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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)

PROFIT WARNING

This announcement is made by Nexteer Automotive Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to rule 13.09(2) 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 of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the Group’s accounts for the six months ended June 30, 2020, the Company expects a net profit attributable to the equity holders of approximately US\$1.0 million for the six months ended June 30, 2020 compared with a net profit attributable to the equity holders of US\$131.1 million for the corresponding period in 2019. The decrease in the Company’s financial results was principally a result of a sharp reduction in revenue of approximately 34% for the six months ended June 30, 2020 compared with the corresponding period in 2019, principally resulting from the temporary closures of all of the production and other facilities of the Group globally, as well as most of its customers and suppliers, during the course of the first half of 2020 in response to national public safety actions and mandates enacted around the globe to contain the spread of the COVID-19 virus. These temporary closures, coupled with customer future programme cancellations and/or consolidation which required the Company to expense previously capitalized product development costs, had a significantly negative impact on the Company’s financial performance for the six months ended June 30, 2020.

Given the rapidly developing worldwide situation regarding the COVID-19 pandemic and its potential impacts on the economies of afflicted regions, and the inherent difficulty in predicting the potential impact on the Company's facilities, employees, customers, suppliers and logistics providers, the Company is unable to quantify any further potential impact of the COVID-19 pandemic at this time.

The information contained in this announcement is only based on the preliminary review of the Group's accounts for the six months ended June 30, 2020 by the Company, which have not been reviewed or audited by the Company's auditors. As at the date of this announcement, the consolidated interim results of the Group for the six months ended June 30, 2020 have not been finalized and may be subject to adjustment after further internal review. Details of the information of the Group are expected to be disclosed by the end of August 2020 when the Company publishes the interim results for the six months ended June 30, 2020.

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
Yi FAN
Executive Director, Company Secretary

Hong Kong, July 29, 2020

As of the date of this announcement, the Company's Executive Directors are Mr. Guibin ZHAO (Chief Executive Officer and Vice Chairman), Mr. Robin Zane MILAVEC and Mr. Yi FAN, the non-Executive Directors are Mr. Jian WANG (Chairman), Mr. Jianxun ZHANG and Mr. Ping LIU, and the Independent non-Executive Directors are Mr. Jianjun LIU, Mr. Kevin Cheng WEI and Mr. Wing Fat Simon YICK.