment banks. Following her career in finance, Mrs Bradley has served as an independent non-executive director of several major listed companies, a senior independent director of Kingfisher plc, a director of Worldpay Holdco, LLC and as independent director and audit chair of the Financial Conduct Authority, the UK financial regulator. Mrs. Bradley graduated from HEC Paris with a major in Finance and International Economics. Her former name was Catherine Annick Caroline Rougeron.

External Appointments:

- Independent Non-Executive Director of easyJet plc
- Chair of Interactive Investor Limited, a subsidiary of abrdn plc

Michael John ENRIGHT (67)

Independent Non-Executive Director

Appointed to the Board: 2004

Career and Experience: Since 2020, Professor Enright has been the Pierre Choueiri Family Professor in Global Business at the D'Amore-McKim School of Business at Northeastern University, USA. He previously taught at Harvard Business School and the University of Hong Kong School of Business. Professor Enright's research and published work have focused on international competitiveness, regional economic development, and international business strategy. He is a director at Enright, Scott & Associates Limited, a Hong Kong-based consulting firm. He holds a Bachelor of Arts degree in Chemistry, a Master of Business Administration degree, and a Doctorate of Philosophy in Business Economics from Harvard University.

Michelle Mei-Shuen LOW (65)

Independent Non-Executive Director

Appointed to the Board: 2022

Career and Experience: Ms. Low is a qualified accountant who held a number of senior financial management positions over a 34-year career at the Swire group of companies until her retirement in 2021. This included serving as Executive Director and Finance Director of Swire Properties Limited from 2010 to 2017, and of Swire Pacific Limited from 2017 to 2021. She received an honours degree in Social Sciences from the University of Hong Kong and a Bachelor of Laws degree in Chinese Law from Tsinghua University.

External Appointments:

- Independent Non-Executive Director of ThaiNamthip Corporation Public Company Limited
- Member of Board of Management and a member of the Incorporated Management Committee of Hong Kong Sea School

Patrick Blackwell PAUL *CBE, FCA* (78)**Independent Non-Executive Director**

Appointed to the Board: 2002

Career and Experience: Mr. Paul worked as a qualified accountant with PricewaterhouseCoopers (PwC) for 33 years during which time he held a number of senior management positions in Hong Kong, including Chairman and Senior Partner from 1994 to 2001. Since his retirement from PwC in 2002, Mr. Paul has served as an independent non-executive director and audit committee chairman on the boards of several major listed companies. He graduated from St. John's College of Oxford University and holds a Master of Arts degree from Oxford University.

External Appointments:

- Independent Non-Executive Director of The Hongkong and Shanghai Hotels, Limited
- Member of the Supervisory Board of the British Chamber of Commerce in Hong Kong

Christopher Dale PRATT *CBE* (70)**Independent Non-Executive Director**

Appointed to the Board: 2014

Career and Experience: Mr. Pratt held various executive positions over a 36-year career with the Swire group across Hong Kong, Australia and Papua New Guinea, including serving as Chairman of Swire Pacific Limited and Cathay Pacific Airways Limited from 2006 to 2014. Following his retirement from the Swire group, Mr. Pratt has served as an independent non-executive director of several listed companies. He holds an honours degree in Modern History from Oxford University.

External Appointment:

- Senior Advisor to Morgan Stanley Asia Limited

David Alan ROSENTHAL (45)**Independent Non-Executive Director**

Appointed to the Board: 2024

Career and Experience: Mr. Rosenthal is Chief Technology Officer of Sentry.io, a provider of error reporting and performance tracking software for developers. Previously, he co-founded and served as CEO of FoundationDB, a software and data storage business whose technology was acquired by Apple Inc. in 2015. Mr. Rosenthal subsequently served as Senior Director in Apple's Special Projects Group until 2021. Earlier in his career, Mr. Rosenthal held engineering and technology leadership positions in both start-up and established software businesses in North America. He received a Bachelor of Science degree in Computer Science from Massachusetts Institute of Technology.

External Appointment:

- Advisor to Pebble Mobility, Inc

Senior Management

Laurent Edmond Gerard CARDON (56)

Senior Vice President, Global Operations

Joined the Group: 2011

Major responsibilities held with the Group: Mr. Cardon is responsible for the Global Operations of the Group, including manufacturing, quality and industrialization. He develops and coordinates with the Group's Divisions the manufacturing strategy in terms of footprint, industrial model and digital transformation.

Qualification and Education:

- Master degree in Mechanical Engineering, University of Technology of Compiegne, France

Amit CHHABRA (52)

Senior Vice President and Chief Financial Officer

Joined the Group: 1999

Major responsibilities held with the Group: Appointed as Chief Financial Officer in 2020, Mr. Chhabra is responsible for steering the Group's financial strategy, governance and controls – including external and internal reporting – and for overseeing the corporate development, investor relations, accounting, treasury, tax, legal, and financial planning and analysis functions within the Group.

Qualification and Education:

- Bachelor's Degree in Industrial Engineering, Nagpur University, India
- Master of Business Administration, Asian Institute of Technology, Thailand
- Stanford Executive Program, Graduate School of Business, Stanford University, USA
- Chartered Management Accountant (CIMA, United Kingdom)
- Certified Practising Accountant (CPA, Australia)

Robert Allen GILLETTE (60)

Senior Vice President, Supply Chain Services

Joined the Group: 2007

Major responsibilities held with the Group: Mr. Gillette is responsible for providing leadership and strategic direction in supply chain management for all business units of the Group.

Qualification and Education:

- Bachelor of Science degree in Electrical Engineering, Washington University, Missouri, USA
- Master of Business Administration concentrating in Operations and Finance, Vanderbilt University, Tennessee, USA

Kam-Chin KO (60)**Senior Vice President, Automotive Products Group**

Joined the Group: 1988

Major responsibilities held with the Group: Mr. Ko is responsible for the business and strategic objectives for sales, business development and engineering of Automotive Products Group globally.

Qualification and Education:

- Master of Science degree in Manufacturing System Engineering, University of Warwick, United Kingdom
- Doctor of Engineering, Hong Kong Polytechnic University, Hong Kong
- Member of The Institution of Engineering and Technology
- Member of the Institute of Industrial and Systems Engineers

Christian MOELLER (62)**Senior Vice President and Chief Human Resources Officer**

Joined the Group: 2021

Major responsibilities held with the Group: Mr. Moeller is responsible for global human resources, training and development, communications, environment and health and safety of the Group.

Qualification and Education:

- Bachelor of Law & German Bar Examination, Goethe University, Frankfurt, Germany

Ruifeng QIN (70)**Senior Vice President, Corporate Engineering**

Joined the Group: 2006

Major responsibilities held with the Group: Mr. Qin is responsible for Corporate Technology and Engineering Operations.

Qualification and Education:

- Bachelor of Electrical Engineering degree, Harbin Institute of Technology, China
- Doctor of Philosophy in Electrical Engineering, Memorial University of Newfoundland, Canada

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

Winnie Wing-Yee WANG MAK
Vice-Chairman
 Peter Kin-Chung WANG
 Catherine Annick Caroline BRADLEY *CBE **
 Michael John ENRIGHT *
 Michelle Mei-Shuen LOW *
 Patrick Blackwell PAUL *CBE, FCA **
 Christopher Dale PRATT *CBE **
 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:
 Ocorian Services (Bermuda)
 Limited
 Victoria Place, 5th Floor
 31 Victoria Street
 Hamilton HM 10
 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

Annual General Meeting (AGM)

17 July 2026 (Fri)

Register of Shareholders

Closure of Register (both dates inclusive)
 For attending AGM: 14 – 17 July 2026 (Tue – Fri)
 For final dividend: 23 – 27 July 2026 (Thu – Mon)

Dividends (per Share)

<u>Interim Dividend</u>	: 17 HK cents
Paid on	: 6 January 2026 (Tue)
<u>Final Dividend</u>	: 44 HK cents
Payable on	: 12 August 2026 (Wed)



Johnson Electric Holdings Limited

(Incorporated in Bermuda with limited liability)

12 Science Park East Avenue, 6/F

Hong Kong Science Park

Shatin, New Territories

Hong Kong

Tel: (852) 2663 6688

Fax: (852) 2897 2054

www.johnsonelectric.com

