

Press Release

Weichai Power and KION Group to Form Long-term Strategic Partnership

- **Weichai Power to join KKR and Goldman Sachs Capital Partners as further anchor investor in KION with a 25 percent stake; KKR and Goldman Sachs Capital Partners will retain existing stakes in KION**
- **Weichai Power to acquire 70 percent in KION's hydraulics business**
- **Weichai Power will bring a total investment of EUR 738 million**
- **Compelling strategic rationale with a focus on creating a leading global industrial partnership**
- **Partnership strengthens industrial base in European markets, creates additional expansion opportunities for Asia-Pacific business, builds platform for joint future growth**
- **Aschaffenburg hydraulics business to move into a new dedicated plant**
- **Long-term strategic collaboration between KION and Weichai Power**

Weichai Power Chairman and CEO Tan Xuguang: "This partnership is an important step for our global expansion into new markets and products."

KION CEO Gordon Riske: "Through this investment and our partnership, KION is gaining unique access to the Chinese and Asian markets."

Wiesbaden / Weifang, 31 August 2012 – Weichai Power Co., Ltd. ("Weichai Power") and KION Group GmbH ("KION") announced today that Weichai Power is to become a further anchor investor and strategic partner of KION. Core of the strategic partnership is a close cooperation in the field of material handling and hydraulic drive technology. The agreement between Weichai Power, a leading Chinese automotive and equipment manufacturing group and part of the Shandong Heavy Industry Group, and KION, one of the world's leading manufacturers of industrial trucks and a global leader in hydraulic technology, was signed today in Wiesbaden, Germany. The partnership is a landmark transaction as it is the largest Chinese direct investment in Germany to date.

Under the terms of the agreement, Weichai Power will invest a total of EUR 738 million: EUR 467 million to acquire a 25 percent stake in KION via a capital increase and EUR 271 million for a 70 percent majority stake in KION's hydraulics business. KION will use the proceeds to further strengthen its capital structure. Affiliates of KKR and Goldman Sachs Capital Partners will retain their existing investment in KION and will not receive any proceeds from this transaction, and will continue their full support of KION. In the event of a potential future IPO of KION, Weichai Power has the option to increase its

stake in KION to 30 percent. Furthermore, Weichai has the right to further increase its stake in KION's hydraulics business.

The hydraulics business will be operated and managed as an independent company named Linde Hydraulics, with KION retaining a strategic stake in the company. Linde's hydraulics products will continue to be branded under the Linde Hydraulics trademark. Partnering with Weichai Power, Linde Hydraulics will gain improved scale and be even better positioned to adapt to a changing market environment and increasing competition. With complementary products and technologies from Weichai Power, Linde Hydraulics will be in a position to gain scale and take full advantage of untapped market potential, particularly in the growing Asian region. The business plan for Linde Hydraulics includes relocating the existing hydraulics activities in Nilkheim, Aschaffenburg, to a new hydraulics plant nearby and increasing capacity at other hydraulics production sites.

Tan Xuguang, Chairman and CEO of Weichai Power, said, "This partnership is an important step in our five-year strategy to globalise and expand our business activities into new markets and products. With this partnership, we will leverage KION's strong position and utilise growth opportunities for KION and Weichai Power to further enhance the competitive edge of both companies. KION has a long and successful history of operating in its markets, and we are strongly committed to its highly qualified and motivated employees and management. We will ensure stability of employment and the production sites, as well as continuity in the management of Linde Hydraulics."

Gordon Riske, KION CEO, said, "This partnership represents a strong endorsement of the strength of KION's global brand and our dedication to serving our customers. Furthermore, the partnership with Weichai Power will cement our existing business relationship. Our products, regional market positions, and technologies complement each other perfectly. For KION, this strategic partnership is an important catalyst for strong future growth in Asia and China, in particular. This applies to both the industrial trucks and the hydraulics businesses, which will significantly benefit from Weichai Power's expertise in the field of engines and drive technology."

Johannes Huth, Member & Head of KKR Europe, and Alexander Dibelius, Head of Goldman Sachs Germany, Austria and Central and Eastern Europe, emphasized, "We welcome Weichai Power as an additional shareholder. Since we began our partnership with KION in 2006, we have worked with KION's team to build a truly global company. Today's investment is a huge step forward in this endeavour as our partnership with Weichai Power provides an outstanding basis from which to further develop KION's growth strategy."

Weichai Power has complete confidence in KION and its management teams to lead and develop the business going forward. Under the agreement, Weichai Power has

emphasized that it will honour all existing collective labor agreements, bargaining agreements and co-determination. This will ensure the long-term job security of all employees of Linde Hydraulics worldwide. In addition to the planned new production site in Aschaffenburg, Linde Hydraulics intends to expand its activities in China in order to better meet the growing demand from Chinese and Asian customers. All considerations regarding the future partnership in the hydraulics business will be discussed with KION employee representatives.

Weichai Power and KION have agreed to several areas of strategic 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 significantly boost the growth of Weichai Power and KION and their ability to enhance their competitiveness in their respective product segments and markets. For the material handling business sector, the hydraulics business will have a mutual long-term purchase and supply agreement with KION's Linde forklift truck business.

Weichai Power receives strong support from its parent company Shandong Heavy Industry Group, a China-based leading industrial manufacturer of commercial vehicles, construction machinery, power systems, auto parts and yachts.

The transaction is expected to close during the 4th quarter of 2012 and is subject to conditions, including certain consents and waiver from third parties, as well as customary regulatory approvals.

About Weichai Power

Weichai Power Co., Ltd. (2338HK/000338SZ) is a leading automotive and equipment manufacturing group in China. It operates in three main business segments: power assembly (including engines, gear boxes and axles), commercial vehicles, and automobile electronics and parts, encompassing one of the most comprehensive product ranges in the industry. Weichai Power has the highest sales volume globally in high-speed heavy-duty engines and heavy-duty gearboxes. Its spark plug products enjoy the largest market share in China, and its heavy-duty axle products are considered as a top brand in China. The company also ranks No. 4 in heavy-duty trucks in China. The company was listed on Hong Kong Stock Exchange in 2004 and on Shenzhen Stock Exchange in 2007. In 2011, Weichai Power generated revenue of RMB 60 billion (about USD 9.5 billion or EUR 7.5 billion) and a net profit of RMB 5.6 billion (about USD 900 million or EUR 700 million). At the end of 2011, Weichai Power has approximately 42,000 employees globally.

About Shandong Heavy Industry Group

Shandong Heavy Industry Group is one of the most comprehensive leading industrial equipment manufacturers in China, with two complete industrial chains of the highest quality commercial vehicles and construction machinery. The Group has four listed subsidiaries, including Weichai

Power (2338HK/000338SZ), Weichai Heavy Machinery (000880SZ), Yaxing Motor Coach (600213SH), and Shantui Construction Machinery (000680SZ), which is the largest bulldozer producer in the world. In 2011, the Group generated revenue of RMB 122.5 billion (about USD 19.4 billion or EUR 15.4 billion) and a profit of RMB 8.6 billion (about USD 1.4 billion or EUR 1.1 billion) in 2011, with 60,000 employees worldwide.

About KION Group

The KION Group - comprising the six brands Linde, STILL, Fenwick, OM STILL, Baoli and Voltas - is Europe's market leader in industrial trucks, the global number two in the industry and the 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. In 2011, the KION Group employed roughly 22,000 people and generated revenue of around €4.4 billion.

Disclaimer Weichai Power

This press release contains forward-looking statements involving known and unknown risks, uncertainties and other factors, many of which are outside the control of the Weichai Power Co., Ltd. ("Weichai Power"), are difficult to predict and may cause future developments to differ significantly from assumed developments as expressed or implied in the forward-looking statements in this press release. Any liability (including in respect of direct, indirect or consequential loss or damage) of any member of Weichai Power with a view to the information contained in this press release is expressly disclaimed. This press release does not purport to contain all of the information that may be required to evaluate any proposed transaction, and any recipient hereof should seek its own legal, accounting and other relevant professional advice. No member of Weichai Power undertakes any obligation or expects to update or revise this press release, including forward-looking statements or any other information contained herein, whether as a result of new information, future events or otherwise.

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Gordon Riske, CEO KION GROUP (left) and Jiang Kui, General Manager of Shandong Heavy Industry Group and Member of Board of Weichai Power Co., Ltd., signing a long-term-strategic partnership between Weichai Power and KION GROUP in Wiesbaden, Friday 31st, August 2012.