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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(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Beginning with this year’s interim reporting period, the Company began calculating a booked business backlog value which is comprised of the value of awarded original equipment manufacturer (“OEM”) business that has undelivered products generating revenue between the time of launch through the end of life of the respective award (“order to delivery” backlog valuation model). This is in addition to the “order to launch” backlog valuation model the Company has historically presented, which is the booked business backlog value calculated as the aggregate value of awarded OEM business that has products which have not yet launched.

During the third quarter of 2016, the Group secured new contracts for a number of customer programs which are expected to begin production generally 24 to 30 months following the contract award date. As at September 30, 2016, the Company estimates that the value of all booked business, under the “order to delivery” backlog valuation model, amounts to approximately US\$24.0 billion. The Company estimates that the value of all booked business, under the “order to launch” backlog valuation model, amounts to approximately US\$11.8 billion, an increase of US\$1.0 billion from approximately US\$10.8 billion as at June 30, 2016.

The Company wishes to emphasise that the booked business amounts are calculated based on the estimated lifetime volume of the programs derived by the applicable original equipment manufacturer customers and information provided by third-party industry sources. In calculating the booked business amounts, the Group assumes 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 booked business amounts are not a measure defined by International Financial Reporting Standards, and the Group's methodology for determining the booked business amounts may not be comparable to the methodology used by other companies in determining their booked business amount.

The Company wishes to further emphasise that, while it believes that its current booked business amounts are relevant financial metrics, the information set out in this announcement in relation to the booked business and the booked business amounts shall not constitute any forecast or prediction of the profits of the Group and the actual amount may differ to the estimated booked business amounts due to various factors beyond the Group's control.

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, October 11, 2016

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