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WEICHAI

濰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)

POSSIBLE MAJOR TRANSACTION

POSSIBLE ACQUISITION OF SHARES IN KION THROUGH EXERCISE OF THE CALL OPTIONS

THE POSSIBLE ACQUISITION OF SHARES IN KION

Reference is made to the 2012 Announcements, pursuant to which the Company announced that the Framework Agreement has been entered into in respect of the Acquisitions and the grant of certain options, including the Call Options.

Following the completion of the Acquisitions on 27 December 2012 (Central European Time), the Company (through its wholly owned subsidiary, Weichai Lux) is, as at the date of this announcement, the holder of 25% of the issued share capital of KION and 70% of the interest in LHY Co (as detailed in the 2012 Announcements). The Call Options were also granted (without any premium payable) in connection with the completion of the Acquisitions.

In order to allow the Board to have the flexibility in exercising the Call Options (should they decide to do so), the Company proposes to convene the EGM and ask its Shareholders to approve in advance the possible exercise of the Call Options with the aggregate of the exercise price of the Call Options not exceeding the Cap Amount and to authorise the Board to exercise the full power to handle matters relating to the exercise of the Call Options. Such authorisation to the Board shall be valid for a period of 18 months after the relevant resolution is approved at the EGM. The relevant notice convening the EGM has been issued by the Company on 7 March 2013.

LISTING RULES IMPLICATIONS

As certain of the applicable percentage ratios (as defined under the Listing Rules) in respect of the exercise of the Call Options (i.e. the further acquisition of interest in KION based on the Cap Amount), when aggregated with the Acquisitions and the granting of certain put options in respect of LHY Co as set out in the 2012 Announcements, would be more than 25% but less than 100%, the exercise of the Call Options constitutes a major transaction for the Company and is subject to reporting, announcement and shareholders' approval requirements.

A circular containing, amongst other things, further details of the Call Options and other information required under the Listing Rules is expected to be despatched to the Shareholders on or before 7 April 2013.

1. INTRODUCTION

Reference is made to the 2012 Announcements, pursuant to which the Company announced that the Framework Agreement has been entered into in respect of the Acquisitions and the grant of certain options, including the Call Options.

Following the completion of the Acquisitions on 27 December 2012 (Central European Time), the Company (through its wholly owned subsidiary, Weichai Lux) is, as at the date of this announcement, the holder of 25% of the issued share capital of KION and 70% of the interest in LHY Co (as detailed in the 2012 Announcements). The Call Options were also granted (without any premium payable) in connection with the completion of the Acquisitions.

In order to allow the Board to have the flexibility in exercising the Call Options (should they decide to do so), the Company proposes to convene the EGM to ask its Shareholders to approve in advance the possible exercise of the Call Options with the aggregate of the exercise price of the Call Options not exceeding the Cap Amount and to authorise the Board to exercise the full power to handle matters relating to the exercise of the Call Options. The relevant notice convening the EGM has been issued by the Company on 7 March 2013.

2. POSSIBLE EXERCISE OF THE CALL OPTIONS

The principal terms of the each of the Call Options are summarised as follow:

(a) KION Call Option

- | | | |
|-----------------|---|---|
| Parties | : | Superlift and KMB as grantor and Weichai Lux (a wholly owned subsidiary of the Company) as grantee. |
| Option shares | : | Weichai Lux is entitled to require that Superlift and KMB pass the relevant shareholders resolution so that KION issues new shares, such that Weichai Lux's shareholding in KION would be increased to: <ul style="list-style-type: none">(i) 33.3% of KION's total issued shares immediately after the completion of the IPO, if, prior to the allotment of KION shares to the investors of the IPO, Weichai Lux owns 28.3% or more of the total issued share capital of KION as a result of the exercise and completion of the Superlift Call Option; or(ii) 30% of KION's total issued shares immediately after completion of the IPO, if, prior to the allotment of KION shares to the investors of the IPO, Weichai Lux owns less than 28.3% of the total issued share capital of KION. |
| Exercise period | : | The KION Call Option has to be exercised by Weichai Lux, at the latest, within five (5) Business Days after the underwriters of KION provides Weichai Lux with a preliminary estimate of the likely price range for the IPO. Weichai Lux may agree that it will exercise the KION Call Option in advance to facilitate the execution of the IPO. |
| Exercise price | : | The exercise price equals to the lower of (i) a price per share determined on the basis of EUR467,000,000 (equivalent to approximately HK\$4,705,025,000, as the consideration paid for under the subscription of 25% of the issued shares in KION pursuant to the Acquisitions) plus any future capital contributions made by the shareholders of KION after the date of completion of the Acquisitions (the " Acquisition Valuation "), and (ii) the price per share of KION under the IPO. |

The exercise price was determined after arm's length commercial negotiations between the parties to the Framework Agreement based on the initial investment price for the Acquisitions.

- Conditions :
- The KION Call Option shall be exercisable subject to the occurrence of the IPO after the satisfaction of the following conditions:
 - (i) the Company obtaining all necessary PRC governmental approval for implementing the exercise of the KION Call Option; and
 - (ii) the necessary approval in relation to the exercise of the KION Call Option being granted by the Shareholders.

(b) Superlift Call Option

- Parties : Superlift as grantor and Weichai Lux (a wholly owned subsidiary of the Company) as grantee.
- Option shares : Weichai Lux is entitled to purchase from Superlift such amount of shares of KION representing 3.3% of KION's issued share capital at the time of the exercise.
- Exercise period : The Superlift Call Option is exercisable by Weichai Lux (i) at any time after 27 December 2012, being the date of completion of the Acquisitions, until 30 June 2013 or (ii) during any time within the three months after the completion of the IPO. The Superlift Call Option shall expire in any event at the end of 31 December 2015, if it has not been exercised and completed before that date.
- Exercise price : The exercise price equals to the sum of (i) EUR61,644,000 (equivalent to approximately HK\$621,063,300); and (ii) the pro-rata portion of the aggregate amount of any additional capital contribution, made to KION after the date of completion of the Acquisitions and up to the date of completion of the Superlift Call Option ("**Additional Contributions**"); and (iii) deducting therefrom the pro-rata portion of the aggregate amount of dividends or other distributions made by KION to its shareholders after the date of the completion of the Acquisitions and up to the date of exercise of the Superlift Call Option ("**Post Completion Distributions**").

The exercise price was determined after arm's length commercial negotiations between the parties to the Framework Agreement and the KION Shareholders' Agreement based on the initial investment price for the Acquisitions.

- Conditions precedent :
- Pursuant to the KION Shareholders' Agreement, the exercise of the Superlift Call Option is conditional upon the satisfaction (or where permitted under applicable law waiver) of the following conditions:
- (i) the Company obtaining all necessary merger control clearances with regard to the acquisition of further shares in KION;
 - (ii) the Company obtaining clearance under the German Foreign Trade Regulation, if necessary;
 - (iii) the Company obtaining all necessary PRC governmental approval for the acquisition of further shares in KION through the exercise of the Superlift Call Option;
 - (iv) the necessary approval in relation to the acquisition of further shares in KION through the exercise of the Superlift Call Option being granted by the Shareholders; and
 - (v) 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 the acquisition of further shares in KION by Weichai Lux.

Pursuant to the KION Shareholders' Agreement, in the event that Weichai Lux shall, upon the exercise of the KION Call Option and/or the Superlift Call Option, hold at least 33.3% of the issued share capital of KION after the completion of the IPO, and either Superlift or Weichai Lux desires to transfer any of its KION shares, the other relevant shareholder will be entitled to exercise a right of first offer to purchase such shares. Further, the parties under the KION Shareholders' Agreement agreed that if following the completion of the IPO, Weichai Lux holds at least 33.3% of the issued share capital of KION, they will support, within the given legal framework, the election of a member of the supervisory board designated by Weichai Lux to become the chairman of the supervisory board of KION. In addition, pursuant to the terms of the KION Shareholders' Agreement, as soon as Weichai Lux holds 30% or more of the shares in KION, the parties shall take, within the given legal framework, all actions in order to ensure that two out of six shareholder representatives of the supervisory board of KION (the supervisory board consists of twelve members, six of them being shareholder representatives and six of them being employee representatives) are members who are nominated by Weichai Lux.

3. THE POTENTIAL IPO OF KION

Insofar as the Company is aware, KION may consider doing an offering and applying for the listing of its shares on the Frankfurt Stock Exchange within the next 18 months. The terms or structure of the potential IPO (including the timing, the offer size, the number of new shares to be issued by KION and the offer price of the IPO) are yet to be determined.

Immediately prior to the potential IPO, KION and Superlift Funding will implement the Capitalisation of the Superlift Funding Loan at a price per share of KION which is based on the Acquisition Valuation.

The Superlift Funding Loan is a loan in the principal amount of EUR100,000,000 under a syndicated senior facilities agreement which Superlift Funding, an affiliate of Superlift, as lender has made available to the KION Group in October 2009. These funds in turn had been advanced as a loan from Superlift to Superlift Funding. The interest on the Superlift Funding Loan is payable at maturity and is compounding at a rate of 3.75% plus EURIBOR per annum.

4. INFORMATION ON KION, SUPERLIFT AND KMB

(a) KION

Insofar as the Company is aware, KION is the holding company of the KION Group. The KION Group, comprising of various entities which carry business under six brands, namely Linde, STILL, Fenwick, OM STILL, Baoli and Voltas, is the largest manufacturer of industrial trucks in Europe and the second largest manufacturer globally by revenue and units. In China, the KION Group is a leading international supplier. 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, in particular in China and other emerging markets, and Voltas is one of the two market leaders in India.

As at the date of this announcement, as KION holds more than 10% of the fixed partnership capital in LHY Co (an indirect non-wholly owned subsidiary of the Company), KION is a connected person (as defined under the Listing Rules) of the Company. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for their respective direct or indirect interest in KION, the other ultimate beneficial owners of KION are third parties independent of and are not connected persons (as defined under the Listing Rules) of the Company.

Set out below is the unaudited financial information of KION for the nine months ended 30 September 2012 and the audited financial information of KION for the two financial years ended 31 December 2010 and 31 December 2011 prepared based on IFRS:

| | For the nine months ended 30 September 2012 | For the year ended 31 December 2011 | For the year ended 31 December 2010 |
|----------------------------------|--|--|--|
| | <i>EUR'000</i> (unaudited) | <i>EUR'000</i> (audited) | <i>EUR'000</i> (audited) |
| Revenue | 3,438,810 | 4,368,395 | 3,534,474 |
| Earnings (loss) before taxation | 93,487 | (58,885) | (231,420) |
| Net income (loss) after taxation | 34,386 | (92,926) | (196,698) |

Based on the audited consolidated financial information of KION prepared based on IFRS, as of 31 December 2011, the audited net liabilities of KION was approximately EUR488 million. Based on the unaudited consolidated financial information of KION prepared based on IFRS, as of 30 September 2012, the unaudited net liabilities of KION was approximately EUR571 million.

(b) Superlift and KMB

Insofar as the Company is aware, 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 & Co. Superlift holds 69.29% of the issued share capital of KION as at the date of this announcement; and KMB is an investment holding partnership established in Germany and holds 5.71% of the issued share capital of KION as at the date of this announcement.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Superlift and 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.

5. AUTHORISATION FROM THE SHAREHOLDERS' GENERAL MEETING TO THE BOARD IN CONNECTION WITH THE EXERCISE OF THE CALL OPTIONS

As at the date of this announcement, no decision has been made as to whether the KION Call Option or the Superlift Call Option will be exercised and any such decision is a matter for the Board to deliberate. Shareholders should note, however, that the exercise periods of both Call Options are largely dependent on the progress of the IPO, in particular, the KION Call Option will lapse at the completion of the IPO. As the structure of the IPO (including the timing, the offer size, the number of new shares to be issued by KION and the offer price of the IPO) are yet to be determined and a concrete and definite structure of the IPO will only be made available at a later stage and shortly before the occurrence of the IPO, the exercise period in practice is relatively short and therefore it will not be feasible to seek and obtain Shareholders' approval for the exercise of the Call Options after a decision to exercise the Call Options has been made by the Board.

In addition, the actual exercise price of the Call Options can only be determined once the economic parameters of the IPO (in particular (i) the IPO price and (ii) the number of new shares to be issued by KION immediately before the IPO for the Capitalisation of the Superlift Funding Loan and for raising new capital in the IPO) are finalised. The issue of such new shares by KION for both the Capitalisation of the Superlift Funding Loan and the raising of new capital in the IPO may have a dilution effect on the Company's existing shareholding interest in KION. Up to the date of this announcement, other than the proposed Capitalisation of the Superlift Funding Loan, as far as the Company is aware, none of the existing shareholders of KION made or planned to make any future capital contributions in respect of KION and no Additional Contributions and Post Completion Distributions were made or planned to be made. Accordingly, the exercise of the Call Options will involve the Company acquiring more shares of KION (as compared to the situation where the Call Options are exercised under the existing shareholding structure without any dilution effect from the Capitalisation of the Superlift Funding Loan and the raising of new capital in the IPO) in order for the Company to reach the intended shareholding interest in KION of 33.3% on a fully diluted basis. In view of the above, the Company is seeking Shareholders' approval for a maximum aggregate investment amount for the exercise of the KION Call Option and the Superlift Call Option of EUR400,000,000 (equivalent to approximately HK\$4,030,000,000) (the "**Cap Amount**") to allow the Board flexibility in dealing with the exercise of the Call Options at a time when many of the unknown or uncertain factors at present become known to the Board. Shareholders should note that the Cap Amount is only the maximum aggregate investment amount and the Company may not need to pay the full Cap Amount upon the exercise of the Call Options. The consideration payable by Weichai Lux in respect of the proposed exercise of the Call Options is expected to be settled by cash out of the Group's financial resources and/or borrowings.

In light of the above, the Company will only convene the necessary Board meeting at a later stage of the IPO to determine if any of the Call Options will be exercised. In order to allow the Board to have the flexibility in exercising the Call Options (should they decide to do so), the Company proposes to ask its Shareholders to approve in advance the possible exercise of the Call Options with the aggregate of the exercise price of the Call Options not exceeding the Cap Amount and to authorise the Board to exercise the full power to handle matters relating to the exercise of the Call Options. Such authorisation to the Board shall be valid for a period of 18 months after the relevant resolution is approved at the EGM. The relevant notice convening the EGM has been issued by the Company on 7 March 2013.

Shareholders will be informed, by way of an announcement to be published by the Company on the Company's website and the Stock Exchange's website, if the Board approves any action in relation to the exercise of the Call Options.

6. REASONS FOR THE EXERCISE OF THE CALL OPTIONS

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.

As set out above, the Company (through its wholly owned subsidiary, Weichai Lux) is, as at the date of this announcement, holder of 25% of the issued share capital of KION. The exercise of the Call Options will enable the Company to increase its shareholding in KION to 33.3% after completion of the IPO. Weichai Lux will, within the given legal framework, be entitled to request that two persons nominated by Weichai Lux will become board members of the supervisory board if Weichai Lux holds at least 30% of the shareholding in KION. Furthermore, if following the completion of the IPO, Weichai Lux holds at least 33.3% of the issued share capital of KION and either Superlift or Weichai Lux desires to transfer any of its KION shares, the other relevant shareholder will be entitled to exercise a right of first offer to purchase such shares. In addition, the parties under the KION Shareholders' Agreement agreed that if following the completion of the IPO, Weichai Lux holds at least 33.3% of the issued share capital of KION, they will support, within the given legal framework, the election of a member of the supervisory board designated by Weichai Lux to become the chairman of the supervisory board of KION. If Weichai Lux holds at least 30% of the issued share capital of KION immediately before the IPO, it will under applicable German law also be able to increase its shareholding thereafter without being obliged to make a mandatory offer to all shareholders of KION to acquire their shares.

The increase in the Company's shareholding interest in KION, the nomination of two supervisory board members and the right of first offer are considered to be consistent with the Company's strategy of long term development and collaboration with KION.

In light of the above, and based on the information presently available to the Directors (including, *inter alia*, the overall market conditions and the operational situations of the KION Group), the Directors (including the independent non-executive directors) believe that the terms of the exercise of the Call Options are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

7. LISTING RULES IMPLICATIONS

As certain of the applicable percentage ratios (as defined under the Listing Rules) in respect of the exercise of the Call Options (i.e. the further acquisition of interest in KION based on the Cap Amount), when aggregated with the Acquisitions and the granting of certain put options in respect of LHY Co as set out in the 2012 Announcements, would be more than 25% but less than 100%, the exercise of the Call Options constitutes a major transaction for the Company and is subject to reporting, announcement and shareholders' approval requirements.

If the exercise price of the Call Options exceeds the Cap Amount, the Company will re-comply with the relevant disclosure and/or shareholders' approval requirements under the Listing Rules.

Further, since KION Group holds more than 10% of the fixed partnership capital in LHY Co (a non-wholly owned subsidiary of the Company) as at the date of this announcement, the exercise of the Call Options will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As LHY Co is an insignificant subsidiary of the Group pursuant to Rule 14A.31 of the Listing Rules, the exercise of the Call Options 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.

8. ADDITIONAL INFORMATION

As the A Shares of the Company are listed on the Shenzhen Stock Exchange, certain additional financial information in relation to KION is 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 EUR (audited) | For the nine months ended 30 September 2012 EUR (unaudited) |
|--------------------------------------|--|--|
| Total assets | 6,066,286,000 | 6,082,339,000 |
| Total liabilities | 6,553,873,000 | 6,653,422,000 |
| Net assets | (487,587,000) (<i>Note 2</i>) | (571,083,000) (<i>Note 3</i>) |
| Total revenue | 4,368,395,000 | 3,438,810,000 |
| Net profit | (92,926,000) | 34,386,000 |
| Cash flows from operating activities | 386,810,000 | 135,068,000 |

- Notes:* 1. The information for the year ended 31 December 2011 represents the audited consolidated financial information of KION prepared based on IFRS for the year 2011; and the information for the nine months ended 30 September 2012 represents the unaudited consolidated financial information of KION prepared based on IFRS for the same period.
2. According to the audited consolidated financial information of KION for the year ended 31 December 2011 prepared based on IFRS, the shareholders' loan provided by the existing shareholders of KION to KION amounted to €643.1 million as at 31 December 2011. Upon the completion of the acquisition of 25% of the issued share capital of KION, such shareholders' loan has been converted into equity of KION.
3. According to the unaudited consolidated financial information of KION for the nine months ended 30 September 2012 prepared based on IFRS, the shareholders' loan provided by the existing shareholders of KION to KION amounted to €664.1 million. Upon the completion of the acquisition of 25% of the issued share capital of KION, such shareholders' loan has been converted into equity of KION. Taking into account of the conversion of the shareholders' loan into equity, the acquisition of 25% of the issued share capital of KION, the acquisition of 70% of the interest in LHY Co and the associated costs and tax effect on the net asset value of KION, the pro forma net asset value of KION as at 30 September 2012 is approximately €707.9 million.

9. DESPATCH OF CIRCULAR

A circular containing, amongst other things, further details of the Call Options and other information required under the Listing Rules is expected to be despatched to the Shareholders on or before 7 April 2013, having taken into account the expected time required for the preparation of certain information to be contained in the Circular, including, among others, the financial information relating to the KION Group.

10. DEFINITIONS

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

| | |
|----------------------|---|
| “1st Announcement” | the Company's announcement dated 31 August 2012 |
| “2nd Announcement” | the Company's announcement dated 20 December 2012 |
| “2012 Announcements” | the 1st Announcement, 2nd Announcement and the Company's overseas regulatory announcement dated 28 December 2012 relating to the Framework Agreement and the transactions contemplated thereunder, including, <i>inter alia</i> , the grant of the Call Options |
| “A Share(s)” | the A Share(s), being ordinary share(s) issued in the capital of the Company with a RMB denominated par value of RMB1.00 each and are listed on the Shenzhen Stock Exchange |

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|--|---|
| “Acquisitions” | (i) the subscription of new shares in the capital of KION representing 25% of the enlarged share capital of KION after completion; and (ii) the acquisition of 70% of the interest in LHY Co, further details of which are set out in the 2012 Announcements |
| “Business Day” | any day other than Saturdays, Sundays and public holidays in Frankfurt am Main/Germany |
| “Call Options” | KION Call Option and Superlift Call Option |
| “Cap Amount” | the estimated maximum aggregate investment amount to be paid by the Company upon the exercise of the Call Options as set out in the section headed “5. Authorisation from the Shareholders’ general meeting to the Board in connection with the exercise of the Call Options” in this announcement |
| “Capitalisation of the Superlift Funding Loan” | the conversion (in the economic sense) of the Superlift Funding Loan into shares of KION by way of a transfer of all issued shares in Superlift Funding and a receivable held by Superlift against Superlift Funding to KION against new shares to be issued by KION immediately prior to the IPO |
| “Company” | 潍柴动力股份有限公司 (Weichai Power Co., Ltd.), a company established in the PRC with limited liability |
| “Director(s)” | the director(s) of the Company |
| “EGM” | the extraordinary general meeting of the Company to be held on 22 April 2013 to consider and, if thought fit, approve the exercise of the Call Options |
| “EUR” or “€” | Euro, the lawful currency of the European Union |
| “EURIBOR” | the Euro Interbank Offered Rate |
| “Framework Agreement” | the framework agreement dated 31 August 2012 entered into among the Company, KION, KION Group GmbH, LMH, Superlift and KMB (as supplemented by the amendment agreement entered into between the Company, Weichai Lux, KION, KION Group GmbH, LMH, Superlift and KMB on 20 December 2012 (Beijing time)) |

| | |
|--------------------------------|--|
| “Group” | the Company and its subsidiaries (as defined in the Listing Rules) |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “IFRS” | the International Financial Reporting Standards promulgated by the International Accounting Standards Board, which comprise the International Accounting Standards |
| “IPO” | an initial public offering of the shares of KION or any successor entity of KION |
| “KION” | KION Holding 1 GmbH, a limited liability company incorporated in Germany and to be converted into a stock corporation prior to the IPO |
| “KION Call Option” | the call option granted to Weichai Lux under the KION Shareholders’ Agreement to subscribe for new shares in KION, further details of which are set out in the section headed “2. Possible exercise of the Call Options – (a) KION Call Option” in this announcement |
| “KION Group” | KION and its subsidiaries |
| “KION Group GmbH” | KION Group GmbH, a limited liability company incorporated in Germany and an indirect wholly owned subsidiary of KION |
| “KION Shareholders’ Agreement” | the shareholders’ agreement as of 27 December 2012 entered into in accordance with the terms of the Framework Agreement among Weichai Lux, KION, Superlift and KMB |
| “KMB” | Kion Management Beteiligungs GmbH & Co. KG, a limited partnership established in Germany which holds 5.71% of the issued share capital of KION as at the date of this announcement |

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|-------------------------|---|
| “LHY Co” | Linde Hydraulics GmbH & Co. KG, a limited partnership established in Germany which is a 70% indirectly owned subsidiary of the Company, further details of which are disclosed in the 2012 Announcements |
| “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 of Hong Kong Limited |
| “LMH” | Linde Material Handling GmbH, a limited liability company incorporated in Germany and an indirect wholly owned subsidiary of KION |
| “PRC” | the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Share(s)” | share(s) of RMB1.00 each in the capital of the Company |
| “Shareholder(s)” | holder(s) of the Shares |
| “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 & Co. which holds approximately 69.29% of the issued share capital of KION as at the date of this announcement |
| “Superlift Call Option” | the call option granted by Superlift to Weichai Lux to purchase shares in KION from Superlift pursuant to the terms of the KION Shareholders’ Agreement, further details of which are set out in the section headed “2. Possible exercise of the Call Options – (b) Superlift Call Option” in this announcement and was referred to as “KION Call Option 2” in the 2nd Announcement |

| | |
|--------------------------|--|
| “Superlift Funding” | Superlift Funding S.à r.l., a limited liability company incorporated in Luxemburg and an affiliate of Superlift |
| “Superlift Funding Loan” | has the meaning as ascribed to it under the section headed “3. The potential IPO of KION” in this announcement |
| “Weichai Lux” | Weichai Power (Luxembourg) Holding S.à r.l., a company incorporated in Luxembourg and a wholly-owned subsidiary of the Company |
| “%” | per cent. |

(The exchange rate used for the purpose of this announcement is at EUR1 = HK\$10.0750)

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

The PRC, 7 March 2013

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.