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Nexteer Automotive Group Limited

耐世特汽車系統集團有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 01316)

ANNOUNCEMENT INSIDE INFORMATION

This announcement is made by Nexteer Automotive Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement published by the Company on December 9, 2015. The Board wishes to inform the shareholders of the Company and potential investors of certain further developments.

On December 8 (U.S. Eastern Time), 2015, the Company and United Auto Workers Union (the “**UAW**”) had reached a tentative agreement (the “**Agreement**”) which was submitted to employees of the Company for voting. On December 19 (U.S. Eastern Time), 2015, the Agreement was approved and ratified by the employees. The Agreement establishes the principles upon which the Group will conduct our Saginaw manufacturing operations for the next four and half years. With this new Agreement in place, all relevant employees of the Group continue to give their full attention to delivering advanced steering and driveline products to our customers and making the Group a leader in intuitive motion control.

The estimated financial impact on the Company’s net profit from the increased labor costs will be approximately US\$7 million a year on an average basis.

The shareholders and potential investors of the Company are advised to be cautious in dealing with the securities of the Company.

By order of the Board
Nexteer Automotive Group Limited
Guibin ZHAO
Chairman

Hong Kong, December 21, 2015

As of the date of this announcement, the Company’s executive directors are Mr. Guibin ZHAO, Mr. Michael Paul RICHARDSON and Mr. Yi FAN, the non-executive directors are Mr. Daen LU and Mr. Xiaobo WANG, and the independent non-executive directors are Mr. Hing Lun TSANG, Mr. Jianjun LIU, and Mr. Kevin Cheng WEI.