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If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Nexteer Automotive Group Limited, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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: 1316)**

**PROPOSALS FOR**  
**GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES;**  
**RE-ELECTION OF RETIRING DIRECTORS;**  
**APPOINTMENT OF EXECUTIVE DIRECTOR;**  
**PAYMENT OF FINAL DIVIDEND**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Nexteer Automotive Group Limited to be held at Taishan Room, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on June 6, 2016 at 9:00 a.m. is set out on pages 18 to 23 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.nexteer.com](http://www.nexteer.com). Whether or not you intend to attend the Annual General Meeting, you are required to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude any shareholder from attending and voting in person at the Annual General Meeting if they so wish and in such event the form of proxy shall be deemed to be revoked.

April 13, 2016

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Annual General Meeting”	the annual general meeting of the Company to be held at Taishan Room, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on 6 June 2016 at 9:00 a.m., or any adjournment thereof
“Articles of Association”	the articles of association of the Company as amended from time to time
“AVIC”	中國航空工業集團公司 (Aviation Industry Corporation of China*), a state-owned limited liability company established in the PRC on November 6, 2008, one of the Controlling Shareholders of the Company
“AVIC Auto”	中國航空汽車系統控控股有限公司 (AVIC Automotive Systems Holding Co., Ltd. which is formerly known as AVIC Automobile Industry Holding Co., Ltd.*), a limited liability company established in the PRC on November 7, 1985, which is owned as to 70.11% by AVIC, one of the Controlling Shareholders of the Company, 22.47% by GAIG and 7.42% by Beijing E-Town Auto
“GAIG”	中國貴州航空工業(集團)有限公司 (China National Guizhou Aviation Industry Group Co. Ltd.*), a limited liability company established in PRC on March 19, 1991 which is indirectly controlled by AVIC
“Beijing E-Town”	北京亦庄國際投資發展有限公司 (Beijing E-Town International Investment & Development Co. Ltd.*), a limited company established in the PRC on February 6, 2009
“Beijing E-Town Auto”	北京亦庄國際汽車投資管理有限公司 (Beijing E-Town International Automotive Investment & Management Co. Ltd.*) a limited company established in PRC on December 2, 2014 and directly and wholly owned by Beijing E-Town
“Board”	board of Directors of the Company

## DEFINITIONS

“Companies Law”	the Companies Law (as revised) of the Cayman Islands as amended, supplemented and/or otherwise modified from time to time
“Company”	Nexteer Automotive Group Limited (耐世特汽車系統集團有限公司), a company incorporated as an exempted company with limited liability under the laws of the Cayman Islands on August 21, 2012 and the issued Shares of which are listed on the main board of the Stock Exchange
“Controlling Shareholders”	has the meaning ascribed thereto in the Listing Rules and, unless the context requires otherwise, refers to AVIC, AVIC Auto, PCM China and Nexteer Hong Kong
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and/or deal in Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“Latest Practicable Date”	8 April, 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time

## DEFINITIONS

“Nexteer Hong Kong”	Nexteer Automotive (Hong Kong) Holdings Limited (耐世特汽車系統(香港)控股有限公司), a company incorporated in Hong Kong on August 10, 2012, which is wholly-owned by PCM China. It directly holds 67.26% of the issued share capital of the Company, and is one of the Controlling Shareholders of the Company
“PCM China”	太平洋世紀(北京)汽車零部件有限公司 (Pacific Century Motors, Inc.*), a limited liability company established in the PRC on September 10, 2010, which is owned as to 51% by AVIC Auto and 49% by Beijing E-Town, and is one of the Controlling Shareholders of the Company
“PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs, as amended from time to time
“U.S.” or “United States”	the United States of America
“%”	per cent.

\* Denotes an English translation of a Chinese name and is for identification purpose only

LETTER FROM THE BOARD



**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: 1316)**

*Executive Directors:*

Mr. ZHAO Guibin

*(Chairman and Chief Executive Officer)*

Mr. RICHARDSON Michael Paul

Mr. FAN Yi

*Registered office:*

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

*Non-executive Directors:*

Mr. LU Daen

Mr. WANG Xiaobo

*Corporate headquarters:*

3900 E. Holland Road

Saginaw, MI 48601-9494

United States

*Independent non-executive Directors:*

Mr. TSANG Hing Lun

Mr. LIU Jianjun

Mr. WEI Kevin Cheng

*Principal place of business in Hong Kong:*

36/F, Tower Two, Times Square

1 Matheson Street

Causeway Bay

Hong Kong

April 13, 2016

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES;  
RE-ELECTION OF RETIRING DIRECTORS;  
APPOINTMENT OF EXECUTIVE DIRECTOR;  
PAYMENT OF FINAL DIVIDEND  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide Shareholders with the notice of Annual General Meeting and further information in relation to, amongst other matters, the following resolutions to be proposed at the Annual General Meeting: (a) the grant to the

## LETTER FROM THE BOARD

Directors of the Issue Mandate and the Repurchase Mandate; (b) the re-election of the retiring Directors; (c) appointment of executive Director; and (d) the payment of final dividend.

### ISSUE MANDATE

In order to ensure flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to issue any new Shares, an ordinary resolution 5(A) will be proposed at the Annual General Meeting to grant a general mandate to the Directors to exercise all powers of the Company to allot, issue and deal with additional Shares up to 20% of the total nominal amount of share capital of the Company in issue as at the date of passing of the resolution in relation to the Issue Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,498,477,040 Shares. Subject to the passing of the ordinary resolution 5(A) and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the Annual General Meeting, the Company will be allowed to issue a maximum of 499,695,408 Shares under the Issue Mandate.

The Issue Mandate will remain in effect until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held pursuant to the applicable laws or the Articles of Association; or (iii) the date on which such an authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

### REPURCHASE MANDATE

An ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Repurchase Mandate to the Directors to exercise all powers of the Company to repurchase Shares representing up to 10% of the issued share capital of the Company as at the date of passing of the resolution, amounting to 249,847,704 Shares, in relation to the Repurchase Mandate, assuming that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing of such resolution at the Annual General Meeting.

The Repurchase Mandate will remain in effect until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held pursuant to the applicable laws or the Articles of Association; or (iii) the date on which such an authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed Repurchase Mandate is set out in Appendix III to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

The Board advises that it has no present intention to repurchase any Shares pursuant to the Repurchase Mandate or issue any new Shares pursuant to the Issue Mandate in the event that the relevant resolutions are approved.

## LETTER FROM THE BOARD

### GENERAL EXTENSION MANDATE

In addition, if the Repurchase Mandate and the Issue Mandate are granted, an ordinary resolution will be proposed at the Annual General Meeting to extend the Issue Mandate by adding to the Issue Mandate those Shares repurchased by the Company under the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate of the total nominal amount of the issued share capital of the Company on the date of passing of the resolution for the grant of the Issue Mandate.

### RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 16.18 of the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years.

Accordingly, the following Directors, namely, Mr. RICHARDSON Michael Paul, Mr. LU Daen and Mr. WEI Kevin Cheng, indicated that they intend to retire at the Annual General Meeting. All of the retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

Details of the above retiring Directors who are standing for re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules. Separate resolutions will be proposed for the re-election of each of the retiring Directors.

### APPOINTMENT OF EXECUTIVE DIRECTOR

The Board is pleased to announce that Mr. BRESSON, Laurent Robert (“**Mr. BRESSON**”) has been nominated by the Remuneration and Nomination Committee and the Board as an executive Director and shall be appointed as an executive Director of the Company with effect from June 6, 2016 upon the due approval of the Shareholders at the Annual General Meeting. The biography of Mr. BRESSON is set out at Appendix II of the circular.

### FINAL DIVIDEND

Subject to Shareholders’ approval at the Annual General Meeting, the Board has recommended a final dividend of US\$0.016 per Share for the year ended December 31, 2015 (“**Final Dividend**”). The Final Dividend is payable on June 23, 2016 and the record date for entitlement to the Final Dividend is June 15, 2016.

For determining the entitlement to the 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 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, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on June 10, 2016.



## LETTER FROM THE BOARD

### NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 18 to 23 of this circular is the notice of the Annual General Meeting containing, inter alia, the ordinary resolutions in relation to granting the Directors the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the re-election of the retiring Directors, the appointment of executive Director and the payment of the final dividend.

For determining eligibility to attend and vote at the Annual General Meeting, 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 Annual General Meeting, all transfer of Shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on June 1, 2016.

### FORM OF PROXY

A form of proxy is enclosed for use at the Annual General Meeting. Such form of proxy is also published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.nexteer.com](http://www.nexteer.com). Whether or not you intend to attend the Annual General Meeting, you are required to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for the holding of the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Annual General Meeting if they so wish and in such event the form of proxy shall be deemed to be revoked.

### VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any resolution put to the vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the Annual General Meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of Annual General Meeting will be taken by way of poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote need not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

### RECOMMENDATION

The Directors consider that all the proposed resolutions including the granting to the Directors of the Issue Mandate, the Repurchase Mandate and the extension of the Issue

## LETTER FROM THE BOARD

Mandate are in the best interests of the Company and the Shareholders as a whole as the Issue Mandate and the extension of Issue Mandate allow the Board to have more flexibility to raise funds by issuing new Shares to potential investors as and when appropriate without the necessity to seek approval from the Shareholders for each fund raising exercise. The Directors also consider that the re-election of Directors, the appointment of executive Director and the payment of the final dividend are in the best interests of the Company and its Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this circular.

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

*The following are the particulars of the Directors (as required by the Listing Rules) standing for re-election at the Annual General Meeting.*

As at the Latest Practicable Date, save as disclosed herein, none of the following Directors, had any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, no Director holds any position with the Company or any other member of the Group, nor has any directorships in other listed companies in the past three years.

In addition, save as disclosed therein, no Director has any relationship with any other Directors, senior management, substantial Shareholders or Controlling Shareholders of the Company.

Save as disclosed herein, there is no other matter relating to the following Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

#### **DIRECTORS:**

##### **Executive Director**

**RICHARDSON, Michael Paul**, aged 59, was appointed as the executive Director on June 15, 2013. Mr. RICHARDSON has been senior vice president, responsible for business strategy since June 2012. Mr. RICHARDSON has over 41 years of relevant experience in the automotive industry. He is responsible for the Group's strategic planning, as well as mergers and acquisitions. Mr. RICHARDSON began his automotive career with General Motors in 1974, as a co-operative student at the former Saginaw Steering Gear Division. He became a staff engineer for the halfshaft product line in 1990. From 1992 to 1995, Mr. RICHARDSON was a staff engineer for steering products, and from 1995 to 1999, he was regional director of engineering, production control and logistics, based in Paris, France. In 1999, Mr. RICHARDSON returned to the United States as chief engineer of hydraulic power steering. He was promoted to director of engineering of Delphi Steering in 2001. From 2006 to 2009, Mr. RICHARDSON relocated to Shanghai, China, where he became regional director of the Asia-Pacific region. In 2009, Mr. RICHARDSON returned to the United States, and was made vice president of the steering business line. In 2011, Mr. RICHARDSON became chief operating officer (China division) of the Group while retaining his business line and global engineering responsibilities. He is currently based in the Group's Saginaw office.

Mr. RICHARDSON is a professional engineer, which was awarded in 1984 by the State of Michigan, U.S. He obtained a bachelor's degree in mechanical engineering from Kettering University (formerly known as General Motors Institute), U.S. in 1979 and a master's degree in business administration from Central Michigan University, U.S. in 1990. He is a Boss Kettering Award recipient and was inducted into the Delphi Innovation Hall of Fame for career innovation in 2004. Mr. RICHARDSON holds a Masters Professional Director Certification from the American College of Corporate Directors.

Mr. RICHARDSON has entered into a service contract with the Company for a term of two years with effect from November 3, 2014. He is entitled to receive remuneration of US\$760,000 per annum and a discretionary bonus as determined by the Board with reference to his experience, responsibility, workload, time devoted, contribution to the Group, emoluments paid by comparable companies and performance of the Group.

#### **Non-executive Director**

**LU, Daen (錄大恩)**, aged 55, was appointed as the non-executive Director on August 21, 2013. Mr. LU is responsible for participating in the Group's strategic and key operational decision-making processes and advising on the Group's strategies and policies. Mr. LU has 20 years of relevant experience in the automotive industry. Mr. LU was appointed as a director and general manager of AVIC Auto, one of the Controlling Shareholders, in March 2013 and April 2013, respectively, and a director of PCM China, one of the Controlling Shareholders, in July 2013. Since September 2015, Mr. LU is the chairman and general manager of AVIC Hande (Beijing) Investment Holding Ltd. Co. and HENNIGES Automotive Holding Inc. both of which are non-wholly owned subsidiaries of AVIC Auto. From 2004 to July 2010, Mr. LU served as director and general manager of AVIC Xinxiang Aviation Industry (Group) Co. Ltd., an indirectly wholly-owned subsidiary of AVIC, and then served as the chairman from September 2010 to May 2013. Mr. LU held various positions in AVIC Xinxiang Pingyuan Aviation Equipment Co., Ltd., an indirect wholly-owned subsidiary of AVIC, from August 1981 to June 2004, including cost accountant of finance section, deputy section manager, head of finance department, deputy chief accountant and general manager. Mr. LU was designated as a senior accountant by AVIC, one of the Controlling Shareholders, in 1994. He obtained his master's degree in law from Huazhong University of Science and Technology, China in 2001.

Mr. LU has entered into an appointment letter with the Company for a term of three years with effect from September 20, 2013. He is entitled to receive director's fee of US\$30,000 per annum and a discretionary bonus as determined by the Board with reference to the experience, responsibility, workload, time devoted, contribution to the Group, emoluments paid by comparable companies and performance of the Group.

On June 11, 2014, Mr. LU was granted a share option to subscribe for a total of 351,150 Shares (which will vest in three equal tranches on June 11, 2015, June 11, 2016 and June 11, 2017) at a subscription price of HK\$5.15 per Share. On June 10, 2015, Mr. LU was granted a share option to subscribe for a total of 351,150 Shares (which will vest in three equal tranches on June 10, 2016, June 10, 2017 and June 10, 2018) at a subscription price of HK\$8.61 per Share. As at the Latest Practicable Date, Mr. LU has not exercised the share option.

#### **Independent non-executive Director**

**WEI, Kevin Cheng (蔚成)**, aged 48, was appointed as the independent non-executive Director on June 15, 2013. Mr. WEI is currently a managing partner of a company focused on corporate finance advisory and investment banking business. Mr. WEI has held the following independent non-executive directorships in publicly listed

companies: as an independent non-executive director of Tibet Water Resources Ltd. (formerly known as Tibet 5100 Water Resources Holdings Ltd. (西藏5100水資源控股有限公司)) (stock code: 1115) since March 2011; and as an independent non-executive director of Wisdom Sports Group (formerly known as Wisdom Holdings Group (智美控股集團)) (stock code: 1661) since July 2013.

Mr. WEI served as a chief financial officer of IFM Investments Limited, a real estate services company headquartered in Beijing, from December 2007 to September 2013. IFM Investments Limited was delisted from NYSE in 2015. Prior to that, from 2006 to 2007, Mr. WEI served as the chief financial officer of Solarfun Power Holdings Co., Limited (stock code: SOLF), a NASDAQ listed solar company (now known as Hanwha SolarOne Co., Ltd and relisted on NASDAQ as Hanwha SolarOne (stock code: HSOL). Mr. WEI became a member of the American Institute of Certified Public Accountants in February 1999. He graduated in June 1991 from Central Washington University, the U.S., where he received his Bachelor of Science degree (cum laude) with a double major in accounting and business administration.

Mr. WEI has entered into a letter of appointment for a term of three years with effect from June 15, 2013. He is entitled to receive a director's fee of HK\$340,000 per annum as determined by the Board with reference to the prevailing market conditions and his responsibility in the Company.

Details of Mr. BRESSON's biography are set out as follows:

**BRESSON, Laurent Robert**, aged 44, was appointed as the president in June 2012 and global chief operating officer of the Company in May 2012. He is responsible for reporting to the chairman of the Board and overseeing the Group's global functions including sales, engineering, operation, human resources, finance and global supply management, and is in charge of overseeing the Group's product lines. Mr. BRESSON is concurrently leading the Nexteer Strategy Counsel, the top strategy and policy making body in the Group. Mr. BRESSON has 21 years of relevant experience in the automotive industry. Mr. BRESSON has held various positions in the Company, including executive director from October 2009 to March 2011, vice president of global sales and marketing of the European region from March 2011 to March 2012, senior vice president from March 2012 to June 2012 and chief operating officer of the international division and global sales from March 2012 to May 2012. Mr. BRESSON also held a number of managerial positions at Delphi Corporation, including managing director (Europe) from December 2008 to October 2009 where he was in charge of European business growth and profitability, marketing and public affairs director (European sales) from May 2008 to December 2008, director of European sales and marketing, and public relations of the European customer service centers of the steering division from March 2007 to April 2008, chief engineer, sales manager and product line manager (Europe) in the power products and product line, electronic division, where he was in charge of the business growth and profitability of the product lines in Europe from mid-2005 to January 2007, and power product line engineering manager and product team leader (Europe) within the thermal and interior division from October 2002 to mid-2005, where he was responsible for mechanical engineering, advanced engineering and project management. Prior to that, Mr. BRESSON held various positions at Siemens-VDO from September 1995 to May 1999, including sales manager and engineer, amongst other roles.

Mr. BRESSON became a qualified engineer at the Ecole Nationale Supérieure d'Ingenieurs in Caen, France (majoring in Electro-mechanics) in June 1994. He obtained a master's degree in science from the University of Manchester Institute of Science and Technology in Manchester, the United Kingdom, in December 1994. Mr. BRESSON was awarded the Certificat d'Aptitude à l'Administration des Entreprises (the certificate for assessing the ability to administer corporations) at the Instituts d'Administration des Entreprises in Basse Normandie, France, in October 1994, which was completed via part-time online course modules.

Mr. BRESSON will enter into a service contract with the Company for a term of three years with effect from June 6, 2016. Mr. BRESSON is entitled to receive a discretionary bonus as determined by the Board with reference to the experience, responsibility, workload, time devoted, contribution to the Group, emoluments paid by comparable companies and performance of the Group.

On June 11, 2014, Mr. BRESSON was granted a share option to subscribe for a total of 2,633,650 Shares (which will vest in three equal tranches on June 11, 2015, June 11, 2016 and June 11, 2017) at a subscription price of HK\$5.15 per Share. On June 10, 2015, Mr. BRESSON was granted a share option to subscribe for a total of 2,633,650 Shares

(which will vest in three equal tranches on June 10, 2016, June 10, 2017 and June 10, 2018) at a subscription price of HK\$8.61 per Share. As at the Latest Practicable Date, Mr. BRESSON has not exercised the share option. Save as disclosed above, Mr. BRESSON has no other interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO as the Latest Practicable Date.

Save as disclosed herein, Mr. BRESSON does not have any directorships in other listed companies in the past three years.

In addition, Mr. BRESSON doesn't have any relationship with any other Directors, senior management, substantial Shareholders or Controlling Shareholders of the Company.

Save as disclosed herein, there is no other matter relating to Mr. BRESSON that needs to be brought to the attention of the Shareholders and there is no other information relating to the above Director which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

*The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate.*

## **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,498,477,040 Shares. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 249,847,704 Shares which represent 10% of the issued share capital of the Company during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held; or (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

## **REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

## **FUNDING OF REPURCHASES**

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Articles of Association, the Listing Rules, the Companies Law and any other applicable laws. The Companies Law provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company, the share premium account of the Company or the proceeds of a fresh issue of Shares made for the purpose of the repurchase, or out of capital provided that the Company is able to pay its debts as they fall due in the ordinary course of business and the payment out of capital is authorized by the Articles of Association, subject to and in accordance with the Companies Law. The amount of premium payable on repurchase may only be paid out of either or both the profits of the Company or the share premium account of the Company before or at the time the Company's Shares are repurchased, or in the manner provided for in the Companies Law.

A listed company in Hong Kong may not repurchase its own securities on the Stock Exchange for, inter alia, a consideration other than for cash or for settlement otherwise than in accordance with the Listing Rules.



**IMPACT OF THE REPURCHASES**

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and the Shareholders as a whole. The Directors consider that if the Repurchase Mandate was to be exercised in full, it may have a material adverse impact on the working capital or the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at December 31, 2015, being the date on which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules) currently intends to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise their power to repurchase any Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules, the memorandum and Articles of Association and applicable laws of the Cayman Islands.

As at the Latest Practicable Date, no core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the proposed Repurchase Mandate is approved by the Shareholders.

**EFFECT OF TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING**

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, if a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company, it will become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, the following Shareholders have beneficial interests representing 5% or more of the issued share capital of the Company within the meaning of Part XV of the SFO:

Name of Shareholders	Number of Shares held	Current percentage interest in the issued share capital of the Company	Percentage interest in the issued share capital of the Company in the event the Repurchase Mandate is exercised in full
Nexteer Hong Kong ( <i>Note 1</i> )	1,680,000,000	67.24%	74.71%
PCM China ( <i>Note 1</i> )	1,680,000,000	67.24%	74.71%
AVIC Auto ( <i>Note 2</i> )	1,680,000,000	67.24%	74.71%
AVIC ( <i>Note 2</i> )	1,680,000,000	67.24%	74.71%
Mondrian Investment Partners Limited ( <i>Note 3</i> )	161,463,668	6.46%	7.18%

*Notes:*

- (1) Nexteer Hong Kong is wholly-owned by PCM China, which is in turn owned as to 51% by AVIC Auto and as to 49% by Beijing E-Town Auto. Each of PCM China and AVIC Auto is deemed to be interested in the 1,680,000,000 Shares held by Nexteer Hong Kong.
- (2) AVIC Auto is owned as to 70.11% by AVIC, 22.47% by GAIG and 7.42% by Beijing E-Town Auto. AVIC is deemed to be interested in the 1,680,000,000 Shares held by Nexteer Hong Kong.
- (3) Pursuant to the SFO, when a shareholder's shareholding in the Company changes, it is not necessary for the Shareholder to notify the Company and the Stock Exchange unless certain criteria are fulfilled, therefore substantial shareholders' latest shareholding in the Company may be different to the shareholding filed with the Company and the Stock Exchange.

In the opinion of the Directors, any increase in percentage interests arising out of the exercise of the Repurchase Mandate would not give rise to any obligation to make a mandatory offer under Rule 26 of the Takeovers Code. Accordingly, the Directors are not aware of any other consequences which arise under the Takeovers Code as a result of any purchase of its Shares by the Company.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

**SHARE REPURCHASE MADE BY THE COMPANY**

The Company had not repurchased any Shares on the Stock Exchange in the six months preceding the Latest Practicable Date.

**SHARE PRICES**

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months were as follows:

<b>Month</b>	<b>Highest prices <i>HK\$</i></b>	<b>Lowest prices <i>HK\$</i></b>
<b>2015</b>		
April	9.49	7.40
May	9.92	8.65
June	9.34	7.91
July	8.38	6.49
August	7.58	5.85
September	8.63	7.15
October	8.65	7.89
November	8.90	8.11
December	8.78	7.79
<b>2016</b>		
January	9.01	7.77
February	8.30	6.99
March	8.31	7.10
April (up to the Latest Practicable Date)	8.59	7.82

NOTICE OF ANNUAL GENERAL MEETING



**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: 1316)**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting (the “**Annual General Meeting**”) of Nexteer Automotive Group Limited (the “**Company**”) will be held at Taishan Room, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on June 6, 2016 at 9:00 a.m. for the following purposes of considering and, if thought fit, passing the following resolutions:

**ORDINARY RESOLUTIONS**

1. To consider and adopt the audited consolidated financial statements of the Company and the reports of the directors and auditors of the Company for the year ended December 31, 2015.
2. To declare a final dividend of US\$0.016 per ordinary share of HK\$0.10 each for the year ended December 31, 2015.
3. (a) To re-elect the following directors of the Company:
  - (i) Mr. RICHARDSON Michael Paul as an executive director;
  - (ii) Mr. LU Daen as a non-executive director; and
  - (iii) Mr. WEI Kevin Cheng as an independent non-executive director.
- (b) To authorise the board of directors of the Company (the “**Board**”) to fix the remuneration of the Directors.
4. To appoint Mr. BRESSON Laurent Robert as an executive director and to authorise the Board to fix his remuneration;
5. To re-appoint PricewaterhouseCoopers as auditor of the Company and to authorise the Board to fix their remuneration.
6. To consider as special business and, if thought fit, pass the following resolutions as ordinary resolutions:
  - (A) “**THAT:**
    - (i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of

## NOTICE OF ANNUAL GENERAL MEETING

all the powers of the Company to allot, issue and otherwise deal with additional shares in the capital of the Company (the “Shares”), or options, warrants or similar rights to subscribe for Shares or other securities convertible into Shares and to make or grant offers, agreements and/or options (including bonds, warrants and debentures exchangeable for or convertible into Shares) and rights of exchange or conversion which may require the exercise of such powers be and is hereby generally and unconditionally approved;

- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options (including bonds, warrants and debentures exchangeable or convertible into Shares) and rights of exchange or conversion which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company during the Relevant Period pursuant to paragraph (i) or (ii) of this resolution 6(A) above, otherwise than pursuant to:
  - (1) a Rights Issue (as hereinafter defined);
  - (2) the grant or exercise of any option under any share option scheme of the Company (if applicable) or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the directors of the Company, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for Shares or rights to acquire Shares;
  - (3) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company; or
  - (4) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares,

shall not exceed the aggregate of 20% of the issued share capital of the Company as at the date of passing this resolution and the approval shall be limited accordingly; and

## NOTICE OF ANNUAL GENERAL MEETING

- (iv) for the purpose of this resolution 6(A):
- (a) **“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:
- (1) the conclusion of the next annual general meeting of the Company;
  - (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or
  - (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
- (b) **“Rights Issue”** means an offer of Shares, or an offer or issue of warrants, options or other securities which carry a right to subscribe for Shares, open for a period fixed by the directors of the Company to holders of Shares whose names appear on the register of members on a fixed record date in proportion to their holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

(B) **“THAT:**

- (i) subject to paragraph (ii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange in accordance with all applicable laws including The Codes on Takeovers and Mergers and Share Buy-backs and Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;

## NOTICE OF ANNUAL GENERAL MEETING

(ii) the aggregate nominal amount of the Shares, which may be repurchased pursuant to the approval in paragraph (i) above of this resolution 6(B) during the Relevant Period shall not exceed 10% of the issued share capital of the Company as at the date of passing of this resolution 6(B), and the said approval shall be limited accordingly; and

(iii) for the purpose of this Resolution:

**“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or

(c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

(C) **“THAT** conditional upon the passing of the resolutions 6(A) and 6(B), the general mandate referred to in the resolution 6(A) be and is hereby extended by the addition to the aggregate nominal amount of Shares which may be allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of Shares repurchased or otherwise acquired by the Company pursuant to the general mandate pursuant to resolution 6(B), provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the existing issued share capital of the Company as at the date of passing this resolution.”

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

Hong Kong, April 13, 2016

*Registered office:*  
P.O. Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

*Corporate headquarters:*  
3900 E. Holland Road  
Saginaw, MI 48601-9494  
United States

*Principal place of business in  
Hong Kong:*  
36/F, Tower Two, Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

## NOTICE OF ANNUAL GENERAL MEETING

*Notes:*

- (i) A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a shareholder.
- (ii) In the case of joint holders of any Share, any one of such persons may vote at the Annual General Meeting, either personally or by proxy, in respect of such Share as if he/she were solely entitled thereto. However, if more than one of such joint holders be present at the above Annual General Meeting personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (iii) In order to be valid, a form of proxy must be completed, signed and returned to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude the shareholders from attending and voting in person at the Annual General Meeting (or any adjourned meeting thereof) if they so wish.
- (iv) In respect of the ordinary resolution 2 above, the payment of the final dividend shall be made in US dollars, except that payment to shareholders whose names appear on the register of members in Hong Kong shall be paid in Hong Kong dollars. The relevant exchange rate shall be the opening buying rate of Hong Kong dollars to US dollars as announced by the Hong Kong Association of Banks ([www.hkab.org.hk](http://www.hkab.org.hk)) on the day of the approval of the distribution at the above Annual General Meeting.
- (v) For determining the entitlement to attend and vote at the Annual General Meeting, 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 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, Wanchai, Hong Kong for registration no later than 4:30 p.m. on June 1, 2016.
- (vi) 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.
- (vii) In respect of ordinary resolution 3 above, Mr. RICHARDSON Michael Paul, Mr. LU Daen and Mr. WEI Kevin Cheng will retire and be eligible to stand for re-election at the Annual General Meeting. The biography of each of the above retiring directors standing for re-election are set out in Appendix I to the circular dated April 13, 2016.
- (viii) In respect of ordinary resolution 4 above, the biography of Mr. BRESSON, Laurent Robert is set out in Appendix II of the circular dated April 13, 2016.
- (ix) In respect of the ordinary resolution 6(A) above, the directors wish to state that they have no immediate plans to issue any new shares of the Company. Approval is being sought from shareholders of the Company as a general mandate for the purposes of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").



## NOTICE OF ANNUAL GENERAL MEETING

- (x) In respect of ordinary resolution 6(B) above, the directors wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances which they deem appropriate for the benefits of shareholders of the Company. The explanatory statement containing the information necessary to enable shareholders of the Company to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix III to the circular dated April 13, 2016.