



Guangxi Yuchai Machinery Establishes Large Casting Facility

Singapore, Singapore – July 18, 2008 – China Yuchai International Limited (NYSE: CYD) (“China Yuchai” or the “Company”), the leading manufacturer and distributor of diesel engines in China, today announced that its subsidiary, Guangxi Yuchai Machinery Limited Company (“GYMCL”), has begun the first construction phase of the state-of-the-art Yuchai Casting Foundry (“YCF”).

This casting facility is located in the Yuchai Industrial Park Potong District with a total planned area of 1,800 acres and 6 casting production lines to be constructed, with a total investment of RMB 960 million. YCF is being established to manufacture high-quality and high-strength cylinder heads and cylinder blocks for GYMCL’s wide array of diesel engines from light duty to heavy duty. Phase one of the YCF, upon completion, will include 1,000 acres and 3 casting production lines. The first casting production line is expected to be constructed and tested for trial production by December 2009, with a total engine parts production capacity for 160,000 mid-sized engines. The second and third lines will be completed for trial production by the end of 2010 and 2012, respectively.

The new YCF facility will introduce advanced Chinese domestic equipment combined with high-grade imported equipment for key procedures to achieve high efficiency, high quality, low manufacturing cost, environmentally friendly and stable production. These state-of-the-art, highly automated production lines will help shorten the manufacturing process and improve workers’ productivity. More importantly, the YCF facility is designed to conserve energy during production.

YCF phase one will provide local employment for over 1,000 employees while upgrading GYMCL’s product quality and lowering overall product cost. Management expects that YCF phase one, upon completion, will produce enough casting products to fuel annual growth of 15%-30% for the following few years.

About China Yuchai International

China Yuchai International Limited, through its subsidiary, Guangxi Yuchai Machinery Company Limited (“Yuchai”), engages in the manufacture, assembly, and sale of a wide array of light-duty, medium-sized and heavy-duty diesel engines for construction equipment, trucks, buses, and cars in China. Yuchai also produces diesel power generators, which are primarily used in the construction and mining industries. With over 30 regional sales offices and 460 authorized customer service centers, the Company distributes its diesel engines directly to auto OEMs and retailers and provides maintenance and retrofitting services throughout China. Founded in 1951, Yuchai has established a reputable brand name, strong research & development team and significant market share in China with high-quality products and reliable after-sales support. In 2007, Yuchai sold approximately 383,000 diesel engines and was consistently ranked No. 1 in unit sales by the China Association of Automobile Manufacturers. For more information, please visit www.hlcorp.com.sg/cyi

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This news release contains 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 could 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. For this purpose, statements that are not statements of historical fact may be deemed to be forward-looking statements. 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 update the forward-looking information in the future.

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