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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 6-K**

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**REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13A-16 OR 15D-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

June 5, 2014

Commission File Number 1—13522

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**China Yuchai International Limited**  
(Translation of Registrant's name into English)

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16 Raffles Quay #26-00  
Hong Leong Building  
Singapore 048581  
(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F       Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the Registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes       No

If "Yes" is marked, indicate below the file number assigned to registrant in connection with Rule 12g3-2(b): **Not applicable.**

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: June 5, 2014

CHINA YUCHAI INTERNATIONAL LIMITED

By: /s/Weng Ming Hoh

Name: Weng Ming Hoh

Title: President/Director

## NOTICE OF ANNUAL GENERAL MEETING

## CHINA YUCHAI INTERNATIONAL LIMITED

**To all Shareholders**

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “**Meeting**”) of **CHINA YUCHAI INTERNATIONAL LIMITED** (the “**Company**”) will be held at Hotel Nikko, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, July 4, 2014 at 9.30 a.m. (Hong Kong time) for the following purposes:

## As Ordinary Business

1. To receive and adopt the audited financial statements and independent auditors’ report for the financial year ended December 31, 2013.
2. To approve an increase in the limit of the Directors’ fees as set out in Bye-law 10(11) of the Bye-laws of the Company from US\$250,000 to US\$518,904 for the financial year 2013 (Directors’ fees paid for FY 2012: US\$590,000).
3. To re-elect the following Directors retiring pursuant to Bye-law 4(2) of the Bye-laws of the Company to hold office until the next annual general meeting of the Company:
  - (i) Mr Kwek Leng Peck
  - (ii) Mr Gan Khai Choon
  - (iii) Mr Hoh Weng Ming
  - (iv) Mr Tan Aik-Leang
  - (v) Mr Neo Poh Kiat
  - (vi) Mr Yan Ping
  - (vii) Mr Han Yi Yong
  - (viii) Mr Raymond Ho Chi-Keung
4. To authorize the Board of Directors to appoint up to the maximum of 11 Directors or such maximum number as determined from time to time by the shareholders in general meeting to fill any vacancies on the Board.
5. To re-appoint Messrs Ernst & Young LLP as independent auditors of the Company and to authorize the Audit Committee to fix their remuneration.

## As Special Business

6. To approve:
  - (a) the establishment and adoption of the Company’s Equity Incentive Plan (the “**Equity Plan**”), a copy of which is attached to this Notice together with a Plan Summary setting out the salient points of the Equity Plan;
  - (b) the authorization to the Compensation Committee of the Company to implement and administer the Equity Plan, including the granting of share options and the issue of restricted stock and stock payments;
  - (c) the authorization to the Directors or the Compensation Committee of the Company to modify and/or amend the Equity Plan from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Equity Plan and to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or desirable in order to give full effect to the Equity Plan; and

(d) the authorization to the Directors to do all such acts and things (including executing all such documents as may be required) as they may consider necessary or desirable to give effect to the resolutions set out in Items 6(a) to (c) above.

7. To transact any other business as may properly come before the Meeting or any adjournment thereof.

By Order of the Board

Hoh Weng Ming

President

Date: June 5, 2014

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**Notes:**

1. Pursuant to the bye-laws of the Company, no resolution of Members may be passed without the affirmative vote of the Special Share cast by the holder of the Special Share.
2. By resolution of the Board, only Members entered in the Register of Members of the Company at the close of business on May 30, 2014 (New York time) are entitled to receive notice of and to attend and vote at the Meeting.
3. A Member is entitled to appoint one or more proxies to attend and vote in his stead.
4. A proxy need not be a member of the Company.
5. If a proxy is appointed, the proxy form and the power of attorney or other authority (if any) under which it is signed, must be lodged with the Company at 16 Raffles Quay, #26-00 Hong Leong Building, Singapore 048581, Republic of Singapore OR to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717 not less than 48 hours before the time appointed for the Meeting, that is no later than 9.30 a.m. on Wednesday, July 2, 2014 (Singapore time) or 9.30 p.m. on Tuesday, July 1, 2014 (New York time).

**CHINA YUCHAI INTERNATIONAL LIMITED**  
**16 RAFFLES QUAY**  
**#26-00 HONG LEONG BUILDING**  
**SINGAPORE 048581**

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 9:30 p.m. Eastern Time on Tuesday, July 1, 2014. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 9:30 p.m. Eastern Time on Tuesday, July 1, 2014. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M76225-PS4271

KEEP THIS PORTION FOR YOUR RECORDS  
 DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

CHINA YUCHAI INTERNATIONAL LIMITED		For All	Withhold All	For All Except	To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below.																								
<p><b>The Board of Directors recommends you vote FOR the following:</b></p> <p>3. To re-elect the following Directors retiring pursuant to Bye-law 4(2) of the Bye-laws of the Company to hold office until the next Annual General Meeting of the Company:</p> <p><b>Nominees:</b></p> <table border="0"> <tr> <td>01) Mr Kwek Leng Peck</td> <td>05) Mr Neo Poh Kiat</td> </tr> <tr> <td>02) Mr Gan Khai Choon</td> <td>06) Mr Yan Ping</td> </tr> <tr> <td>03) Mr Hoh Weng Ming</td> <td>07) Mr Han Yi Yong</td> </tr> <tr> <td>04) Mr Tan Aik-Leang</td> <td>08) Mr Raymond Ho Chi-Keung</td> </tr> </table>						01) Mr Kwek Leng Peck	05) Mr Neo Poh Kiat	02) Mr Gan Khai Choon	06) Mr Yan Ping	03) Mr Hoh Weng Ming	07) Mr Han Yi Yong	04) Mr Tan Aik-Leang	08) Mr Raymond Ho Chi-Keung																
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<p>Please sign exactly as your name(s) appear(s) hereon within the box. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.</p> <table border="0"> <tr> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> </tr> <tr> <td>Signature of Shareholder/Common Seal</td> <td>Date</td> <td>Signature of Shareholder/Common Seal</td> <td>Date</td> <td></td> <td></td> </tr> </table>						<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Signature of Shareholder/Common Seal	Date	Signature of Shareholder/Common Seal	Date														
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**IMPORTANT – Please read the following notes before completing this form**

1. You may appoint a proxy who need not be a Member of the Company by inserting the proxy's name on this proxy form in the space provided. If you do not enter a name in the space provided, the Chairman or such other person as he may designate will be authorised to act as your proxy.
2. A member is entitled to appoint one or more proxies to attend and vote in his stead. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy. For ease of administration, we would request members not to appoint more than two proxies.
3. The Company shall be entitled to reject a proxy form which is incomplete, improperly completed or illegible. If the true intentions of the appointor are not ascertainable from the instruction of the appointer specified on the proxy form and in relation to any other matter which may come before the Meeting, the proxy shall be entitled to vote in his/her discretion.
4. In the case of a corporation, this proxy must be executed under its common seal or under the hand of an officer or attorney or other person duly authorised to sign.
5. To be valid, this proxy and the power of attorney or other authority (if any) under which it is signed, must be lodged with the Company at 16 Raffles Quay, #26-00 Hong Leong Building, Singapore 048581, Republic of Singapore OR Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717 not less than 48 hours before the time appointed for the Meeting, that is no later than 9.30 a.m. on Wednesday, July 2, 2014 (Singapore Time) or 9.30 p.m. on Tuesday, July 1, 2014 (New York Time).
6. In the case of joint holders of any share, this proxy may be signed by any one of such joint holders. At the Meeting, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.
7. Pursuant to the Bye-laws of the Company, no resolution of Members may be passed without the affirmative vote of the Special Share cast by the holder of the Special Share.
8. By resolution of the Board, only Members entered in the Register of Members of the Company at the close of business on May 30, 2014 (New York Time) are entitled to receive notice of and to attend and vote at the Annual General Meeting.

**Important Notice Regarding the Availability of Proxy Materials for the Annual General Meeting:**  
Notice of Annual General Meeting and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

M76226-P54271

**CHINA YUCHAI INTERNATIONAL LIMITED  
ANNUAL GENERAL MEETING OF SHAREHOLDERS  
JULY 4, 2014 9:30 A.M.**

I/We, \_\_\_\_\_ of \_\_\_\_\_ being (a) shareholder(s)  
of China Yuchai International Limited (the "Company"), hereby appoint(s) Name: \_\_\_\_\_  
and/or \_\_\_\_\_ with Passport Number: \_\_\_\_\_  
and/or \_\_\_\_\_ of Address: \_\_\_\_\_  
and/or \_\_\_\_\_ holding Proportion of shareholding (%): \_\_\_\_\_ and/or \_\_\_\_\_ or failing  
him/her, the Chairman of the Meeting or such other person as he may designate as my/our proxy(ies) to vote for me/us on  
my/our behalf at the Annual General Meeting of the Company to be held at Hotel Nikko, 72 Mody Road, Tsimshatsui East,  
Kowloon, Hong Kong on Friday, July 4, 2014 at 9:30 A.M. (Hong Kong Time), and at any adjournment thereof.

**This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.**

Address Changes/Comments: \_\_\_\_\_  
\_\_\_\_\_

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

**Continued and to be signed on reverse side**

**CHINA YUCHAI INTERNATIONAL LIMITED  
EQUITY INCENTIVE PLAN**

**SECTION 1  
INTRODUCTION**

**1.1 ESTABLISHMENT**

China Yuchai International Limited, an exempted company incorporated in Bermuda (“CYI” and, together with the Subsidiaries (as defined in Section 2.1(r) below) known as the “Group”), hereby establishes the China Yuchai International Limited Equity Incentive Plan (the “Plan”) for certain Employees (as defined in Section 2.1(j) below) of the Group.

**1.2 PURPOSES**

The purpose of the Plan is to provide an incentive to attract, retain and motivate Eligible Persons (as defined in Section 2.1(i) below), by offering them an opportunity to participate in CYI’s future performance through the grant of Awards (as defined in Section 2.1(b)).

**SECTION 2  
DEFINITIONS**

**2.1 DEFINITIONS**

The following terms shall have the meanings set forth below:

- (a) “1934 ACT” means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.
- (b) “AWARD” means an Option, a Restricted Stock award, or a Stock Payment award, which may be awarded or granted under the Plan.
- (c) “AWARD AGREEMENT” means any written notice, letter of offer of grant, agreement, terms and conditions, contract or other instrument or document evidencing an Award, including through electronic medium, which shall contain such terms and conditions with respect to an Award as the Compensation Committee shall determine consistent with the Plan.
- (d) “AWARD LIMIT” means the Share limit set forth in Section 4.3.
- (e) “COMPENSATION COMMITTEE” means the committee appointed by the Board to inter alia, supervise the administration of the Plan and consisting of at least three members of the Board and/or, subject to any limitations in CYI’s Bye-Laws (including, without limitation, Bye-Law 13(1) thereof) and other governing documents, such other person or persons as may be appointed from time to time by the Board, or the entire Board if no such committee has been appointed or is in existence or should the Board decide to reconstitute itself the administration of the Plan.

- (f) "BOARD" means the Board of Directors of CYI.
- (g) "DISABILITY" means a physical or mental condition which, in the judgment of the Compensation Committee, based on medical reports or other evidence satisfactory to the Compensation Committee, prevents a Holder from satisfactorily performing his or her usual duties for the Group or the duties of such other position or job which the Group makes available to him or her.
- (h) "EFFECTIVE DATE" means the effective date of the Plan, which will be the date the Board adopts this Plan, subject to approval by majority vote of the shareholders of CYI.
- (i) "ELIGIBLE PERSONS" means Employees who are in positions of substantial responsibility and whose contributions are important to the successful conduct of the Group's business.
- (j) "EMPLOYEE" means any person, including officers and directors, employed by CYI or any Subsidiary.
- (k) "FAIR MARKET VALUE" as of a particular date means the value of a Share determined as follows:
  - (i) If the Shares are listed on any (A) established securities exchange (such as the New York Stock Exchange, the NASDAQ Global Market and the NASDAQ Global Select Market), (B) national market system or (C) automated quotation system, its Fair Market Value shall be the average closing sales price for a Share as quoted on such exchange or system for the three trading days immediately preceding such date or, if there is no closing sales price for a Share on any or all of such dates in question, the average closing sales price for a Share on the last three preceding dates for which such quotation exists, as reported in *The Wall Street Journal* or such other source as the Compensation Committee deems reliable, in each case, rounded up to the nearest whole cent;
  - (ii) If the Shares are not listed on an established securities exchange, national market system or automated quotation system, but the Shares are regularly quoted by a recognized securities dealer, its Fair Market Value shall be the mean of the high bid and low asked prices for the three trading days immediately preceding such date or, if there are no high bid and low asked prices for a Share on any or all of such dates, the high bid and low asked prices for a Share on the last three preceding dates for which such information exists, as reported in *The Wall Street Journal* or such other source as the Compensation Committee deems reliable, in each case, rounded up to the nearest whole cent; or

- (iii) If the Shares are neither listed on an established securities exchange, national market system or automated quotation system nor regularly quoted by a recognized securities dealer, its Fair Market Value shall be established by the Compensation Committee in good faith.
- (l) "HOLDER" means an Eligible Person who receives one or more Awards under the Plan.
- (m) "OPTION" means an option granted pursuant to the Plan which gives the Holder the right to subscribe for Shares.
- (n) "OPTION PRICE" means the price per Share at which a Holder may subscribe for the Shares issuable upon exercise of an Option, determined in accordance with Section 5.2(b).
- (o) "PERMITTED TRANSFEREE" means, with respect to a Holder, any "family member" of such Holder, as defined in the instructions to Form S-8 under the Securities Act of 1933, as amended.
- (p) "RESTRICTED STOCK" means Shares awarded under Section 6 that are subject to certain restrictions and may be subject to risk of forfeiture or repurchase by CYI.
- (q) "SHARE" means an ordinary share of CYI, par value US\$0.10.
- (r) "SUBSIDIARY" means any corporation in which CYI and/or one or more other Subsidiaries owns, directly or indirectly, not less than 50 percent of the total combined voting power of all classes of outstanding stock of such corporation. A corporation that attains the status of a Subsidiary on a date after the Effective Date shall be considered a Subsidiary commencing as of such date.
- (s) "STOCK PAYMENT" means (i) a payment in the form of Shares or (ii) an option or other right to purchase Shares, as part of a bonus, deferred compensation or other arrangement, awarded under Section 7.

- (t) “TERMINATION” or “TERMINATED” means, for purposes of this Plan with respect to a Holder, that the Holder has for any reason ceased to provide services as an Employee of CYI or any Subsidiary except in the case of sick leave, military leave, or any other leave of absence approved by the Compensation Committee. A Holder shall be deemed to have ceased to provide services on the earliest to occur of (i) the date notice of termination of employment is tendered by or is given to such Holder, (ii) with respect to a Holder that is an Employee of a Subsidiary, the date such Subsidiary ceases to be a Subsidiary (unless such Holder immediately thereafter becomes an Employee of CYI or another Subsidiary) and (iii) the effective date on which the Holder ceased to provide services to CYI or any Subsidiary, in each case, as determined by the Compensation Committee in its sole discretion (the earliest of such dates, the “Termination Date”). The Compensation Committee, in its sole discretion, shall determine the effect of all matters and questions relating to any Termination, including, without limitation, whether a Termination has occurred and whether any Termination resulted from a discharge for “cause” (which, for purposes of the Plan, shall be determined in the sole discretion of the Compensation Committee, or as set forth in the applicable Award Agreement).

## 2.2 GENDER AND NUMBER

Except where otherwise indicated by the content, the masculine gender also shall include the feminine gender, and the definition of any term herein in the singular also shall include the plural.

## **SECTION 3 PLAN ADMINISTRATION**

### 3.1 COMPENSATION COMMITTEE; POWERS

The Plan shall be administered by the Compensation Committee. Subject to the general purposes, terms and conditions of the Plan, the Compensation Committee shall have full power and authority, in its sole discretion, to administer, implement and carry out the Plan. Without limitation, the Compensation Committee has the authority to (a) select the Eligible Persons to whom Awards will be granted, the time when Awards will be granted, the number of Awards and the number of Shares to be covered by each Awards granted, (b) determine the terms and conditions of any Awards granted under the Plan, (c) approve forms of agreement for use under the Plan, (d) establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan, and (e) take any and all other action as it deems necessary or advisable for the operation or administration of the Plan and the Awards. All decisions, determinations and interpretations of the Compensation Committee shall be final and binding on all Holders, the Group and all other persons having an interest in any Awards under the Plan. Any determination reduced in writing and signed by all of the members of the Compensation Committee shall be fully effective as if it had been made by a majority vote at a meeting duly called and held.

**SECTION 4**  
**SHARES RESERVED FOR THE PLAN**

**4.1 NUMBER OF SHARES**

Subject to the provisions of Section 4.2 below, the total number of Shares available for grant and issuance pursuant to this Plan from time to time will be 1,800,000 (the "Maximum Share Number"). If any Shares subject to an Award are forfeited, canceled or expire or such Award is settled for cash (in whole or in part) for any reason, such Shares will, to the extent of such forfeiture, cancellation, expiration or cash settlement, again become available for grant and issuance in connection with future Awards under this Plan. The following Shares shall not be added back to the share limit set forth in this Section 4.1 and will not be available for future grants of Awards: (a) Shares issued upon exercise of Options; (b) Shares issued pursuant to Restricted Stock Awards free and clear from restrictions and which are not subject to CYI's right of repurchase; (c) Shares issued pursuant to Stock Payment Awards; and (d) Shares tendered by a Holder or withheld by CYI or a Subsidiary in payment of the Option Price or to satisfy any tax withholding obligation with respect to an Award. Any Shares repurchased by CYI under Section 6.4 at the same price paid by the Holder so that such Shares are returned to CYI shall again be available for Awards. CYI will, at all times, keep available a sufficient number of Shares in its authorized share capital as will be required to satisfy the requirements of all outstanding Awards granted under this Plan.

**4.2 ADJUSTMENTS UPON CHANGES IN CAPITALIZATION AND OTHER CORPORATE EVENTS**

- (a) The aggregate number and kind of Shares which may be granted or issued pursuant to the Awards granted under the Plan as provided in Section 4.1 above, the Award Limit, the number and kind of Shares covered by each outstanding Award, the Option Price for each such Option and the terms and conditions of the Awards may be equitably adjusted for any increase or decrease in the number of issued Shares resulting from a division or consolidation of Shares or other capital adjustment, the payment of a stock dividend or other increase or decrease in such Shares, any merger, consolidation or other distribution (other than normal cash dividends) of CYI's assets to shareholders, or any other change affecting the Shares or the price per Share, as determined by the Compensation Committee; provided, however, that any fractional Shares resulting from any such adjustment shall be eliminated. The Compensation Committee shall have the sole discretion to act in such manner as it deems equitable and appropriate with respect to any adjustments described in this Section 4.2(a).

- (b) In the event of any transaction or event described in Section 4.2(a) or any unusual or nonrecurring transactions or events affecting CYI or any Subsidiary or the financial statements of CYI or any Subsidiary (including, without limitation, the commencement or consummation of a voluntary or involuntary winding up of CYI), or of changes in applicable laws or accounting principles, the Compensation Committee, in its sole discretion, and on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such transaction or event and either automatically or upon the Holder's request, is hereby authorized to take any one or more of the following actions whenever the Compensation Committee determines that such action is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any Award under the Plan, to facilitate such transactions or events or to give effect to such changes in laws or principles:
- (i) To provide for either (A) termination of any such Award in exchange for an amount of cash and/or other property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Holder's rights with respect to such Award (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction or event described in this Section 4.2 the Compensation Committee determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Holder's rights with respect to such Award, then such Award may be terminated by CYI without payment) or (B) the replacement of such Award with other rights or property selected by the Compensation Committee, in its sole discretion, having an aggregate value not exceeding the amount that could have been attained upon the exercise of such Award or realization of the Holder's rights with respect to such Award had such Award been currently exercisable or payable or fully vested;
  - (ii) To provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;

- (iii) To make adjustments in the number and type of shares of the stock of CYI (or other securities or property) subject to outstanding Awards and/or in the terms and conditions of (including the Option Price), and the criteria included in, outstanding Awards and Awards which may be granted in the future;
- (iv) To provide that such Award shall be exercisable or payable or fully vested with respect to all Shares covered thereby, notwithstanding anything to the contrary in the Plan or Award Agreement; and
- (v) To provide that the Award cannot vest or be exercised upon or after such event.

#### 4.3 AWARD LIMIT

Notwithstanding any provision in the Plan to the contrary, but subject to Section 4.2, the maximum aggregate number of Shares with respect to one or more Awards that may be granted to any one person during any calendar year shall be 300,000.

#### 4.4 FULLY PAID SHARES

Notwithstanding any provision in the Plan to the contrary, in addition to any consideration payable in order to accept any Award and in addition to any Option Price or any purchase price for any Restricted Stock or Stock Payment, Shares shall be issued fully paid and payment therefor may be made in such form of consideration as may be acceptable to the Compensation Committee, including but not limited to past and future services rendered by the Holder to CYI or the Group.

### **SECTION 5 SHARE OPTIONS**

#### 5.1 GRANT OF OPTIONS

The Compensation Committee may grant Options to Eligible Persons. Any Eligible Person may be granted one or more Options. The Compensation Committee may subsequently grant additional Options to Eligible Persons who have been granted one or more Options. In order to accept any Option, each Eligible Person must pay the Group consideration of US\$1.00 per Option award within thirty days of the date of the written Award Agreement with respect to such Eligible Person referred to in Section 5.2 and any Shares issued pursuant to an Option shall be issued fully paid as set forth in Section 4.4.

#### 5.2 OPTION AGREEMENTS

The provisions of written Award Agreements for different Options need not be identical, but each written Award Agreement shall include (through incorporation of provisions hereof by reference in a written Award Agreement or otherwise) the substance of each of the following provisions:

(a) NUMBER OF SHARES

Each written Award Agreement shall state that it covers a specified number of Shares, as determined by the Compensation Committee.

(b) PRICE

The Option Price at which each Share covered by an Option may be subscribed for shall be determined by the Compensation Committee and shall be set forth in the written Award Agreement. In no event shall the Option Price for any Share covered by an Option be less than (i) the Fair Market Value of the Shares on the date the Option is granted and (ii) the par value of the Shares.

(c) VESTING

An Option shall become exercisable ("vest") in the manner and subject to such conditions provided by the Compensation Committee and set forth in the written Award Agreement with respect to such Option. The Compensation Committee, in its sole discretion, may provide for Options to vest based on performance or other criteria, at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Compensation Committee determines. The Compensation Committee may accelerate the vesting of any Option at any time in its sole discretion.

(d) DURATION OF OPTIONS

Each written Award Agreement shall state the period of time within which the vested portion of an Option may be exercised by the Holder (the "Option Period"). The Option Period for an Option shall be determined by the Compensation Committee, subject to a maximum term of ten years from the date such Option is granted and such other limitations as may apply upon the Termination of a Holder's employment or as otherwise specified by the Compensation Committee in the relevant written Award Agreement.

(e) TERMINATION OF EMPLOYMENT, DEATH, DISABILITY, ETC.

Unless otherwise provided by the Compensation Committee and set forth in the applicable Award Agreement (which may provide for accelerated vesting and/or longer or shorter periods of exercisability):

- (i) Except as otherwise provided in this Section 5.2(e), if a Holder (A) is Terminated for any reason or (B) becomes bankrupt or is deprived of the legal or beneficial ownership of an Option, such Holder's Option and rights to exercise any vested but unexercised portion of such Option shall immediately terminate and all rights thereunder shall cease.

- (ii) If a Holder is Terminated by reason of Disability, redundancy, retirement or for any other reason approved in writing by the Compensation Committee, such Holder (or in the case of a Holder who is legally incapacitated, his guardian or legal representative provided the Compensation Committee is furnished with satisfactory evidence of such Holder's legal incapacity and such person's status as his guardian or legal representative) shall have the right, during the period ending on the earlier of (A) six months after the Termination Date or (B) the end of the Option Period of his Option, to exercise the portion of his Option that was vested but unexercised as of such Termination Date.
- (iii) If a Holder is Terminated by reason of death, any vested and unexercised portion of the Option held by such Holder may, in the discretion of the Compensation Committee, be exercised by the executor or administrator of the estate of the deceased, or the person or persons to whom an Option shall have been validly transferred in accordance with Section 9.3 pursuant to will or the laws of descent and distribution or transmission within such period after such Holder's death as may be determined by the Compensation Committee in its absolute discretion (but, in any case, before the expiration of the Option Period in respect of such Option) and, upon the expiration of such period, the Option shall lapse.
- (iv) Without limiting the discretion of the Compensation Committee to deviate from the foregoing termination procedures in such cases and in such manner that it deems appropriate, the Compensation Committee may, in its sole discretion, at or after the date of grant, (A) permit a Holder to exercise, in whole or in part, the vested but unexercised portion of such Holder's Option as of such Holder's Termination Date, and (B) accelerate the vesting of any unvested portion of a Holder's Option, in whole or in part, and permit the exercise of such portion on the Holder's Termination Date. The decision by the Compensation Committee to permit any one or more of the foregoing accelerations or exercises with respect to all or part of one Option shall not infer similar treatment for any other Option.

- (v) If, as of a Holder's Termination Date, such Holder is not entitled to exercise any part of his Option, the Option shall terminate on the Termination Date and the Shares covered by the unexercised portion of his Option shall revert to and again become available for issuance under the Plan as of such Termination Date. If a Holder is entitled to exercise part but not all of the unexercised portion of his Option after his Termination Date, the Shares covered by the portion of his Option that is unexercised and unexercisable shall revert to and again become available for issuance under the Plan as of such Termination Date and the Option shall terminate with respect thereto. To the extent a Holder is entitled to exercise all or part of his Option after his Termination Date, and does not exercise such portion in full within the permitted time period, his Option shall terminate and the Shares covered by the unexercised portion of his Option shall revert to and again become available for issuance under the Plan, in each case upon expiration of such period.
- (f) EXERCISE, PAYMENTS, ETC.
- (i) Subject to the terms and conditions as shall be specified in the written Award Agreement and the terms of this Section 5.2(f), the vested portion of an Option may be exercised in whole or in part at any time, with respect to whole Shares only, within the period permitted for the exercise thereof. Each written Award Agreement shall provide the method for exercising the vested portion of an Option, which shall require, among other things, delivery to CYI of written notice (an "Exercise Notice") including (A) the particular Option (or portion thereof) which is being exercised and the number of Shares with respect to which such Option is exercised, (B) such covenants, representations and documents as the Compensation Committee, in its sole discretion, deems necessary or advisable to effect compliance with applicable laws, (C) payment of the Option Price and any applicable withholding taxes and (D) in the event the Option is exercised by a person other than the Holder, appropriate proof of the right of such person to exercise the Option. Such notice shall be in a form satisfactory to the Compensation Committee. The Compensation Committee may provide in an Award Agreement that an Option may not be exercised as to fractional shares or as to fewer than a specified minimum number of Shares, unless it is exercised as to all Shares as to which such Option has then vested. The exercise of an Option shall be deemed effective upon compliance with the terms of exercise under the Plan and any applicable Award Agreement, including, without limitation, receipt of an Exercise Notice by CYI and payment to CYI of the Option Price. Upon exercise in accordance with this Section 5.2(f) and any applicable written Award Agreement, a properly executed certificate or certificates representing the Shares shall be issued by CYI or appropriate book entries evidencing such Shares shall be made.

- (ii) The method or methods of payment of the Option Price and any applicable withholding taxes for the Shares to be subscribed for upon exercise of an Option shall be determined by the Compensation Committee and, subject to Section 4.4, may consist of any of the following methods or any combination of the following methods:
  - (A) in cash in U.S. dollars;
  - (B) by cashier's order payable in Singapore dollars (at an exchange rate designated by the Compensation Committee) to the order of CYI;
  - (C) with the consent of the Compensation Committee, delivery of a written or electronic notice that the Holder has placed a market sell order with a broker with respect to Shares then-issuable upon exercise of an Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to CYI or a Subsidiary in satisfaction of the aggregate payments required; provided, however, that payment of such proceeds is then made to CYI or a Subsidiary upon settlement of such sale; or
  - (D) such other form of legal consideration as may be acceptable to the Compensation Committee and provided for in the Award Agreement.
- (iii) In no event shall the exercise of one Option affect the right to exercise any other Option or affect the number of Shares for which any other Option may be exercised.

(g) DATE OF GRANT

Each Option shall be considered as having been granted on the date specified in the grant resolution of the Compensation Committee, unless otherwise specified by the Compensation Committee.

(h) MODIFICATION, SUBSTITUTION AND CANCELLATION OF OPTIONS

Subject to Section 4.2 hereof, the Compensation Committee shall not, without the approval of the shareholders of CYI, (i) authorize the amendment of any outstanding Option to reduce its Option Price, or (ii) cancel any Option in exchange for cash or another Award when the Option Price exceeds the Fair Market Value of the underlying Shares. Subject to Section 4.2 hereof, the Compensation Committee shall have the authority, without the approval of the shareholders of CYI, to amend any outstanding Award to increase the Option Price or to cancel and replace an Award with the grant of an Award having an Option Price that is greater than or equal to the Option Price of the original Award; provided that any such action may not, without the written consent of the affected Holders, impair any of such Holders' rights under any Option previously granted.

5.3 SHAREHOLDER PRIVILEGES

No Holder shall have any rights as a shareholder with respect to any Shares subject to any Option granted to such person under this Plan until the Shares are issued to the Holder, and no adjustment shall be made for dividends or other distributions or other rights for which the record date precedes the date such Holder becomes the holder of record of such Shares, except as provided in Section 4.

**SECTION 6  
RESTRICTED STOCK**

6.1 GRANT OF RESTRICTED STOCK

The Compensation Committee may grant Restricted Stock to Eligible Persons. Any Eligible Person may be granted one or more Awards of Restricted Stock. The Compensation Committee may subsequently grant additional Restricted Stock to Eligible Persons who have been granted one or more Awards of Restricted Stock. The Compensation Committee shall establish the purchase price, if any, for Restricted Stock; provided, however, that, in all cases, in order to accept any Shares of Restricted Stock, each Eligible Person must pay the Group consideration of at least US\$1.00 per Restricted Stock award within thirty days of the date of the written Award Agreement with respect to such Eligible Person referred to in Section 6.2 and any Shares of Restricted Stock shall be issued fully paid as set forth in Section 4.4.

6.2 RESTRICTED STOCK AGREEMENTS

The provisions of written Award Agreements for different Restricted Stock need not be identical, but each written Award Agreement shall include (through incorporation of provisions hereof by reference in a written Award Agreement or otherwise) the substance of each of the following provisions:

(a) NUMBER OF SHARES

Each written Award Agreement shall state that a specified number of Shares granted thereunder, as determined by the Compensation Committee.

(b) PRICE

Subject to Section 6.1, the purchase price, if any, of the Restricted Stock shall be determined by the Compensation Committee and shall be set forth in the written Award Agreement.

(c) VESTING/RESTRICTIONS

Each Award of Restricted Stock (including any shares received by Holders thereof with respect to Shares of Restricted Stock as a result of stock dividends, stock splits or any other form of recapitalization) shall be subject to such restrictions and vesting requirements as provided by the Compensation Committee and set forth in the written Award Agreement. Such restrictions may include, without limitation, restrictions concerning voting rights and transferability and such restrictions may lapse separately or in combination at such times and pursuant to such circumstances or based on such criteria as selected by the Compensation Committee, including, without limitation, criteria based on the Holder's duration of employment or service with CYI, CYI performance, Group performance, individual performance or other criteria selected by the Compensation Committee, at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Compensation Committee determines. By action taken after the Restricted Stock is issued, the Compensation Committee may, on such terms and conditions as it may determine to be appropriate, accelerate the vesting of such Restricted Stock by removing any or all of the restrictions imposed by the terms of the applicable Award Agreement. Restricted Stock may not be sold or encumbered until all restrictions are terminated or expire.

(d) DATE OF GRANT

Each Award of Restricted Stock shall be considered as having been granted on the date specified in the grant resolution of the Compensation Committee, unless otherwise specified by the Compensation Committee.

### 6.3 RIGHTS AS SHAREHOLDERS

Subject to Section 6.4, upon issuance of Restricted Stock, the Holder shall have, unless otherwise provided by the Compensation Committee, all the rights of a shareholder with respect to said Shares, subject to the restrictions in each individual Award Agreement, including the right to receive all dividends and other distributions paid or made with respect to the Shares; provided, however, that, in the sole discretion of the Compensation Committee, any extraordinary or special dividends or distributions with respect to the Shares shall be subject to the restrictions set forth in Section 6.2(c).

#### 6.4 REPURCHASE OR FORFEITURE OF RESTRICTED STOCK

In the event of a Termination during the applicable restriction period, CYI shall have the right to repurchase from the Holder the unvested Restricted Stock then subject to restrictions at a cash price per share equal to the price paid by the Holder for such Restricted Stock or such other amount as may be specified in the applicable Award Agreement. Notwithstanding the foregoing, the Compensation Committee, in its sole discretion, may provide that upon certain events, including a change in control (as defined in Section 8.2), the Holder's death, retirement or Disability or any other specified Termination or any other event, the Holder's rights in unvested Restricted Stock shall not lapse, such Restricted Stock shall vest and, if applicable, CYI shall not have a right of repurchase.

#### 6.5 CERTIFICATES FOR RESTRICTED STOCK

Restricted Stock granted pursuant to the Plan may be evidenced in such manner as the Compensation Committee shall determine. Certificates or book entries evidencing Shares of Restricted Stock shall include an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock. CYI, in its sole discretion, may (a) retain physical possession of any stock certificate evidencing Shares of Restricted Stock until the restrictions thereon shall have lapsed and/or (b) require that the stock certificates evidencing Shares of Restricted Stock be held in custody by a designated escrow agent (which may but need not be CYI) until the restrictions thereon shall have lapsed, and that the Holder deliver a stock power, endorsed in blank, relating to such Restricted Stock.

### SECTION 7 STOCK PAYMENTS

#### 7.1 GRANT OF STOCK PAYMENTS

The Compensation Committee may grant Stock Payments to Eligible Persons. Any Eligible Person may be granted one or more Stock Payments. The Compensation Committee may subsequently grant additional Stock Payments to Eligible Persons who have been granted one or more Stock Payments. The Compensation Committee shall establish the purchase price, if any, for Stock Payments; provided, however, that, in all cases, in order to accept Stock Payments, each Eligible Person must pay the Group consideration of at least US\$1.00 per Stock Payment award within thirty days of the date of the written Stock Payment agreement with respect to such Eligible Person and any Shares of a Stock Payment shall be issued fully paid as set forth in Section 4.4.

#### 7.2 STOCK PAYMENT TERMS

The terms and conditions (including, without limitation, the number or value of Shares) of any Stock Payment shall be determined by the Compensation Committee and may be based on the Holder's duration of employment or service with CYI, CYI performance, Group performance, individual performance or other criteria selected by the Compensation Committee, at one time or from time to time, periodically or otherwise. Unless otherwise provided by the Compensation Committee, a Holder of a Stock Payment shall have no rights as a CYI shareholder with respect to such Stock Payment until such time as the Shares underlying the Award have been issued to the Holder. Stock Payments may, but are not required to, be made in lieu of base salary, bonus, fees or other cash compensation otherwise payable to such Eligible Person.

**SECTION 8**  
**CHANGE IN CONTROL**

**8.1 CHANGE IN CONTROL**

Except as otherwise provided in the applicable written Award Agreement, in the event of a change in control (as defined below), each outstanding Award shall continue in effect or be assumed or an equivalent award substituted by the successor corporation or a parent or subsidiary of the successor corporation. In the event an Award continues in effect or is assumed or an equivalent award substituted, and a Holder's employment is terminated by the successor corporation without cause upon or within twelve (12) months following the change in control, then such Holder shall be fully vested in such continued, assumed or substituted award. In the event that a change in control occurs and a Holder's outstanding Awards are not continued, assumed or substituted by the surviving or successor entity in such change in control, then such outstanding Awards, to the extent not continued, assumed or substituted, shall become fully vested and exercisable immediately prior to the consummation of such transaction.

**8.2 DEFINITION**

A "change in control" shall be deemed to have occurred in the event (a) that any "person" or related "group" of "persons" (within the meaning of Sections 13(d) and 14(d)(2) of the 1934 Act) (other than CYI, Hong Leong Asia Ltd., any Subsidiaries, an employee benefit plan maintained by CYI or any of Subsidiaries, or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, CYI or Hong Leong Asia Ltd.) becomes the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of more than 50% of the then outstanding voting shares of CYI; or (b) of the consummation of a merger or consolidation of CYI with any other entity or a sale or disposition by CYI of all or substantially all of CYI's assets, other than an excluded transaction (as defined below). For purposes of this Section 8.2, (i) an "excluded transaction" shall mean any such transaction which results in the voting securities of CYI outstanding immediately prior to such transaction continuing to represent (either by remaining outstanding or by being converted into securities of the Successor Entity) at least 50% of the combined voting power of the voting securities of the Successor Entity outstanding immediately after such transaction, and (ii) a "Successor Entity" shall mean, with respect to any transaction, the entity surviving such transaction or the entity that, as a result of such transaction, owns, directly or indirectly, all or substantially all of CYI's assets or otherwise succeeds to the business of CYI. The Compensation Committee shall have full and final authority, which shall be exercised in its sole discretion, to determine conclusively whether a change in control has occurred pursuant to the above definition, and the date of the occurrence of such change in control and any incidental matters relating thereto.

**SECTION 9  
GRANTING OF AWARDS AND  
RIGHTS OF EMPLOYEES AND HOLDERS**

**9.1 AWARD AGREEMENTS**

Each Award granted under the Plan shall be evidenced by a written Award Agreement which shall be entered into by CYI and the Holder and shall be in such form and contain such provisions as the Compensation Committee may from time to time approve, and shall comply with and be subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of the Plan and any Award Agreement, the provisions of the Plan shall govern. Any such agreement may be supplemented or amended from time to time as approved by the Compensation Committee as contemplated herein.

**9.2 EMPLOYMENT**

Nothing contained in the Plan or in any Award Agreement shall confer upon any Eligible Person any right with respect to the continuation of his or her employment or any other relationship with any entity in the Group, or interfere in any way with the right of an Eligible Person or any entity in the Group, subject to the terms of any separate agreement to the contrary, at any time to terminate such employment or other relationship, with or without cause or with the right of any entity in the Group to increase or decrease the compensation of such Eligible Person from the rate in existence at the time of the grant of an Award.

**9.3 NON-TRANSFERABILITY**

- (a) Subject to Section 9.3(b), no right or interest of any Holder in an Award granted pursuant to the Plan shall be sold, pledged, assigned or transferred during the lifetime of the Holder, either voluntarily or involuntarily, or be subjected to any lien, directly or indirectly, by operation of law or otherwise, including execution, levy, garnishment, attachment, pledge or bankruptcy, unless and until such Award has been exercised and the Ordinary Shares underlying such Award have been issued and all restrictions applicable to such Shares have lapsed, and each Award may be exercised during the Holder's lifetime only by him or her. In the event of a Holder's death, subject to Section 5.2(e)(iii), a Holder's rights and interests in Awards may be transferred by testamentary will or the laws of descent and distribution or transmission. If, in the opinion of the Compensation Committee, a Holder is unable to manage his own affairs because of mental condition, physical condition or age, such Holder's Awards shall be exercised by such person's guardian, conservator or other legal personal representative upon furnishing the Compensation Committee with evidence satisfactory to the Compensation Committee of such Holder's inability and such person's status.

- (b) Notwithstanding Section 9.3(a), the Compensation Committee, in its sole discretion, may determine to permit a Holder to transfer an Award to any one or more Permitted Transferees, subject to the following terms and conditions: (i) an Award transferred to a Permitted Transferee shall not be assignable or transferable by the Permitted Transferee other than by will or the laws of descent and distribution; (ii) an Award transferred to a Permitted Transferee shall continue to be subject to all the terms and conditions of the Award as applicable to the original Holder (other than the ability to further transfer the Award); and (iii) the Holder and the Permitted Transferee shall execute any and all documents requested by the Compensation Committee, including, without limitation documents to (A) confirm the status of the transferee as a Permitted Transferee, (B) satisfy any requirements for an exemption for the transfer under applicable law and (C) evidence the transfer.

## **SECTION 10 GENERAL RESTRICTIONS**

### **10.1 COMPLIANCE WITH SECURITIES LAWS**

An Award will not be effective unless such Award is in compliance with all applicable securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed or quoted, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, an Award may not be exercised in whole or in part, and the Group will have no obligation to issue, transfer or deliver certificates (or make book entries) for Shares under this Plan prior to: (a) the completion of any listing, registration or qualification of the Shares subject to such Award upon any securities exchange or under any law, regulation or ruling of any governmental body that counsel to CYI at any time determines to be necessary or advisable, and/or (b) obtaining any consent or approval of any governmental or regulatory body that counsel to CYI at any time determines to be necessary or advisable, as a condition of, or in connection with, the issuance or purchase of Shares thereunder, in each case, on conditions acceptable to the Compensation Committee. Nothing herein shall be deemed to require CYI or any other entity in the Group to apply for or to obtain such listing, registration or qualification or to effect compliance with the registration, qualification or listing requirements of any securities laws, stock exchange or automated quotation system, and the Group will have no liability for any inability or failure to do so.

## 10.2 LOCAL REQUIREMENTS

Notwithstanding any provision of the Plan to the contrary, in order to comply with the applicable laws, the Compensation Committee, in its sole discretion, shall have the power and authority to: (a) determine which Subsidiaries shall be covered by the Plan; (b) determine which Eligible Persons are eligible to participate in the Plan; (c) modify the terms and conditions of any Award granted to Eligible Persons to comply with applicable laws; (d) establish subplans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable (any such subplans and/or modifications shall be attached to the Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitation contained in Section 4.1; and (e) take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals or other applicable law.

## 10.3 FORFEITURE AND CLAWBACK PROVISIONS

- (a) Pursuant to its general authority to determine the terms and conditions applicable to Awards under the Plan, the Compensation Committee shall have the right to provide, in an Award Agreement or otherwise, or to require a Holder to agree by separate written or electronic instrument, that in the event of circumstances involving a misstatement of the financial results of any member of the Group in respect of any fiscal year (or other applicable period) or misconduct on Holder's part which caused or contributed to a misstatement or which could result in financial loss to any member of the Group, CYI reserves the right to, upon the instruction of the Compensation Committee, (i) recover or cancel an Award (whether in whole or in part) at any time prior to the expiry of the Award (or the period for exercise thereof) or (ii) recover any proceeds, gains or other economic benefit actually or constructively received by a Holder upon any receipt or exercise of the Award, or upon receipt or resale of any Shares underlying the Award. Such recovery or cancellation of the Award may (but is not required to) take into account the amount of Shares under the Award that might have been granted had the same been calculated based on any restated financial results, if applicable, and can take place at any time; and
- (b) Without limiting the foregoing, all Awards (including any proceeds, gains or other economic benefit actually or constructively received by the Holder upon any receipt or exercise of any Award or upon the receipt or resale of any Shares underlying the Award) shall be subject to the provisions of any claw-back policy implemented by CYI from time to time, including, without limitation, any claw-back policy adopted to comply with the requirements of applicable law, to the extent set forth in such claw-back policy and/or in the applicable Award Agreement.

**SECTION 11**  
**PLAN AMENDMENT, MODIFICATION AND TERMINATION**

The Compensation Committee or the Board may, at any time terminate, and from time-to-time may amend or modify the Plan; provided, however, that no amendment or modification may become effective without approval of the amendment or modification by the shareholders of CYI if (a) shareholder approval is required to enable the Plan to satisfy any applicable statutory or regulatory requirements or (b) the Group, on the advice of counsel, determines that shareholder approval otherwise is necessary or desirable. No amendment, modification or termination of the Plan shall in any manner adversely affect any Awards theretofore granted under the Plan without the consent of the Holders or the permitted transferee(s) of such Awards, subject always to applicable laws. No Awards may be granted or awarded during any period of suspension or after termination of the Plan.

**SECTION 12**  
**WITHHOLDING TAXES**

CYI's obligation to deliver Shares pursuant to any Award shall be subject to the satisfaction of all applicable income and other tax withholding requirements. CYI shall have the authority and the right to deduct or withhold, or require a Holder to remit to CYI, an amount sufficient to satisfy income and other taxes required by applicable laws to be withheld with respect to any taxable event concerning a Holder arising as a result of the Plan or any Award. The Compensation Committee may in its sole discretion and in satisfaction of the foregoing requirement allow a Holder to satisfy such obligations by any payment means described in Section 5.2(f) above, subject to Section 4.4.

**SECTION 13**  
**NON-EXCLUSIVITY OF THE PLAN / RELATION TO OTHER BENEFITS**

The adoption of the Plan shall not be construed as creating any limitations on the power or authority of the Board to adopt such other or, additional incentive or other compensation arrangements of whatever nature as the Board may deem necessary or desirable or precluding or limiting the continuation of any other plan, practice or arrangement for the payment of compensation or fringe benefits which any entity in the Group now has lawfully put into effect, including, without limitation, any stock option, retirement, pension, savings and share purchase plan, insurance, death and disability benefits and executive short-term incentive plans. No payment pursuant to the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of CYI or any Subsidiary except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

**SECTION 14**  
**REQUIREMENTS OF LAW**

**14.1 REQUIREMENTS OF LAW**

The issuance of Shares pursuant to the Plan shall be subject to all applicable laws, rules and regulations. Any securities delivered under the Plan shall be subject to such restrictions, and the person acquiring such securities shall, if requested by CYI, provide such assurances and representations to CYI as CYI may deem necessary or desirable to assure compliance with all applicable laws. To the extent permitted by applicable laws, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to applicable laws. The term “applicable laws” in this Plan shall mean the rules, regulations and requirements relating to the Plan under Bermuda or Singapore laws, the U.S. state corporate laws, U.S. federal and state securities laws, any stock exchange or quotation system on which the Shares are listed or quoted and the applicable laws of any foreign country or jurisdiction where Awards are granted under the Plan.

**14.2 GOVERNING LAW**

The Plan and all agreements hereunder shall be governed by and construed in accordance with the laws of Bermuda without regard to otherwise governing principles of conflicts of law.

**SECTION 15**  
**DURATION OF THE PLAN**

The Plan shall become effective upon its adoption by the Board, subject to approval by majority vote of the shareholders of CYI. The Plan shall terminate on the date that is ten (10) years from the Effective Date of the Plan unless earlier terminated. Awards outstanding at the time of the Plan’s termination may continue to be exercised in accordance with their terms and shall continue to be governed by and interpreted consistent with the terms of the Plan.

**The Plan was approved and adopted by the Board of Directors on May 10, 2014.**

**Proposal No. 6 as set out in the Notice of Annual General Meeting dated June 5, 2014****Adoption of Equity Incentive Plan**

The Board of Directors (the “Board”) of China Yuchai International Limited (the “Company”) had on May 10, 2014 approved and adopted the China Yuchai International Limited Equity Incentive Plan (the “Equity Plan”), subject to the approval by majority vote of the shareholders of the Company at a general meeting of shareholders.

**General**

The following is a summary of the principal features of the Equity Plan, which is attached hereto. This summary, however, does not purport to be a complete description of all of the provisions of the Equity Plan. It is qualified in its entirety by reference to the full text of the Equity Plan.

The purpose of the Equity Plan is to provide an incentive to attract, retain and motivate participants by offering them an opportunity to participate in the Company’s future performance through the grant of equity awards.

The Equity Plan contains the following important features:

- (i) Only share options, restricted stock and stock payments may be granted under the Equity Plan;
- (ii) The Equity Plan shall terminate automatically ten years after the effective date thereof unless earlier terminated; and
- (iii) No more than 1,800,000 ordinary shares of the Company, par value US \$0.10 (“Ordinary Shares”) may be issued under the Equity Plan, subject to adjustment under the Equity Plan.

**Share Reserve and Adjustment to Shares**

Subject to adjustment permitted under the Equity Plan, the maximum aggregate number of shares that may be issued under the Equity Plan shall not exceed 1,800,000 Ordinary Shares. Ordinary Shares offered under the Equity Plan shall be issued fully paid.

If there is any division or consolidation of Ordinary Shares or other capital adjustment, stock dividend or other increase or decrease in Ordinary Shares, merger, consolidation, or other distribution (other than normal cash dividends) of Company assets to shareholders, or any other change affecting the Ordinary Shares or the share price of the Ordinary Shares, the Compensation Committee of the Board (or such other committee appointed by the Board in accordance with the Equity Plan) (the “Committee”) may make such equitable adjustments, if any, to reflect such change with respect to (i) the aggregate number and kind of shares that may be issued under the Equity Plan, (ii) the limit on the number of Ordinary Shares issuable to any person in any calendar year, (iii) the number and kind of Ordinary Shares subject to outstanding awards, (iv) the exercise price for each share option and (v) the terms and conditions of any outstanding awards.

## **Administration**

Subject to the provisions of the Equity Plan, the Committee shall administer the Equity Plan. The Board may, however, re-vest in itself the administration of the Equity Plan.

The Committee shall have full power and authority, in its sole discretion, to administer, implement and carry out the Equity Plan, including, without limitation, (i) selecting grantees from the individuals eligible to receive awards under the Equity Plan, the time when awards will be granted, the number of awards and the number of Ordinary Shares covered by each award; (ii) determining the terms and conditions of each award grant; (iii) approving the forms of agreement for use under the Equity Plan; (iv) establishing, adopting, or revising any rules and regulations to administer the Equity Plan; and (v) taking any and all other action as it deems necessary or advisable for the operation or administration of the Equity Plan and the awards thereunder.

## **Eligibility**

Employees of the Company or a subsidiary thereof shall be eligible for the grant of awards under the Equity Plan.

## **Award Limit**

Under the terms of the Equity Plan, the maximum number of Ordinary Shares that may be subject to one or more awards to any one person during any calendar year is 300,000.

## **Types of Awards**

The Equity Plan only permits the granting of share options, restricted stock and stock payments by the Committee.

### *Share options*

Each share option granted under the Equity Plan will be evidenced by a written award agreement. In order to accept an option, the optionee must pay the Company or a subsidiary thereof consideration of US \$1.00 per option award. Each option agreement shall specify the number of shares that are subject to the option, the exercise price of the option, terms and conditions of vesting and the option term. The exercise price is set by the Committee at the time the option is granted, provided that the exercise price may not be less than 100% of the fair market value of the Ordinary Shares subject to the option on the date the option is granted and the par value of the Ordinary Shares. The term of an option is set by the Committee in its sole discretion, provided that the term may not be longer than ten years from the date the option is granted. The options may vest based on performance or other criteria and, at any time after the grant of an option, the Committee may, in its sole discretion, accelerate the vesting of such option.

An option may be exercised in whole or in part with respect to whole shares except that the Committee may require in an award agreement that a partial exercise be with respect to a minimum number of shares. Each award agreement shall provide the method for exercising the vested portion of an option.

If the employment of a holder is terminated due to disability, redundancy, retirement or any other reason approved by the Committee, such holder (or his applicable representative) shall have the right, during the period ending on the earlier of the six month anniversary of such holder's termination or the end of the option term, to exercise the vested portion of such holder's option. If the employment of a holder is terminated due to death, any vested and unexercised portion of any option held by such holder may, in the Committee's discretion, be exercised by the holder's applicable representative or transferee during such period as determined by the Committee in its absolute discretion. Except as set forth above, if the employment of a holder is terminated for any reason or such holder becomes bankrupt or is deprived of legal or beneficial ownership of an option, such holder's option shall immediately terminate and all rights thereunder shall cease.

### *Restricted stock*

The Committee may issue restricted stock to eligible employees in such amounts and on such terms and conditions as determined by the Committee consistent with the Equity Plan. The Committee shall establish the purchase price, if any; provided, however, that such purchase price shall be no less than US\$1.00 per award of restricted stock. Restricted stock will be evidenced by a written award agreement. The award agreement will contain such restrictions and vesting provisions as the Committee shall provide, including, without limitation, restrictions concerning voting rights and transferability. The restrictions may lapse separately or in combination at such times, pursuant to such circumstances, or based on such criteria, as selected by the Committee, including, without limitation, criteria based on the holder's duration of employment or service with the Company, Company and/or subsidiary performance, individual performance or other criteria selected by the Committee. Further, the Committee may, on such terms as it deems appropriate, accelerate the vesting of restricted stock by removing any and all restrictions thereon after the date of grant. Unless otherwise provided by the Committee, holders of restricted stock will have the rights of a shareholder with respect to the Ordinary Shares covered by restricted stock awards, including the right to receive dividends and other distributions paid or made with respect to the Ordinary Shares, subject to the limitations in the restricted stock agreement and the Equity Plan (which may include, without limitation, corresponding vesting and forfeiture conditions on extraordinary or special dividends or distributions).

In the event of a termination of employment of a holder of restricted stock that remains unvested and subject to restrictions, the Company will have the right to repurchase such unvested restricted stock from such holder at a price per share equal to the price paid by such holder for such restricted stock or such other amount as may be specified in the applicable award agreement.

### *Stock payments*

The Committee may issue stock payments to eligible employees in such amounts and on such terms and conditions as determined by the Committee consistent with the Equity Plan. The Committee shall establish the purchase price, if any; provided, however, that such purchase price shall be no less than US\$1.00 per award of stock payment.

The terms and conditions of any stock payment shall be determined by the Committee and may be based on the holder's duration of employment or service with the Company, Company and/or subsidiary performance, individual performance or other criteria selected by the Committee. Unless otherwise provided by the Committee, a holder of a stock payment shall have no rights as a Company shareholder with respect to such stock payment until such time as the Ordinary Shares underlying the award have been issued to the holder. Stock payments may, but are not required to, be made in lieu of base salary, bonus, fees or other cash compensation otherwise payable to such eligible employee.

### **Forfeiture and Clawback**

The Committee has the right to provide, in an award agreement or otherwise, or to require a holder to separately agree, that in the event of circumstances involving a misstatement of the financial results of the Company or a subsidiary in respect of any fiscal year (or other applicable period) or misconduct on the holder's part which caused or contributed to a misstatement or which could result in financial loss to the Company or any subsidiary, the Company reserves the right to (i) recover or cancel an award at any time prior to the expiry of the award (or the period for exercise thereof) or (ii) recover any proceeds, gains or other economic benefit actually or constructively received by a holder upon any receipt or exercise of the award, or upon receipt or resale of any Ordinary Shares underlying the award.

Further, all awards shall be subject to the provisions of any claw-back policy implemented by the Company from time to time.

### **Amendment and Termination**

The Board or Committee may terminate, amend, or modify the Equity Plan at any time; provided that, shareholder approval will be required for any amendment or modification of the Equity Plan to the extent such approval is required to satisfy applicable statutory or regulatory requirements, or the Company and its subsidiaries determine that shareholder approval is otherwise necessary or desirable. No amendment, modification or termination shall in any manner adversely affect any awards granted under the Equity Plan without the consent of the applicable holders or transferees. Further, the Committee may not, without shareholder approval, (i) authorize the amendment to any outstanding option to reduce its exercise price or (ii) cancel any option in exchange for cash or another award when the exercise price of such option exceeds the fair market value of the underlying Ordinary Shares.

### **Income Tax Consequences Associated with the Equity Plan**

The following is a general summary under current law of the Bermuda income tax consequences, the Singapore individual income tax consequences, and the People's Republic of China ("PRC") individual income tax consequences to participants in the Plan. It is based on tax laws in effect in Bermuda, Singapore and the PRC as of the date of this Prospectus. This summary deals with the general tax principles that apply and is provided only for general information. It does not necessarily address all aspects of income taxation that may be relevant to participants in the Plan in light of their personal investment circumstances. Tax laws are complex and subject to change (possibly with retrospective effect) and may vary depending on individual circumstances and from locality to locality. This summarized tax information is not tax advice. Each participant should seek appropriate professional advice as to how the tax or other laws apply to the participant's specific situation.

#### ***Bermuda Income Tax Consequences***

There is no Bermuda income, corporation or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by shareholders of the Company other than by shareholders ordinarily resident in Bermuda. Neither the Company nor its shareholders (other than shareholders ordinarily resident in Bermuda) are subject to stamp or other similar duty on the issue, transfer or redemption of Ordinary Shares. The Company has received from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act of 1966, as amended, an assurance that, in the event that Bermuda enacts any legislation imposing any tax computed on profits or income, or computed on any capital assets, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, the imposition of such tax shall not be applicable to the Company or to any of its operations, shares, debentures or other obligations of the Company, until March 28, 2016. This assurance does not, however, prevent the imposition of any such tax or duty on such persons as are ordinarily resident in Bermuda and holding such shares, debentures or obligations of the Company.

## ***Singapore Income Tax Consequences***

For Singapore income tax purposes, the source of employment income which is received in shares or share options is determined by the employee's location at the date of grant. If the employee is employed in Singapore at the date of grant, the share gains will be regarded to have a 'nexus' or a source in Singapore and will be fully taxable in Singapore.

In general, the point of taxation for share awards or share options is when the employee becomes the full beneficial owner of the shares and is able to freely sell and transfer his or her shares. The taxable value will be the market value on this date less the amount the employee pays for the shares or share options (if any). However, in the case of a foreigner or Singapore Permanent Resident who ceases to be employed with the Singapore company (including being assigned overseas for a period of 3 months or more), prior to becoming the full beneficial owner of the shares, the "deemed exercise" rule will apply. The deemed exercise rule accelerates the point of taxation in these cases to one month prior to the date of the employee's cessation of employment or the date of grant, whichever is the later. The taxable value is the market value of the shares on this date less any amount that is due from the employee. In the event that the actual gains received by the employee at the time of vesting of shares or exercise of the share options are lower than the amounts reported as deemed gains, the employee may apply to the Inland Revenue Authority of Singapore (IRAS) for reassessment. This claim must be made within four years of assessment following the year in which the deemed exercise rule is applied.

### ***Share Options***

For Singapore individual income tax purposes, if you are granted share options under the Plan, such share options will not be recognized as taxable income upon the grant of the option, but generally will be recognized as employment income upon exercise of the share options. The amount of income recognized is equal to the excess of the fair market value of the shares on the date of exercise over the price paid for such share options. However, as mentioned above, if you are not a Singapore citizen and you cease to be employed by the Singapore entity before the date of exercise, the deemed exercise rule will apply.

### ***Restricted Stock***

For Singapore individual income tax purposes, you will not have taxable income on the grant of the restricted stock. However, when the shares vest and the restrictions lapse, such that you become the full beneficial owner of the stock, you generally will recognize employment income for an amount equal to the difference between the fair market value of the stock on the date such restrictions lapse over the purchase price of the restricted stock (if any). However, as mentioned above, if you are not a Singapore citizen and you cease to be employed by the Singapore entity before the date of vesting, the deemed exercise rule will apply.

### ***Stock Payments***

If you receive a stock payment where you become the full beneficial owner of the stock, you generally will recognize employment income for an amount equal to the fair market value of the stock at the date you become the full beneficial owner of the stock over the purchase price for such stock payment (if any). As mentioned above, if you are not a Singapore citizen and you cease to be employed with the Singapore entity before the taxable event, the deemed exercise rule will apply.

### Disposition of Shares

There is no capital gains tax in Singapore. Therefore, upon the sale of the shares, you will not be subject to tax in Singapore unless you are engaged in the business of buying and selling securities.

### Tax Filing and Withholding Obligations

Singapore does not have a “Pay As You Earn” regime for employment income. Hence, your employer is generally only required to report the share gains at the time of the taxable event.

Your employer is required to complete the Return of Employee’s Remuneration (Form IR8A/IR8E) and Appendix 8B detailing the taxable value of all shares or share options which have vested or been exercised during the calendar year. These forms must be issued to the employee or electronically transmitted to the IRAS by the first day of March of the following year.

Payment of tax will be due once the IRAS has processed the tax return and issues the tax bill (Notice of Assessment) to the employee. The tax payment has to be made within one month of receiving the Notice of Assessment or alternatively the employee may apply to make payment by monthly instalments.

If you are a non-Singapore citizen employee and you cease to be employed in Singapore, your employer will be required to notify the IRAS and complete a Notification of a Non-Citizen Employee’s Cessation of Employment or Departure from Singapore (Form IR21). This form must be submitted to the IRAS by the employer at least one month before the employee’s cessation of employment. Similar to Form IR8A/IR8E, details of all taxable remuneration received by the employee during the year must be reported, including remuneration with respect to any awards that are deemed to have vested or the exercise of share options. Your employer is also required to withhold all monies due to you as part of the tax clearance process.

### Central Provident Fund (CPF)

Social security contributions are only applicable to remuneration in cash. Hence, CPF contributions on the share gains are not required as they are considered remuneration in-kind.

### **Chinese Income Tax Consequences**

#### Share Options

For PRC individual income tax purposes, if you are granted share options under the Plan, such share options will not be recognized as taxable income upon the grant of the option, but generally will be recognized as employment income upon exercise of the share options. The amount of income recognized is equal to the excess of the fair market value of the shares on the date of exercise over the price paid for such share options.

Your basis of the share options for purposes of determining your gain or loss on subsequent disposition of such shares generally will be the fair market value of the shares on the date of exercise of the share option. Any subsequent gain will be generally taxable as capital gain.

If you are a non-PRC domiciled employee, your tax treatment could be different depending on your specific circumstance.

### Restricted Stock

For PRC individual income tax purposes, you will not have taxable income on the grant of the restricted stock. However, when the restrictions lapse, such that the stock is no longer subject to a substantial risk of forfeiture, you generally will recognize employment income for an amount equal to the difference between the fair market value of the stock at the date such restrictions lapse over the purchase price of the restricted stock (if any).

Your basis in determining your gain or loss on subsequent disposition of the restricted stock generally will be the fair market value of the shares on the date of vesting of the restricted stock. Any subsequent gain will be generally taxable as capital gain.

If you are a non-PRC domiciled employee, your tax treatment could be different depending on your specific circumstance.

### Stock Payments

If you receive a stock payment that is not subject to substantial risk of forfeiture, you generally will recognize employment income for an amount equal to the fair market value of the stock at the date when the stock payment is received over the purchase price for such stock payment (if any).

Your basis in determining your gain or loss on subsequent disposition of the stock generally will be the fair market value of the stock on the date of vesting. Any subsequent gain will be generally taxable as capital gains.

If you are a non-PRC domiciled employee, your tax treatment could be different depending on your specific circumstance.

### Tax Filing and Withholding Obligations

Your employer is generally required to withhold individual income tax on your recognized employment income in relation to your exercised stock options and vested restricted stock or stock payments.

You are required to file an individual income tax return within 15 days of the following month when the gains are realized on the subsequent sale of stock. Additionally, you may be required to file an annual self-declaration tax return to report your income before March 31st each year.

### Social Security Requirements

Employees are required to participate in China's social security system. Regulations do not dictate that social security taxes are due on equity income but the recognized employment income may impact on the following year's social security contribution base.