



China Yuchai & Caterpillar Remanufacturing Facility Passes Regional Assessment

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SINGAPORE, Jan. 30, 2012 /PRNewswire-Asia-FirstCall/ -- **China Yuchai International Limited** (NYSE: CYD) ("China Yuchai" or the "Company") announced today that Yuchai Remanufacturing Services (Suzhou) Co., Ltd. ("Yuchai Remanufacturing Services"), the remanufacturing joint venture between its main operating subsidiary, Guangxi Yuchai Machinery Company Limited ("GYMCL") and Caterpillar (China) Investment Co., Ltd. ("Caterpillar China"), received positive remarks at a recent assessment conference from the Guangxi Development and Reform Commission, a regional division of the National Development and Reform Commission ("NDRC").

Yuchai Remanufacturing Services which is held 49%-51% by Caterpillar China and GYMCL respectively, was incorporated in April 2010 in Suzhou, Jiangsu Province in China to provide remanufacturing services for and relating to GYMCL's diesel engines and components and certain Caterpillar diesel engines and components.

At the conference, the expert committee highly rated the remanufacturing project and agreed to submit the "Self Evaluation and Inspection Report for the Implementation of GYMCL's Engine Remanufacturing Center" to the NDRC for further review.

Remanufacturing, one of the fastest-growing industries, is a highly sophisticated form of recycling taking end-of-life components and transforming them into like-new products through salvage technology and state-of-the-art remanufacturing practices. The remanufacturing of automotive parts refers to the batch process of dismantling, cleaning, classifying, inspecting, processing or upgrading, re-assembling, testing and re-inspection of used automotive parts. The purpose is to restore the parts' technical and performance features to their original levels. The "Auto Parts Remanufacturing Pilot Management Policy" issued by the NDRC indicates that the scope of remanufacturing presently covers the engine, gearbox, generator, starter, steering and another five automotive product categories.

Mr. Guang Nan Lin, director of the Guangxi Development and Reform Commission, hosted the meeting and attendees included Mr. Haiqing Wang, chief economist from the Yulin City Municipal Development and Reform Commission, Mr. Weidong Jiang, chief engineer of the Public Information Committee and Mr. Qingyan Liang, deputy general manager of GYMCL. The regional expert assessment committee comprised engineers and technical experts from various institutions and entities such as the Guangxi Institute of Mechanical Engineering, Guangxi Mechanical Design Institute, Guangxi University and Liuzhou Locomotive Company.

Mr. Benny H. Goh, President of China Yuchai, commented, "This positive assessment is a strong endorsement of GYMCL's engines and is another step forward in our progress to become the leader in automotive remanufacturing in China. The remanufacturing of automotive parts and engines is still a relatively new industry in China. Once Yuchai Remanufacturing Services achieves full operational status, it is anticipated to become the largest automotive remanufacturing operation in China utilizing the most advanced technological processes in the country."

About China Yuchai International

China Yuchai International Limited, through its subsidiary, Guangxi Yuchai Machinery Company Limited ("GYMCL"), 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. GYMCL also produces diesel power generators, which are primarily used in the construction and mining industries. Through its regional sales offices and 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, GYMCL has established a reputable brand name, strong research and development team and significant market share in China with high-quality products and reliable after-sales support. In 2010, GYMCL sold 551,592 diesel engines and is recognised as a leading manufacturer and distributor of diesel engines in China. For more information, please visit <http://www.cylimited.com>

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