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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)**

## **DISCLOSEABLE TRANSACTION**

(Important notice: This announcement is published in Chinese and English versions. In case of inconsistency, the English version shall prevail.)

### **THE TRANSACTIONS**

The Board is pleased to announce that on 31 August 2012, the Company has formed a strategic alliance with KION to establish a strong strategic industrial cooperation between KION and the Group in the fields of, inter alia, hydraulic pumps, motors, valves and gears as well as the supply of parts and components. As part of the strategic alliance, the Company has conditionally agreed to make:

- (a) an investment in KION via the subscription of new shares in the capital of KION representing 25% of the enlarged share capital of KION after Completion; and
- (b) an investment in LHY Co (Linde Hydraulics, being the hydraulics business of the KION Group), through the acquisition of a 70% interest therein (as detailed below).

The abovementioned investments are inter-conditional on each other.

In connection with the Acquisitions, the Company and KION have agreed to certain option arrangements as described in the section headed “II. The Framework Agreement – 3. Grant of options” in this announcement.

Completion of the Transactions is subject to the conditions set out in the section headed “II. The Framework Agreement – 5. Condition precedent and closing conditions of the Transactions” in this announcement.

## **LISTING RULES IMPLICATIONS**

As certain of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisitions, the granting of the LHY Put Option 1 and LHY Put Option 2 are, in aggregate, more than 5% but less than 25%, the Transactions together constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are subject to the relevant reporting and announcement requirements under the Listing Rules.

### **I. INTRODUCTION**

The Board is pleased to announce that on 31 August 2012, the Company has formed a strategic alliance with KION to establish a strong strategic industrial cooperation between KION and the Group in the fields of, inter alia, hydraulic pumps, motors, valves and gears as well as the supply of parts and components. As part of the strategic alliance, the Company entered into a Framework Agreement and has conditionally agreed to make:

- (a) an investment in KION via the subscription to new shares in the capital of KION representing 25% of the enlarged share capital of KION after Completion; and
- (b) an investment in LHY Co (Linde Hydraulics, being the hydraulics business of the KION Group), through the acquisition of a 70% interest therein (as detailed below).

The abovementioned investments are inter-conditional on each other.

In connection with the Acquisitions, the Company and KION have agreed to certain option arrangements as described in the section headed “II. The Framework Agreement – 3. Grant of options” in this announcement.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, (i) as of the date of this announcement, KION, KION Group GmbH, LMH, Superlift, KMB and their respective ultimate beneficial owners are third parties independent of and are not connected persons (as defined under the Listing Rules) of the Company, and (ii) on the date of incorporation of LHY Co, each of LHY Co, LHY LP and LHY GP and their respective ultimate beneficial owners will (based on the information available as at the date of this announcement) be third parties independent of and will not be connected persons (as defined under the Listing Rules) of the Company.

## II. THE FRAMEWORK AGREEMENT

Date : 31 August 2012

Parties : (a) The Company  
(b) KION  
(c) KION Group GmbH  
(d) LMH  
(e) Superlift  
(f) KMB

### 1. Subscription of shares in KION

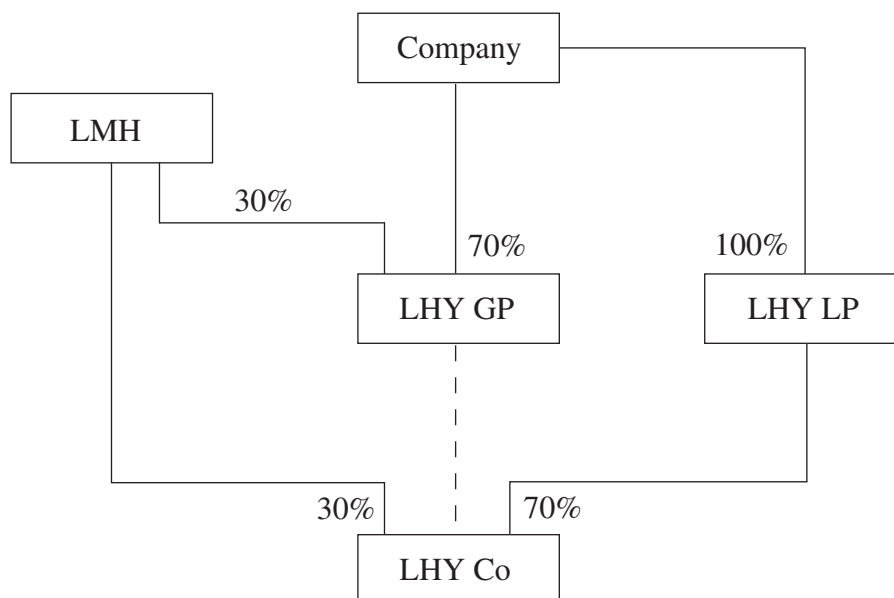
Subject to the satisfaction (or waiver) of the conditions as set out below and to the other terms and conditions set out in the Transaction Documents, KION will issue and the Company will subscribe new shares in KION such that following the Completion, the Company will own 25% of the enlarged issued share capital of KION.

### 2. Acquisition of a majority stake in Linde Hydraulics

Pursuant to the Framework Agreement, LHY Co (Note) will be incorporated. LMH will directly hold (as limited partner) a 30% partnership interest in LHY Co and indirectly hold the remaining interest in LHY Co through two special purpose vehicles, namely (i) LHY LP, being the other limited partner and holder of the remaining 70% partnership interest in LHY Co, and (ii) LHY GP being the sole general partner of LHY Co. In a second step, immediately preceding Completion, all such assets, certain intellectual property rights and/or licenses, permits, contracts, employees, obligations, certain liabilities as well as shares in certain entities which pertain to Linde Hydraulics in the United States, the United Kingdom and Italy and the sales operations of Linde Hydraulics in China, Spain and France, will be injected into LHY Co (the “**Carve-out**”).

(Note: LMH and LHY LP, as limited partners and holders of fixed partnership capital, will be entitled to distributions made by LHY Co proportional to their respective fixed partnership capital interests in LHY Co. The limited partners of LHY Co, LMH and LHY LP will exercise all their rights through an advisory board which will comprise four members of which LHY LP will be entitled to appoint three of such members.)

Subject to the satisfaction and/or waiver of the conditions set out below and to the other terms and conditions in the Transaction Documents, the Company will acquire from LMH (i) the entire issued share capital of LHY LP; and (ii) 70% of the issued shares of LHY GP, such that following Completion, Linde Hydraulics will be indirectly held as to 70% by the Company through its interest in LHY Co. Following the aforementioned acquisition, the Company's interest in LHY Co is as follows:



### 3. Grant of options

The following options will be granted (without any premium payable) in connection with the Acquisitions:

- (a) the Company will be granted a call option (the “**KION Call Option**”) by KION to increase its shareholding in KION to 30%, immediately prior to the completion of an IPO, at an exercise price equal to the lower of (i) the consideration payable under the abovementioned subscription of the issued shares in KION as set out in the section headed “II. the Framework Agreement – 1. Subscription of shares in KION” above plus any future capital contributions made by the Company after the date of Completion, calculated on a per share basis, and (ii) the per share price under the IPO;

- (b) the Company will be granted a call option from LMH (the “**LHY Call Option 1**”) to acquire from LMH and hence increase its interest in both LHY Co and LHY GP and indirectly in Linde Hydraulics to 90%, such option being exercisable during any time within the six months after the fifth anniversary of Completion, or the earlier of (x) LMH being notified by KION of its decision to initiate an IPO and the relevant pre-IPO structure having been completed, and (y) the expiry of three months after completion of the IPO, at an exercise price equal to the sum of (i) EUR77,429,000; (ii) the pro-rata portion of the aggregate amount of additional capital contributions (if any) made by LMH into LHY Co after the date of Completion; and (iii) the unpaid Minimum Distribution (if any) due to LMH after the date of Completion;
- (c) the Company will be granted another call option from LMH (the “**LHY Call Option 2**”) to acquire from LMH and hence increase its interest in both LHY Co and LHY GP and indirectly in Linde Hydraulics to 100%, at any time within three years after the exercise of the LHY Put Option 2 or the LHY Call Option 1, at an exercise price equal to the sum of (i) EUR38,714,000; (ii) the aggregate amount of additional capital contributions (if any) made by LMH into LHY Co after the date of Completion (and not compensated in the exercise price of previously exercised option); (iii) an amount calculated at 4% per annum of the amount referred to in (i) and (ii) above (from the date of payment of the different components thereof); (iv) a premium in the amount of EUR60 million (which will be reduced annually by EUR15 million on each anniversary of the date of Completion until the fourth anniversary thereof); and (v) deducting therefrom the aggregate amount of distributions received by LMH after the date of Completion;
- (d) LMH will be granted a put option (the “**LHY Put Option 1**”) to request the Company to acquire from LMH all its remaining interest in LHY Co and LHY GP at any time after Completion and until completion of an IPO, at an exercise price equal to the sum of (i) EUR116,143,000; (ii) the aggregate amount of additional capital contributions (if any) made by LMH into LHY Co after the date of Completion; (iii) the unpaid Minimum Distribution (if any) due to LMH after the date of Completion; and (iv) a premium in the amount of EUR60 million (which will be reduced annually by EUR15 million on each anniversary of the date of Completion until the fourth anniversary thereof); and
- (e) LMH will be granted a put option (the “**LHY Put Option 2**”) to request the Company to acquire from LMH a 20% interest in both LHY Co and LHY GP, such option being exercisable during any time within the six months after the fourth anniversary of Completion, or the earlier of (x) LMH being notified by KION of its decision to initiate an IPO and the relevant pre-IPO structure having been completed, and (y) the expiry of three months after completion of the IPO, at an exercise price equal to the sum of (i) EUR77,429,000; (ii) the pro-rata portion of the aggregate amount of additional capital contributions (if any) made by LMH into LHY Co after the date of Completion; and (iii) the unpaid Minimum Distribution (if any) due to LMH after the date of Completion.

#### **4. Consideration**

The consideration of the Acquisitions amounts to EUR738,000,000 (equivalent to approximately HK\$7,180,297,200) in aggregate, which shall be satisfied at Completion in the following manner:

- (a) the Company shall pay EUR467,000,000 (equivalent to approximately HK\$4,543,629,800) to KION in cash, so that the Company shall own 25% of the share capital in KION after Completion of the Transaction; and
- (b) the Company shall pay EUR271,000,000 (equivalent to approximately HK\$2,636,667,400) to LMH in cash for Linde Hydraulics through the acquisition of the entire issued share capital of LHY LP and the acquisition of 70% of the issued share capital of LHY GP.

The above consideration was determined after arm's length negotiation between the parties and on the basis of (i) the fair value of the share capital of KION and (ii) the fair value of the share capital of LHY Co using customary valuation methodologies.

#### **5. Condition precedent and closing conditions of the Transactions**

The closing conditions to the Framework Agreement include, and Completion is conditional upon the satisfaction (or waiver) of the following conditions:

- (a) KION receiving all necessary consents and waivers from its financing providers;
- (b) all approvals of the Transactions necessary to implement the Transactions being obtained by the supervisory boards of KION, LMH or any other direct or indirect wholly owned subsidiary of KION;
- (c) there being no injunction or other court order or governmental order in a member state of the European Union, the United States and Switzerland prohibiting Completion;
- (d) the formation of LHY Co, LHY LP and LHY GP;
- (e) no material adverse change having occurred prior to Completion resulting in an impairment of the earnings and total asset value of the KION Group;
- (f) the Company obtaining major antitrust clearances in the European Union (or individual EU countries) and Turkey for the Acquisitions;
- (g) the Company obtaining clearance under the German Foreign Trade Regulation;
- (h) all approval of the Transactions being obtained by the Board;

- (i) the Company obtaining all necessary PRC governmental approval for implementing the Transactions;
- (j) the Company obtaining a confirmation that the company code separation pursuant to the Framework Agreement has been implemented in all material respects; and
- (k) the Company obtaining a confirmation from LMH and LHY Co in relation to the transfer of certain employees to LHY Co.

The above conditions (e), (h), (j) and (k) may be waived (in whole or in part) by the Company at its absolute discretion, the above condition (b) may be waived (in whole or in part) by KION at its absolute discretion, and the above conditions (a), (d) and (g) may be waived (in whole or in part) jointly by all parties under the Framework Agreement. Completion shall take place on the 10th Business Day after the last of the conditions have been satisfied or waived, or such other date as the parties may mutually agree in writing.

It is a condition precedent to the Framework Agreement that the waiver of the right of first refusal of a third party previously granted by KION in respect of Linde Hydraulics be obtained.

## **6. Transaction Documents**

Upon Completion, the Transaction Documents, which will contain further and detailed terms and provisions required to implement the transactions contemplated by the Framework Agreement, will be entered into and executed by the parties thereto, and they include agreements in respect of the strategic collaboration between LHY Co and the KION Group and the supply of hydraulic products by LHY Co to the KION Group which will be entered into on arm's length terms.

Furthermore, upon Completion, a shareholders' agreement in relation to KION will be entered into between Superlift, KMB, the Company and KION, pursuant to which, among others:

- (i) the Company will receive board representation;
- (ii) the shareholders have agreed on customary rights of first refusal and tag along rights; and



- (iii) after the fourth anniversary of the date of Completion and subject to the occurrence or non-occurrence (as the case maybe) of certain events and requirements specified therein (including the non-occurrence of an IPO), in the event that a KION Shareholder desires to transfer all its KION Interest to a third party, it will be entitled to require the Company to transfer all its interest in KION to the same third party. The consideration payable to the Company shall be at least equal to the sum of (i) the KION Investment Consideration, (ii) any capital contributions made by the Company into KION thereafter, (iii) an amount calculated at 4% per annum since the date of payment of the KION Investment Consideration, and (iv) deducting therefrom any distribution received by the Company after Completion.

Further, upon Completion, another shareholders' agreement in relation to LHY Co and LHY GP will be entered into pursuant to which, among others:

- (i) the Company will be entitled to nominate 3 out of 4 members of the advisory board which is entitled to appoint the management of LHY GP, which is in charge of the daily operations; and
- (ii) the shareholders have agreed on customary rights of first refusal, tag along and drag along rights.

Since KION Group will hold more than 10% of the fixed partnership capital in LHY Co upon Completion, the continuing transactions between KION Group (or its associates) and the Group (such as the supply of hydraulic products by LHY Co to the KION Group as referred to above) will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As LHY Co is expected to be an insignificant subsidiary of the Group upon Completion, pursuant to Rule 14A.31 of the Listing Rules, the abovementioned continuing connected transactions will be exempt from all the reporting, announcement and independent shareholder' approval requirements contained in Chapter 14A of the Listing Rules. In the event that the said exemption ceases to apply, the Company will comply with the requirements of Chapter 14A of the Listing Rules.

### **III. INFORMATION ON THE GROUP, KION, KION GROUP GMBH, LMH, LINDE HYDRAULICS, SUPERLIFT AND KION MANAGEMENT**

#### **The Group**

The Group is principally engaged in the research and development, manufacture and sale of high-speed heavy-duty diesel engines, diesel engines for use in construction machinery, heavy-duty trucks, heavy-duty gearboxes and engine and heavy-duty truck parts and components.



## **KION, KION GROUP GmbH, LMH and Linde Hydraulics**

KION is the investment holding company of the KION Group. The KION Group – comprising the six brands Linde, STILL, Fenwick, OM STILL, Baoli and Voltas – is a market leader in Europe in industrial trucks, the global number two in the industry and a leading international supplier in China. The Linde and STILL brands serve the premium segment worldwide. Fenwick is the largest supplier of material-handling products in France, while OM STILL is a market leader in Italy. The Baoli brand focuses on the economy segment, and Voltas is one of the two market leaders in India.

KION Group GmbH is an indirect wholly owned subsidiary of KION incorporated in Germany. It is an investment holding company and holds the entire issued share capital of LMH.

LMH is an indirect wholly owned subsidiary of KION, and it is principally engaged in the manufacture of industrial forklifts trucks, warehouse equipment and other industrial trucks as well as components, including the business unit, Linde Hydraulics.

Linde Hydraulics is principally engaged in the business of the development, manufacturing, production, sale and marketing, and servicing of hydraulic pumps, hydraulic motors, hydraulic valves, gears and gear drives, ancillary castings and foundry of hydraulic components. Linde Hydraulics is a leading specialist in hydraulics. It is one of the leaders in high pressure hydraulics with characteristics including high efficiency, heavy duty utilization, smoothness of movements, precision of handling, and quality. Linde Hydraulics' integrated common modular product platform offers high flexibility in product configuration.

## **Superlift and KMB**

Superlift is an investment holding company incorporated in Luxemburg and is 100% owned by funds advised by Kohlberg Kravis Roberts & Co. L.P. and Goldman Sachs Capital Partners. Superlift holds 85.39% of the issued share capital of KION as at the date of this announcement.

KMB is an investment holding partnership established in Germany and holds 14.61% of the issued share capital of KION as at the date of this announcement.

## Financial Information of KION

Set out below is the audited financial information of KION for the two financial years ended 31 December 2010 and 31 December 2011 prepared based on International Financial Reporting Standards:

	For the year ended 31 December 2011 EUR'000 (audited)	For the year ended 31 December 2010 EUR'000 (audited)
Revenue	4,368,395	3,534,474
Adjusted profit before interest, taxation, depreciation and amortisation (Note 1)	665,000	462,000
Profit (loss) before taxation	(58,885)	(231,420)
Profit (loss) after taxation	(92,926)	(196,698)

Based on the group audited consolidated financial information of KION prepared under International Financial Reporting Standards, as of 31 December 2011, the audited net asset value of KION was approximately EUR(487.6) million and the shareholders' loan granted to KION amounted to EUR643.1 million, which will be converted into equity at Completion, resulting in a positive pro-forma net asset value of KION of approximately EUR155.5 million as of 31 December 2011.

*Note:*

1. Adjustment items relates to the effect of purchase price allocation in connection with the Kion acquisition, costs incurred in connection with performance enhancement programmes, redundancy schemes and severance payments.

## Financial information of Linde Hydraulics

Set out below is the unaudited pro forma financial information of Linde Hydraulics (Note 2) for the two financial years ended 31 December 2010 and 31 December 2011 prepared based on International Financial Reporting Standards:

	For the year ended 31 December 2011 EUR'000 (unaudited)	For the year ending 31 December 2010 EUR'000 (unaudited)
Revenue	275,600	201,100
Profit before interest, taxation, depreciation and amortisation (before management adjustment)	38,700	12,800
Profit (loss) before taxation (before management adjustment) (Note 3)	24,200	(4,000)
Profit after taxation (Note 4)	N.A.	N.A.

*Notes:*

2. The pro-forma financial information was extracted from a factbook prepared by an audit firm engaged by KION for the purpose of implementing the Carve-out of Linde Hydraulics.

3. It was assumed that no interest expense was incurred.
4. Since the pro forma financial information of Linde Hydraulics has been compiled based on the scope of the Carve-out and the relevant taxation and interest expenses cannot be ascertained, Linde Hydraulics' profit after taxation for the two financial years ended 31 December 2010 and 31 December 2011 cannot be determined.

Based on the pro forma financial information of Linde Hydraulics, as of 31 December 2011, the unaudited pro forma net asset value of Linde Hydraulics was approximately EUR58.5 million.

Upon Completion, LHY Co will become an indirect wholly owned subsidiary of the Company and its results will be consolidated into the Group's consolidated financial statements.

#### **IV. REASONS FOR THE TRANSACTIONS**

With the acquisition of Linde Hydraulics, the Company will become a leading company in the field of high pressure hydraulics. It will be in a position to expand the existing components product portfolio being able to address a wider market and securing captive demand for hydraulics components for the Group and associated companies.

The Company will help Linde Hydraulics to improve scale and be even better positioned to adapt to the changing market environment and increasing competition. With complementary products and technologies from the Company, Linde Hydraulics will be in a position to take full advantage of untapped market potential, particularly in the growing Asian region.

The Company and KION have agreed to several areas of additional cooperation, including supply of parts and components. Additionally, both companies intend to create mutual benefits through their respective sales and service networks and their production capacities to boost the growth of the Company and KION and their ability to enhance their competitiveness in their respective product segments and markets. For material handling, Linde Hydraulics will have an exclusive purchase and supply agreement with KION's Linde forklift truck business.

On the basis of the reasons set out above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Transaction Documents are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

#### **V. LISTING RULES IMPLICATIONS**

As certain of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisitions, the granting of the LHY Put Option 1, LHY Put Option 2 are, in aggregate, more than 5% but less than 25%, the Transactions together constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under the Listing Rules.

The granting of the KION Call Option, LHY Call Option 1 and LHY Call Option 2 pursuant to the Framework Agreement will not constitute a notifiable transaction of the Company under Rule 14.75(1) of the Listing Rules. The Company will comply with the requirements of Chapter 14 of the Listing Rules by making further announcement if and when such options are exercised.

## VI. ADDITIONAL INFORMATION

As the A Shares of the Company are listed on the Shenzhen Stock Exchange, certain additional financial information in relation to KION and Linde Hydraulics are required to be disclosed in the announcement issued on the Shenzhen Stock Exchange on the date hereof pursuant to the listing rules of the Shenzhen Stock Exchange as follows:

### Basic financial information of KION (*Note 1*)

	For the year ended 31 December 2011 <i>EUR'000</i> (audited)	For the six months ended 30 June 2012 <i>EUR'000</i> (unaudited)
<b>Total assets</b>	6,066,286	6,037,599
<b>Total liabilities</b>	6,553,873	6,569,904
<b>Net asset (<i>Note 2</i>)</b>	(487,587)	(532,305)
<b>Total revenue</b>	4,368,395	2,310,546
<b>Net profit/loss</b>	(92,926)	25,741
<b>Cash flows from operating activities</b>	386,810	68,660

- Notes:*
1. The above information was extracted from the audited and unaudited consolidated financial information of KION prepared under International Financial Reporting Standards.
  2. Based on the group audited consolidated financial information of KION prepared under International Financial Reporting Standards, as of 31 December 2011, the shareholders' loan granted by existing shareholders to KION amounted to EUR643.1 million, which will be converted into equity at Completion, resulting in a positive pro-forma net asset value of KION of approximately EUR155.5 million as of 31 December 2011.

## Basic financial information of Linde Hydraulics (Note 3)

	For the year ended 31 December 2011 EUR'000 (unaudited)
Total assets	129,000
Total liabilities	70,500
Net asset	58,500
Total revenue	275,600
Net profit/loss	N.A.
Cash flows from operating activities	22,000

Note: 3. Linde Hydraulics is a business unit of KION, its financial information was extracted from unaudited pro forma statement prepared by the audit firm engaged by KION for the purpose of implementing the Carve-out of Linde Hydraulics.

## VII. GENERAL

A Shareholders' meeting will be convened to approve the Transaction. A circular containing further details of the Transactions will be despatched to the Shareholders as soon as practicable.

## VIII. DEFINITIONS

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

“Acquisitions”	the subscription of shares in KION and the acquisition of shares in LHY LP and LHY GP as set out in the paragraphs headed “1. Subscription of shares in KION” and “2. Acquisition of a majority stake in Linde Hydraulics”, respectively, under the section headed “II. The Framework Agreement” in this announcement
“Board”	the board of Directors
“Business Day”	any calendar day other than Saturdays, Sundays and public holidays in Frankfurt, Germany
“Carve-out”	has the meaning as set out in the section headed “II. The Framework Agreement – 2. Acquisition of a majority stake in Linde Hydraulics” in this announcement
“Company”	潍柴动力股份有限公司 (Weichai Power Co., Ltd.), a joint stock limited company incorporated in the PRC with limited liability whose issued Shares are listed on the main board of the Stock Exchange

“Completion”	completion of the Transactions pursuant to the terms of the Framework Agreement
“Director(s)”	the director(s) of the Company
“EUR”	Euro, the lawful currency of the European Union
“Framework Agreement”	the framework agreement dated 31 August 2012 entered into between the Company, KION, KION Group GmbH, LMH, Superlift and KMB, further details of which are set out in the section headed “II. The Framework Agreement” in this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IPO”	an initial public offering of a class of or all shares in Kion or any successor entity of KION
“KION”	KION Holding 1 GmbH, a company incorporated in Germany
“KION Call Option”	has the meaning ascribed to it in the section headed “II. The Framework Agreement – 3. Grant of options” in this announcement
“KION Group”	KION and its subsidiaries
“KION Group GmbH”	KION Group GmbH, a company incorporated in Germany and an indirect wholly owned subsidiary of KION
“KION Investment Consideration”	the amount paid by the Company to KION for the subscription of shares in KION
“KMB”	Kion Management Beteiligungs GmbH & Co. KG, a limited partnership established in Germany which holds 14.61% of the issued share capital of KION prior to Completion
“KION Shareholder(s)”	Superlift and KMB
“LHY GP”	a direct wholly owned subsidiary of LMH to be incorporated in Germany for the purpose of the Carve-out

“LHY LP”	a direct wholly owned subsidiary of LMH to be incorporated in Germany for the purpose of the Carve-out
“LHY Co”	a limited partnership to be established by LMH, LHY GP and LHY LP for the purpose of the Carve-out
“LHY Call Option 1”	has the meaning ascribed to it in the section headed “II. The Framework Agreement – 3. Grant of options” in this announcement
“LHY Call Option 2”	has the meaning ascribed to it in the section headed “II. The Framework Agreement – 3. Grant of options” in this announcement
“LHY Put Option 1”	has the meaning ascribed to it in the section headed “II. The Framework Agreement – 3. Grant of options” in this announcement
“LHY Put Option 2”	has the meaning ascribed to it in the section headed “II. The Framework Agreement – 3. Grant of options” in this announcement
“Linde Hydraulics”	the hydraulics business operated by a business unit/department of LMH, which is principally engaged in the business of development, manufacturing, production, sale and marketing, and servicing of hydraulic pumps, hydraulic motors, hydraulic valves, gears and gear drives, ancillary castings and foundry of hydraulic components
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LMH”	Linde Material Handling GmbH, a company incorporated in Germany and an indirect wholly owned subsidiary of KION
“Minimum Distribution”	the amount of annual distributions to be made by LHY Co to its fixed partnership capital holders, which shall amount to at least 50% of the distributable consolidated profits of LHY Co and its subsidiaries in the relevant financial year (after deducting foreseeable capital expenditures and adding in foreseeable depreciations for the relevant financial year)
“PRC”	the People’s Republic of China



“Shareholder(s)”	holder(s) of the shares in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Superlift”	Superlift Holding, S.à.r.l., a limited liability company incorporated in Luxemburg, 100% owned by funds advised by Kohlberg Kravis Roberts & Co. L.P. and Goldman Sachs Capital Partners which holds 85.39% of the issued share capital of KION prior to Completion
“Transaction Documents”	the Framework Agreement and the ancillary agreements contemplated therein, and “Transaction Document” shall mean any one of them
“Transactions”	the transactions contemplated under the Framework Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

*(The exchange rate used for the purpose of this announcement is at EUR1 = HK\$9.7294)*

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

The PRC, 31 August 2012

*As at the date of this announcement, the executive Directors of the Company are Mr. Tan Xuguang, Mr. Xu Xinyu, Mr. Li Dakai, Mr. Fang Hongwei, Mr. Sun Shaojun and Mr. Zhang Quan; the non-executive Directors of the Company are Mr. Chen Xuejian, Mr. Yeung Sai Hong, Mr. Julius G. Kiss, Ms. Han Xiaoqun, Mr. Jiang Kui and Mr. Liu Huisheng; and the independent non-executive Directors of the Company are Mr. Liu Zheng, Mr. Li Shihao, Mr. Loh Yih, Mr. Chu, Howard Ho Hwa, Mr. Zhang Zhenhua and Mr. Li Luwen.*