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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).

The board of directors (“**Board**”) wishes to inform the shareholders of the Company and potential investors of certain developments and information with respect to recent recalls announced by General Motors (“**GM**”) and Ford Motor Company (“**Ford**”) that involve steering systems supplied by the Company.

Recall by GM

On May 13, 2014, GM recalled approximately 477 vehicles with steering gears provided by the Group consisting of certain model year 2014 Chevrolet Silverado and GMC Sierra and model year 2015 Chevrolet Tahoe vehicles (the “**GM Recall**”). While the Group has not yet fully assessed all of the facts and circumstances in order to make an internal estimate of the potential financial liability on account of the GM Recall, the Company does anticipate having some financial liability to GM but does not currently expect any such financial liability to be material to the Group. As of the date of this announcement, the Group has not paid any amount on account of the GM Recall and is not aware of any litigation filed against the Group by GM. The Company expects to engage in commercial settlement discussions with GM when and as appropriate. The Group is continuing to cooperate with GM to develop a service solution and to supply parts on an arms-length commercial basis in order to support the GM Recall.

Recall by Ford

On May 29, 2014, various media reports indicated that Ford is planning to recall approximately 915,000 vehicles with steering systems provided by the Group consisting of certain model year 2008-2011 Escape and Mariner vehicles (the “**Ford Recall**”). The Group is not aware of any formal filing or recall notice by Ford at this time. The Group is still in the process of assessing all of the facts and circumstances but believes that the problem is limited to these specific vehicles. The Company has not yet reached any agreement with Ford and expects to engage in discussions with Ford over the next several months to assess responsibility for the underlying engineering issues and resolve any potential financial liability accordingly. As of the date of this announcement, the Group has not paid any amount on account of the Ford Recall and is not aware of any litigation filed against the Group by Ford. The Group is continuing to cooperate with Ford to implement a service solution and to supply parts on an arms-length commercial basis in order to support the Ford Recall.

In the event of any material developments relating to the Group’s financial liability with respect to either the GM Recall announced or the Ford Recall as various media reported, the Company will publish further announcements as and when appropriate and in accordance with the Listing Rules.

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, June 3, 2014

As of the date of this announcement, the Company’s executive directors are Mr. Guibin ZHAO (Chairman), 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.