



China Yuchai International Ltd.

[NYSE: CYD]

March 2012

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China Economic Outlook

- Chinese economy undergoing a soft landing
- Overall trade volume will decrease due to worldwide economic climate
- Monetary easing to boost domestic consumption

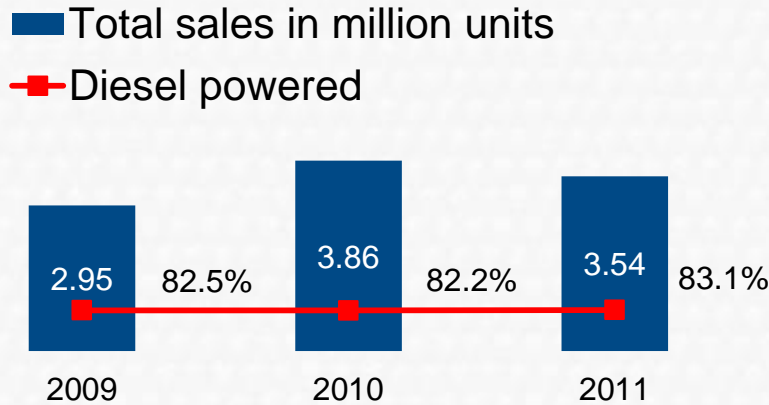
Diesel Engine Industry Outlook

- HD segment expected to recover from Q2 end and show modest growth in 2H2012
- Maintains modest growth and focus on HD/LD segments
- Construction engine market remains optimistic but may not be as strong as 2011
- Marine engine market remains strong, but power generation less so.



Market Overview: Commercial Vehicles

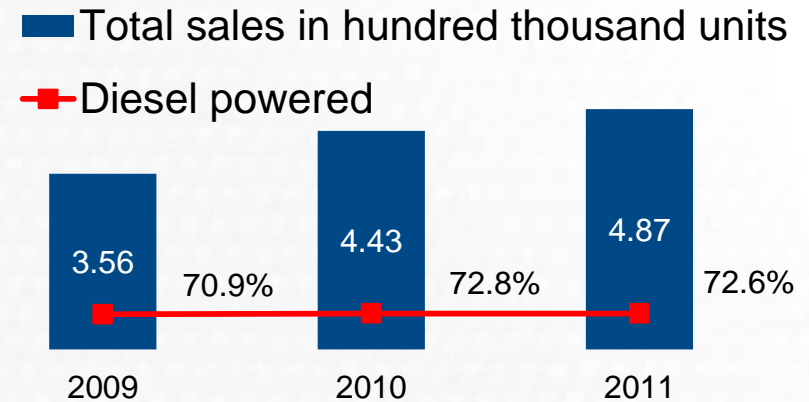
China Truck Market



Truck Market Drivers

- China's economic growth
- Infrastructure projects
- Urbanization
- Logistics Networks
- Stringent emission standards

China Bus Market

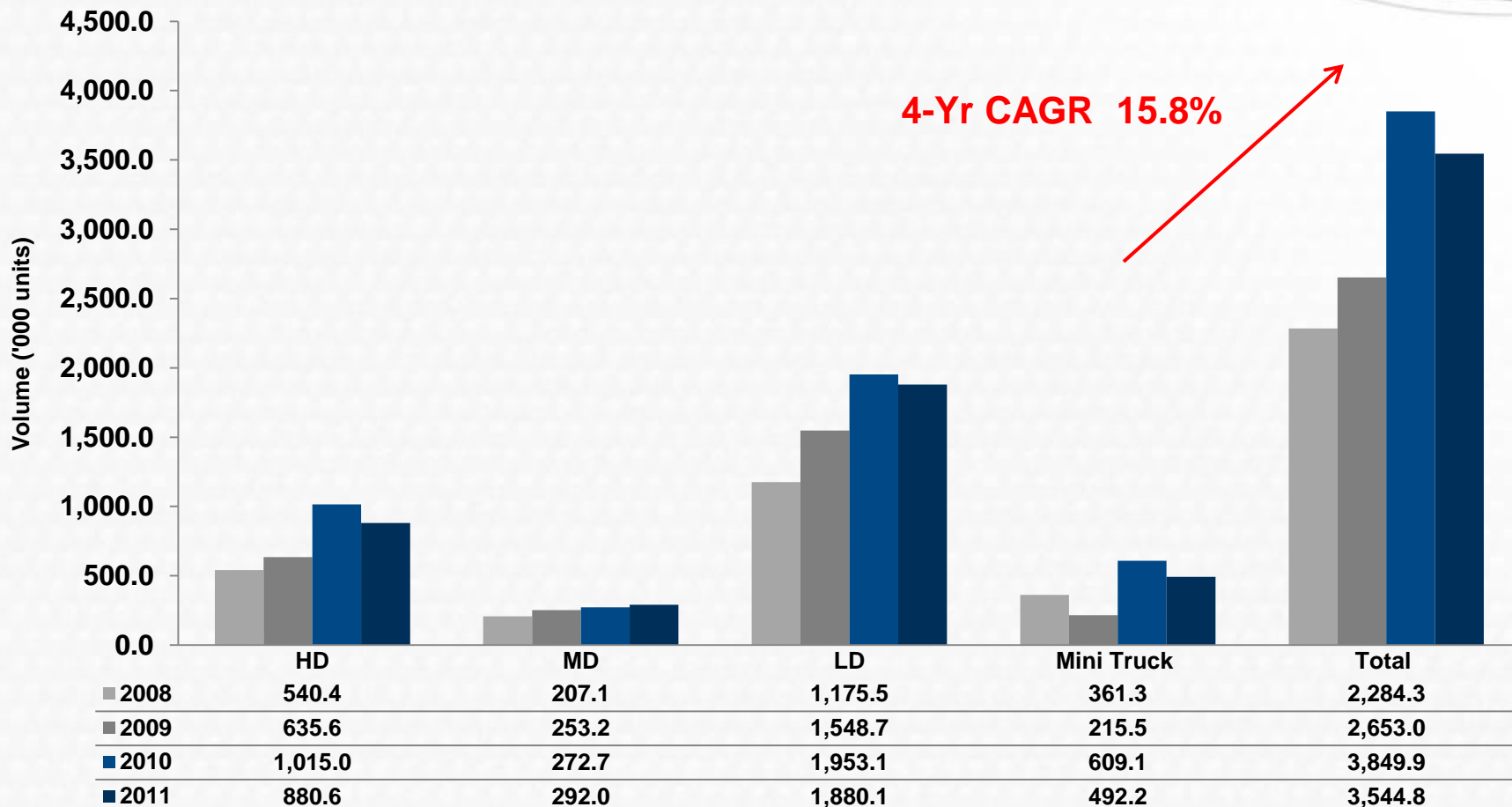


Bus Market Drivers

- Rapid expansion into rural areas
- Booming tourism
- Highway expansion
- Continued Urbanization
- Growing number of major events



Truck Market Sales Breakout

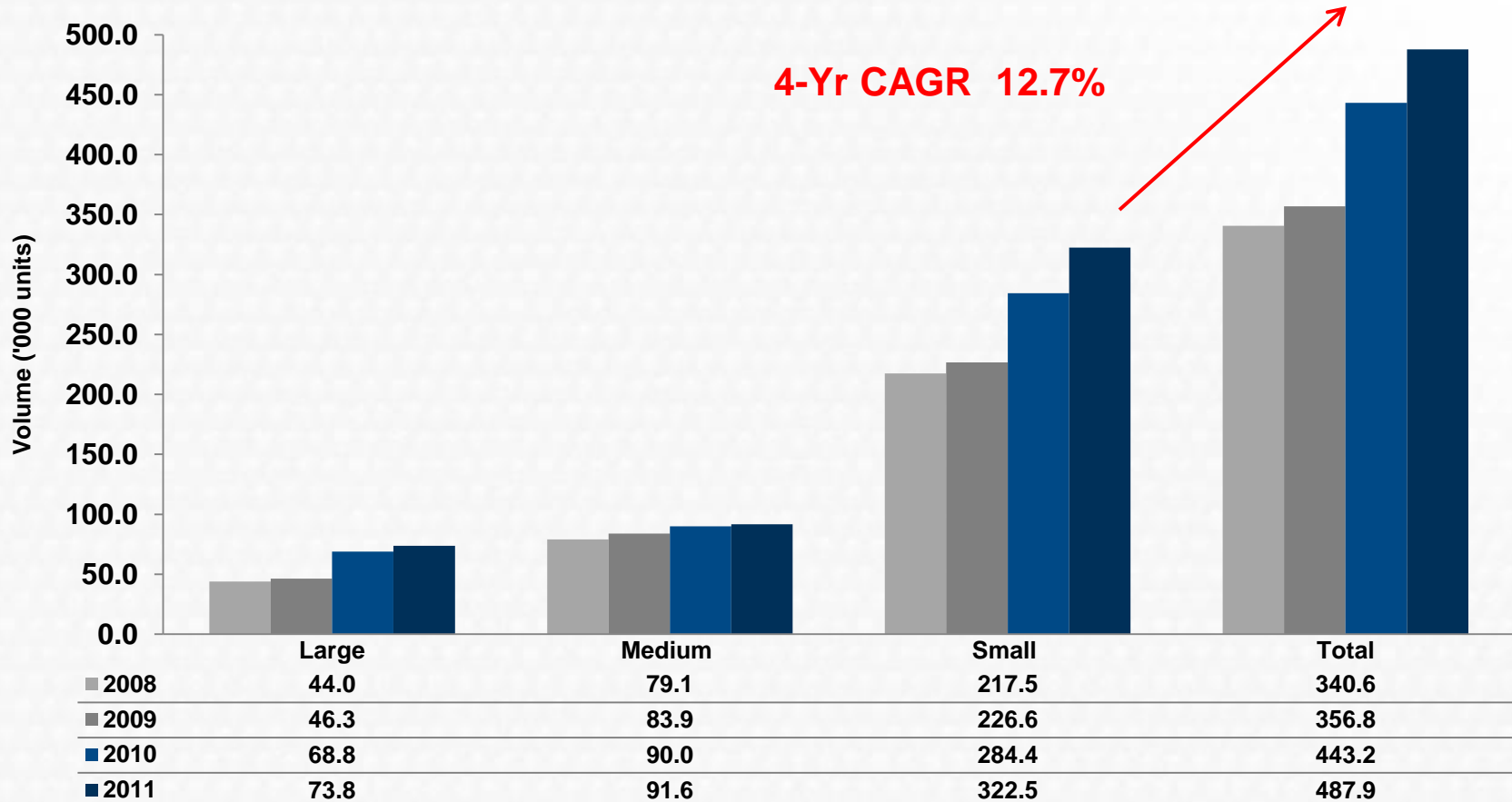


China Truck Market 4-Year CAGR at 15.8%. MD Truck increased 4 years in a row.

Source: China Automotive Industry Newsletter



Bus Market Sales Breakout



- China Bus Market 4-Year CAGR at 12.7%
- Small bus posted largest increase in 2011, Large bus posted 67.7% growth 2008-2011

Source: China Automotive Industry Newsletter

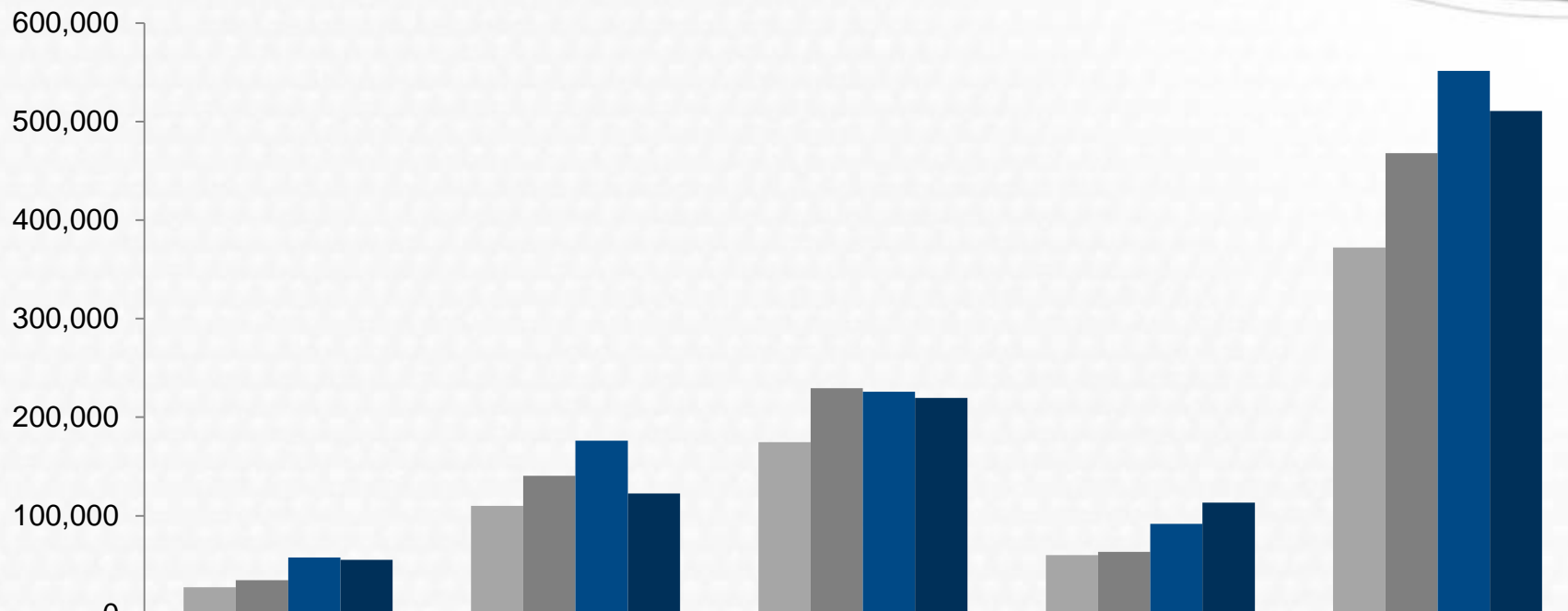


Corporate Summary

- Founded in 1951 and IPO in 1994
- Leading manufacturer a wide array of light-duty, medium-duty and heavy-duty diesel engines in China and overseas
- Consistently ranked No. 1 for unit sales by the China Association of Automobile Manufacturers
- Operates the largest single facility for commercial automotive diesel engines in China
- Main production base is in Yulin, Guangxi province with annual capacity of 600,000 units
- World-class R&D program with large patent portfolio
- Over 2,700 services stations and 32 regional sales offices throughout China



Unit Sales: 2008-2011



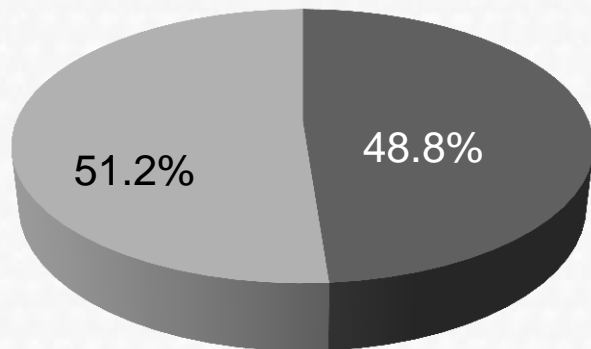
	HD Engine	MD Engine	LD Engine	Off Road Engine	Total
■ 2008	27,448	110,004	174,628	60,200	372,280
■ 2009	34,500	140,529	229,387	63,483	467,899
■ 2010	57,758	176,183	225,894	91,757	551,592
■ 2011	55,224	122,564	219,522	113,467	510,777

- HD increased 26% from 2008 to 2011
- 2011 Off-road engines increased 24%, mainly from construction and power generation

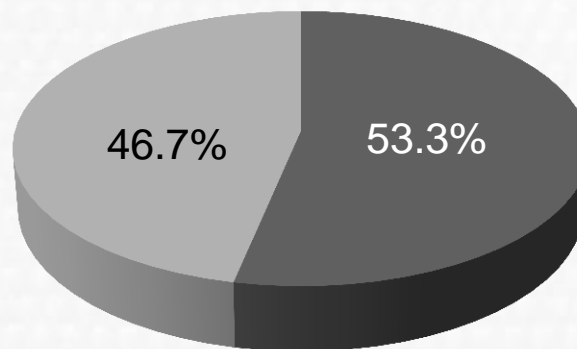


Sales Mix

2010 Sales Mix



2011 Sales Mix



- 4 Cylinder
- 6 Cylinder



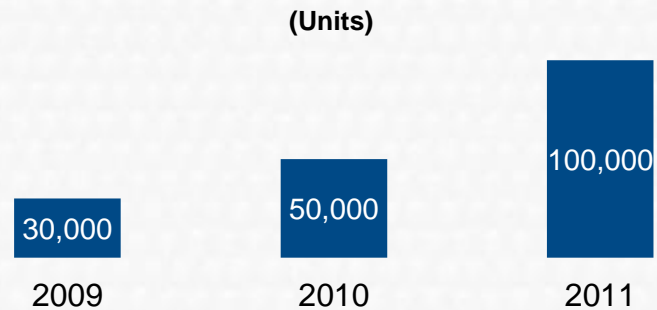
Capacity Expansion – new plant Xiamen Yuchai



Xiamen Yuchai Factory and Assembly Line

- Started in September 2009 at Xiamen
- Ramping up production to supply engines in South-Central China customers
- Capacity to maintain 100K units in 2012

Capacity in Xiamen





Capacity Expansion – insourcing New Foundry Center



New Foundry Phase 1

Phase 2 Molding Line

- Phase 1 in full operation
- Production of 500 molds per shift
- Phase 2 begins operation in late Q2 2012
- Total annual capacity 1M engine heads/blocks in 3 phases
- Among the largest foundry and engine casting facility in China



Capacity Expansion Wuhu Y&C Power (Chery Trucks)



Engine Assembly Line



Machining Center

- Trial production started in 2011
- Production line was fully commissioned
- Existing capacity 15,000 units p.a. extendable to 30,000 in 2012



Capacity Expansion HHP Marine and Power Gen Engines



YC6C



YC6T

- YC6T - 16L with 350 - 550 bps power rating, available for IMO/T2 standard
- YC6C - 40L with 600 - 950 bps power rating, limited production at present
- YC12VT - 33L with 750 - 1,000 bps power rating, to be launched in late 2012
- YC8C - 53L with 1,000 bps and above power rating, to be launched in 2013.



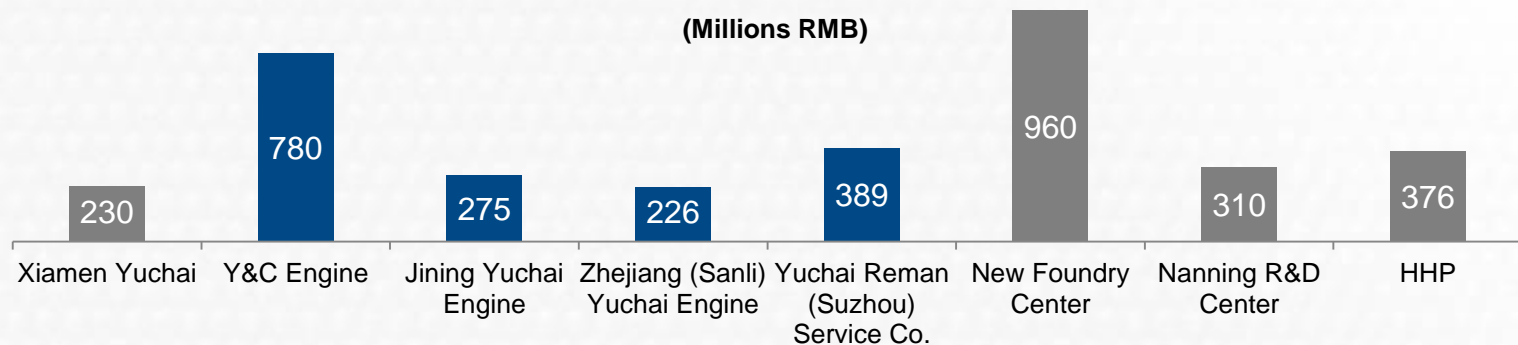
GYMCL Strategic Locations





Strategic Partnerships

Major Projects Investment



	Y&C Engine Co Ltd	Jining Yuchai	Zhejiang Sanli Yuchai Engine Co	Yuchai Caterpillar Remanufacturing JV
JV Partner	(C&C)			
Location	Wuhu City Anhui Province	Jining City Shandong Province	Tian Tai County Zhejiang Province	Suzhou Industrial Park Jiangsu Province
Products	YC 6K, 12/13L 380-550PS HD	4D20, 2/3L 90 -140 PS LD	4D20, 2/3L 90 -140PS LD	Remanufacturing components / engines
Production Date	Early 2011	2013	Q3 2012 crank shaft	July 2011
Ownership	45% GYMCL	52% GYMCL	52% GYMCL	51% Yuchai



YC6K Engine

- JV Engine at Y&C Engine Co. Ltd. (CIMC-Chery)
- 12L/13L capacity
- Rated 380 ~ 550Ps
- National 3,4,5 certified
- Compliant up to Euro VI emissions standard
- Designed for 21 models/ 600 series Jirui heavy-duty trucks





New Product Development Suzhou Remanufacturing (JV with Caterpillar)



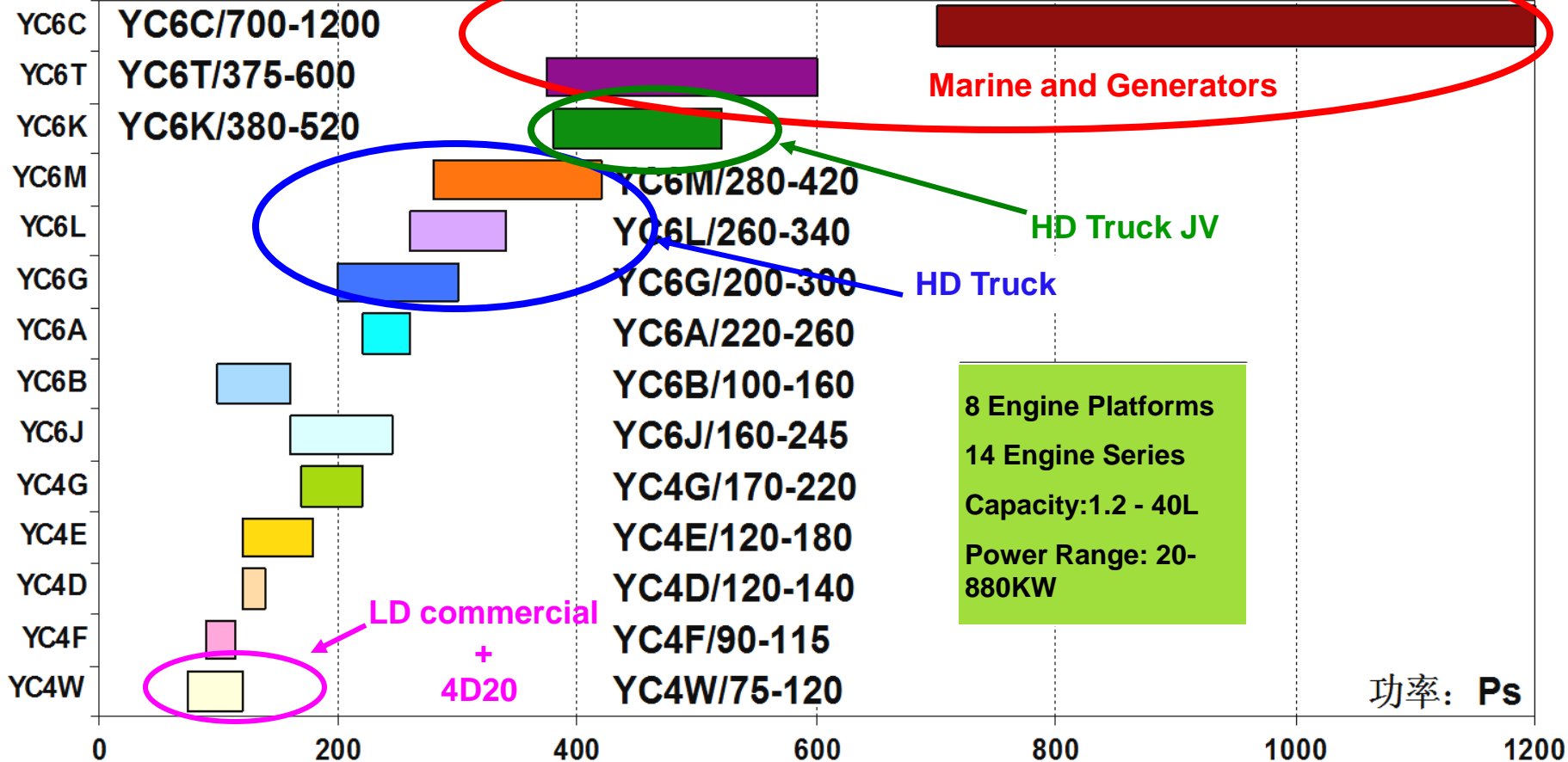
Operation at Temp Workshop

Factory under Construction

- Trial production started from Q3 2011
- First Reman engine was delivered in Sept 2011
- Construction of factory will be completed in 2nd half of 2012
- Full operation targeted at 2012 end.



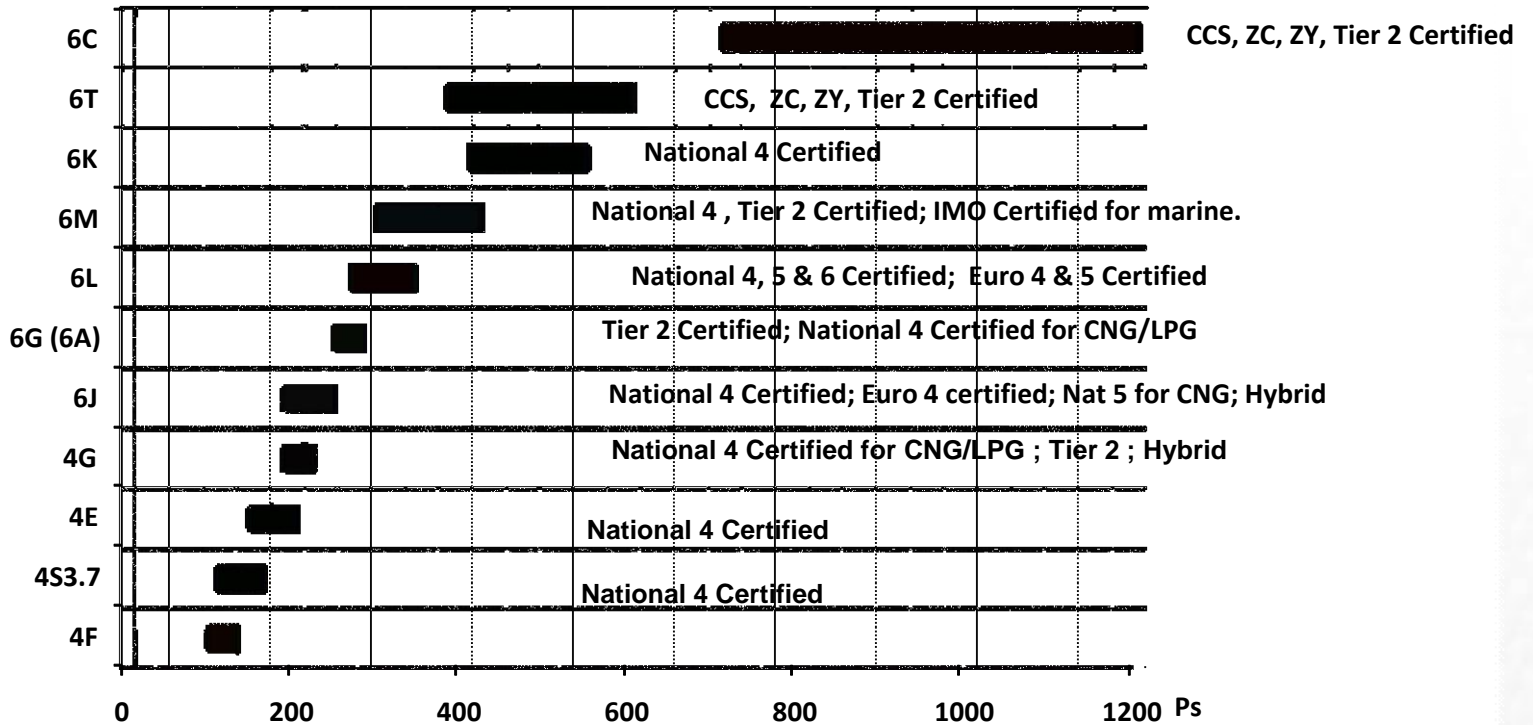
Products





Meeting Stringent Emissions Standards

Engine Series



- National 4 emission standards is anticipated to be introduced nationwide in China in July 2013
- Beijing, Shanghai, Guangzhou and Shenzhen already adopted National 4 emissions standard.



China Distribution Network



玉柴机器



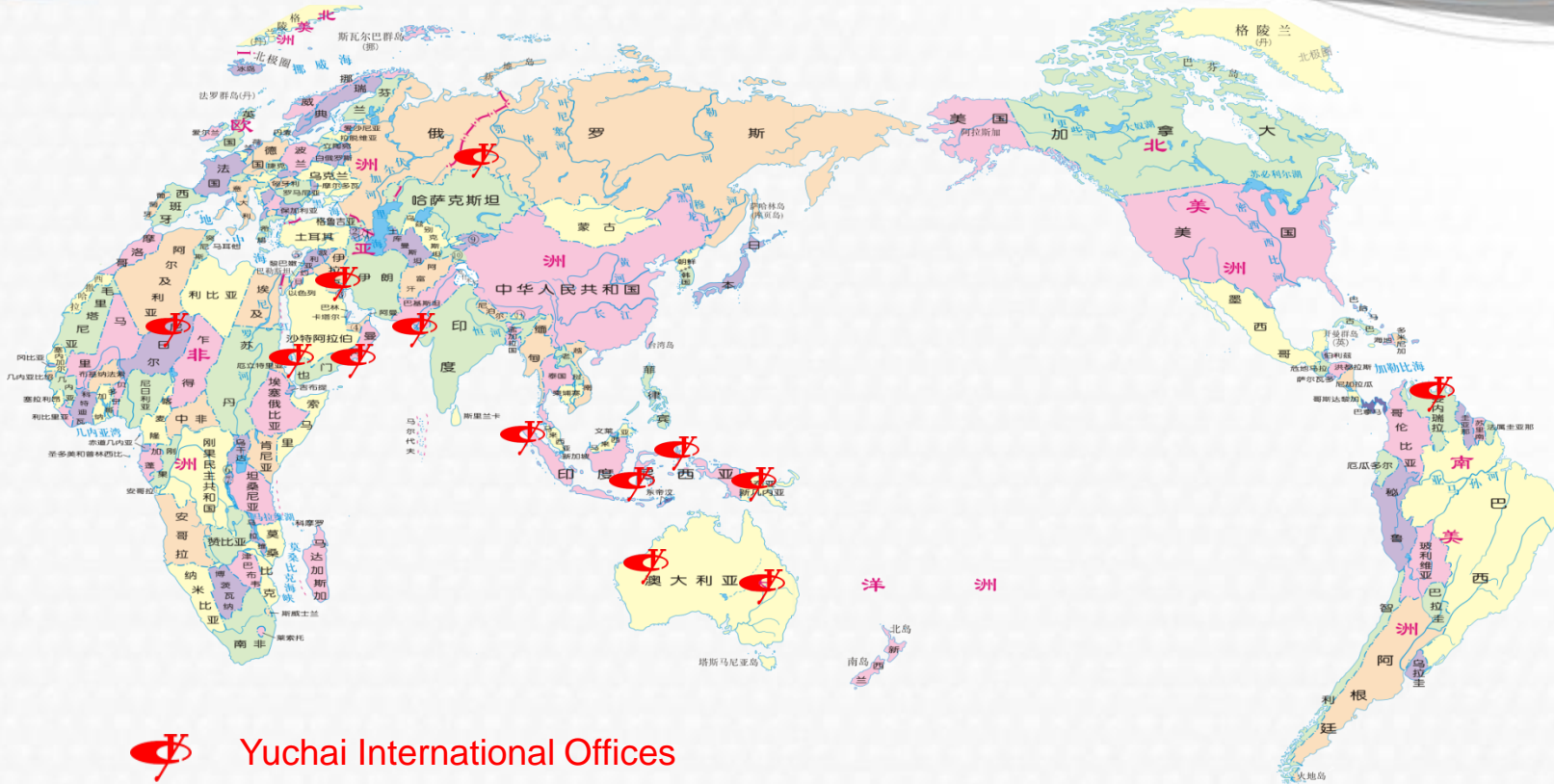
China Distribution Network

- 2,700 services stations in China
- 32 regional sales center

* As of January 2012



International Offices



 Yuchai International Offices

Global Yuchai Sale and Service Network

- 13 Yuchai international offices
- 77 overseas service stations.

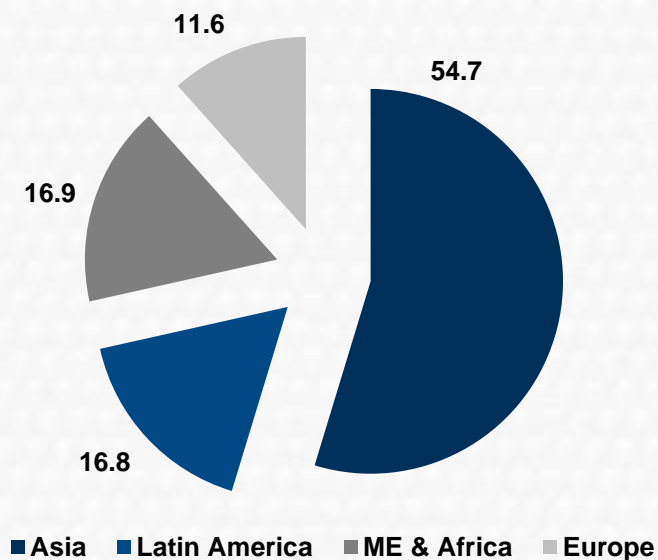
* As of January 2012



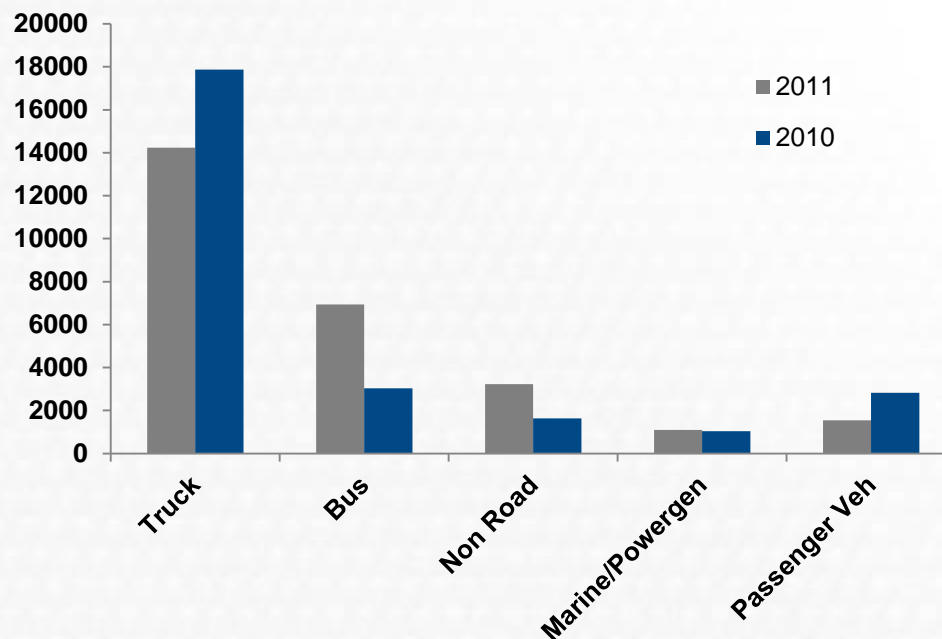
Yuchai Engine Export Market



2011 Regional Sales
Total Volume 27033 units



Export By Segment
2011 YoY increment 2%



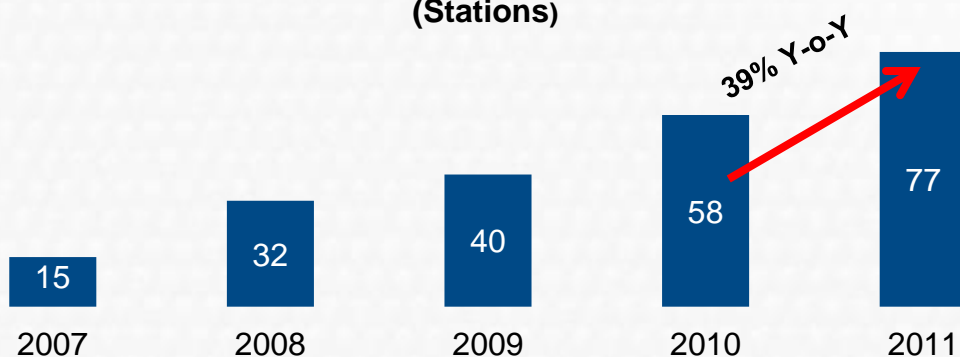
- Total export volume increased 2% Year-on-Year in 2011
- Truck engines were the largest export by volume
- Bus engine export increase by 129% Year-on-Year in 2011



International Service Support Network

Expanding Service Network

(Stations)



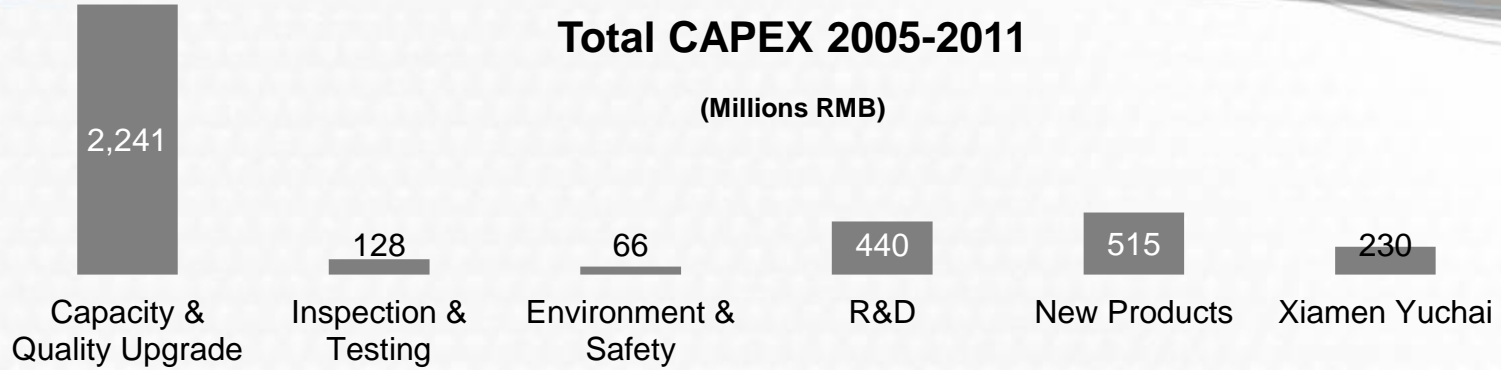
- Yuchai engines are sold to a total of 24 countries
- Engine population of over 144K units
- In 2011, there were 77 service dealers worldwide.



New Products and R&D

Total CAPEX 2005-2011

(Millions RMB)



Major Projects

(Millions RMB)



- Total Capex for last 7 years: 4.6B RMB
- Total JV investment: 1.6B RMB
- R&D and New Products: 15.4% total Capex and JV investments



Green Technology

- **National 6 Emission Standard (Equivalent to Euro IV)**
 - YC6L-60 National 6 Engine was launched in October 2011
- **National 5 Emissions (Equivalent to Euro V)**
 - National 5 Diesel Engine in operation at Public Transit Systems in major cities
 - National 5 Gas Engine in operation for both truck and Bus.
- **Hybrid Diesel Power Train**
 - Over 1,000 hybrid systems in operation at Public Transit Systems, including Yuchai's self developed Hybrid power train
- **Natural Gas (CNG, LNG) and LPG engines**
 - Delivered over 13,000 Gas Engines in 2011
 - New Gas Engine Development Centre will be in service by early 2013



Green Technology Hybrid Engines



Yuchai engine coupled to Electric Motor Drive

Yuchai hybrid engine in OEM Bus

- Hybrid engines are available in 4G, 6G and 6J series engines
- Over 1000 systems in operation at public transit fleets in cities of Tianjin, Kunming, Hangzhou and Chongqing
- expected to reduce fuel consumption by 25-30%



R&D Leadership

- 473 engineers including **22 PhDs** and 104 Master Degrees in the R&D team
- Total **1,053 patents** including **209 patent for Invention**
- 140+ research projects in 2011 for product and technical development
- Nation 6 (Euro 6) engines YC6J launched in late 2011
- Euro 5 engines YC6J commercially launched for Public Transit (PT) market in Oct 2010
- Developed **first EGR+POC diesel engine (National 4) for passenger vehicle**
- **1st hybrid power system** launched in late 2010 for PT market, now **1,000+** in operation
- Produced China's first Euro 4 emission standard diesel engine
- China Classification of Shipping (CCS) authorized product inspection and testing center
- New Nanning R&D center will begin operation in late 2012



Cost & Technology Improvement

Lean Manufacturing

- Promote lean manufacturing across all machining shops, engine assembly plants

Gas Engine Development

- Complete range of gas engines suitable for LNG, CNG and LPG gaseous fuel

V Configuration for HHP engines

- Developing the 12VT engines to extend engine power range

New Foundry

- Rejection rate reduced to below 1.0%.
- Saves 5% material cost due to accurate molten iron measurement and placement
- Rejection rate reduced from 2-3% to less than 1.0%.



2011 Award & Recognitions

- 2011 China Top 500 Enterprise - No. 215
- 2011 China Top 500 Manufacturing Enterprise - No. 19
- YC6L wins 2011 Outstanding Commercial Vehicle Engine Award
- Launch first National 6 (Euro 6) Emission Standard Diesel Engine
- National Engineering Laboratory for “High Efficient Energy Saving Environmental Diesel Engine”
- 2011 Diesel Engine and Accessories Manufacturing First Tier Company



Key Focus Areas – 2012



- R&D
 - Continue to invest to meet evolving stringent emission standards
 - New Gas Engine Development Project to be launched to address increasing gas application demand
- Expand capacity in HD product lines
 - Wuhu Y&C power – total capacity of 30,000 units p.a.
 - Foundry capacity - 1 million components p.a.
 - High-Horse-Power marine and power generation engine project under construction
- Further develop Marine and Power generation markets
 - New engine models: YC4W, YC6T, YC6C, YC8C, YC12VT
- Strategic partnerships with vehicle manufacturers and OEMs
- Expand sales and strategic alliances in overseas market
- Quality improvements and cost reductions through lean manufacturing



Moving Forward

- Expand into HD Products to improve margins
- Expand into construction, marine and power generators markets
- Grow international business
- Launch new gas engines to address increasing gas application demand
- Continue to meet stringent emissions across all products
- Launch JVs product to support future profitable growth
- Implement improvements and cost reductions through Lean Six Sigma manufacturing
- Maximize our shareholders' value



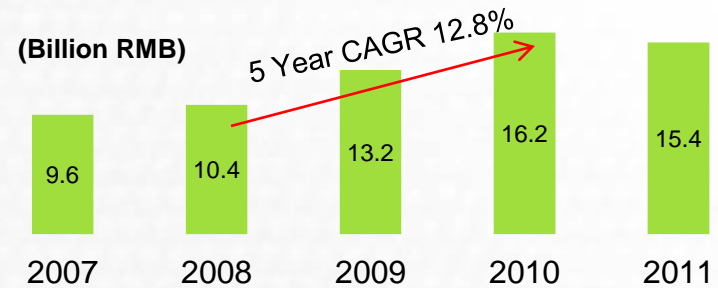
Key Financials

- **2011***
 - Revenue RMB 15.4 Billion
 - 510,777 units of engine sold
 - Gross margin 22.3%
 - Operating (EBIT) margin 10%
 - EPS \$3.37 (RMB 21.67)
 - Free-Cash-Flow generated

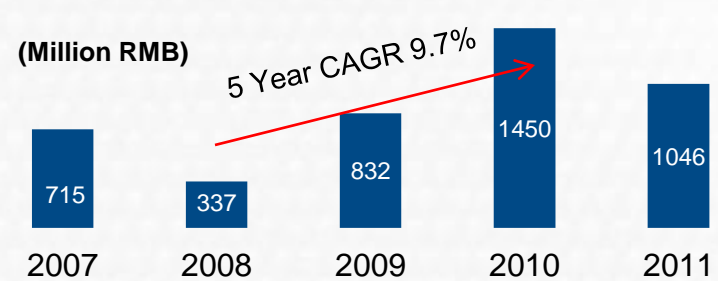
** unaudited*

- **2010**
 - Revenue RMB 16.2 Billion
 - 551,592 units of engine sold
 - Gross margin 24.7%
 - Operating (EBIT) margin 12%
 - EPS \$ 4.57 (RMB 29.64)
 - Free-Cash-Flow generated

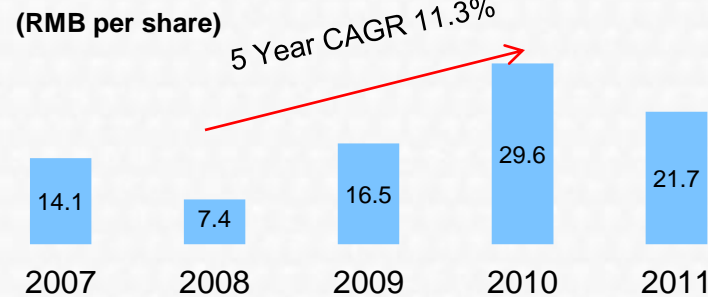
Total Revenue 2007-2011



Net Income 2007-2011



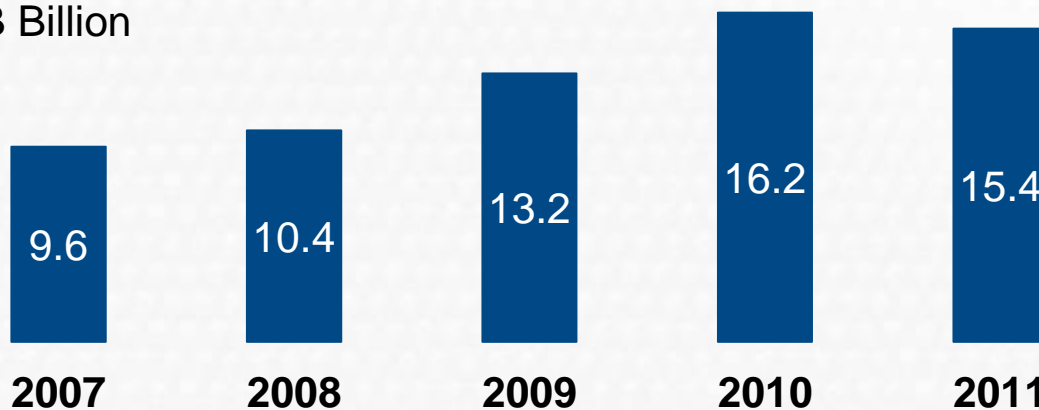
EPS 2007-2011





Revenue

RMB Billion



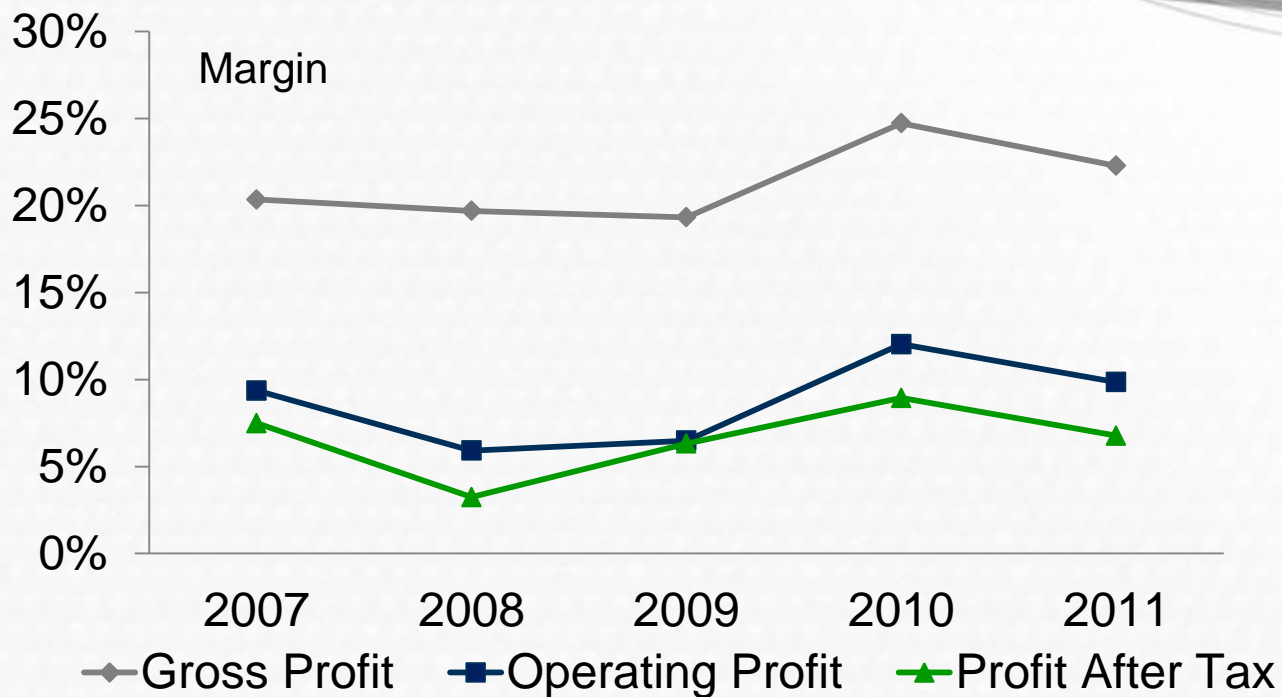
Unit Sales

2007	383,667	2008	372,280	2009	467,899	2010	551,592	2011	510,777
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- 5 year revenue CAGR 12.8%
- 5 year unit sales CAGR 7.4%
- ASP continued to increase
- Ranked number 1 for unit sales by China Association of Automobile Manufacturers



Profitability Indicators

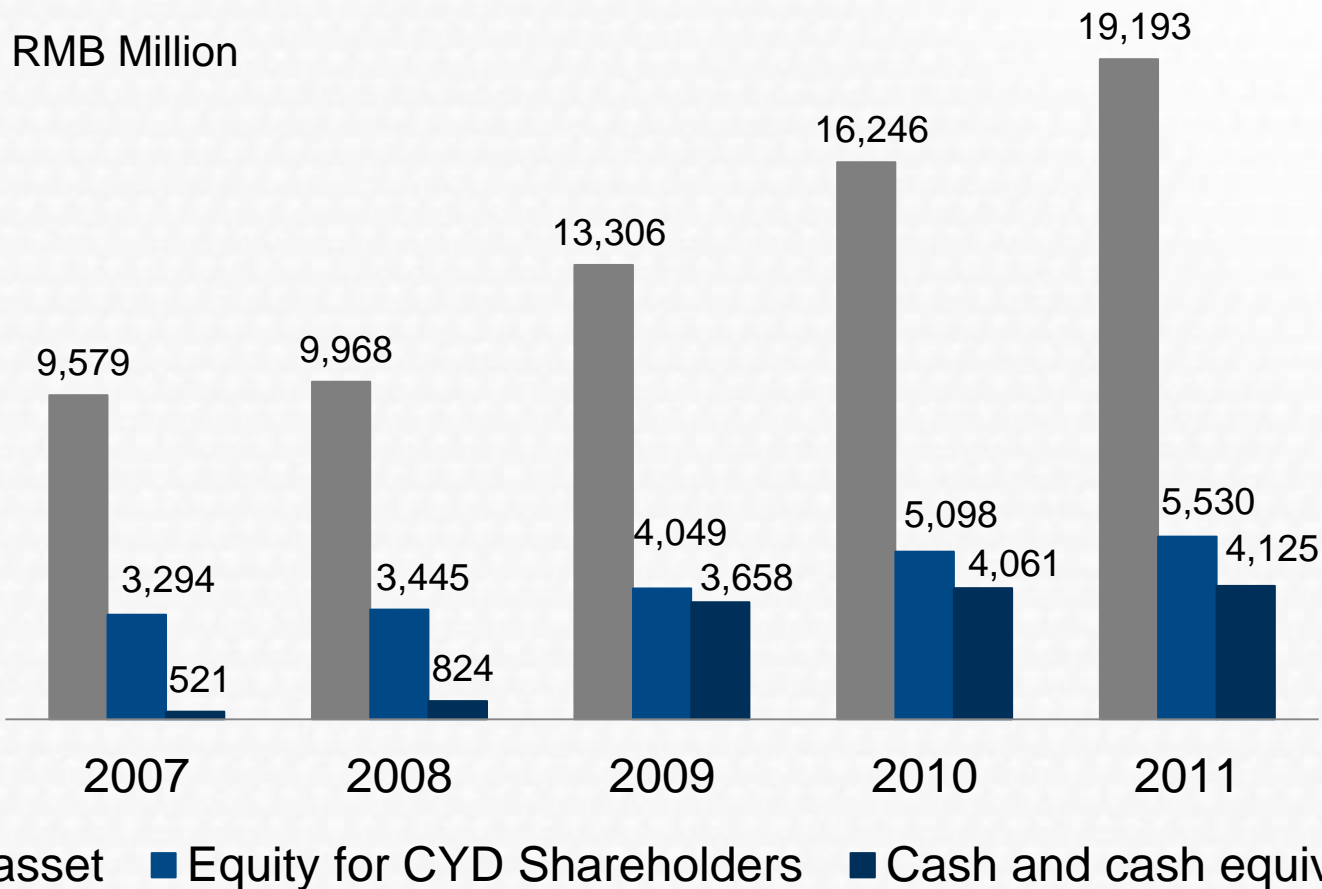


Gross Profit	20.4%	19.7%	19.3%	24.7%	22.3%
Operating Profit	9.4%	5.9%	6.5%	12.0%	9.9%
Profit after Tax	7.5%	3.2%	6.3%	8.9%	6.8%

(2011 unaudited)



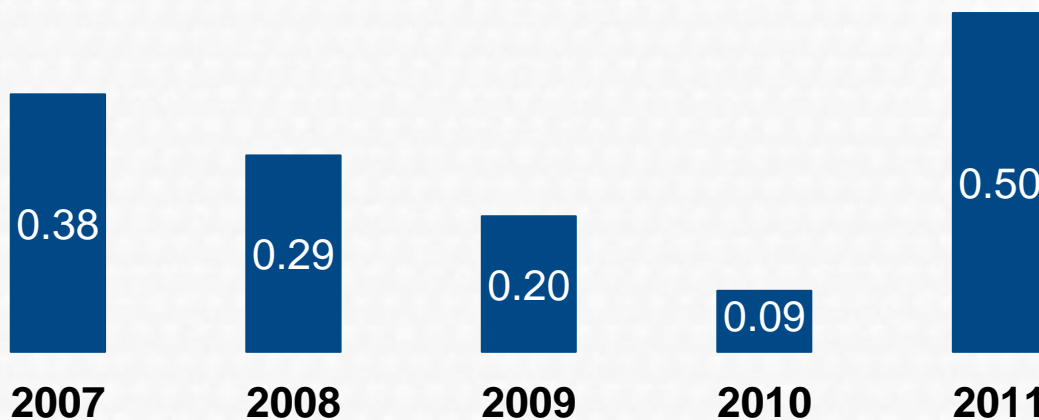
Asset & Equity



(2011 unaudited)



Gearing



Gearing Ratio = Short-term and Long-term Loans / Total shareholder's Equity



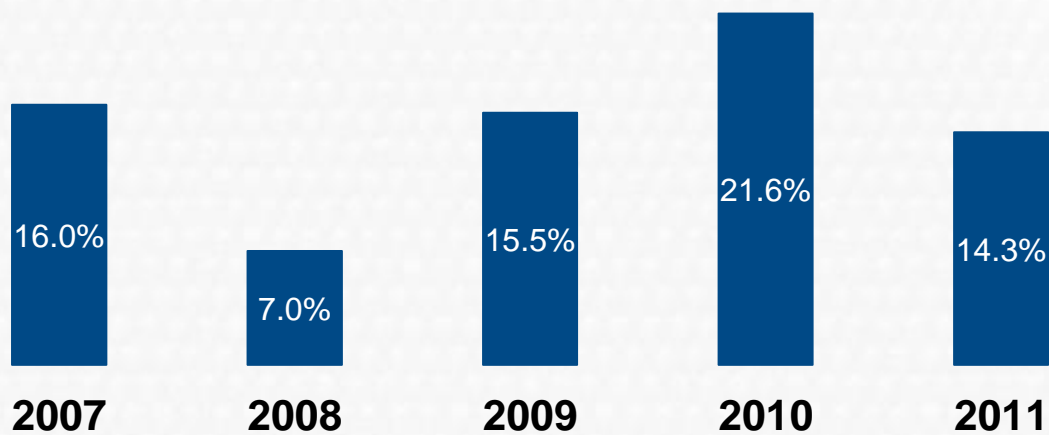
Current & Inventory Ratios

RMB Million	2007	2008	2009	2010	2011
Current Assets	5,696	6,135	8,679	11,381	13,906
Current Liabilities	4,667	5,158	7,249	8,893	11,290
Current Ratio	1.22	1.19	1.20	1.28	1.23
Inventory	1,647	2,250	2,130	2,633	2,416
Cost of Sales	7,612	8,356	10,630	12,199	12,002
Turnover Days	79	98	73	79	73

(2011 unaudited)



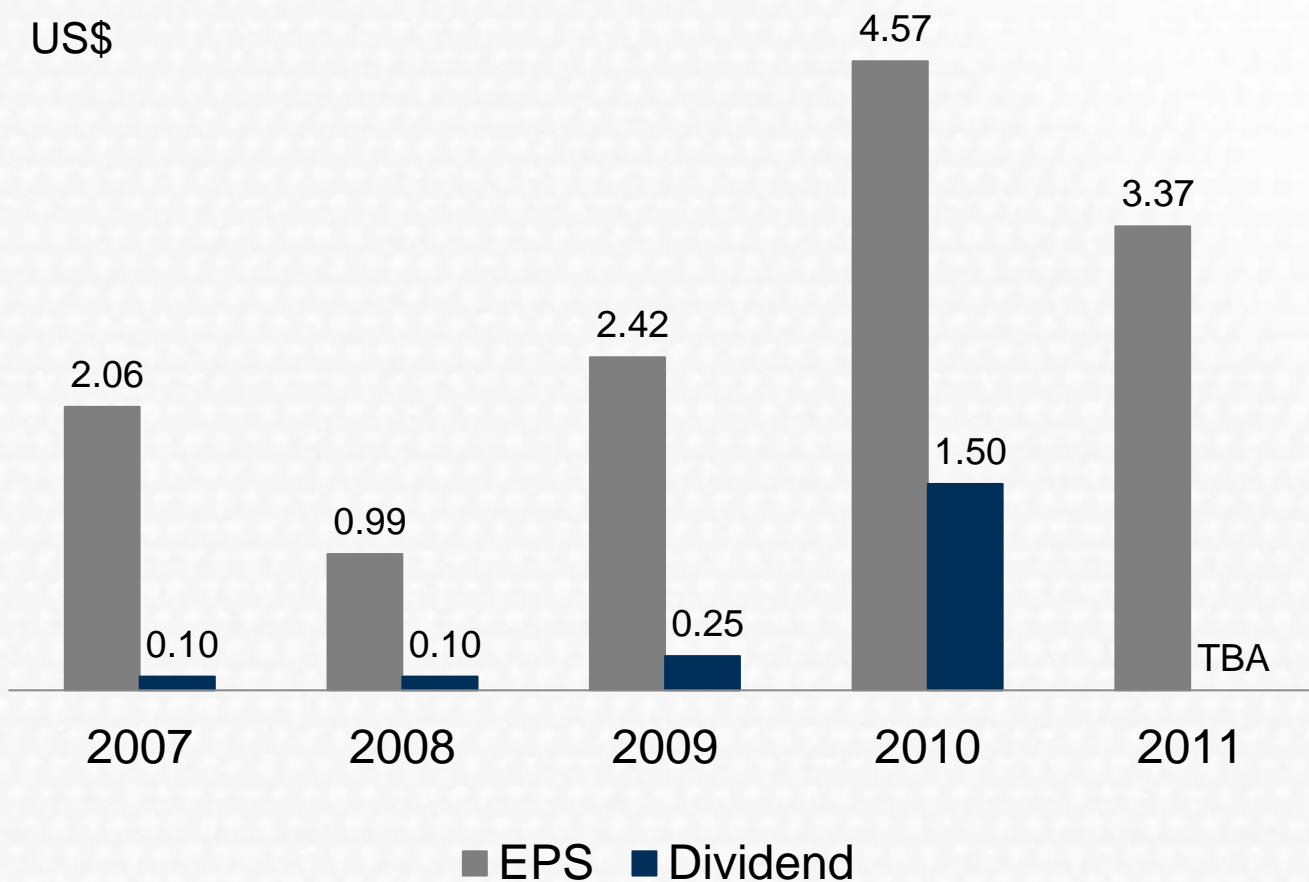
Return on Equity



(2011 unaudited)



EPS & Dividend



(2011 unaudited)



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Thank You

