



China Yuchai International Ltd.

[NYSE: CYD]

Credit Suisse

China Autos Corporate Day

Hong Kong, 16 June 2015



Safe Harbor Statement



This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words “believe,” “expect,” “anticipate,” “project,” “targets,” “optimistic,” “intend,” “aim,” “will” or similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact are statements that may be deemed forward-looking statements.

These forward-looking statements are based on current expectations or beliefs, including, but not limited to, statements concerning the Company’s operations, financial performance and condition. The Company cautions that these statements by their nature involve risks and uncertainties, and actual results may differ materially depending on a variety of important factors, including those discussed in the Company’s reports filed with the Securities and Exchange Commission from time to time.

The Company specifically disclaims any obligation to maintain or update the forward-looking information, whether of the nature contained in this presentation or otherwise, in the future.

The financial information presented herein for the financial year ended 31 December 2014 is audited.



China Yuchai International Ltd.



Truck and Bus engines applications



Off road and Agriculture applications



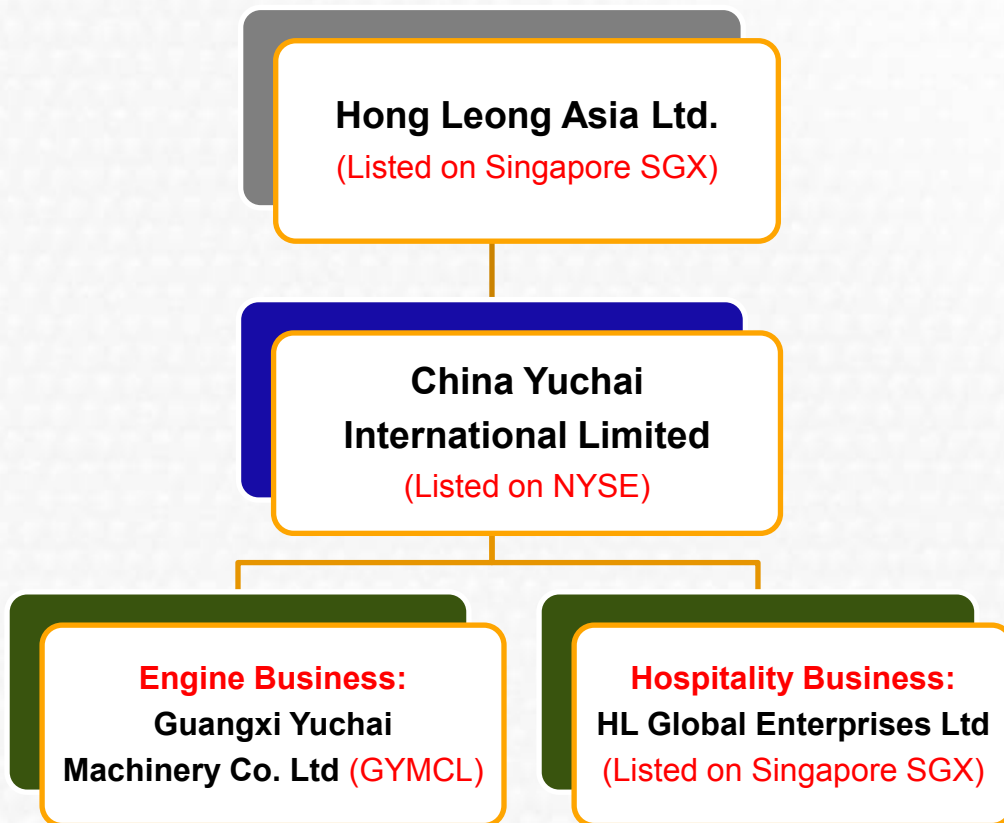
Marine engines applications



Company Structure



玉柴机器





Corporate Summary

- **GYMCL was founded in 1951**
- **Leading manufacturer of a wide array of light-duty, medium-duty and heavy-duty engines for various applications**
- **One of the top engine suppliers in annual unit sales as ranked by the China Association of Automobile Manufacturers**
- **Operates the largest single facility for the production of commercial automotive engines in China**
- **Main production base is in Yulin, Guangxi province, with another facility in Xiamen. Capacity of 600,000 units per annum**
- **World-class R&D program with large patent portfolio**
- **Over 2,900 services stations and 35 regional sales offices throughout China***

* As of 31st March 2015



2015 Q1 Market Review



Market Statistics

1. China recorded slower GDP growth for 2015 Q1 at 7.0%, being the slowest quarterly growth in five years (Business Times 16 April 2015)
2. China recorded weaker PMI for 2015 at 50.1% (March), 49.9% (February) and 49.8% (January) according to National Bureau of Statistics.
3. 2015 Q1 China commercial vehicles (Diesel and others) unit sales statistics according to China Automobile Association of Manufacturers
 - Industry declined by -25.6%
 - Truck segment declined by – 29.2%; Heavy Duty truck segment declined by -33.7%
 - Bus segment declined by -3.7% (Heavy Duty) and -6.5% (Medium Duty), respectively

Market review – On road

1. Truck segment was affected by the China nationwide enforcement of National IV engines
2. Bus segment was affected by the development of high-speed rail development
3. Natural gas engine sales were affected by lower petrol prices in 2015

Market review – Off road

1. Agriculture application engines continued to grow, but at slow pace
2. Construction application engines remained sluggish due to lack of infrastructure investments and current property market sentiment



China Economic Outlook



China Economic Outlook

1. **GDP growth rate is expected to moderate to approximately 7.0%**
 - Real estate sales and investment show signs of sluggishness
 - Slowing capital investment
2. **Central Bank cut interest rates and reduced banks' reserve requirements to maintain growth stability**
3. **Continued transition of economy towards domestic consumption**

China Engine Industry Outlook – On road

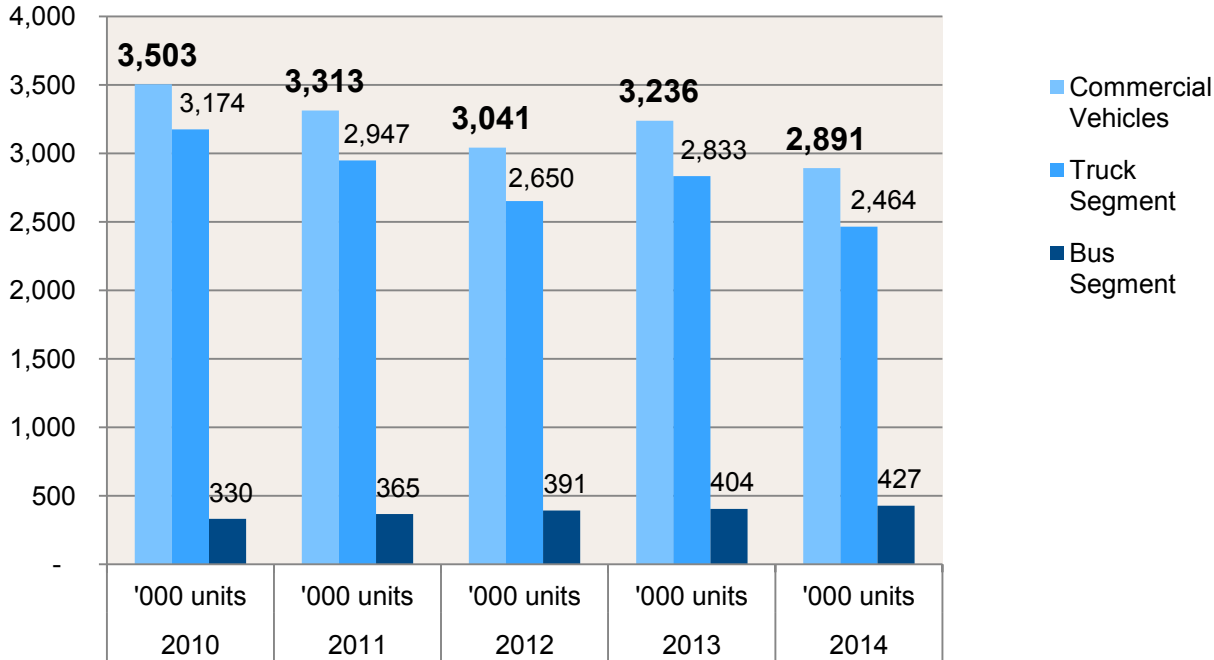
1. **Truck market will decline in first half 2015 after nationwide implementation and enforcement of National 4 emission standard on 1st January 2015; market is anticipated to stabilize in the second half of 2015**
2. **Bus market will remain flat, moderate growth in public transit segment is expected to offset a decline in highway coach market as a result of inter-city high speed rails**
3. **Natural gas engine market is affected due to reduction of diesel fuel price**

China Engine Industry Outlook – Off road

1. **Agricultural machinery engine segment demand is expected to be grow at slower rate**
2. **Construction segment will remain weak as macro economic climate is still under pressure in China**



Market Overview: Commercial Vehicles



Source: China Automotive Industry Newsletter

(Powered by Diesel and Others)

China Truck Market Drivers

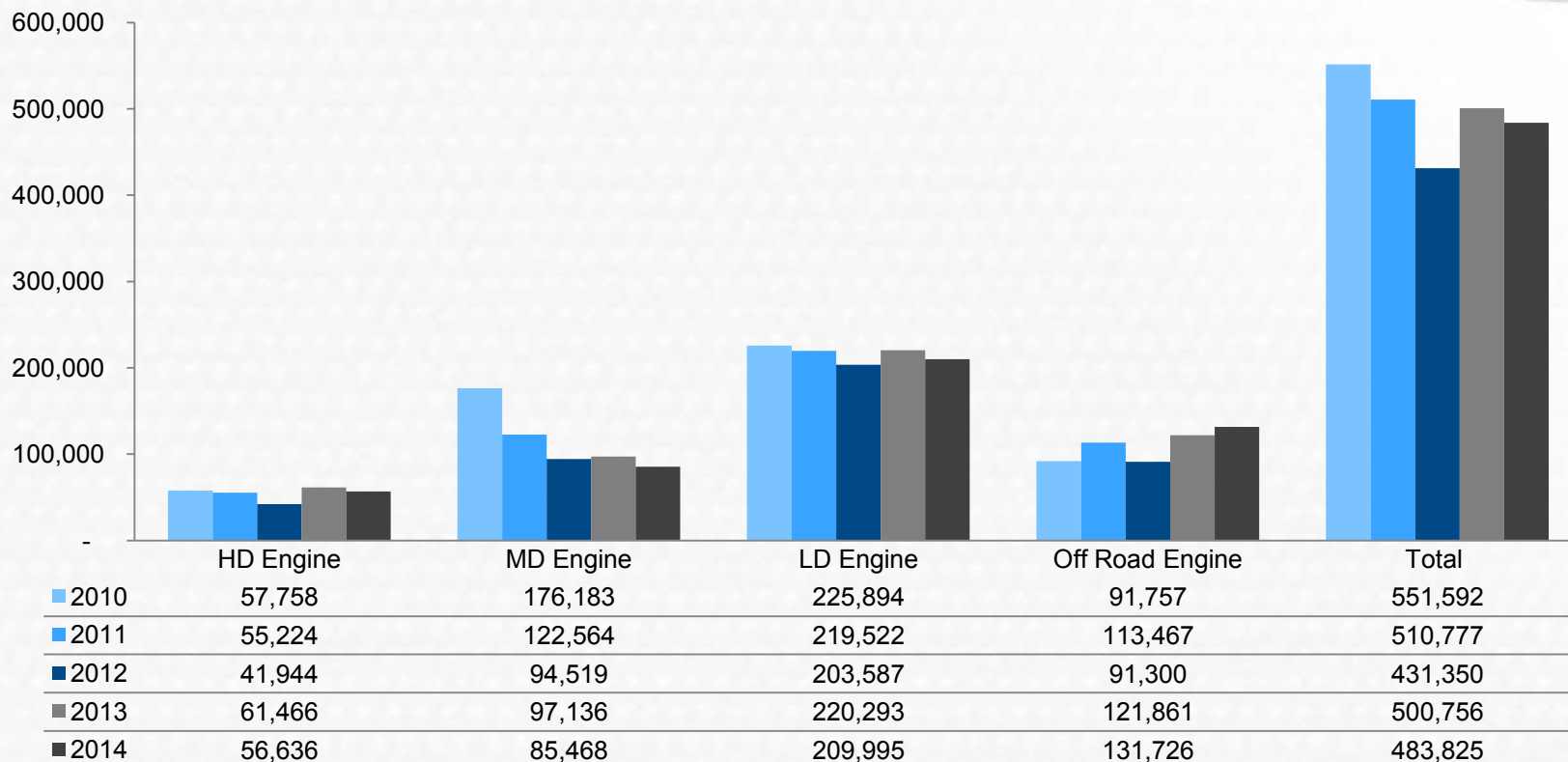
- China's economic growth
- Infrastructure projects
- Urbanization / logistics networks
- Stringent emission standards

China Bus Market Drivers

- Rapid expansion into rural areas
- Booming tourism
- Highway expansion
- Continued urbanization



China Yuchai Unit Sales: 2010-2014



Sales from 2010 to 2014

- Effect of RMB 4 trillion stimulus package implemented in 2008 continued into 2010
- National 4 Emission Standards implemented on 1st July 2013, but enforced gradually nationwide from 1st July 2013 to 31st December 2014



Moving Forward

1. Maximize shareholders' value

2. Product Strategy

- **Ensure all products meet current stringent emission standards and develop engines compliant with future emission standards**
- **Expand new gas engines to capture gas application demand**
- **Expand HD products into marine, power gen and construction markets**
- **18 new engine models meeting the latest emission standards were launched in 2014 and 2015**

3. Business Strategy

- **Grow new markets with new products such as High Horsepower engines for marine and power generation segments**
- **Nurture strategic alliances with OEM customers**
- **Grow international business**
- **Implement cost reductions through Lean Six Sigma manufacturing**
- **Explore launching more JV products to sustain future growth**



China Yuchai International Ltd.

[NYSE: CYD]

Operational Overview



GYMCL Strategic Locations





Yulin Facility



Engine Plant No. 5 - HD Engine Assembly Line

- **Yulin facility is the primary manufacturing facility**
- **Independent R&D facilities for engine development and testing**
- **Production of diesel and natural gas engines**
- **Production of high horsepower engines for off-road applications**
- **In-house machining plants for all major engine components**



New Foundry



New Foundry Phase 1



Phase 2 Molding Line

- Phase 1 is in full operation for the casting and production of 220,000 engine blocks per annum
- Phase 2 for cylinder head casting and production is fully operational
- Total annual capacity of 1 million engine cylinder blocks and/or heads
- One of the largest foundry and engine casting facilities in China



High Horsepower Engine Plant



Engine Assembly Line



Gantry CNC milling center

- Designed for HHP engine (40 liter and above) machining and assembly
- HHP engines are mainly used for marine and power generation applications
- Installation of Gantry CNC milling centers for cylinder block and head machining
- New assembly line with robots and other automated processes ensure top quality standards
- Individual automated engine painting line
- Individual engine testing stands for comprehensive performance tests



Capacity Expansion HHP Marine and Power Gen Engines



YC6C



YC6T

- **YC6T - 16L with 350 - 550 bps power rating, available for IMO/T2 standard**
- **YC6C/6CL – 40-54L with 600 - 1200 bps power rating, available at present**
- **YC12VT – 12 cylinders, 33L, rated at 538-645KW, prototype developed**
- **YC12VC – 12 cylinders, 80L, rated at 1400-1650KW, available at present**



Wuhu Y&C Power (Chery Trucks)



Engine Assembly Line



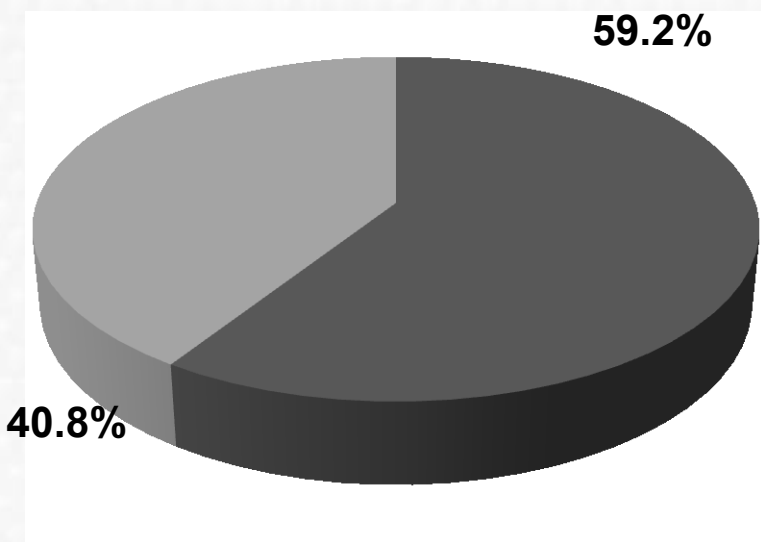
Machining Center

- Latest designed YC6K engines comply with China National 4 and 5 emission standards
- Production line and machining line are fully commissioned
- Existing capacity of 15,000 units per annum (single shift operation)
- Gas version YC6K engine is available for both on-road and off-road applications
- Started commercial production for CIMC-Chery Container trucks

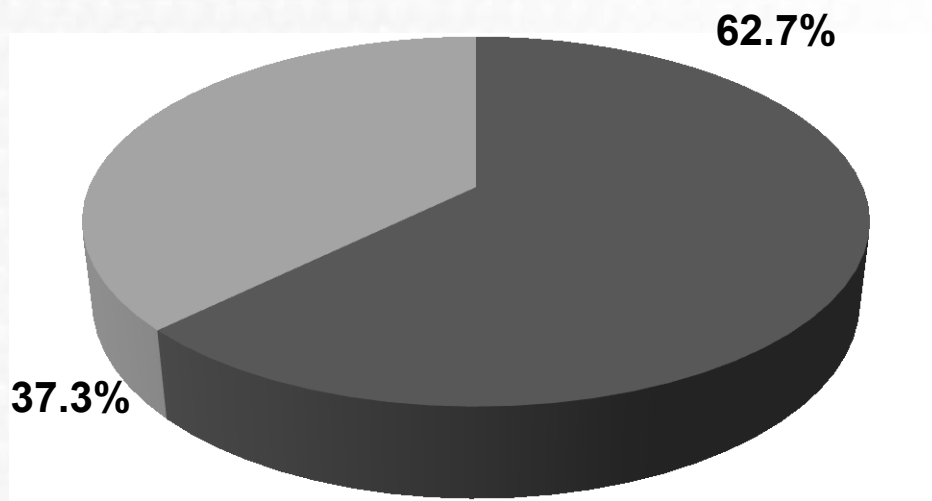


Sales Mix

2013 Full Year



2014 Full Year

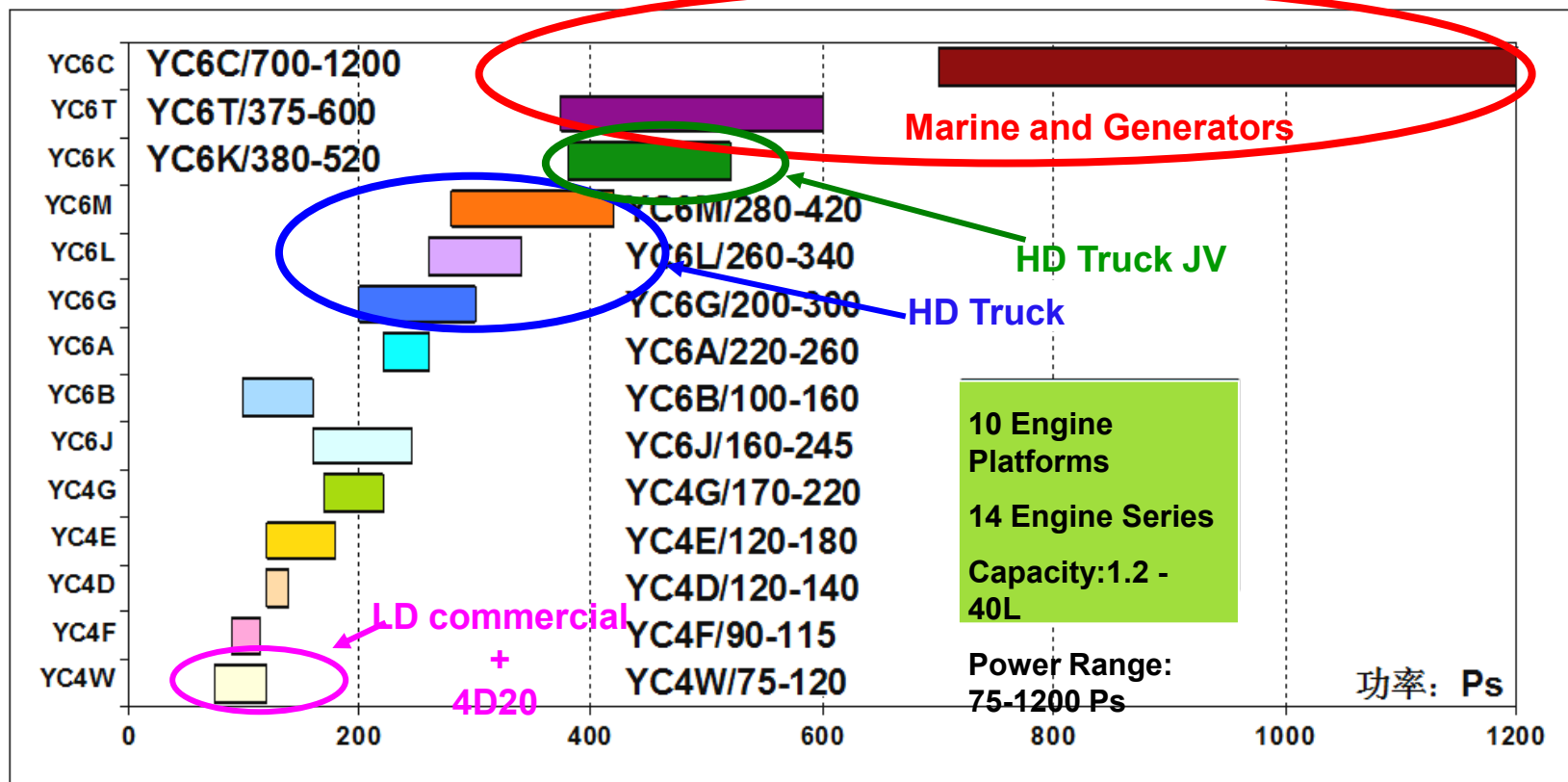


■ 6 Cylinder Engine

■ 4 Cylinder Engine

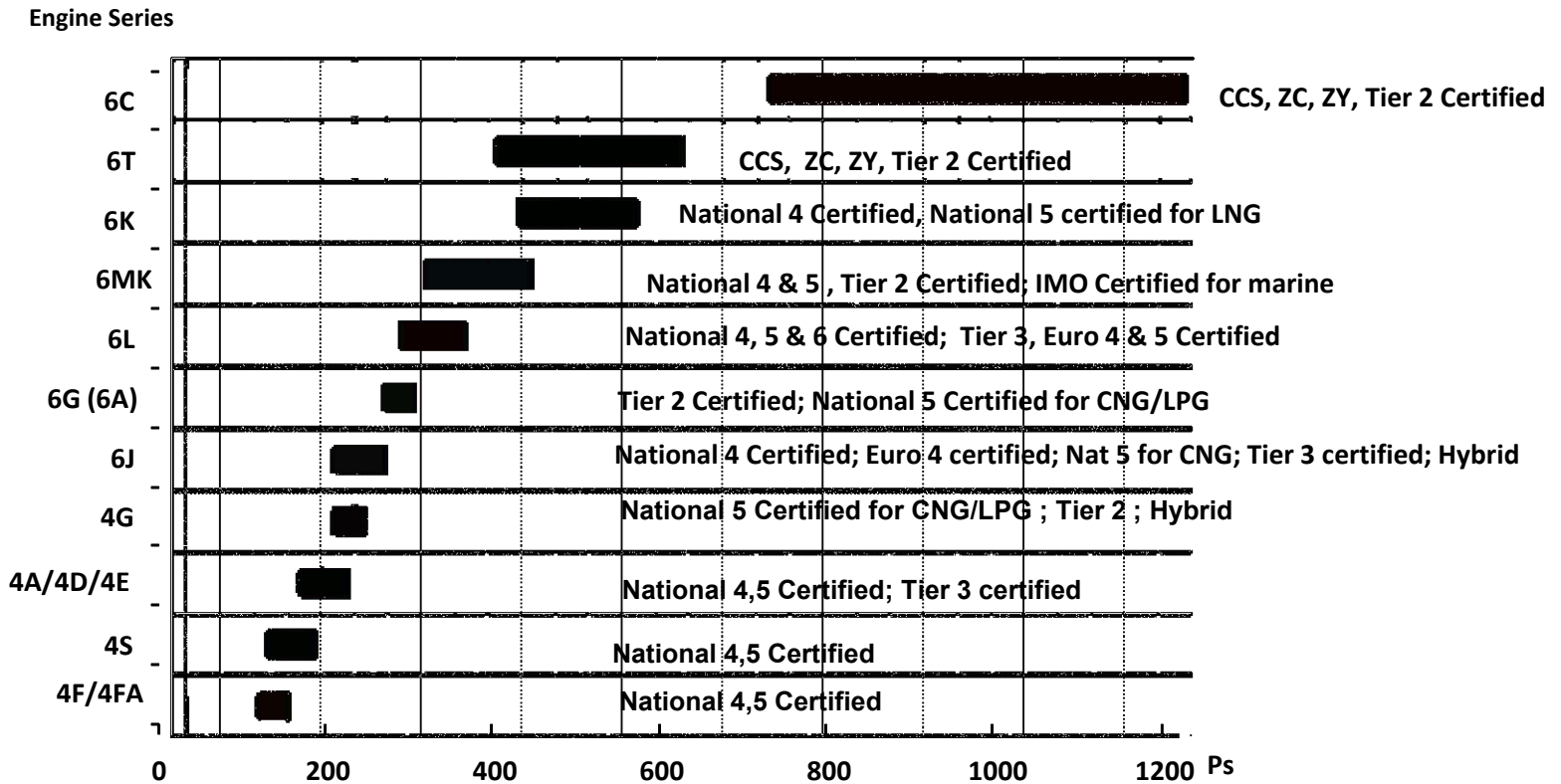


Products

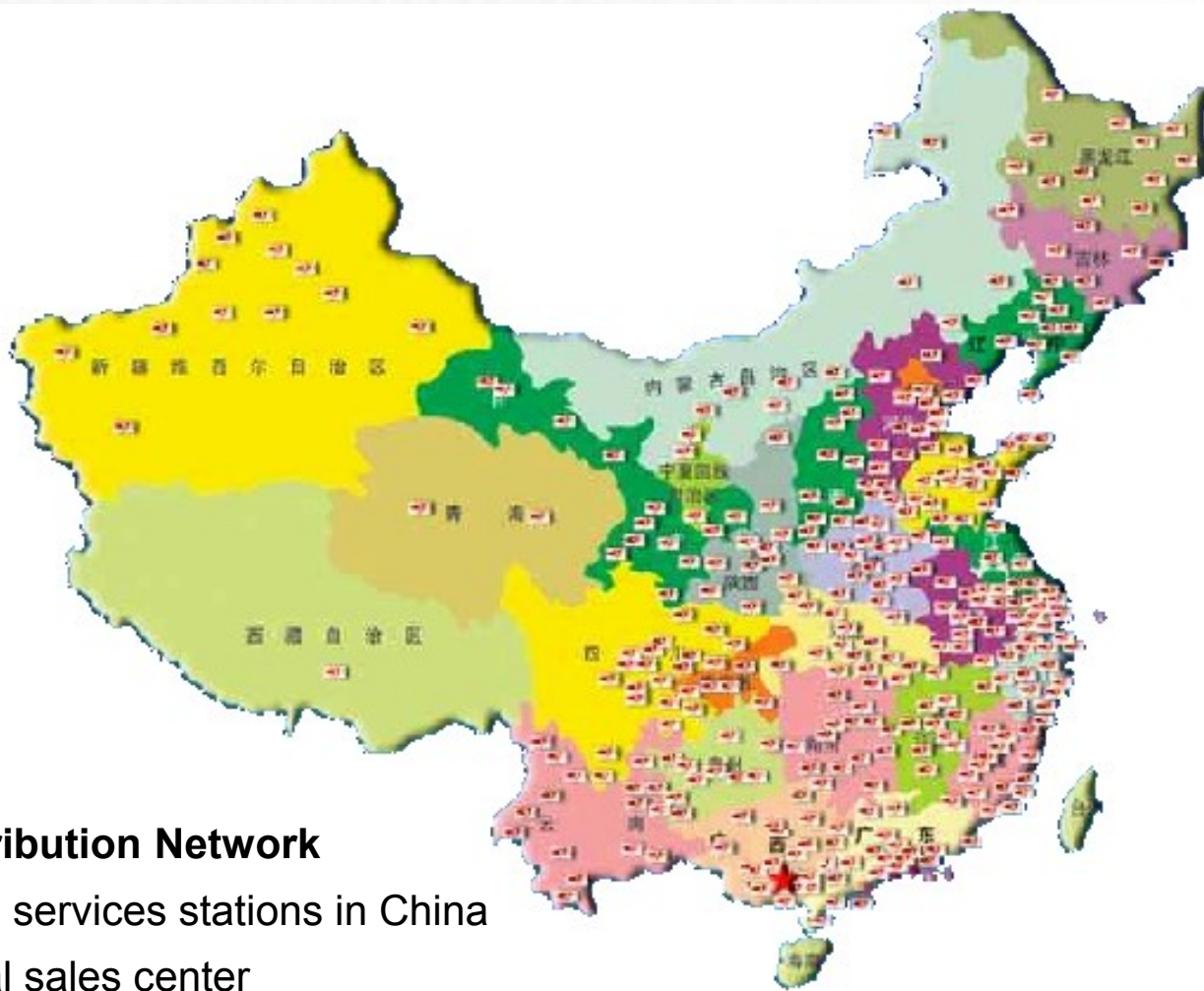




Meeting Stringent Emissions Standards



- **Strict enforcement of National 4 emission standards nationwide in China on 1 January 2015**



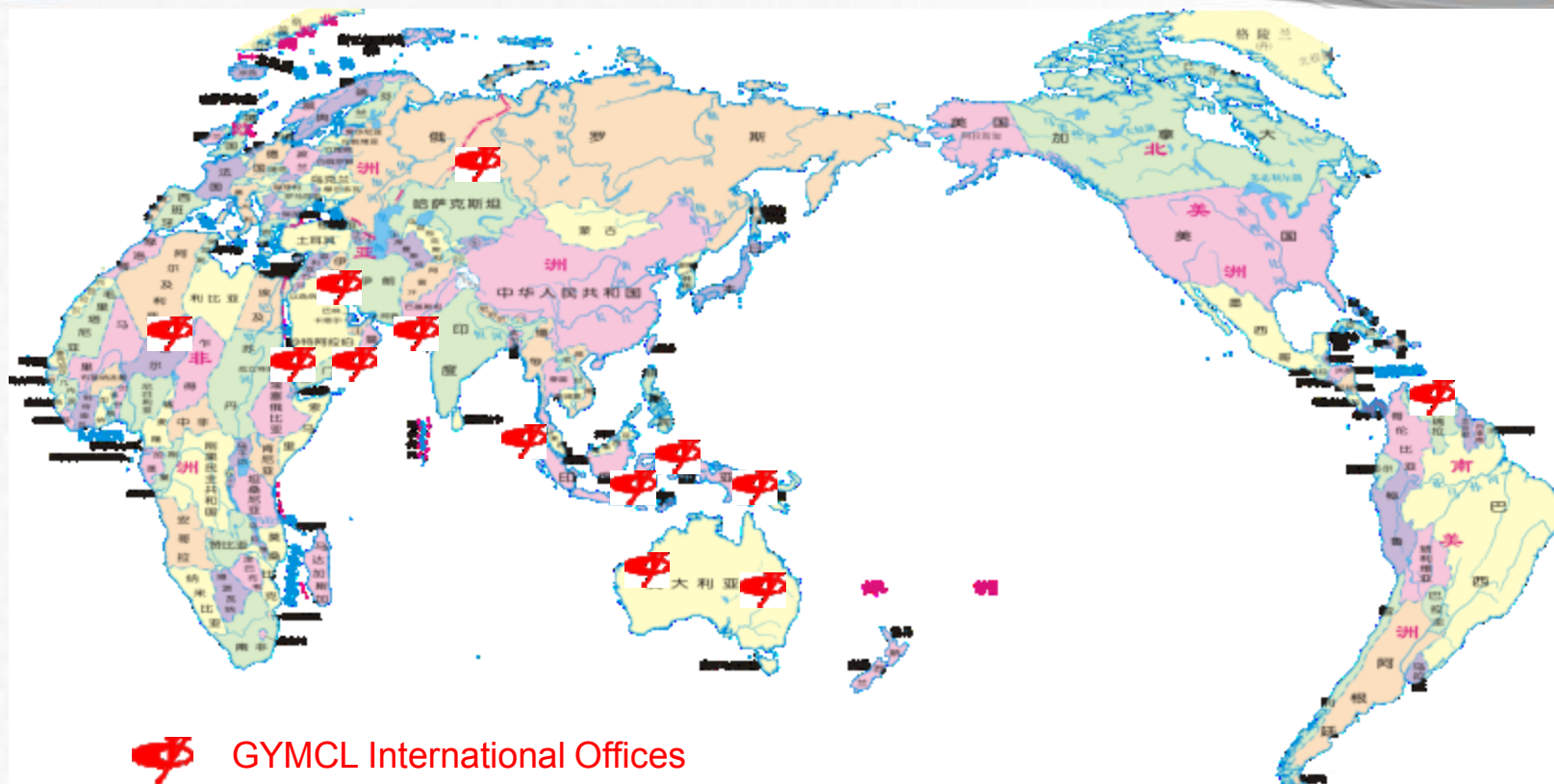
China Distribution Network

- Over 2900 services stations in China
- 35 regional sales center

•As of 31st March 2015



International Offices



Global Sales and Service Network

- 14 international offices
- 113 authorized overseas service stations

* As of 31st March 2015



Green Technology

- **National 6 Emission Standards (Equivalent to Euro VI)**
 - YC6L-60 National 6 compliant Diesel Engine is scheduled for delivery to Beijing Public Transit Fleet in mid-2015
- **National 5 Emission Standards (Equivalent to Euro V)**
 - National 5 Diesel Engine in operation in Public Transport Systems in major cities
 - National 5 Gas Engine in operation for both truck and bus applications
- **National Tier 3 Emission Standards for off-road application**
 - Newly developed Tier 3 Diesel Engine will be available in 2016
- **Hybrid Diesel Power Train**
 - Over 3,000 hybrid systems being used in Public Transport Systems, including GYMCL's self-developed Hybrid power train
 - Second-generation Gas engine plug-in hybrid was commercially launched in mid-2014
- **Natural Gas (CNG, LNG) and LPG engines**
 - Delivered over 36,400 Gas Engines for commercial vehicle application in 2014
 - New Gas Engine Development Centre in service since early 2013
 - New Gas Engine testing centre was completed and commenced operation in January 2015



Gas Engines



GYMCL's YC4G



GYMCL's YC6J



GYMCL's YC6MK

- **Central Government promoting the use of natural gas in both truck and bus segments in the 12th 5-year plan.**
- **Gas pipeline infrastructure in place to support the nationwide gas distribution, but refueling infrastructure is still under development.**
- **GYMCL launched 7 new gas engine models at the start of 2013, for both on-road and off-road applications, and the heavy duty YC6K13N in 2014.**
- **New Gas Engine Development Centre in operation since mid-2013, to develop and manufacture full portfolio of gas engines for all applications.**
- **GYMCL sold over 36,400 natural gas engines in 2014.**



R&D Leadership

R&D capability

- ❑ **Approximately 700 engineers including PhDs and Master Degree holders in the R&D team**
- ❑ **Over 1,000 patents have been registered since 2004**
- ❑ **New Nanning R&D Institute commenced operations from October 2013**

Engine innovations

- ❑ **Mid 2008: Commercially launched National-4 emission standard diesel engines 5 years before standard mandated**
- ❑ **Oct 2010: National 5-compliant engine YC6J was commercially launched for Public Transport (PT) market**
- ❑ **Late 2010: 1st hybrid power system launched for PT market with 3,000+ in operation**
- ❑ **Mid 2014: Gas engine plug-in hybrid launched mid-2014 for PT market**
- ❑ **Jan 2015: Commercially launched National (Euro) 6 prototype engine YC6L for Beijing Public Transit Fleet**
- ❑ **May 2015 : Self-developed V configured engines 12VC in production for marine and power generation applications**



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 and CNG gaseous fuels

V Configuration for HHP engines

- Developing the 12VT (33L) and 12VC (80L), 16VC(106L) engines to extend engine power range

New Foundry

- Rejection rate reduced to below 1.0%.
- Savings of 5.0% on material cost due to more accurate molten iron measurement and placement



2014 Awards & Recognitions

- **China Top 500 Enterprise - No. 278**
- **China Top 500 Manufacturing Enterprise - No. 17**
- **Guangxi Best Ten Enterprises Award**
- **GYMCL launched Plug-in Hybrid system in bus market**
- **GYMCL launched the Tier 3 emission compliant marine engine YC6TD600L-C30, the first Tier 3 marine engine from China**
- **YC6MK wins *The Best Environmental Technology Award***
- **GYMCL wins *The National Advance Enterprise on Quality Inspection Award* from China Association for Quality Inspection**



China Yuchai International Ltd.

[NYSE: CYD]

Business and Finance Overview



Financial Performance Review



	Y2010	Y2011	Y2012	Y2013	Y2014	Y2015 Q1. Unaudited
Engines sold (units)	551,592	510,777	431,350	500,756	483,825	105,046
Revenue (RMB million)	16,208	15,444	13,449	15,902	16,436	3,680
EPS (USD per share)	\$4.57	\$3.49	\$2.43	\$3.07	\$3.14	\$0.45

Review of Business Activities

Sales units:

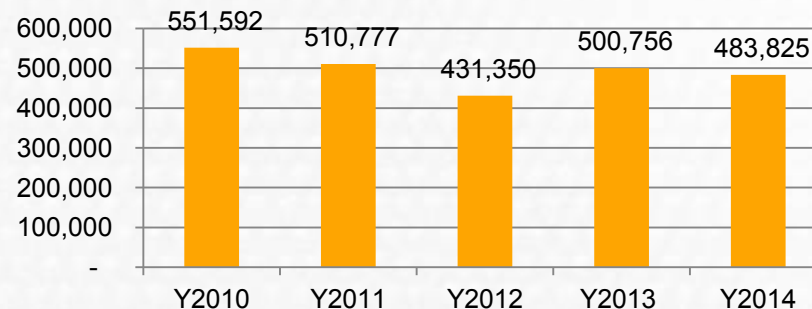
- Y2010: Sales of 551.6K units due to Chinese government 's RMB 4 trillion stimulus package in 2008
- Y2013: *Gradual implementation of NAT 4 emission standards from 1st July 2013*
- Y2014: Final nationwide enforcement of NAT 4 (31st Dec ember 2014)
- Y2015 Q1: Sales 105,046 units, declined -30.8% vs 151,909 units in 2014 Q1

- Wide variety of engines portfolio
- Continual improvement of engines with higher emission standards
- Development of natural gas engines
- Increasing sales to off-road markets

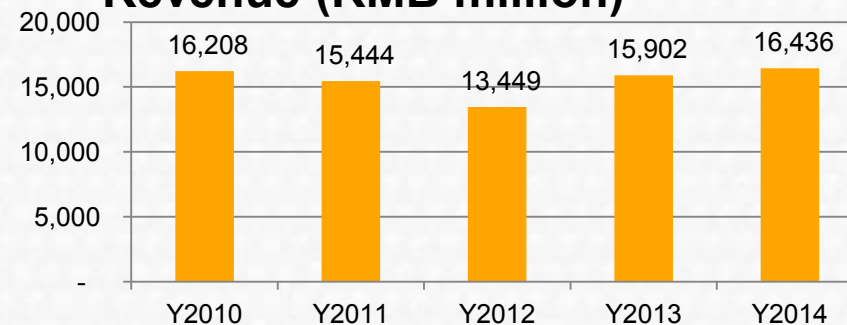
Healthy growth and market presence :

- Consistently ranked as one of the top engine makers by "China Association of Automobile Manufacturers"
- Maintained revenue growth in 2014 as we sold more NAT 4 diesel and NAT 5 gas engines.

Engines sold (units)



Revenue (RMB million)





Financial Performance Review



		Y2010	Y2011	Y2012	Y2013	Y2014	Y2015 Q1. Unaudited
Engines sold	Units	551,592	510,777	431,350	500,756	483,825	105,046
Revenue	RMB million	16,208	15,444	13,449	15,902	16,436	3,680
Gross Profit	RMB million	4,009	3,442	2,880	3,265	3,291	674
Operating Profit	RMB million	1,950	1,535	1,163	1,402	1,293	228
PAT	RMB million	1,450	1,073	771	940	1,022	148
PATMI	RMB million	¥ 1,117.3	¥ 818.5	¥ 567.3	¥ 700.4	¥ 730.3	¥ 105.4
PATMI	US\$ million	\$ 170.4	\$ 129.9	\$ 90.5	\$ 114.9	\$ 118.6	\$ 17.2
EPS	US\$ per share	\$4.57	\$3.49	\$2.43	\$3.07	\$3.14	\$0.45
Return on Equity (%)	%	21.4%	14.6%	9.9%	11.1%	11.2%	NM

Review of Performance

- We consistently maintain profitability
- Solid earnings reflect Company's capacity and potential

PAT, RMB million



* 2010 results affected by Chinese government 's RMB 4 trillion stimulus package

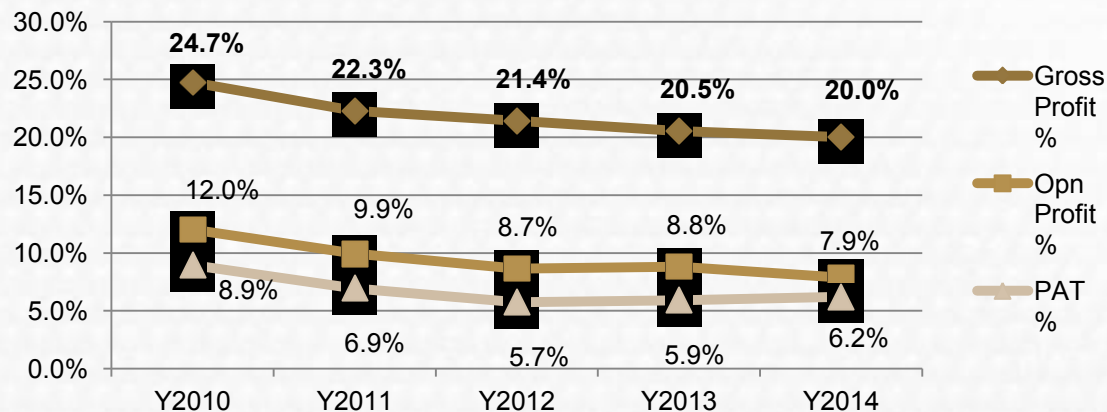


Financial Indicators Review

Currency: RMB million	Y2010	Y2011	Y2012	Y2013	Y2014	Y2015 Q1. Unaudited
Operating Profit (Ebit)	1,949.7	1,535.1	1,163.5	1,402.4	1,292.6	228.1
Add: Dereciation and amortization	286.1	328.8	348.5	388.9	431.3	109.6
EBITDA	2,235.8	1,863.9	1,511.9	1,791.4	1,723.9	337.7
Gross Profit %	24.7%	22.3%	21.4%	20.5%	20.0%	18.3%
Operating Profit %	12.0%	9.9%	8.7%	8.8%	7.9%	6.2%
PAT %	8.9%	6.9%	5.7%	5.9%	6.2%	4.0%

EBITDA:

- Strong operating cash flow
- Healthy EBITDA at RMB 1.7 billion (2014)





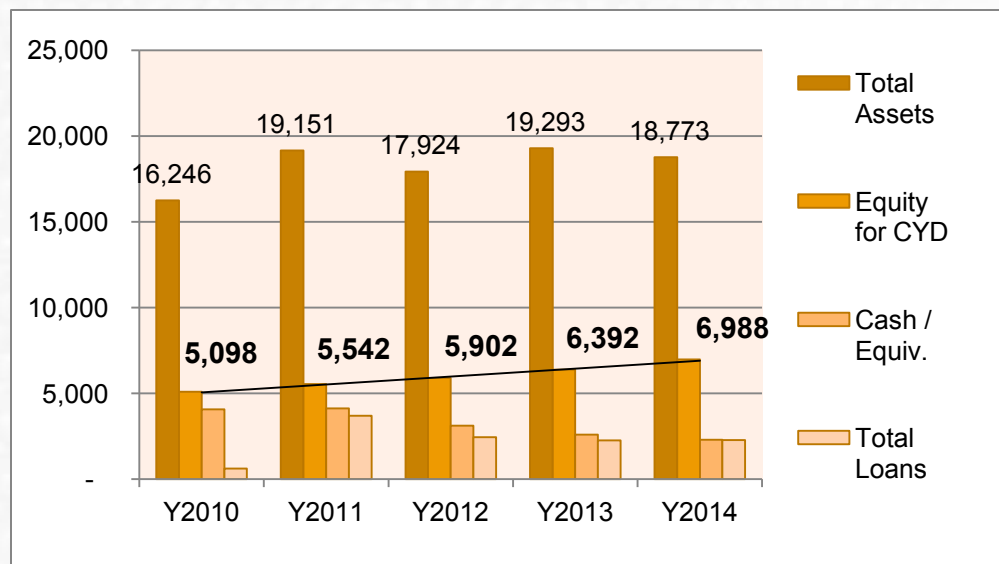
Balance Sheet Review

Currency: RMB million	Y2010	Y2011	Y2012	Y2013	Y2014	Y2015 Q1. Unaudited
Total Assets	16,246	19,151	17,924	19,293	18,773	19,761
Equity for CYD	5,098	5,542	5,902	6,392	6,988	7,101
Cash / Equiv.	4,061	4,125	3,128	2,597	2,291	2,234
Total Loans	625	3,697	2,451	2,259	2,287	2,658

Gearing Ratio	0.12	0.67	0.42	0.35	0.33	0.37
Current Ratio	1.28	1.25	1.31	1.47	1.62	1.58
Inventory Turnover days	79	73	69	67	53	69

Healthy Balance Sheet

- Strong cash position
- Positive net cash position
- Healthy gearing at 33% (Y2014)
- Healthy current ratio at 1.62 (Y2014)
- Equity grew to RMB 7.0B (Y2014)

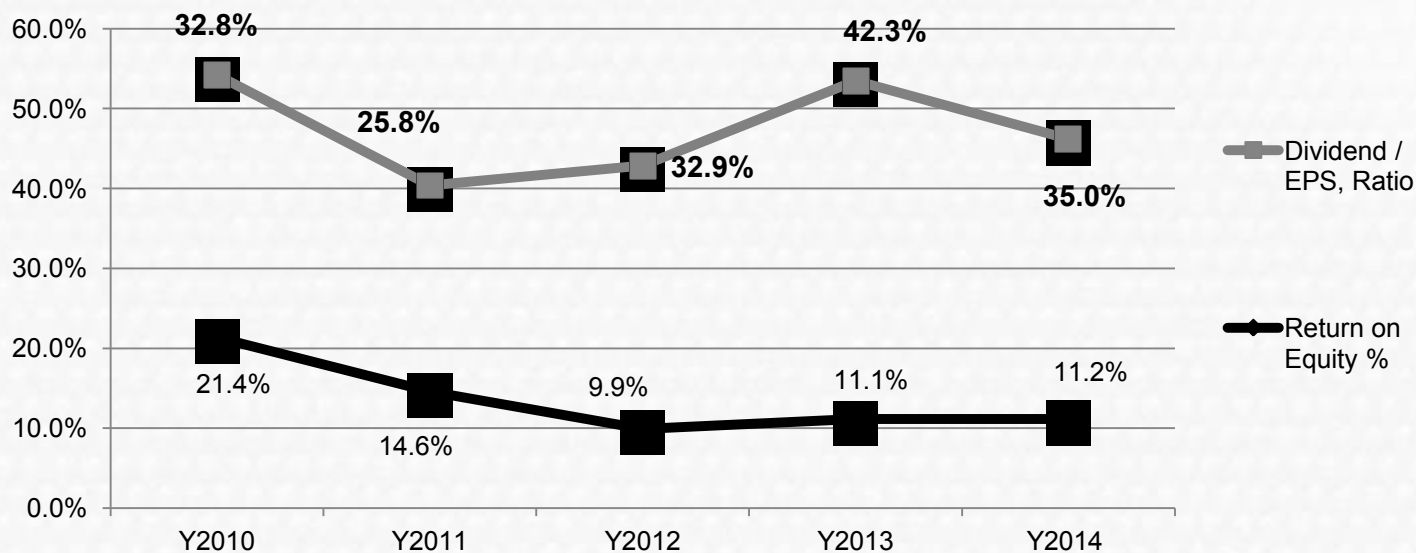




Financial Return Review

	Y2010	Y2011	Y2012	Y2013	Y2014
Return on Equity %	21.4%	14.6%	9.9%	11.1%	11.2%
Dividend / EPS, Ratio	32.8%	25.8%	32.9%	42.3%	35.0%
EPS, US\$ per share	\$4.57	\$3.49	\$2.43	\$3.07	\$3.14
Dividend, US\$ per share	\$1.50	\$0.90	\$0.80	\$1.30 #	\$1.10 #

Note:
2013 \$0.10 in cash,
and \$1.20 either
wholly in cash or
new shares
2014 wholly in cash
or new shares





China Yuchai International [NYSE: CYD]

Thank You

