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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)**

**PROPOSED ISSUE OF US\$ DENOMINATED  
SENIOR GUARANTEED PERPETUAL CAPITAL SECURITIES**

**unconditionally and irrevocably guaranteed by the Company**

Reference is made to the announcement of the Company dated 14 July 2017, the notice of the extraordinary general meeting of the Company dated 14 July 2017 and the announcement of results of the extraordinary general meeting of the Company held on 30 August 2017 in respect of the proposed Securities Issue.

The Issuer, a direct wholly-owned subsidiary of the Company, proposes to conduct an offering of Securities to professional investors only. The Issuer will commence a series of roadshow presentations beginning on or around 4 September 2017 to professional investors. The proposed Securities Issue will only be offered and sold outside the United States in compliance with Regulation S under the U.S. Securities Act.

The Securities are expected to be unconditionally and irrevocably guaranteed by the Company.

Approval in-principle has been received for the listing and quotation of the Securities 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 Securities has been, or will be, sought in Hong Kong.

Barclays Bank PLC and J.P. Morgan Securities plc are the joint global coordinators, the joint bookrunners and joint lead managers of the proposed Securities Issue.

On 14 July 2017, the Board considered and approved, among other things, the following resolution in relation to the proposed Securities Issue:

- (1) the issue of Securities with an aggregate principal amount of up to EUR650 million (or its US\$ equivalent) by the Issuer outside of the PRC, the proceeds of which will be used for the repayment of certain offshore bank borrowings in connection with the Group's acquisition of shares in KION Group AG, and as general working capital for the Group's offshore operations;
- (2) giving of an unconditional and irrevocable guarantee by the Company relating to the Securities; and
- (3) holding the second extraordinary general meeting of the Company in 2017.

On 30 August 2017, at the extraordinary general meeting of the Company, the Shareholders considered and approved, in accordance with relevant PRC laws, the resolution to the issue by the Issuer of the Securities and the grant of the guarantee by the Company for the benefit of the Issuer.

The net proceeds of the proposed Securities Issue will be used for the repayment of certain offshore bank borrowings in connection with the Group's acquisition of shares in KION Group AG, and as general working capital for the Group's offshore operations.

**No definitive or binding agreement in relation to the proposed Securities Issue has been entered into as at the date of this announcement, and accordingly, the proposed Securities Issue may or may not materialise. Completion of the proposed Securities Issue is subject to, among other things, market conditions and investor interest. Accordingly, potential investors and Shareholders are urged to exercise caution when dealing in the securities of the Company.**

Further announcements in respect of the proposed Securities Issue will be made by the Company as and when appropriate.

Reference is made to the announcement of the Company dated 14 July 2017, the notice of the extraordinary general meeting of the Company dated 14 July 2017 and the announcement of results of the extraordinary general meeting of the Company held on 30 August 2017 in respect of the proposed Securities Issue.

## **PROPOSED SECURITIES ISSUE**

### **Introduction**

The Issuer, a direct wholly-owned subsidiary of the Company, proposes to carry out an issue of senior guaranteed perpetual capital securities with a non-call period of 5 years which will be offered to professional investors only. The Securities are expected to be unconditionally and irrevocably guaranteed by the Company. It is intended that the Securities and the Guarantee will constitute direct, general, unconditional, unsubordinated and, subject to the terms and conditions of the Securities, unsecured obligations of the Issuer and the Company.

Completion of the Securities Issue is subject to, among other things, market conditions and investor interest. The size and pricing of the proposed Securities Issue will be determined following a book-building process to be conducted by the joint bookrunners and joint lead managers of the proposed Securities Issue.

The Securities will only be offered outside the United States in accordance with Regulation S under the U.S. Securities Act. None of the Securities will be offered to the public in Hong Kong or placed to any connected persons of the Company.

An offering circular which will be distributed to prospective investors of the Securities will contain, amongst other things, details of the proposed Securities Issue, the terms and conditions of the Securities and risk factors relating to the Group and an investment in the Securities.

### **Board Resolution**

On 14 July 2017, the Board considered and approved, among other things, the following resolution in relation to the proposed Securities Issue:

- (1) the issue of Securities with an aggregate principal amount of up to EUR650 million (or its US\$ equivalent) by the Issuer outside of the PRC, the proceeds of which will be used for the repayment of certain offshore bank borrowings in connection with the Group's acquisition of shares in KION Group AG, and as general working capital for the Group's offshore operations;
- (2) giving of an unconditional and irrevocable guarantee by the Company relating to the Securities; and
- (3) holding the second extraordinary general meeting of the Company in 2017.

The resolution of the Board became effective from 14 July 2017.

## **Resolution of the Extraordinary General Meeting**

On 30 August 2017, at the extraordinary general meeting of the Company, the Shareholders considered and approved, in accordance with relevant PRC laws, the resolution to the issue by the Issuer of the Securities and the grant of the guarantee by the Company for the benefit of the Issuer.

## **Proposed Use of Net Proceeds**

The net proceeds of the proposed Securities Issue will be used for the repayment of certain offshore bank borrowings in connection with the Group's acquisition of shares in KION Group AG, and as general working capital for the Group's offshore operations.

## **Listing**

The Issuer intends to seek a listing of the Securities on the SGX-ST. Approval in-principle has been received for listing of the Securities. The approval in-principle is not to be taken as an indication of the merits of the Company or the Securities. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. No listing of the Securities has been or will be sought in Hong Kong.

## **General**

**No definitive or binding agreement in relation to the proposed Securities Issue has been entered into as at the date of this announcement, and accordingly, the proposed Securities Issue may or may not materialise. Completion of the proposed Securities Issue is subject to, among other things, market conditions and investor interest. Accordingly, potential investors and Shareholders are urged to exercise caution when dealing in the securities of the Company.**

Further announcements in respect of the proposed Securities Issue will be made by the Company as and when appropriate.

## **DEFINITIONS**

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

“Board”	the board of Directors of the Company
“Company”	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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantee of the Securities”	the unconditional and irrevocable guarantee of the Securities by the Company

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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
“Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“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
“Securities”	the US dollar denominated senior guaranteed perpetual capital securities with a non-call period of 5 years proposed to be issued by the Issuer, as described in this announcement
“Securities Issue”	the issue of the Securities by the Issuer
“SGX-ST”	the Singapore Exchange Securities Trading Limited
“Shareholders”	the shareholders of the Company
“United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“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, 1 September 2017

*As at the date of this announcement, the executive Directors of the Company are Mr. Tan Xuguang, Mr. Zhang Quan, Mr. Xu Xinyu, Mr. Sun Shaojun, Mr. Yuan Hongming and Mr. Yan Jianbo; 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 Zhong, Mr. Wang Gongyong, Mr. Ning Xiangdong and Mr. Li Hongwu.*