



Ground Breaking Ceremony for New Facility Construction

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-- To Build First Chinese Diesel Engines for Rapidly Growing Passenger Vehicle Market --

SINGAPORE, SINGAPORE - March 31, 2008 -- China Yuchai International Limited (NYSE:CYD) ("China Yuchai" or the "Company"), the leading manufacturer and distributor of diesel engines in China, announced that, on March 15, 2008, its subsidiary Guangxi Yuchai Machinery Co., Ltd. ("Yuchai") held a ground breaking ceremony for the construction of the new production facility for Jining Yuchai Engine Company Limited, one of the joint venture companies to be formed with Zhejiang Geely Holding Group Co., Ltd. ("Geely") and Zhejiang Yinlun Machinery Co., Limited ("Yinlun"). Senior management from Yuchai, Geely, Yinlun as well as municipal government officials from the city of Jining, Shandong Province, attended the ceremony.

The shareholders of Jining Yuchai Engine Company Limited ("Jining Yuchai") are Yuchai, Geely and Yinlun with a shareholding of 52%, 30% and 18% respectively, and a total registered capital of RMB150 million (approximately US\$21 million). Jining Yuchai will build up its production lines for diesel engine blocks and cylinder heads with the focus on producing environmentally friendly, 2 litre diesel engines for passenger vehicles to meet the strict standards for Euro V emissions. This project will manufacture the first domestic Chinese brand diesel engines for passenger cars.

Jining Yuchai is located in the hi-tech development zone of Jining City where currently more than 1,000 industrial enterprises are located. In order to attract investment, Jining's local government is offering preferential policies, subsidies and tax benefits.

Diesel engines have already achieved strong penetration in the European passenger vehicle market and the passenger vehicle market in China is experiencing new development. Safety, energy efficiency and environmental friendliness have gradually become key features for consumers in their selection of vehicles. Further, given more government policies on energy saving and pollution reduction, diesel engines for passenger vehicles, which help to solve these issues, are well positioned for strong long-term growth in the Chinese passenger vehicle market.

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 <http://www.cyilimited.com>.

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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