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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)**

## **ANNOUNCEMENT**

### **MAJOR TRANSACTION IN RELATION TO THE PURCHASE OF ALL ISSUED SHARES OF DH SERVICES LUXEMBOURG HOLDING S.À R.L AND CERTAIN OF ITS SUBSIDIARIES**

#### **THE ACQUISITION**

The Board is pleased to announce that on 20 June 2016 (New York time), the Purchaser, an indirect non-wholly owned subsidiary of the Company, and the Sellers entered into the Sale and Purchase Agreement. Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to purchase, and the Sellers have agreed to sell, the Sale Securities, being all the issued shares of DH Services Holding and certain issued shares of certain subsidiaries of DH Services Holding. The underlying business to be acquired is the advanced material handling automation solutions business operated by DH Services through its subsidiaries which operate mainly under the “Dematic” trade name.

The Consideration for the purchase of the Sale Securities under the Sale and Purchase Agreement is expected to be US\$2.1 billion (equivalent to approximately HK\$16.338 billion). The final Consideration will be determined based on an agreed enterprise value of US\$3.25 billion after adjusting for the following:

- (i) net working capital of the DH Services Holding Group (on a consolidated basis) as of the Locked Box Date as compared to a target amount of net working capital of the DH Services Holding Group;
- (ii) cash and cash equivalents held by the DH Services Holding Group (on a consolidated basis) as of the Locked Box Date;

- (iii) indebtedness of the DH Services Holding Group (on a consolidated basis) as of the Locked Box Date;
- (iv) Pre-Locked Box Transaction Expenses;
- (v) the Leakage Amount;
- (vi) the Aggregate Leakage Ticking Fee;
- (vii) Post-Locked Box Transaction Expenses; and
- (viii) Aggregate Transaction Expenses Ticking Fee.

The Consideration will be payable by the Purchaser in cash at Completion, subject to an adjustment after Completion to account for the difference between the Sellers' estimate of items (i) to (viii) calculated prior to Completion and the actual amount of items (i) to (viii) calculated after Completion. The payment will be funded with a bridge loan facility. The Purchaser intends to permanently refinance the bridge loan through equity, long-term capital markets and bank debt.

Based on the Purchaser's current estimates of the movements in items (i) to (viii) above between now and the anticipated Completion Date, the Purchaser estimates the Consideration to be no more than US\$2.2 billion (equivalent to approximately HK\$17.116 billion) even after the above-mentioned adjustments.

Completion of the Acquisition is subject to certain conditions being satisfied or waived.

After Completion, DH Services Holding and the DH Services Holding Subsidiaries will be accounted for as subsidiaries in the Company's financial statements.

## **THE LISTING RULES IMPLICATIONS, DESPATCH OF CIRCULAR AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

As one of the applicable percentage ratios calculated in accordance with the Listing Rules in relation to the Acquisition exceeds 25% but all of which are less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules.

A circular containing, inter alia, (i) further information on the Sale and Purchase Agreement and the Acquisition, (ii) the audited financial information of DH Services Holding, and (iii) the notice convening an extraordinary general meeting of the Company for the approval of the Acquisition, will be despatched to the Shareholders as soon as practicable but not within 15 business days of this announcement as additional time is needed to prepare the financial information of DH Services Holding to be included in the circular.

Trading in the shares of the Company on the Hong Kong Stock Exchange was halted at the request of the Company from 9:00 a.m. on Monday, 20 June 2016 pending the issue of this announcement. Application has been made to the Hong Kong Stock Exchange for resumption of trading in the shares of the Company with effect from 9:00 a.m. on Wednesday, 22 June 2016.

**Shareholders and potential investors should note that the Acquisition is subject to various conditions and may or may not become unconditional or be completed. There is therefore no assurance that the Acquisition will proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

### **I. THE ACQUISITION**

The Board is pleased to announce that on 20 June 2016 (New York time), the Purchaser, an indirect non-wholly owned subsidiary of the Company, and the Sellers entered into the Sale and Purchase Agreement. Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to purchase, and the Sellers have agreed to sell, the Sale Securities, being all the issued shares of DH Services Holding and certain issued shares of certain subsidiaries of DH Services Holding. The underlying business to be acquired is the advanced material handling automation solutions business operated by DH Services through its subsidiaries which operate mainly under the “Dematic” trade name.

## II. THE SALE AND PURCHASE AGREEMENT

**Date:** 20 June 2016 (New York time)

**Parties:** (1) KION, as the Purchaser

(2) AEA Europe Fund II LP, Ontario Teachers' Pension Plan, AEA Investors Fund V LP, AEA Investors Fund V-A LP, AEA Investors Fund V-B LP, AEA Investors QP Participant Fund V LP, AEA Investors Participant Fund V LP, DH C-Holdings Ltd, a trustee vehicle holding interests in DH Services Holding for the benefit of employees of DH Services, a nominee, certain members of management and the board of directors of DH Services and certain related trusts, together as the Sellers

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Sellers and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **Subject matter to be acquired**

The Sale Securities, being:

- (a) 1,541,557 class A ordinary shares of US\$0.01 each in the capital of DH Services Holding and 281,425 class B ordinary shares of US\$0.01 each in the capital of DH Services Holding, which together with the class C preferred shares of US\$0.01 each in the capital of DH Services Holding described in paragraph (b) below represent all issued shares of DH Services Holding; and
- (b) subject to and conditional upon the transfer of the class A ordinary and class B ordinary shares of DH Services Holding mentioned in paragraph (a) above,
  - (i) 1,407,500 class C preferred shares of par value US\$0.01 each in DH Services Holding; and
  - (ii) such number of shares representing 45% equity interest in each of the DH Services Holding Subsidiaries\*.

The Sale Securities represent holdings of all issued shares of DH Services Holding and each of the DH Services Holding Subsidiaries. Each of the DH Services Holding Subsidiaries is a holding company. Through the Acquisition of the Sale Securities, the Purchaser will acquire the advanced material handling automation solutions business operated by DH Services through its subsidiaries which operate mainly under the "Dematic" trade name.

*\*Note:* The remaining 55% equity interest in each of the DH Services Holding Subsidiaries are held directly or indirectly by DH Services Holding.

## **Consideration and basis of determination of Consideration**

The Consideration for the purchase of the Sale Securities under the Sale and Purchase Agreement is expected to be US\$2.1 billion (equivalent to approximately HK\$16.338 billion). The final Consideration will be determined based on an agreed enterprise value of US\$3.25 billion after adjusting for the following:

- (i) net working capital of the DH Services Holding Group (on a consolidated basis) as of the Locked Box Date as compared to a target amount of net working capital of the DH Services Holding Group;
- (ii) cash and cash equivalents held by the DH Services Holding Group (on a consolidated basis) as of the Locked Box Date;
- (iii) indebtedness of the DH Services Holding Group (on a consolidated basis) as of the Locked Box Date;
- (iv) Pre-Locked Box Transaction Expenses;
- (v) the Leakage Amount;
- (vi) the Aggregate Leakage Ticking Fee;
- (vii) Post-Locked Box Transaction Expenses; and
- (viii) Aggregate Transaction Expenses Ticking Fee.

The Consideration will be payable by the Purchaser in cash at Completion, subject to an adjustment after Completion to account for the difference between the Sellers' estimate of items (i) to (viii) calculated prior to Completion and the actual amount of items (i) to (viii) calculated after Completion. The payment will be funded with a bridge loan facility. The Purchaser intends to permanently refinance the bridge loan through equity, long-term capital markets and bank debt.

Based on the Purchaser's current estimates of the movements in items (i) to (viii) above between now and the anticipated Completion Date, the Purchaser estimates the Consideration to be no more than US\$2.2 billion (equivalent to approximately HK\$17.116 billion) even after the above-mentioned adjustments.

The Consideration shall be apportioned among the Sellers in proportion to the number and types of Sale Securities sold by the relevant Seller.

The Consideration and in particular, the agreed enterprise value component, has been determined after arm's length negotiations among the parties to the Sale and Purchase Agreement taking into account the historical performance of DH Services, the operating entity to be acquired by KION in the Acquisition, the business plan of DH Services as well as KION's assumptions regarding the future business and financial performance of DH Services after integration with KION, and other transactions in the sector after considering the business and financial profile of DH Services as compared to other companies in the sector.

### **Conditions precedent**

Completion shall be conditional on the following conditions being satisfied or waived in writing by the Sellers' representatives and the Purchaser:

- (a) in the event that the purchase of the Sale Securities under the Sale and Purchase Agreement constitutes a concentration with a community dimension within the scope of Council Regulation (EC) 139/2004 (the "**Merger Regulation**"), the European Commission:
  - (i) shall have made a decision declaring the Acquisition compatible with the common market under Articles 6(1)(b), 6(2), 8(1) or 8(2) of the Merger Regulation; or
  - (ii) shall not have taken a decision in accordance with Articles 6(1)(b), 6(1)(c), 6(2), 8(1), 8(2) or 8(3) of the Merger Regulation within the time limits set out in Articles 10(1) and 10(3) and is deemed to have declared the Acquisition compatible with the common market pursuant to the presumption in Article 10(6) of the Merger Regulation;
- (b) all applicable filings having been made and all or any applicable waiting periods (including any extensions thereof) under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the regulations thereunder having expired, lapsed or been terminated as appropriate in each case in respect of the purchase of Sale Securities under the Sale and Purchase Agreement;
- (c) all applicable filings having been made and all or any applicable waiting periods (including any extensions thereof) under the Brazilian Competition Act and the regulations thereunder having expired, lapsed or been terminated as appropriate in each case in respect of the purchase of Sale Securities under the Sale and Purchase Agreement;
- (d) the parties to the Sale and Purchase Agreement having obtained CFIUS Approval; and

- (e) none of the parties to the Sale and Purchase Agreement being subject to any order or injunction of a court of competent jurisdiction that prohibits consummation of the Acquisition, other than an injunction that arises out of or is related to any stock exchange rule or regulation.

Completion shall also be conditional on the following conditions being satisfied or waived in writing by the Purchaser:

- (a) certain warranties of the Sellers set forth in the Sale and Purchase Agreement being true and correct as of the date of the Sale and Purchase Agreement and as of Completion disregarding de minimis exceptions with respect to certain provisions set forth in the Sale and Purchase Agreement;
- (b) certain other warranties of the Sellers set forth in the Sale and Purchase Agreement (disregarding all qualifications and exceptions contained in the Warranties regarding “materiality” and “material adverse effect”) being true and correct as of the date of the Sale and Purchase Agreement and as of the Trigger Date, except where the failure of any such warranty to be so true and correct, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on the DH Services Holding Group;
- (c) the Sellers and DH Services Holding having complied with in all material respects the covenants and obligations required to be complied with by each of the Sellers and DH Services Holding under the Sale and Purchase Agreement at or prior to Completion, provided that any failure by DH Services Holding to comply with its covenants and obligations in respect of provision of financial assistance shall not be taken into account in determining the satisfaction of this condition;
- (d) from the date of the Sale and Purchase Agreement until the Trigger Date, there shall not have occurred a material adverse effect on the DH Services Holding Group and there shall not have been any fact, circumstance, occurrence, change or event that, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the DH Services Holding Group;
- (e) the Purchaser having received a certificate of the authorised officers of certain of the Sellers, certifying that the conditions set forth in paragraphs (a), (b), (c), (d) and (f) have been satisfied; and
- (f) the Purchaser having received a notice and a certificate in an agreed form, certifying that Mirror Bidco Corp., being one of the DH Services Holding Subsidiaries, is not and has not been within the past five years, a “United States real property holding corporation” within the meaning of the U.S. Internal Revenue Code.

Completion shall also be conditional on the following conditions being satisfied or waived in writing by the Sellers' representatives:

- (a) the warranties of the Purchaser set forth in the Sale and Purchase Agreement being true and correct as of the date of the Sale and Purchase Agreement and as of Completion, except where the failure of any such warranty to be so true and correct, individually or in the aggregate, would not materially impair or prevent the Purchaser from consummating the Acquisition or performing its obligations under the Sale and Purchase Agreement;
- (b) the Purchaser having complied with in all material respects the covenants and obligations required to be complied with by the Purchaser under the Sale and Purchase Agreement at or prior to Completion; and
- (c) the Sellers having received a certificate of the an authorised officer of the Purchaser (which certificate shall be given without any personal liability of such authorised officer), certifying that the conditions set forth in paragraphs (a) and (b) have been satisfied.

### **Completion**

Completion shall take place (a) on the later of (i) the date that is the second Business Day after (and excluding) the date on which each of the conditions shall have been satisfied or waived (other than those conditions that by their nature are to be satisfied at Completion (but subject to the satisfaction or waiver of those conditions)) and (ii) the date that is twelve weeks after the Sellers have provided the Purchaser with certain audited financial statements of the DH Services Holding Group, or (b) such other date and time as the parties to the Sale and Purchase Agreement may agree; provided that if Completion would otherwise take place during the month of March, June, September or December pursuant to the foregoing, the Completion, at the sole discretion of the Purchaser, shall instead take place on the first Business Day after (and excluding) the last day of such month.

## **III. INFORMATION ON THE TARGETS**

### **DH Services Holding**

DH Services Holding is a holding company and its assets are its indirect ownership interests in DH Services through the DH Services Holding Subsidiaries.

### **DH Services Holding Subsidiaries**

Each of the DH Services Holding Subsidiaries is a holding company and its assets are its direct or indirect ownership interests in DH Services.



## DH Services

DH Services is registered in Luxembourg. It is a holding company that, together with its subsidiaries, operate mainly under the “Dematic” trade name. Insofar as the Company is aware, Dematic is a leading global supplier of advanced integrated automation technology, software and services to optimise supply chains and to meet the material handling automation needs of its customers. The product and systems portfolio of Dematic ranges from Automatic Guided Vehicles (AGVs), palletizers, storage and picking equipment including automated storage and retrieval systems, sorters and conveyors to a leading integrated software platform and automation technologies. Dematic has been growing annually by more than 10% since 2013. Dematic employs almost 6,000 skilled logistics professionals – including engineers in engineering, software development, research and development, project management and customer service – to support its customers globally, with engineering centers and manufacturing facilities located around the globe. With more than 100 locations Dematic is present in 21 countries. Dematic is a leading player in the United States, Europe and worldwide. Dematic has implemented more than 4,500 integrated systems for small, medium and large companies with business in a broad variety of industries around the globe including the fastest-growing e-commerce businesses.

Set out below is the unaudited consolidated financial information of DH Services Holding and DH Services Holding Subsidiaries for the two financial years ended 30 September 2015 and 30 September 2014 based on IFRS:

	<b>For the year ended 30 September 2015</b>		<b>For the year ended 30 September 2014</b>	
	<i>Approximate HK\$ equivalent</i>		<i>Approximate HK\$ equivalent</i>	
	<i>US\$' 000</i>	<i>'000</i>	<i>US\$' 000</i>	<i>'000</i>
Total Assets	<b>1,903,715</b>	<b>14,810,903</b>	1,803,029	14,027,566
Total Liabilities	<b>2,086,668</b>	<b>16,234,277</b>	1,937,984	15,077,516
Net Liabilities	<b>(182,953)</b>	<b>(1,423,374)</b>	(134,955)	(1,049,950)
Trade and Other Receivables	<b>180,434</b>	<b>1,403,777</b>	163,339	1,270,777
Revenue	<b>1,679,431</b>	<b>13,065,973</b>	1,564,931	12,175,163
Results from Operating Activities	<b>108,498</b>	<b>844,114</b>	74,270	577,821
Profit before income tax	<b>(5,984)</b>	<b>(46,556)</b>	(5,502)	(42,806)
Loss for the period	<b>(32,483)</b>	<b>(252,718)</b>	(39,843)	(309,979)
Net Cash Provided by Operating Activities	<b>150,132</b>	<b>1,168,027</b>	110,667	860,989

#### **IV. INFORMATION ON THE COMPANY AND THE PURCHASER**

##### **The Company**

The Company is principally engaged in the research and development, manufacture and sale of high-speed heavy-duty diesel engines and engines parts.

##### **The Purchaser**

As at the date of this announcement, KION is a 38.25% indirect non-wholly-owned subsidiary of the Company. KION is the largest manufacturer of industrial forklift trucks in Europe and globally operates its business in more than 100 countries under seven brands, namely, Linde, STILL, Fenwick, OM STILL, Egemin Automation, Baoli and Voltas. KION's shares have been listed on the Frankfurt Stock Exchange since June 2013.

#### **V. INFORMATION ON THE SELLERS**

The Sellers include (i) various investment funds and a holding company managed by AEA Investors LP, (ii) Ontario Teachers' Pension Plan, which is a private investment company managed by Ontario Teachers' Pension Plan Board, (iii) a trustee vehicles holding interests in DH Services Holding for the benefit of employees of DH Services and (iv) a nominee, certain members of management and the board of directors of DH Services and certain related trusts.

Insofar as the Company is aware, AEA Investors LP is a leading global private investment firm focused on private equity and debt investments in the middle market.

Insofar as the Company is aware, Ontario Teachers' Pension Plan Board is the largest single-profession pension plan in Canada. It manages investments and administers pension benefits on behalf of its members.

## **VI. REASONS FOR AND BENEFITS OF THE TRANSACTION**

In the supply chain and logistics industry, the automated interaction of various processes in production and warehousing is increasingly important. Solutions range from real-time inventory software reconciling orders and available stock, to effective storage for optimal use of available warehouse space by means of Automated Storage and Retrieval Systems (ASRS), to diverse picking solutions such as case and pallet picking to reduce cost-intensive labor input, and Automated Guided Vehicles (AGVs). Integrating DH Services as part of KION will create a global leader not only in automotive and equipment manufacturing, but also in advanced material handling. Thereby, essential know-how and market expertise within a future-oriented industry will be bundled to create a leading edge for the Company in industrial automation and digitalisation. DH Services will also substantially improve KION's position in North America and internationally. The Company also expects synergies from a combination of KION and DH Services, through mutual leverage of customer channels and sales networks as well as technological capabilities. The Directors believe that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

## **VII. LISTING RULES IMPLICATIONS, DESPATCH OF CIRCULAR AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

As one of the applicable percentage ratios calculated in accordance with the Listing Rules in relation to the Acquisition exceeds 25% but all of which are less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules.

A circular containing, inter alia, (i) further information on the Sale and Purchase Agreement and the Acquisition, (ii) the audited financial information of DH Services Holding, and (iii) the notice convening an extraordinary general meeting of the Company approving the Acquisition, will be despatched to the Shareholders as soon as practicable but not within 15 business days of this announcement as additional time is needed to prepare the financial information of DH Services Holding to be included in the circular.

## **VIII. RESUMPTION OF TRADING**

Trading in the shares of the Company on the Hong Kong Stock Exchange was halted at the request of the Company from 9:00 a.m. on Monday, 20 June 2016 pending the issue of this announcement. Application has been made to the Hong Kong Stock Exchange for resumption of trading in the shares of the Company with effect from 9:00 a.m. on Wednesday, 22 June 2016.

## IX. DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Sale Securities by the Purchaser from the Sellers in accordance with the Sale and Purchase Agreement
“Aggregate Leakage Ticking Fee”	the aggregate amount of all Leakage Ticking Fees
“Aggregate Transaction Expense Ticking Fee”	the aggregate amount of all Transaction Expense Ticking Fees
“Benchmark Consideration”	<ul style="list-style-type: none"><li>(i) US\$3.25 billion;</li><li>(ii) plus/minus net working capital of the DH Services Holding Group (on a consolidated basis) as of the Locked Box Date as compared to a target amount of net working capital of the DH Services Holding Group;</li><li>(iii) plus cash and cash equivalents held by the DH Services Holding Group (on a consolidated basis) as of the Locked Box Date;</li><li>(iv) minus indebtedness of the DH Services Holding Group (on a consolidated basis) as of the Locked Box Date; and</li><li>(v) minus Pre-Locked Box Transaction Expenses</li></ul>
“Board”	the board of Directors
“Business Day”	any day that is not a Saturday or Sunday or a public holiday in London, England, Frankfurt, Germany, New York or Luxembourg
“CFIUS”	the Committee on Foreign Investment in the United States of America and each member agency thereof, acting in such capacity

“CFIUS Approval”	<p>(i) CFIUS has issued a written notice that it has concluded a review or investigation of the notification voluntarily provided pursuant to section 721 of the U.S. Defense Production Act of 1950 and has determined that there are no unresolved national security concerns with respect to the Acquisition; or</p> <p>(ii) CFIUS has sent a report to the President of the United States of America requesting the President’s decision and either (a) the President has announced a decision not to take any action to suspend or prohibit the Acquisition or (b) the President has not taken any action within 15 days from the date the President received such report from CFIUS</p>
“Company”	<p>潍柴動力股份有限公司 (Weichai Power Co., Ltd.), a company established in the PRC with limited liability with its H shares listed on the main board of the Hong Kong Stock Exchange and its A shares listed on the Shenzhen Stock Exchange</p>
“Completion”	<p>completion of the sale and purchase of the Sale Securities in accordance with the Sale and Purchase Agreement</p>
“Completion Date”	<p>the date on which Completion takes place</p>
“connected person(s)”	<p>has the meaning ascribed thereto under the Listing Rules</p>
“Consideration”	<p>the cash consideration (expected to be around US\$2.1 billion) payable by the Purchaser to the Sellers pursuant to the Sale and Purchase Agreement</p>
“CPEC”	<p>the convertible preferred equity certificates of par value \$1.00 issued by the DH Services Holding pursuant to the terms and conditions of convertible preferred equity certificates dated 23 April 2013, save for the Exit CPEC</p>
“Dematic”	<p>DH Services and its subsidiaries</p>
“DH Services”	<p>DH Services Luxembourg S.à r.l., a company incorporated and registered in Luxembourg</p>
“DH Services Holding”	<p>DH Services Luxembourg Holding S.à r.l., a company incorporated and registered in Luxembourg</p>

“DH Services Holding Group”	DH Services Holding and its subsidiaries
“DH Services Holding Subsidiaries”	Dematic (Services) Limited, DH Services, Dematic Group Limited, Dematic Holding S.à r.l., Dematic Group S.à r.l., Mirror Bidco Limited and Mirror Bidco Corp.
“Director(s)”	the director(s) of the Company
“Exit CPEC”	the convertible preferred equity certificate of par value \$1.00 issued by DH Services Holding to Ontario Teachers' Pension Plan pursuant to the terms and conditions of convertible preferred equity certificates dated 28 December 2012
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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
“Leakage”	<p>(a) any dividend, bonus or other distribution of capital, income or profit declared, paid or made or any repurchase, redemption, repayment or return of share or loan capital (or other securities) by any company in the DH Services Holding Group to or for the benefit of any Seller or any related person of such Seller, including any payment of interest in cash prior to but not at Completion on the CPECs, the Exit CPEC or the Promissory Note;</p> <p>(b) any payment (including any management, monitoring, service or directors' fees, bonus or other compensation) made or agreed to be made by any company in the DH Services Holding Group to or for the benefit of, or any asset transferred or any liability assumed, indemnified or incurred by any company in the DH Services Holding Group for the benefit of, any Seller or any related person of such Seller (including with respect to any share or loan capital (or other securities) of any company in the DH Services Holding Group);</p>

- (c) any waiver given or agreed to be given by any company in the DH Services Holding Group of any amount owed to such company in the DH Services Holding Group by any Seller or any related person of such Seller; and
- (d) any payment of any fees, costs or tax incurred or paid by any company in the DH Services Holding Group as a result of those matters set out in paragraphs (a) to (c) above,

in each case, other than any Leakage permitted by the terms of the Sale and Purchase Agreement

“Leakage Amount”	the aggregate amount of all Leakage in the period from (and excluding) the Locked Box Date to (and including) the Completion Date
“Leakage Ticking Fee”	with respect to each instance of Leakage, an amount equal to 8% per annum of the amount of such Leakage in the period from (and excluding) the Trigger Date to (and including) the Completion Date
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Locked Box Accounts”	the audited balance sheet of the DH Services Holding Group as of the Locked Box Date
“Locked Box Date”	30 September 2016
“Ontario Teachers’ Pension Plan”	2348614 Ontario Limited, a private limited company incorporated under the laws of the Province of Ontario
“Post-Locked Box Transaction Expenses”	all Transaction Expenses other than Pre-Locked Box Transaction Expenses (whether or not a permitted leakage payment)
“PRC”	the People’s Republic of China
“Pre-Locked Box Transaction Expenses”	means all Transaction Expenses to the extent accrued or provided for in the Locked Box Accounts

“Promissory Note”	means the promissory note between DH Services Holding and the Ontario Teachers' Pension Plan dated 28 December 2012
“Purchaser” or “KION”	KION Group AG, a 38.25% indirect non-wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 20 June 2016 (New York time) and entered into among the Purchaser, DH Services Holding and the Sellers in relation to the sale and purchase of the Sale Securities
“Sale Securities”	the securities listed under the section headed “II. The Sale and Purchase Agreement – Subject matter to be acquired” in this announcement
“Sellers”	AEA Europe Fund II LP, Ontario Teachers’ Pension Plan, AEA Investors Fund V LP, AEA Investors Fund V-A LP, AEA Investors Fund V-B LP, AEA Investors QP Participant Fund V LP, AEA Investors Participant Fund V LP, DH C-Holdings Ltd, a trustee vehicle holding interests in DH Services Holding for the benefit of employees of DH Services and a nominee, certain members of management and the board of directors of DH Services and certain related trusts
“Shareholder(s)”	holder(s) of the shares of the Company
“Ticking Fee”	an amount equal to 8% per annum of the Benchmark Consideration in the period from (and excluding) the Trigger Date to (and including) the Completion Date
“Transaction Expenses”	without duplication, the sum of: <ul style="list-style-type: none"> <li>(a) all amounts that are payable by DH Services Holding Group to any transaction advisor engaged by DH Services Holding Group or any Seller (or its related persons), including counsel, financial advisors, investment bankers, brokers, accountants and data room administrators, in connection with the Sale and Purchase Agreement or the Acquisition;</li> </ul>



- (b) all amounts that are payable by DH Services Holding Group to any participant triggered as a result of (i) the execution of the Sale and Purchase Agreement or the consummation of the Acquisition, disregarding any continued service-based requirements, payable prior to, on or following Completion, (ii) a termination of employment as a result of any action by any Seller (or its related persons) or DH Services Holding Group entity on or prior to Completion or (iii) a resignation by any participant within six (6) months following Completion for “good reason” (or term of like import in a participant’s employment arrangements that permits such participant to resign and trigger payments that are payable by DH Services Holding Group to such participant), with such “good reason” (or term of like import) triggered as a direct result of the execution of the Sale and Purchase Agreement or the consummation of the Acquisition (and not as a result of any action or event by KION or the DH Services Holding Group occurring after Completion), in each case, including the employer portion of any payroll, social security, unemployment or similar taxes, other than old-age, survivors and disability insurance in respect of any employee whose base compensation is in excess of \$118,500 (or the applicable annual limit for such insurance for the year of Completion); and
- (c) all amounts that are payable to any Seller or its related persons (other than in his capacity as any participant) by DH Services Holding Group, which, for the avoidance of doubt, shall not include any amounts payable by the Purchaser pursuant to the Sale and Purchase Agreement for the Sale Securities or any payment made in the ordinary course in accordance with past practice and without the exercise of discretion in respect of the salary, bonus, pensions contributions, life assurance payments, medical insurance, car allowances, expenses and holiday pay accrued and due to any Seller in his capacity as an officer or employee of DH Services Holding Group under and in accordance with such person’s contract of employment, service agreement or engagement letter;

in each case, plus any amount of value-added tax (to the extent not recoverable by DH Services Holding Group) or other taxes payable by DH Services Holding Group in respect of any such amount

“Transaction Expense  
Ticking Fees”

with respect to each Post-Locked Box Transaction Expense, an amount equal to 8% per annum of the amount of such Post-Locked Box Transaction Expense in the period from (and excluding) the Trigger Date to (and including) the Completion Date

“Trigger Date”

the first date by which all of the following shall have occurred:

- (a) the second Business Day after (and excluding) the date on which each of the conditions (other than the condition to obtain CFIUS Approval) shall have been satisfied or waived (other than those conditions that by their nature are to be satisfied at Completion (but subject to the satisfaction or waiver of those conditions as if the Trigger Date were the Completion Date));
- (b) the earlier of (i) the condition to obtain CFIUS Approval having been satisfied or waived or (ii) 18 October 2016, provided that if (and only if) (1) the CFIUS filing is being resubmitted at the request of CFIUS and (2) the reason for such resubmission is that information, which was not contained in the CFIUS filing and relates exclusively to the business of the DH Services Holding Group, has come to the attention of CFIUS, then this sub-paragraph (ii) shall not apply for purposes of determining the Trigger Date; and
- (c) the Sellers have fully complied with the obligation to provide an audit of the DH Services Holding Group to KION according to the terms of the Sales and Purchase Agreement

“US\$”

United States dollars, the lawful currency of the United States of America

“%”

per cent

*This announcement contains translations between US\$ and HK\$ at US\$1.00 = HK\$7.78. The translations are not representations that the US\$ and HK\$ amounts could actually be converted at such rate, if at all.*

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

Hong Kong, 21 June 2016

*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.*