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 OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2015

HIGHLIGHTS

- Revenue increased by approximately 12.8% to US$3,360.5 million (year ended December 31, 2014: US$2,978.1 million)
- Gross profit increased by approximately 29.7% to US$544.9 million (year ended December 31, 2014: US$420.0 million)
- Profit attributable to equity holders of the Company increased by approximately 27.3% to US$205.4 million (year ended December 31, 2014: US$161.4 million)
- Maintained backlog of US$11.0 billion following substantial program launches

The board (the **Board**) of directors (the **Directors**) of Nexteer Automotive Group Limited (the **Company**) announces that the consolidated results of the Company and its subsidiaries (collectively the **Group**) for the year ended December 31, 2015, together with the comparative figures for 2014, are as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended December 31, 2015

		For the year ended December 31,	
		2015	2014
	Notes	***US$'000***	*US$'000*
Revenue	*2*	**3,360,512**	2,978,068
Cost of sales	*3*	**(2,815,609)**	(2,558,070)
Gross profit		**544,903**	419,998
Engineering and product development costs	*3*	**(96,919)**	(80,070)
Selling and distribution expenses	*3*	**(11,908)**	(8,280)
Administrative expenses	*3*	**(105,497)**	(89,165)
Other losses, net	*4*	**(17,449)**	(5,587)
Operating profit		**313,130**	236,896
Finance income	*5*	**2,253**	1,912
Finance costs	*5*	**(33,204)**	(23,495)
Finance costs, net		**(30,951)**	(21,583)
Share of income/(loss) of a joint venture		**1,185**	(717)
Profit before income tax		**283,364**	214,596
Income tax expense	*6*	**(73,216)**	(51,339)
Profit for the year		**210,148**	163,257
Attributable to:			
Equity holders of the Company		**205,432**	161,398
Non-controlling interests		**4,716**	1,859
		210,148	163,257
Earnings per share for profit attributable to equity holders of the Company for the year (expressed in US$ per share)			
– Basic and diluted	*7*	**$ 0.08**	$ 0.06

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2015

	For the year ended December 31,	
	2015	2014
	US$'000	*US$'000*
Profit for the year	**210,148**	163,257
Other comprehensive income/(loss)		
Items that will not be reclassified to profit or loss		
Actuarial gains/(losses) on defined benefit plans, net of tax of US$(342,000) (2014: US$794,000)	**901**	(1,797)
Items that may be reclassified subsequently to profit or loss		
Exchange differences, net of tax	**(33,434)**	(23,717)
Cash flow hedges	**(834)**	(56)
	(33,367)	(25,570)
Total comprehensive income for the year	**176,781**	137,687
Attributable to:		
Equity holders of the Company	**173,207**	136,330
Non-controlling interests	**3,574**	1,357
	176,781	137,687

CONSOLIDATED BALANCE SHEET

As at December 31, 2015

		As at December 31,	
		2015	2014
	Notes	***US$'000***	*US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**685,275**	625,924
Land use rights		**634**	689
Intangible assets		**407,671**	343,827
Investment in a joint venture		**9,902**	5,645
Deferred income tax assets		**11,083**	9,967
Other receivables and prepayments		**6,107**	10,410
		1,120,672	996,462
Current assets			
Inventories		**253,942**	226,049
Trade receivables	*9*	**569,978**	525,225
Other receivables and prepayments		**94,523**	93,291
Derivative financial instruments		**659**	–
Restricted bank deposits		**148**	772
Cash and cash equivalents		**416,900**	380,173
		1,336,150	1,225,510
Total assets		**2,456,822**	2,221,972

CONSOLIDATED BALANCE SHEET *(Continued)*
As at December 31, 2015

	Notes	As at December 31, 2015 US$'000	2014 US$'000
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**32,231**	32,222
Other reserves		**255,575**	318,114
Retained earnings		**539,616**	333,283
		827,422	683,619
Non-controlling interests		**26,943**	24,400
Total equity		**854,365**	708,019
LIABILITIES			
Non-current liabilities			
Borrowings		**560,539**	634,012
Retirement benefits and compensations		**17,544**	29,960
Deferred income tax liabilities		**51,503**	22,755
Derivative financial instruments		**–**	543
Provisions		**65,955**	54,458
Deferred revenue		**92,416**	82,452
Other payables and accruals		**7,174**	7,908
		795,131	832,088
Current liabilities			
Trade payables	*10*	**558,769**	438,975
Other payables and accruals		**97,562**	77,341
Current income tax liabilities		**12,503**	14,072
Retirement benefits and compensations		**2,949**	2,757
Derivative financial instruments		**5,878**	3,484
Provisions		**23,771**	26,013
Deferred revenue		**24,710**	22,253
Borrowings		**81,184**	96,970
		807,326	681,865
Total liabilities		**1,602,457**	1,513,953
Total equity and liabilities		**2,456,822**	2,221,972

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2015

	Attributable to equity holders of the Company									
	Share capital *US$'000*	Share premium *US$'000*	Merger reserve *US$'000*	Share-based compensation reserve *US$'000*	Exchange reserve *US$'000*	Hedging reserve *US$'000*	Retained earnings *US$'000*	Sub-total *US$'000*	Non-controlling interests *US$'000*	Total *US$'000*
As at January 1, 2014	32,222	252,643	113,000	–	(3,844)	–	173,682	567,703	23,043	590,746
Comprehensive income										
Profit for the year	–	–	–	–	–	–	161,398	161,398	1,859	163,257
Other comprehensive loss										
Exchange differences	–	–	–	–	(23,215)	–	–	(23,215)	(502)	(23,717)
Actuarial losses on defined benefit plans, net of tax	–	–	–	–	–	–	(1,797)	(1,797)	–	(1,797)
Cash flow hedge	–	–	–	–	–	(56)	–	(56)	–	(56)
Total other comprehensive loss	–	–	–	–	(23,215)	(56)	(1,797)	(25,068)	(502)	(25,570)
Total comprehensive (loss)/income	–	–	–	–	(23,215)	(56)	159,601	136,330	1,357	137,687
Transactions with owners										
Value of employee services provided under share option scheme	–	–	–	1,240	–	–	–	1,240	–	1,240
Dividends paid to shareholders	–	(21,654)	–	–	–	–	–	(21,654)	–	(21,654)
Total transactions with owners	–	(21,654)	–	1,240	–	–	–	(20,414)	–	(20,414)
As at December 31, 2014	32,222	230,989	113,000	1,240	(27,059)	(56)	333,283	683,619	24,400	708,019
Comprehensive income										
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**205,432**	**205,432**	**4,716**	**210,148**
Other comprehensive loss										
Exchange differences	**–**	**–**	**–**	**–**	**(32,292)**	**–**	**–**	**(32,292)**	**(1,142)**	**(33,434)**
Actuarial losses on defined benefit plans, net of tax	**–**	**–**	**–**	**–**	**–**	**–**	**901**	**901**	**–**	**901**
Cash flow hedge	**–**	**–**	**–**	**–**	**–**	**(834)**	**–**	**(834)**	**–**	**(834)**
Total other comprehensive (loss)/income	**–**	**–**	**–**	**–**	**(32,292)**	**(834)**	**901**	**(32,225)**	**(1,142)**	**(33,367)**
Total comprehensive (loss)/income	**–**	**–**	**–**	**–**	**(32,292)**	**(834)**	**206,333**	**173,207**	**3,574**	**176,781**
Transactions with owners										
Dividends to non-controlling shareholders of subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,031)**	**(1,031)**
Value of employee services provided under share option scheme	**–**	**–**	**–**	**2,725**	**–**	**–**	**–**	**2,725**	**–**	**2,725**
Proceeds from exercise of options	**9**	**257**	**–**	**–**	**–**	**–**	**–**	**266**	**–**	**266**
Dividends paid to shareholders	**–**	**(32,395)**	**–**	**–**	**–**	**–**	**–**	**(32,395)**	**–**	**(32,395)**
Total transactions with owners	**9**	**(32,138)**	**–**	**2,725**	**–**	**–**	**–**	**(29,404)**	**(1,031)**	**(30,435)**
As at December 31, 2015	**32,231**	**198,851**	**113,000**	**3,965**	**(59,351)**	**(890)**	**539,616**	**827,422**	**26,943**	**854,365**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

1. GENERAL INFORMATION

Nexteer Automotive Group Limited (the **Company**) was incorporated in the Cayman Islands on August 21, 2012 as an exempted company with limited liability under Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company, together with its subsidiaries (collectively referred to as the **Group**), are principally engaged in the design and manufacture of steering and driveline systems and components for automobile manufacturers and other automotive-related companies. The Group's primary operations are in the United States of America (**USA** or **US**), Mexico, Poland and the People's Republic of China (**China**) and it is structured to supply its customers globally. The principal markets for the Group's products are North America, Europe and China.

The Company's directors regard Aviation Industry Corporation of China (**AVIC**), a company established in China, as being the ultimate holding company of the Company.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since October 7, 2013 (the **Listing**).

These financial statements are presented in US dollars, unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on March 15, 2016.

Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board (**IASB**). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments at fair value through profit or loss.

New/revised standards, amendments to standards and interpretations

(a) New and amended standards adopted by the Group

The following are the standards applicable to the Group that have been adopted for the first time for the financial year beginning on January 1, 2015:

- Amendment to IAS 19 regarding defined benefit plans: employee contributions applies to contributions from employees or third parties to defined benefit plans. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.

- Annual improvements 2010–2012 and 2011–2013 cycles which provide clarification of requirements related to vesting conditions within IFRS 2 Share-based Payments, accounting for contingent consideration in a business combination within IFRS 3 Business Combinations, aggregation and reconciliation of operating segments within IFRS 8 Operating Segments, measurement of short-term receivables and payables within IFRS 13 Fair Value Measurement, restatement of accumulated depreciation under the revaluation method within IAS 16 Property, Plant, and Equipment, key management personnel disclosures within IAS 24 Related Parties, and restatement of accumulated amortisation under the revaluation method within IAS 38 Intangible Assets.

The adoption of the above amendments does not have any significant financial effect on the consolidated financial statements.

(b) *New and amended standards and interpretations not yet adopted*

The following are the new standards, amendments to standards and interpretations that are applicable to the Group, are effective for annual periods beginning on or after January 1, 2016 and have not been applied in these financial statements.

- Amendments to IAS 1 for the disclosure initiative (effective for annual periods beginning on or after January 1, 2016) clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

- IFRS 15, 'Revenue from contracts with customers' (effective for annual periods beginning on or after January 1, 2018) deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction Contracts' and related interpretations.

- IFRS 9 'Financial instruments' (effective for annual periods beginning on or after January 1, 2018) addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. For financial liabilities, the standard retains most of the IAS 39 requirements.

- Annual Improvements Cycle 2012–2014 (effective for annual periods beginning on or after January 1, 2016) include clarifications related to the following: IFRS 5 Changes in methods of disposal, IFRS 7 Servicing contracts, IFRS 7 Applicability of the amendments to IFRS 7 to condensed interim financial statements, IAS 19 Regional market issue, and IAS 34 Disclosure of information elsewhere in the interim financial report.

- IFRS 16 'Leases' (effective for annual periods beginning on or after January 1, 2019) specifies how to recognise, measure, present, and disclose leases. The standard provides a single lessee model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. Lessors will continue to classify leases as operating or finance according to IAS 17.

The Group is assessing the impact of these changes.

(c) *New Hong Kong Companies Ordinance (Cap. 622)*

In addition, the requirements of Part 9 'Accounts and Audit' of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

2. SEGMENT INFORMATION

The Group's segment information is presented on the basis of internal reports that are regularly reviewed by the Group's Chief Executive Officer (**CEO**), in order to allocate resources to the segments and assess their performance. For each of the Group's reportable segments, the Group's CEO reviews internal management reports on a quarterly basis, at a minimum.

The Group classifies its businesses into four reportable segments: North America, Europe, China and Rest of World. All of the Group's operating segments typically offer the same driveline and steering products. The "Others" category represents parent company activities of the Company and activities of its non – operating direct and indirect subsidiaries, as well as elimination entries between segments.

The key performance indicators that the Group monitors to manage segment operations are:

- Adjusted EBITDA, which represents operating income before interest, taxes, depreciation and amortisation and share of results of a joint venture.

- Total assets and total liabilities represent total current and non-current assets and total current and non-current liabilities of the segments and include assets and liabilities between operating segments. During the year ended December 31, 2015 the Group changed its balance sheet metric reported to the chief operating decision maker from net working capital which represented inventory and trade receivables net of trade payables to total assets and total liabilities.

Information about reportable segments and reconciliations of reportable segment revenues is as follows:

	North America	**China**	**Europe**	**Rest of World**[1]	**Others**	**Total**
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
For the year ended December 31, 2015						
Total revenue	2,256,961	742,703	350,320	86,423	–	3,436,407
Inter-segment revenue	(40,112)	(9,967)	(10,174)	(15,642)	–	(75,895)
Revenue from external customers	2,216,849	732,736	340,146	70,781	–	3,360,512
Adjusted EBITDA	337,075	108,029	22,393	(10,391)	(1,696)	455,410
For the year ended December 31, 2014						
Total revenue	2,082,418	475,349	380,305	119,352	–	3,057,424
Inter-segment revenue	(40,443)	(7,257)	(17,114)	(14,542)	–	(79,356)
Revenue from external customers	2,041,975	468,092	363,191	104,810	–	2,978,068
Adjusted EBITDA	232,176	72,431	43,253	1,217	6,640	355,717

(1) Includes Brazil, India, Korea and Australia

Revenue between segments are carried out at arm's length. The revenue from external parties reported to the Group's CEO is measured in a manner consistent with that in the income statement.

	North America	China	Europe	Rest of World	Others	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
As at December 31, 2015						
Total assets	**1,546,181**	**617,275**	**312,412**	**69,068**	**(88,114)**	**2,456,822**
Total liabilities	**(842,635)**	**(367,744)**	**(112,545)**	**(31,272)**	**(248,261)**	**(1,602,457)**
As at December 31, 2014						
Total assets	1,299,664	463,398	333,672	94,953	30,285	2,221,972
Total liabilities	(720,901)	(298,407)	(124,022)	(32,285)	(338,338)	(1,513,953)

Reconciliations of reportable segment adjusted EBITDA to those as determined under IFRS are as follows:

	For the year ended December 31,	
	2015	2014
	US$'000	*US$'000*
Adjusted EBITDA from reportable segments	**455,410**	355,717
Depreciation and amortisation expenses	**(142,280)**	(118,821)
Finance costs, net	**(30,951)**	(21,583)
Share of income/(loss) of a joint venture	**1,185**	(717)
Profit before income tax	**283,364**	214,596

In presenting information on the basis of geography, segment revenue is based on the geographical location of subsidiaries and segment assets and liabilities are based on geographical location of the assets.

Adjusted EBITDA includes non-cash component for deferred revenue amortisation. For the year ended December 31, 2015, the North America segment and China segment recognised US$21,603,000 (year ended December 31, 2014: US$15,758,000) and US$1,686,000 (year ended December 31, 2014: US$1,317,000).

The geographic distribution of revenue for the year ended December 31, 2015 and 2014 respectively is as follows:

	For the year ended December 31,	
	2015	2014
	US$'000	*US$'000*
North America:		
US	**1,532,730**	1,415,723
Mexico	**684,119**	626,252
China	**732,736**	468,092
Europe:		
Poland	**333,269**	357,336
Rest of Europe	**6,877**	5,855
Rest of World	**70,781**	104,810
	3,360,512	2,978,068

The geographic distribution of non-current assets excluding deferred income tax assets as at December 31, 2015 and December 31, 2014 respectively is as follows:

	As at December 31,	
	2015	2014
	US$'000	*US$'000*
North America:		
US	**708,403**	632,804
Mexico	**111,834**	96,997
China	**174,104**	151,831
Europe:		
Poland	**99,384**	87,109
Rest of Europe	**2,661**	2,819
Rest of World	**13,203**	14,935
	1,109,589	986,495

Distribution of revenue between product lines for the year ended December 31, 2015 and 2014 respectively is as follows:

	For the year ended December 31,			
	2015		**2014**	
	US$'000	***%***	*US$'000*	*%*
Steering				
Electric Power Steering **(EPS)**	**2,000,287**	**59.5**	1,668,140	56.0
Column and Intermediate Shafts **(CIS)**	**609,565**	**18.1**	583,082	19.6
Hydraulic Power Steering **(HPS)**	**167,337**	**5.0**	183,054	6.1
Driveline	**583,323**	**17.4**	543,792	18.3
	3,360,512	**100.0**	2,978,068	100.0

Revenues from customers amounting to 10% or more of the Group's revenue are as follows and reported in all segments:

	For the year ended December 31,	
	2015	2014
	US$'000	*US$'000*
General Motors Group and its affiliates	**1,604,355**	1,604,536
Customer A	**582,043**	501,362
Customer B	**456,957**	303,798
	2,643,355	2,409,696

3. EXPENSE BY NATURE

	For the year ended December 31, 2015 US$'000	2014 US$'000
Raw materials used	**1,923,006**	1,724,202
Changes in inventories of finished goods and work-in-progress	**25,309**	6,827
Employee benefit costs	**489,473**	449,902
Temporary labour costs	**64,194**	75,343
Restructuring costs	**(64)**	(253)
Supplies and tools	**166,329**	153,176
Depreciation on property, plant and equipment	**88,837**	80,258
Amortisation on		
– land use rights	**25**	25
– intangible assets	**53,418**	38,538
Impairment charges/(reversal of provisions) on		
– inventories	**3,209**	3,897
– receivables *(note 9)*	**(1,222)**	(125)
Utilities	**37,682**	38,270
Transportation expenses	**12,916**	11,357
Operating lease expenses	**12,557**	12,343
Warranty expenses	**25,650**	37,178
Auditors' remuneration		
– audit services	**2,160**	2,239
– non-audit services	**1,457**	2,273
Others	**124,997**	100,135
Total cost of sales, engineering and product development costs, selling and distribution, and administrative expenses	**3,029,933**	2,735,585

4. OTHER LOSSES, NET

	For the year ended December 31, 2015 US$'000	2014 US$'000
Foreign exchange losses	**6,642**	201
Loss on disposal of property, plant and equipment	**2,453**	678
Fair value losses on derivative financial instruments	**6,686**	4,433
Others	**1,668**	275
	17,449	5,587

5. FINANCE COSTS, NET

	For the year ended December 31, 2015 US$'000	2014 US$'000
Finance income		
Interest on bank deposits	**2,253**	1,912
Finance costs		
Interest expense on bank borrowings	**17,436**	24,494
Interest on notes	**14,769**	1,836
	32,205	26,330
Interest on finance leases	**75**	60
Realised losses on interest rate swap	**808**	56
Other finance costs	**5,635**	1,709
	38,723	28,155
Less: amount capitalised in qualifying assets	**(5,519)**	(4,660)
	33,204	23,495
Finance costs, net	**30,951**	21,583

6. INCOME TAX EXPENSE

	For the year ended December 31, 2015 US$'000	2014 US$'000
Current income tax	**49,167**	48,024
Deferred income tax	**24,049**	3,315
	73,216	51,339

Taxation on the Group's profits has been calculated on the estimated assessable profits for the year at the statutory rates of 35%, 25% and 19% in US, China, and Poland, respectively, from where the Group's profits were mainly generated.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the combined entities as follows:

	For the year ended December 31,	
	2015	2014
	US$'000	*US$'000*
Profit before income tax	**283,364**	214,596
Tax calculated at rates applicable to profits in respective countries	**91,175**	63,440
Expenses not deductible for tax purposes	**3,411**	4,589
Non-taxable income	**(18,252)**	(7,042)
Tax credits (*note (i)*)	**(7,649)**	(6,881)
Preferential rates due to tax holidays (*note (ii)*)	**(8,559)**	(9,423)
Tax losses and deductible temporary differences for which no deferred tax was recognised	**6,283**	3,454
US state and withholding taxes	**5,110**	3,604
Others	**1,697**	(402)
Tax charge	**73,216**	51,339

Notes:

(i) Mainly represents U.S. production incentives and research credits.

(ii) Derived mainly from profits subject to preferential tax rate in China for high-technology enterprises and income tax exemption up to 2026 for the Group's investment in Special Economic Zones in Poland according to the relevant Polish tax rules.

7. EARNINGS PER SHARE

a. Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	For the year ended December 31,	
	2015	2014
Profit attributable to the equity holders of the Company *(US$'000)*	**205,432**	161,398
Weighted average number of ordinary shares in issue *(thousands)*	**2,497,875**	2,497,804
Basic earnings per share *(in US$)*	**0.08**	0.06

b. **Diluted**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares comprise shares issued under the share option scheme that are vested as at December 31, 2015. The number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the year) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares within the denominator for calculating diluted earnings per share. For the year ended December 31, 2015, the details are within the table below. For the year ended December 31, 2014, diluted earnings per share is the same as basic earnings per share because all of the Company's potential ordinary shares are antidilutive.

	For the year ended December 31,	
	2015	2014
Profit attributable to the equity holders of the Company *(US$'000)*	**205,432**	161,398
Weighted average number of ordinary shares in issue *(thousands)*	**2,497,875**	2,497,804
Adjustment for share options *(thousands)*	**2,547**	–
Weighted average number of ordinary shares in issue for calculating diluted earnings per share *(thousands)*	**2,500,422**	2,497,804
Basic earnings per share *(in US$)*	**0.08**	0.06

8. DIVIDEND

	For the year ended December 31,	
	2015	2014
	US$'000	*US$'000*
Final dividend, proposed of US$0.016 (2014: US$0.013) per share	**41,086**	32,280

This final dividend was proposed by the directors at a meeting held on the date of approval of these financial statements, which is not reflected as a dividend payable in these financial statements. The dividend would be paid out of the share premium account of the Company for the year ending December 31, 2016.

9. TRADE RECEIVABLES

	As at December 31,	
	2015	2014
	US$'000	*US$'000*
Trade receivables, gross	**571,379**	527,848
Less: provision for impairment	**(1,401)**	(2,623)
	569,978	525,225

Credit terms range primarily from 30-90 days after the invoice date depending on the customer and the geographical region. Ageing analysis of trade receivables based on invoice date is as follows:

	As at December 31,	
	2015	2014
	US$'000	*US$'000*
0–30 days	**261,526**	271,782
31–60 days	**220,182**	185,993
61–90 days	**51,467**	44,896
Over 90 days	**38,204**	25,177
	571,379	527,848

Trade receivables of US$34,831,000 were past due but not impaired as at December 31, 2015 (December 31, 2014: US$35,939,000). These relate mainly to a number of customers for whom there is no history of default. The ageing analysis of these past due but not impaired receivables is as follows:

	As at December 31,	
	2015	2014
	US$'000	*US$'000*
Overdue up to 30 days	**21,872**	26,182
Overdue 30 to 60 days	**9,010**	8,512
Overdue 60 to 90 days	**2,425**	1,245
Overdue over 90 days	**1,524**	–
	34,831	35,939

The provision for impairment of receivables includes estimates and assessments of individual receivables based on the credit worthiness of the respective customer, current economic developments, and the analysis of historical losses on receivables. The creditworthiness of a customer is assessed on their payment history and ability to make repayments and customer credit rating from third party rating agencies.

Trade receivables of US$1,401,000 were impaired as at December 31, 2015 on which full provision was made (2014: US$2,623,000). These individually impaired receivables are relatively long overdue.

Movement on the provision for impairment of trade receivables is as follows:

	For the year ended December 31,	
	2015	2014
	US$'000	*US$'000*
As at January 1	**2,623**	2,904
Reversal of provision	**(1,097)**	(125)
Exchange differences	**(125)**	(156)
As at December 31	**1,401**	2,623

The carrying amounts of trade receivables pledged as collateral were US$294,981,000 as at December 31, 2015 (December 31, 2014: US$268,768,000).

10. TRADE PAYABLES

The ageing analysis of trade payables based on invoice date is as follows:

	As at December 31,	
	2015	2014
	US$'000	*US$'000*
0–30 days	**313,247**	277,002
31–60 days	**193,339**	115,149
61–90 days	**32,328**	28,837
91–120 days	**13,532**	10,944
Over 121 days	**6,323**	7,043
	558,769	438,975

FINANCIAL REVIEW

Financial Summary

The Group advanced its strong financial position in 2015. Robust industry production and improved markets in North America, China, and Europe led to increased volume. The Group also continued to successfully launch new products in China, North America and Rest of World to deliver continued top line revenue growth. The Company's strong top line growth through successful launches and focus on operational efficiency, coupled with a strong automotive market, continues to drive earnings and cash flow accretion.

Operating Environment

The global automotive market has a direct impact on our business and operating results. The factors affecting the industry include macro-economic factors such as consumer confidence, fluctuations in commodity, currency, fuel prices, and regulatory environments. The Company operates primarily in North America, China, Europe, India and Brazil. Automotive industry production levels increased in 2015 over 2014 despite stable, yet lackluster, growth in the global economy. Improvements were seen in North America where global light vehicle production increased 2.7% from the year ended December 31, 2014 to the year ended December 31, 2015. In China, the automotive market continues to expand and thus provide a benefit to the Group. The China global light vehicle production increased 4.3% from the year ended December 31, 2014 to the year ended December 31, 2015. Additionally, the Group has benefitted from strong mix with SUV's. The European market continued modest growth. The European global light vehicle production increased 3.8% from the year ended December 31, 2014 to the year ended December 31, 2015. The environment in India remained stable with signs of growth while the environment in Brazil deteriorated. Global light vehicle production in rest of world including India, Brazil, Korea and Australia declined 3.6% from the year ended December 31, 2014 to the year ended December 31, 2015.

The Group's profit attributable to equity holders of the Company for the year ended December 31, 2015 was US$205.4 million or 6.1% of total revenue, an increase of 27.3% compared to the year ended December 31, 2014 of US$161.4 million or 5.4% of total revenue. This increase was attributable to the following:

- Successfully launched new production of awarded customer programs across multiple product segments, regions and customers

- Increased customer demand due to market strength

- Increased exposure in China through new program launches and strength of SUV, MPV and minivan related sales

- Focused on continuous improvement in operating efficiency and cost competitiveness

- Improved product line mix (continued conversion from HPS to EPS)

Revenue

The Group's revenue for the year ended December 31, 2015 was US$3,360.5 million, an increase of US$382.4 million or a 12.8% increase from the year ended December 31, 2014 of US$2,978.1 million. The Group's revenue was negatively impacted by US$87.0 million of foreign exchange. The Group's revenue would have increased an additional 3.0% from the year ended December 31, 2014 excluding the foreign exchange impact.

We measure the results of our operations by geographic segment regions. The change in revenue is analysed by volume, mix and price. Volume measure changes are driven by the volume of products sold. Mix changes are driven by the type of products sold. Price measures the impact of changes within the pricing structure of each product sold.

Revenue by Geographical Segments

For the year ended December 31, 2015, the Group experienced an increase in revenue in North America and China segments. This increase was partially offset by a decline in revenue in Europe and Rest of World segments.

	For the year ended December 31, 2015		For the year ended December 31, 2014	
	US$'000	***%***	*US$'000*	*%*
North America	**2,216,849**	**66.0**	2,041,975	68.6
China	**732,736**	**21.8**	468,092	15.7
Europe	**340,146**	**10.1**	363,191	12.2
Rest of World	**70,781**	**2.1**	104,810	3.5
Total	**3,360,512**	**100.0**	2,978,068	100.0

The change in revenue by geographical segments is primarily due to the following:

- The North America segment experienced an 8.6% increase in revenue from the year ended December 31, 2014 to the year ended December 31, 2015 which is consistent with strong North America automotive industry production. The North America segment benefitted from increased volume as a result of increased end-user customer demand for new vehicles and new customer program launches. The North America segment launched eleven new customer programs in both 2015 and 2014. The increased volume is primarily attributed to EPS and CIS programs.

- The China segment experienced a 56.5% increase in revenue for the year ended December 31, 2015 compared to the year ended December 31, 2014. The increase is directly attributable to our increased exposure in the China market. The China segment launched ten new customer programs in 2014 and six in 2015. Additionally, main model sales to key customers are strong, which is allowing for sales above the overall market.

- The Europe segment experienced a 6.3% decrease in revenue from the year ended December 31, 2014 to the year ended December 31, 2015. This decrease is attributable to unfavorable foreign exchange offset by improved customer schedules. The negative foreign exchange impact on revenue for the Europe segment was US$62.0 million with a negative EBITDA impact of US$20.2 million. The Europe segment revenue would have increased 10.7% from the year ended December 31, 2014 to the year ended December 31, 2015 excluding the negative foreign exchange impact.

- The Rest of World segment experienced a 32.5% decrease in revenue from the year ended December 31, 2014 to the year ended December 31, 2015. This decrease is attributable to the reduction of sales in Korea, and unfavorable customer demand as a result of the less than favorable economic environment in Brazil.

Revenue by Products

The following table sets forth the Group's revenue by product lines for the years indicated:

	For the year ended December 31, 2015		For the year ended December 31, 2014	
	US$'000	***%***	*US$'000*	*%*
Steering				
EPS	**2,000,287**	**59.5**	1,668,140	56.0
HPS	**167,337**	**5.0**	183,054	6.1
CIS	**609,565**	**18.1**	583,082	19.6
Driveline	**583,323**	**17.4**	543,792	18.3
	3,360,512	**100.0**	2,978,068	100.0

The increase in steering production revenue primarily results from the growth of the EPS products sold as the Group transitions from HPS to higher priced EPS systems. Substantial volume increases have amplified due to customer demands, as well as successful launch of conquest business from backlog of booked business.

Cost of Sales

The Group's cost of sales for the year ended December 31, 2015 was US$2,815.6 million, an increase of US$257.5 million from US$2,558.1 million for the year ended December 31, 2014. The Group's cost of sales for the year ended December 31, 2015 primarily included raw material costs of US$1,923.0 million, manufacturing expense of US$826.3 million, as well as other costs of sales of US$66.3 million.

The Group's cost of sales increased as a result of increased sales volume. The increase was partially offset by cost efficiencies in raw material and improved quality resulting in a reduction in warranty expense of US$11.6 million in the year ended December 31, 2015 from the year ended December 31, 2014. However, the Company experienced increased depreciation on property, plant, and equipment, and increased amortisation of capitalised product development costs in the year ended December 31, 2015 when compared to the year ended December 31, 2014. The increased depreciation and amortisation is consistent with an increase in programs launched. The depreciation and amortisation charged to cost of sales for the year ended December 31, 2015 was US$133.8 million, an increase of US$19.2 million from the year ended December 31, 2014.

Gross Profit and Gross Margin

The Group's gross profit for the year ended December 31, 2015 was US$544.9 million, an increase of US$124.9 million or 29.7% from US$420.0 million for the year ended December 31, 2014. Gross margin for the year ended December 31, 2015 was 16.2%, a 2.1% increase from 14.1% for the year ended December 31, 2014. The increase in the gross profit was attributed to increased revenue from continued rotation to EPS and cost improvement initiatives. This was partially offset by unfavorable foreign exchange, depreciation on property, plant, and equipment, and amortisation of capitalised product development costs.

Engineering and Product Development Costs

For the year ended December 31, 2015, the Group's engineering and product development costs charged to the income statement was US$96.9 million, representing 2.9% of revenue, an increase of US$16.8 million from US$80.1 million or 2.7% of revenue for the year ended December 31, 2014. The stable engineering and product development costs as a percentage of revenue is attributable to efficiency of scale with increased revenue growth. The absolute increase in engineering and product development costs includes additional global headcount as the Company continues its strong focus on engineering and product development.

Engineering development costs capitalised as intangible assets, including capitalised interest, for the year ended December 31, 2015 were US$109.3 million (year ended December 31, 2014: US$102.1 million).

Amortisation of capitalised product development costs recorded as cost of sales amounted to US$50.9 million for the year ended December 31, 2015, an increase of US$12.6 million from US$38.3 million for the year ended December 31, 2014. We expect amortisation expense to continue to increase in future years with the launch of several programs that are currently in development.

Other Losses, Net

Other losses, net represents losses attributable to foreign exchange transactions, loss on disposal of property, plant, and equipment, and fair value losses on derivative financial instruments. Other losses for the year ended December 31, 2015 were US$17.4 million, an increase of US$11.9 million compared to the year ended December 31, 2014. The increase is driven by unfavorable foreign exchange transaction loss and loss on derivative financial instruments associated with forward exchange contracts.

Administrative Expenses

The Group's administrative expenses for the year ended December 31, 2015 were US$105.5 million, an increase of US$16.3 million, or 18.3% compared to the year ended December 31, 2014. The increase was primarily due to increased support aligned to our strategy of continued growth.

Finance Costs, Net

Finance costs, net, consist of interest income and expense reduced by interest capitalised on qualifying assets and product development. The Group's net finance costs as at the year ended December 31, 2015 were US$31.0 million which is an increase of US$9.4 million from the year ended December 31, 2014. The increase was primarily due to increased interest expense related to the senior unsecured notes (**Notes**) issued in November 2014. Finance costs, net, were offset by US$5.5 million of interest capitalised for the year ended December 31, 2015 compared to US$4.7 million for the year ended December 31, 2014.

Income Tax Expense

The Group's income tax expense was US$73.2 million for the year ended December 31, 2015, representing 25.8% of the Group's profit before income tax, an increase of US$21.9 million from US$51.3 million, or 23.9% of profit before tax for the year ended December 31, 2014.

The US$21.9 million increase in income tax expense is primarily the result of additional income tax expense incurred on the incremental US$68.8 million of profit before tax for the year ended December 31, 2015. The change in the mix of income generated by US and non-US operations unfavorably impacted the effective tax rate for the year ended December 31, 2015.

Provisions

As at December 31, 2015, the Group has provisions of US$89.7 million for restructuring, litigation, environmental liabilities, warranties and decommissioning, an increase of US$9.2 million from US$80.5 million as at December 31, 2014. This increase in provisions was attributable to several individually insignificant claims.

Liquidity and Capital Resources

Cash Flows

Our business requires a significant amount of working capital, which is primarily used to finance the purchase of raw materials, capital spending for customer programs, and engineering and product development costs. We have historically met our working capital and other capital requirements principally from cash generated from operations and loans from banks. In recent years, the Group has invested extensively in capital equipment and engineering and product development costs. For the year ended December 31, 2015, the Group invested US$165.6 million and US$111.9 million in capital equipment and engineering product development, respectively. Due to an increase in cash generated from operating activities, the Group has reduced the principal balance on some of its borrowings.

The Company was total cash flow positive for the year ended December 31, 2015. We believe that in the future our liquidity and capital expenditure requirements will be satisfied by cash generated from operating activities.

The following table sets forth a condensed statement of cash flows for the Group for the years indicated:

	For the year ended December 31, 2015	For the year ended December 31, 2014
	US$'000	*US$'000*
Cash generated from/(used) in:		
Operating activities	**468,266**	254,066
Investing activities	**(276,389)**	(275,704)
Financing activities	**(161,510)**	90,509
Total increase in cash	**30,367**	68,871

Cash Flows Generated from Operating Activities

For the year ended December 31, 2015, the Group's cash generated from operating activities was US$468.3 million, an increase of US$214.2 million compared to the year ended December 31, 2014 of US$254.1 million. The increase in cash flows from operating activities is primarily due to increased earnings and reduced demands for working capital.

Cash Flows Used in Investing Activities

The Group's cash flows used in investing activities primarily reflect capital spending for customer programs. Our capital expenditures include cash expenditures for the purchases of machinery, equipment and tooling and investment in product development.

In the year ended December 31, 2015, the Company invested US$3.1 million in a 50% owned joint venture in Chongqing, China to manufacture and sell EPS products (year ended December 31, 2014: US$6.4 million).

The following table sets forth the cash used in investing activities within the Group for the years indicated:

	For the year ended December 31, 2015	For the year ended December 31, 2014
	US$'000	*US$'000*
Purchase of property, plant and equipment	**(165,609)**	(172,482)
Addition of intangible assets	**(111,867)**	(106,602)
Proceeds from sale of property, plant and equipment	**3,536**	6,759
Change in restricted bank deposits	**623**	2,983
Investment in a joint venture	**(3,072)**	(6,362)
Total cash used in investing activities	**(276,389)**	(275,704)

Cash Flows Used in Financing Activities

The Group's net cash used in financing activities was US$161.5 million for the year ended December 31, 2015, which was mainly attributable to the net repayment of borrowings of US$91.4 million, finance costs paid of US$37.0 million, dividends paid of US$33.4 million, and proceeds from the exercise of options of US$0.3 million.

Indebtedness

As at December 31, 2015, the Group's total indebtedness was US$641.7 million which was a US$89.3 million decrease from December 31, 2014. This decrease is due to the utilisation of cash generated through operations to pay maturing debt.

The following table sets forth the balances of short and long-term borrowing obligations within the Group for the years indicated:

	December 31, 2015	December 31, 2014
	US$'000	*US$'000*
Current borrowings	**80,483**	96,586
Non-current borrowings	**559,349**	633,700
Finance lease obligations	**1,891**	696
Total borrowings	**641,723**	730,982

The table below sets forth the maturity profile of borrowings within the Group for the years indicated:

	For the year ended December 31, 2015 *US$'000*	For the year ended December 31, 2014 *US$'000*
Within 1 year	**81,184**	96,970
Between 1 and 2 years	**75,115**	74,233
Between 2 and 5 years	**236,051**	252,733
Over 5 years	**249,373**	307,046
Total borrowings	**641,723**	730,982

Pledge of Assets

The Group has several secured borrowings at specific subsidiaries. The assets securing the borrowings differ by site and include accounts receivable, inventory, property, plant and equipment, the equity interests of certain subsidiaries and intellectual property. For the year ended December 31, 2015, the Group had approximately US$968.9 million total assets pledged as collateral, an increase of US$78.0 million from the US$890.9 million as at December 31, 2014.

Exposure to Currency Rate Fluctuations and Related Hedges

The Group actively limits its foreign currency exposure by focusing on naturally matching its purchase of materials and sale of finished goods in the same currencies. The Group monitors its remaining foreign currency exposure regularly to reduce the risk of foreign currency fluctuations in its operations. The Group currently hedges its exposure USD risk to the Mexican Peso, Polish Zloty, and the European Euro by participating in a hedging program that includes forward exchange contracts. The total notional principal amount of the outstanding contracts at December 31, 2015 was US$127.9 million (December 31, 2014: US$64.8 million).

Gearing Ratio

The Group monitors capital structure on the basis of the debt ratio. The ratio is calculated as total borrowings divided by total equity at the end of the respective year.

The gearing ratio as at December 31, 2015 was 75.1%, a decrease of 28.1% from December 31, 2014. The ratio decreased compared to 2014 due to improved profits and payment of borrowings.

OTHER INFORMATION

Future Prospects

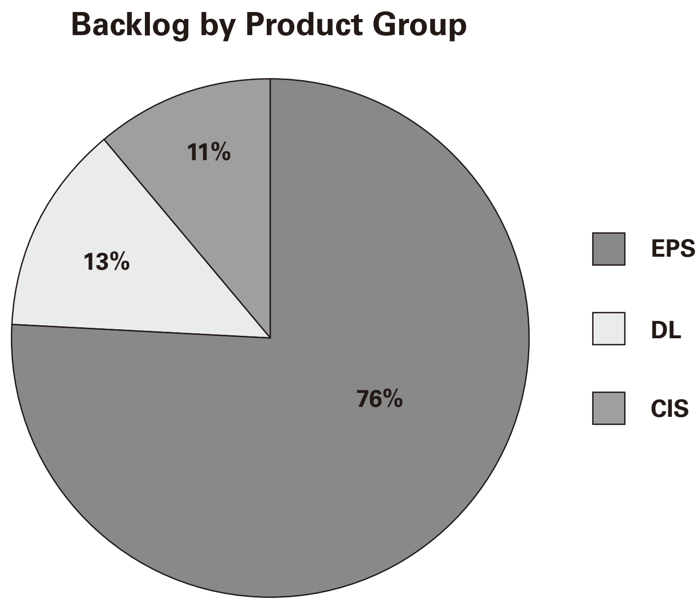
The Group strives to be a leader in global advanced Steering and Driveline systems by leveraging technology leadership. Our global footprint allows us to capitalise on the transition of the market to EPS and continued growth in China and other emerging markets. In addition to strengthening and expanding our current business and customer relationships, we are positioned to pursue selected strategic acquisitions and/or alliances globally.

Backlog of Booked Business

We begin to realise revenue under a new business contract at the start of production, which is generally 24 to 30 months following the date of contract award. During 2015, we secured new contracts for a number of customer programs which are expected to begin production after 2015. As at December 31, 2015, we estimate the value of all booked business under contracts that have been awarded, but which have not yet begun production, amounts to be approximately US$11.0 billion over the production lifetime of the relevant vehicle programs (the **Booked Business Amount**) up from approximately US$9.0 billion as at December 31, 2014. This robust backlog provides a strong and visible revenue stream through our projection years. The Booked Business Amount is based on estimated lifetime volume of the programs derived by the applicable OEM customers and information provided by third-party industry sources. In calculating the Booked Business Amount, we assume that the relevant contracts will be performed in accordance with their terms. Any modification or suspension of the contracts related to the booked business by the Group's customers may have a substantial and immediate effect on the value of the booked business. The value of booked business is not a measure defined by IFRS, and our methodology for determining the Booked Business Amount may not be comparable to the methodology used by other companies in determining the value of their booked business.

While we believe that our current Booked Business Amount is a relevant financial metric, we must emphasise that the information set out in this section in relation to the booked business and the Booked Business Amount shall not constitute any forecast or prediction of the profits of the Group and the actual value may differ to the estimated Booked Business Amount due to various factors beyond the Group's control.

Cumulative Booked Business:



Employees Remuneration Policy

As at December 31, 2015, the Group had over 12,000 full-time equivalents of which approximately 11,600 are direct employees of the Group. The Group's remuneration policies are formulated based on the performance of individual employees and the Company's performance and are reviewed regularly. Our full time employees participate in various employee benefit plans including retirement benefits, extended disability benefits and workers' compensation. In addition, we have adopted employee incentive plans designed to attract, retain, motivate, and encourage employees to commit to enhancing value for us and our Shareholders as a whole. For example, the Group has retention programs that include individual development plans, merit wage adjustments, annual incentive plans and promotions.

We offer training programs to our employees which are designed to develop the skills that we need to meet our enterprise goals and customer requirements and to meet certain training requirements such as mandated customer or regulatory requirements and contractual obligations.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance. The Company recognises that sound corporate governance practices are fundamental to our effective and transparent operation and to our ability to protect the rights of the Shareholders and enhance shareholder value.

The Company has adopted its own Internal Control and Corporate Governance Policies, which are based on the principles, provisions and practices set out in the Corporate Governance Code and Corporate Governance Report (the **Hong Kong CG Code**) contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the **Listing Rules**).

Except as expressly described below, in the opinion of the Directors, the Company has complied with all applicable code provisions set out in the Hong Kong CG Code throughout the year ended December 31, 2015.

Chairman and Chief Executive Officer

A.2.1 – Mr. ZHAO Guibin, our chairman also acts as the Chief Executive Officer of the Company, which constitutes a deviation from Code Provision A.2.1 of the Hong Kong CG Code. The Board believes that this structure does not impair the balance of power and authority between the Board and the management of the Company or the Group, given that:

(i) decisions made by our Board require approval by at least a majority of our Directors and that our Board includes three Independent Non-executive Directors out of a total of eight Directors, which is more than the Listing Rules requirement of one-third, and we believe there is sufficient check and balance in the Board;

(ii) Mr. ZHAO and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that each Director, including Mr. ZHAO, acts for the benefit and in the best interests of the Group and will make decisions for our Group accordingly; and

(iii) the balance of power and authority is ensured by the operations of the Board which is comprised of experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of the Group. Moreover, the overall strategic, financial and operational policies of the Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman and Chief Executive Officer is necessary.

COMPLIANCE WITH CODE ON CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the **Model Code**) contained in Appendix 10 of the Listing Rules as the Company's code of conduct regarding securities transactions by the Directors of the Company. Having made specific enquiry of all Directors, all Directors have confirmed that they complied with the required standards set out in the Model Code for the year ended December 31, 2015.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale and redemption of any listed securities of the Company by the Company or any of its subsidiaries for the year ended December 31, 2015.

AUDIT AND COMPLIANCE COMMITTEE

The Board established an Audit and Compliance Committee on June 15, 2013 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 and paragraph D.3 of the Hong Kong CG Code. The Audit and Compliance Committee consists of three members, comprising WEI, Kevin Cheng, TSANG, Hing Lun and LU, Daen. All members of the Audit and Compliance Committee are Non-executive Directors, among whom TSANG, Hing Lun and WEI, Kevin Cheng are Independent Non-executive Directors. The chairman of the Audit and Compliance Committee is WEI, Kevin Cheng who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit and Compliance Committee include, without limitation, assisting our Board by providing an independent view of the effectiveness of the financial reporting process, risk management and internal control systems of the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board.

The Audit and Compliance Committee has met with the external auditor of the Group to review the accounting principles and practices adopted by the Company, the Group's 2015 annual results and the annual financial statements of the Group for the year ended December 31, 2015.

The Audit and Compliance Committee also approved the annual results and the audited consolidated financial statements for the year ended December 31, 2015 and submitted them to the Board for approval.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of US$41.1 million, representing 20% of net income, or US$0.016 per Share for the year ended December 31, 2015 subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company (**AGM**).

ANNUAL GENERAL MEETING

The AGM of the Company will be held on June 6, 2016. Notice of AGM together with the Company's annual report will be published and dispatched in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from June 2, 2016 to June 6, 2016, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, 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, Wanchai, Hong Kong for registration no later than 4:30 p.m. on June 1, 2016.

The final dividend is payable on June 23, 2016 and the record date for entitlement to the proposed final dividend is June 15, 2016. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from June 13, 2016 to June 15, 2016, both days 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 (address as per above) for registration no later than 4:30 p.m. on June 10, 2016.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Board, the Company has maintained the public float as required by the Listing Rules up to the date of this announcement.

RESIGNATION OF CHIEF FINANCIAL OFFICER

The Company announces that Mr. Joseph Perkins (**Mr. Perkins**) has decided to step down as the Chief Financial Officer on December 31, 2015 to pursue other career opportunities.

Mr. Perkins has confirmed that he has no disagreement with the Board of the Company and there is no matter which needs to be brought to the attention of the Shareholders of the Company in respect of his resignation.

The Company has commenced a search, involving both internal and external candidates, to fill the position of Chief Financial Officer and, prior to the appointment of a new Chief Financial Officer, Mr. Stephen Johnston (currently Corporate Controller and Chief Accounting Officer) will perform the duties of the Chief Financial Officer of the Company.

The Board would like to take this opportunity to express its heart-felt thanks to Mr. Perkins for the significant contribution he has made to the success and growth of the Company during his years of service.

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

Hong Kong, March 15, 2016

As at 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.