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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, 2022, the Company expects a net loss attributable to the equity holders of approximately US\$11 million for the six months ended June 30, 2022. This includes an approximate US\$49 million non-cash income tax valuation allowance related to certain US deferred tax assets. Adjusting for this valuation allowance, adjusted net profit attributable to the equity holders is US\$38 million compared with a net profit attributable to the equity holders of US\$83 million for the corresponding period in 2021.

The decrease in the Company’s financial results was principally a result of the continued challenging operating environment. Inflationary pressures have increased the price of commodities, freight, and other input costs. Supply chain disruptions have continued during the first half of this year limiting the availability of semiconductors and other components. Ongoing COVID-19 related issues and the conflict in the Ukraine have also impacted original equipment manufacturers production schedules which caused lower than expected revenues and inefficiencies in manufacturing operations.

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, 2022 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, 2022 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 2022 when the Company publishes the interim results for the six months ended June 30, 2022.

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
Zili LEI
Chairman and Chief Executive Officer

Hong Kong, July 19, 2022

As at the date of this announcement, the Company's Executive Directors are Mr. Zili LEI (Chairman and Chief Executive Officer) and Mr. Robin Zane MILAVEC, the non-Executive Directors are Mr. Jian WANG, Ms. Wendong ZHANG and Mr. Shiming SHI, and the Independent non-Executive Directors are Mr. Jianjun LIU, Dr. Bin WANG and Mr. Yun YUE.