



B #:	1002-15
Date:	06/22/15
To:	All Participants
Category:	Dividends
From:	Supervisor, Stock Dividend Department
Attention:	Dividend Managers, Cashiers, and Reorganization Managers
Subject:	Optional Dividend: China Yuchai International Limited CUSIP: G21082105 Record Date: 06/05/15 Payable Date: 07/14/15 Rate: \$1.10 per share DTC EDS Cut-Off: 06/26/15 at 8:00 P.M. EDT.

*****WARNING TIME CRITICAL*****

China Yuchai International Limited has declared a distribution of \$1.10 per share of common stock for financial year 2014 payable to its stockholders of record at the close of business on 06/05/15. The shares will be distributed on 7/14/15 payable date.

Option 1 Stock: You may elect to receive shares of China Yuchai International Limited common stock at a rate of \$1.10 per share. Fractions will be paid in cash at the DTC Participant level.

Option 2 Cash: You may elect to receive the distribution in cash at a rate of \$1.10 per share. **(Default)**

The number of shares of the common stock to be issued to stockholders receiving all or a portion of the distribution in shares of the common stock will be based on the volume weighted price (“VWAP”) of the common stock on New York Stock Exchange during the period from June 29 to and including July 1, 2015.

PLEASE REFER TO THE CHINA YUCHAI INTERNATIONAL NOTICE ACCOMPANYING THIS IMPORTANT NOTICE FOR ADDITIONAL INFORMATION PERTAINING TO THIS OPTIONAL DIVIDEND.

RECORD DATE POSITION INFORMATION SHOULD BE CONFIRMED THROUGH THE CA WEB.

PARTICIPANTS SHOULD SUBMIT ELECTION INSTRUCTIONS THROUGH THE CORPORATE ACTION WEB INSTRUCTION TAB. PLEASE REFER TO IMPORTANT NOTICE [B#0178-15](#) FOR MORE INFORMATION.

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Participants not responding to the above option by 06/26/15 at 8:00 P.M. EDT will receive the distribution in the form of cash in accordance with Option #2. (Default)

If there are any questions regarding this Important Notice, or the processing of related instructions via CA Web, Participants should contact DTC's Customer Help Line at (888) 382-2721.

Important Legal Information: *The Depository Trust Company ("DTC") does not represent or warrant the accuracy, adequacy, timeliness, completeness or fitness for any particular purpose of the information contained in this communication, which is based in part on information obtained from third parties and not independently verified by DTC and which is provided as is. The information contained in this communication is not intended to be a substitute for obtaining tax advice from an appropriate professional advisor. In providing this communication, DTC shall not be liable for (1) any loss resulting directly or indirectly from mistakes, errors, omissions, interruptions, delays or defects in such communication, unless caused directly by gross negligence or willful misconduct on the part of DTC, and (2) any special, consequential, exemplary, incidental or punitive damages. To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that: (a) any discussion of federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code; and (b) as a matter of policy, DTC does not provide tax, legal or accounting advice and accordingly, you should consult your own tax, legal and accounting advisor before engaging in any transaction.*

CHINA YUCHAI INTERNATIONAL LIMITED

(INCORPORATED IN BERMUDA)

Singapore Branch Reg. No. F 07169D

Registered Office : 16 Raffles Quay #26-00 Hong Leong Building Singapore 048581
(Mailing Address)

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Date : 10 June 2015

China Yuchai International Limited ("China Yuchai") had, on May 22, 2015 declared a dividend (the "Dividend") of US\$1.10 per share of common stock for the financial year 2014. The dividend payment will be made either wholly in cash or in new shares of China Yuchai's common stock ("Shares") at the option of the stockholder.

Stockholders are to make an election to receive the dividend either wholly in cash or in Shares. The number of Shares to be issued per share of common stock as a result of the dividend payment will be determined based on the volume weighted average trading prices of China Yuchai's common stock on the New York Stock Exchange during the period from June 29 to and including July 1, 2015. China Yuchai's common stock is listed on the New York Stock Exchange under the symbol "CYD."

The dividend is payable on July 14, 2015 to stockholders of record at the close of business on June 5, 2015 with an ex-dividend date of June 3, 2015.

Stockholders who do not make an election or fail to respond within the given timeline will receive the dividend entirely in cash. China Yuchai will pay fractional shares in cash which will be determined based on the volume weighted average trading prices of its common stock on the New York Stock Exchange during the period from June 29 to and including July 1, 2015.

As an alternative to paying the Dividend in the form of cash or Shares pursuant to stockholders' elections as described above, China Yuchai reserves the right to determine, in its sole discretion, at any time up to midnight on July 13, 2015, to pay the dividend entirely in cash, notwithstanding any elections received and without prior notice.

CERTAIN UNITED STATES FEDERAL INCOME TAXATION CONSIDERATIONS

China Yuchai believes that for United States federal income tax purposes and for stockholders who are generally United States taxpayers, if the distribution is, at the election of any stockholder, payable either in cash or in shares, the receipt of shares by the stockholders would generally be treated as a taxable distribution in an amount equal to the fair market value of such shares as of the date of the distribution. Stockholders receiving shares would generally have a tax basis in such shares equal to the fair market value of the shares, and the stockholders' holding period for such shares would generally commence on the date following the date of the acquisition.

TO COMPLY WITH TREASURY DEPARTMENT CIRCULAR 230, STOCKHOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS DOCUMENT IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE INTERNAL REVENUE CODE; (B) ANY SUCH DISCUSSION IS INCLUDED HEREIN BY THE COMPANY IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) A TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.