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**WEICHAI**

**潍柴动力股份有限公司**

**WEICHAI POWER CO., LTD.**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2338)**

**ISSUANCE OF US\$400,000,000 4.125 PER CENT.  
GUARANTEED BONDS DUE 2020**

**unconditionally and irrevocably guaranteed by the Company**

Reference is made to the announcement of the Company dated 15 September 2015 in respect of the Bonds Issue.

On 23 September 2015, the Issuer and the Guarantor entered into the Subscription Agreement with the Sole Global Coordinator and the Joint Lead Managers in connection with the issue and sale of the Bonds. The Bonds will only be offered and sold outside the United States in compliance with Regulation S under the U.S. Securities Act.

The Issuer intends to on-lend the net proceeds from this offering to the Guarantor or its designated subsidiaries to repay certain offshore bank borrowings and as general working capital for the Group's offshore operations in compliance with the relevant laws and regulations of SAFE.

Approval in-principle has been received for the listing and quotation of the Bonds on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. No listing of Bonds has been, or will be, sought in Hong Kong.

**As the conditions precedent to completion of the Subscription Agreement may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events, prospective investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.**

Reference is made to the announcement of the Company dated 15 September 2015 in respect of the Bonds Issue.

The Board is pleased to announce that on 23 September 2015, the Issuer and the Guarantor entered into a Subscription Agreement with the Sole Global Coordinator and the Joint Lead Managers in connection with the issue and sale of the Bonds in the aggregate principal amount of US\$400,000,000.

## **SUBSCRIPTION AGREEMENT**

Date: 23 September 2015

### **Parties:**

- (1) the Issuer;
- (2) the Guarantor;
- (3) the Sole Global Coordinator; and
- (4) the Joint Lead Managers.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Sole Global Coordinator and Joint Lead Managers is an independent third party and not a connected person of the Company.

The Bonds have not been, and will not be, registered under the U.S. Securities Act. The Bonds will only be offered and sold outside the United States in compliance with Regulation S under the U.S. Securities Act. None of the Bonds will be offered to the public in Hong Kong.

## **PRINCIPAL TERMS AND CONDITIONS**

### **Bonds offered**

Subject to satisfaction of conditions precedent to closing, the Issuer will issue the Bonds in the aggregate principal amount of US\$400,000,000. The Bonds will mature on 30 September 2020, unless previously redeemed, purchased or cancelled in accordance with the Terms and Conditions of the Bonds and the Trust Deed. At maturity, the Bonds will be redeemed at their principal amounts.

### **Issue Price**

The issue price of the Bond will be 99.683 per cent. of the principal amount of the Bonds.

### **Interest**

The Bonds will bear interest from and including 30 September 2015 at the rate of 4.125 per cent. per annum, payable semi-annually in arrears on 30 March and 30 September in each year, commencing 30 March 2016.

### **Status of the Bonds**

The Bonds constitute direct, general, unconditional, unsubordinated and (subject to Condition 3(a) of the Terms and Conditions of the Bonds) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer, save for such obligations as may be provided by applicable laws.

### **Status of the Guarantee**

The Guarantee constitutes a direct, general, unconditional, unsubordinated and (subject to Condition 3(a) of the Terms and Conditions of the Bonds) unsecured obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Guarantor, save for such obligations as may be provided by applicable laws. The Guarantor is a holding company, and accordingly, payments under the Guarantee are effectively subordinated to all existing and future liabilities of each of the Guarantor's subsidiaries (other than the Issuer).

### **Redemption**

Unless previously redeemed or purchased and cancelled in accordance with the Terms and Conditions of the Bonds, the Bonds will be redeemed on 30 September 2020 at their principal amount.

In accordance with the Terms and Conditions of the Bonds, the Bonds may be redeemed in any of the following circumstances:

- 1) the Issuer may redeem the Bonds in whole, but not in part only, at their principal amount, together with interest accrued up to, but excluding, the date fixed for redemption, in the event of certain changes affecting the taxes of any Relevant Jurisdiction, as further described in Condition 5(c) of the Terms and Conditions of the Bonds;
- 2) following the occurrence of a Relevant Event (as defined in the Terms and Conditions of the Bonds), the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all, but not some only, of such holder's Bonds at 101 per cent. (in the case of a redemption for a Change of Control Triggering Event (as defined in the Terms and Conditions of the Bonds)) or 100 per cent. (in the case of a redemption for a SAFE Non-compliance Event (as defined in the Terms and Conditions of the Bonds)) of their principal amount, together in each case with accrued interest, as further described in Condition 5(d) of the Terms and Conditions of the Bonds; or
- 3) the Guarantor or the Issuer may, at the Guarantor's option, at any time redeem the Bonds, in whole but not in part, on not less than 30 nor more than 60 calendar days' prior notice at a redemption price equal to 100 per cent. of the principal amount of the Bonds redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to the redemption date.

## **GUARANTEE**

The Guarantor has unconditionally and irrevocably guaranteed the due and punctual payment in full of all sums expressed to be payable by the Issuer under the Trust Deed, the Agency Agreement and the Deed of Guarantee in respect of the Bonds.

As at the date of this announcement, the Company has submitted the application documents for the registration of the issue of the Bonds to NDRC in accordance with Administrative Reform for the Registration of Offshore Debt Issuances (NDRC Waizi [2015] No. 2044). In addition, the Company intends to complete the registration of the Deed of Guarantee with SAFE or its local counterparties in accordance with the Foreign Exchange Administration Rules on Cross-Border Guarantees (Huifa [2014] No. 29).

## **PROPOSED USE OF NET PROCEEDS**

The Issuer intends to on-lend the net proceeds from this offering to the Guarantor or its designated subsidiaries to repay certain offshore bank borrowings and as general working capital for the Group's offshore operations in compliance with the relevant laws and regulations of SAFE.

## LISTING AND RATING

Approval in-principle has been received for the listing and quotation of the Bonds on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. The approval in-principle is not to be taken as an indication of merits of the Issuer, the Guarantor, the Group or the Bonds.

S&P has assigned a corporate rating of “BBB” to the Guarantor with a “stable” outlook and Fitch has assigned a corporate rating of “BBB” to the Guarantor with a “stable” outlook. The Bonds are expected to be rated “BBB” and “BBB” by S&P and Fitch, respectively. Security ratings are not recommendations to buy, sell or hold the Bonds. Ratings are subject to revision or withdrawal at any time by the rating agencies.

## GENERAL

As the conditions precedent to completion of the Subscription Agreement may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events, prospective investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Agency Agreement”	the agency agreement proposed to be entered into between the Issuer, the Guarantor, the Trustee and The Hongkong and Shanghai Banking Corporation Limited as principal payment agent, transfer agent and registrar in relation to the Bonds, as amended or supplemented from time to time
“Board”	the board of directors of the Company
“Bonds”	the US\$400,000,000 4.125 per cent. guaranteed bonds due 2020, as described in this announcement
“Bonds Issue”	the issue of the Bonds by the Issuer
“Company” or “Guarantor”	Weichai Power Co., Ltd., a company established in the PRC with limited liability
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Deed of Guarantee”	the deed of guarantee proposed to be entered into between the Guarantor and the Trustee, as amended or supplemented from time to time

“Director(s)”	the director(s) of the Company
“Fitch”	Fitch Ratings Ltd.
“Group”	the Company and its subsidiaries
“Guarantee”	the unconditional and irrevocable guarantee of the Bonds by the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuer”	Weichai International Hong Kong Energy Group Co., Limited, a company incorporated with limited liability under the laws of Hong Kong and a direct wholly-owned subsidiary of the Company
“Joint Lead Managers”	Barclays Bank PLC, The Hongkong and Shanghai Banking Corporation Limited, Goldman Sachs (Asia) L.L.C. and BOCI Asia Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NDRC”	National Development and Reform Commission of the PRC
“PRC” or “China”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement
“Relevant Jurisdictions”	Hong Kong, the PRC, or any other jurisdiction in which the Guarantor or the Issuer (or any successor to the Guarantor or the Issuer) is organised or otherwise considered by a taxing authority to be resident for tax purposes, in each case including any political subdivision, territory or possession thereof, any authority therein having power to tax or any area subject to its jurisdiction
“S&P”	Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc.
“SAFE”	State Administration of Foreign Exchange of the PRC
“SGX-ST”	the Singapore Exchange Securities Trading Limited
“Sole Global Coordinator”	Barclays Bank PLC

“Subscription Agreement”	the agreement dated 23 September 2015 entered into among the Issuer, the Guarantor, the Sole Global Coordinator and the Joint Lead Managers
“Terms and Conditions”	The terms and conditions of the Bonds, which are appended to the Trust Deed
“Trust Deed”	the trust deed proposed to be entered into between the Issuer, the Guarantor and the Trustee in relation to the Bonds, as amended or supplemented from time to time
“Trustee”	The Hongkong and Shanghai Banking Corporation Limited
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“US\$” or “US dollars”	United States dollars, the lawful currency of the United States

By Order of the Board  
**Weichai Power Co., Ltd.**  
**Tan Xuguang**  
*Chairman and CEO*

The PRC, 24 September 2015

*As at the date of this announcement, the executive Directors of the Company are Mr. Tan Xuguang, Mr. Zhang Quan, Mr. Xu Xinyu, Mr. Li Dakai and Mr. Sun Shaojun; the non-executive Directors of the Company are Mr. Wang Yuepu, Mr. Jiang Kui and Mr. Gordon Riske; and the independent non-executive Directors of the Company are Mr. Loh Yih, Mr. Zhang Zhenhua, Mr. Zhang Zhong, Mr. Wang Gongyong and Mr. Ning Xiangdong.*