

NOTICE OF THE EGM



WEICHAI

潍柴動力股份有限公司
WEICHAI POWER CO., LTD.

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2338)

NOTICE OF EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF WEICHAI POWER CO., LTD.

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Weichai Power Co., Ltd. (the “**Company**”) will be held at the Company’s conference room at 197, Section A, Fu Shou East Street, High Technology Development Zone, Weifang, Shandong Province, the People’s Republic of China (the “**PRC**”) on 27 October 2012 at 10:00 a.m. for the purpose of considering and, if thought fit, approving the matters set out below. Reference is made to the Company’s announcement (the “**Announcement**”) dated 31 August 2012 with respect to the Transactions. (Terms defined in the Announcement have the same meanings when used herein.) Please refer to the Announcement and the section headed “Further information” below for information concerning the Transactions. After consultations with the relevant domestic regulator in the PRC, the Board resolved to convene a Shareholders’ meeting in respect of the Transactions. Since the Transactions only constitute a discloseable transaction of the Company under the Listing Rules, no circular will be issued.

ORDINARY RESOLUTION

To consider and, if thought fit, approve the following resolution as an ordinary resolution:

“**THAT:**

- (a) the Framework Agreement (as defined in the Announcement) dated 31 August 2012 be and is hereby approved, confirmed and ratified, and the Transactions (as defined in the Announcement) be and are hereby approved, confirmed and ratified; and
- (b) the Board be and is hereby generally and unconditionally authorised to do all such acts and things and execute all such documents as it considers necessary or expedient or desirable in connection with or to give effect to the Framework Agreement and to implement the Transactions and to agree to such variation, amendments or waivers of matters relating thereto.”

By Order of the Board of Directors
Weichai Power Co., Ltd.
Hoe York Joo
Company Secretary

Hong Kong, 10 September 2012

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Notes:

- (A) The Company will not process registration of transfers of H shares (being overseas listed foreign shares and ordinary shares) in the share capital of the Company with a Renminbi denominated par value of RMB1.00 each, which are subscribed and/or paid for in Hong Kong dollars and listed on The Stock Exchange of Hong Kong Limited ("H Shares") from 26 September 2012 to 27 October 2012 (both days inclusive). Holders of H Shares of the Company whose names appear on the register of H Shares of the Company kept at Computershare Hong Kong Investor Services Limited at the close of business on Tuesday, 25 September 2012 are entitled to attend and vote at the EGM following completion of the registration procedures. To qualify for attendance and voting at the EGM, documents on transfers of H Shares of the Company, accompanied by the relevant share certificates, must be lodged with the Company's H-Share Registrar and Transfer Office, not later than 4:30 p.m. on 25 September 2012. The address of the Company's H-Share Registrar and Transfer Office is as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712-16, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

- (B) Holders of H Shares intending to attend the EGM should complete and return the reply slip for attending the EGM personally, by facsimile or by post to the Secretary to the Board of the Company 20 days before the EGM (i.e. on or before 7 October 2012). The contact details of the Secretary to the Board of the Company are as follows:

Securities Department
197, Section A, Fu Shou East Street
High Technology Industrial Development Zone
Weifang
Shandong Province
The People's Republic of China
Postal Code: 261061
Telephone No.: 86 (536) 229 7068
Facsimile No.: 86 (536) 819 7073

- (C) Each holder of H Shares of the Company entitled to attend and vote at the EGM may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the EGM on his behalf. A proxy need not be a shareholder of the Company. With respect to any shareholder who has appointed more than one proxy, the proxy holders may only vote on a poll.
- (D) Holders of H Shares of the Company must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant shareholder or by a person duly authorised by the relevant shareholder in writing (a "power of attorney"). If the forms of proxy is signed by the person authorised by the relevant shareholder as aforesaid, the relevant power of attorney and other relevant documents of authorisation (if any) must be notarised. If a corporate shareholder appoints a person other than its legal representative to attend the EGM on its behalf, the relevant form of proxy must be affixed with the company seal/chop of the corporate shareholder or duly signed by its director or any other person duly authorised by that corporate shareholder as required by the Articles of Association of the Company.
- (E) To be valid, the form of proxy and the relevant notarised power of attorney (if any) and other relevant documents of authorisation (if any) as mentioned in Note (D) above must be delivered to the Company's H-Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited (address: Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong), not less than 24 hours before the time appointed for the EGM.
- (F) Each holder of A Shares of the Company who is entitled to attend and vote at the EGM may also, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the EGM on his behalf. A proxy need not be a shareholder of the Company. Notes (C) and (D) above also apply to the holders of A Shares of the Company, except that, to be valid, the form of proxy and the relevant power of attorney (if any) and other relevant documents of authorisation (if any) must be delivered to the Secretary to the Board of the Company not less than 24 hours before the time appointed for the EGM. The address of the Secretary to the Board of the Company is stated in Note (B) above.

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- (G) A shareholder or his proxy should produce proof of identity when attending the EGM. If a corporate shareholder's legal representative or any other person authorised by the board of directors or other governing body of such corporate shareholder attends the EGM, such legal representative or other person shall produce his proof of identity, and proof of designation as legal representative and the valid resolution or authorisation document of the board of directors or other governing body of such corporate shareholder (as the case may be) to prove the identity and authorisation of that legal representative or other person.
- (H) Any proposal to appoint any person to the office of director of the Company at the EGM shall be given in writing and, notice in writing by that person of his consent to be elected as director shall be, lodged at the registered office of the Company at 197, Section A, Fu Shou East Street, High Technology Industrial Development Zone, Weifang, Shandong Province, the People's Republic of China. The period for lodgement of such notices shall commence on (and include) the day after the date of this notice of the EGM and end on (and exclude) the date that is seven (7) days before the date of the EGM.
- (I) The EGM is expected to last for not more than half a day. Shareholders who attend the EGM shall bear their own travelling and accommodation expenses.

FURTHER INFORMATION

With respect to the process on the negotiation and determination of the consideration for the Acquisitions, the Company would like to inform Shareholders that, after arm's length commercial negotiations based on publicly available information, the Company and KION based their further negotiation process on a preliminary initial price for the Acquisitions. Subsequently, KION provided information to the Company and its advisory team, including financial adviser, accounting and tax adviser, industry consultant and legal advisers, to conduct further due diligence.

A combination of factors were considered when assessing the initial price for the investments in KION and Linde Hydraulics, including:

- (a) a review of the business performance of KION and Linde Hydraulics;
- (b) an evaluation of the trends of the forklift truck and hydraulics industries;
- (c) an evaluation of the scale, sales and production capabilities, products, technologies and brands of KION and Linde Hydraulics and benchmarking against their industry peers;
- (d) an evaluation of strategic benefits that may arise from the strategic collaboration between the Company and KION;
- (e) the fact that the investments in KION and Linde Hydraulics were offered as a packaged deal by KION (i.e. they are inter-conditional on each other); and
- (f) comparable analyses by the Company's financial adviser, including:
 - (i) a review of the then current and historical market trading multiples of comparable companies in the forklift truck and hydraulics industries;

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- (ii) a review of the transaction multiples of comparable precedents involving forklift truck and hydraulics companies; and
- (iii) an analysis of the control premiums paid in the takeovers of German public companies of similar size in recent years.

Based on the above analyses, the initial price was considered within the range acceptable for further negotiation.

The Company continued to further negotiate with KION and managed to lower the consideration for the Acquisitions further.

Based on the factors above, the Board approved the Acquisitions on 31 August 2012 and considered the amount of the consideration to be fair and reasonable and in the interest of the Shareholders as a whole.

As at the date of this notice, 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.