

# EN ROUTE

Yutong Newsletter

Yutong Electrocoating Lines  
**Unique Yutong, Lasting Beauty**

**F11: Designed for Africa**



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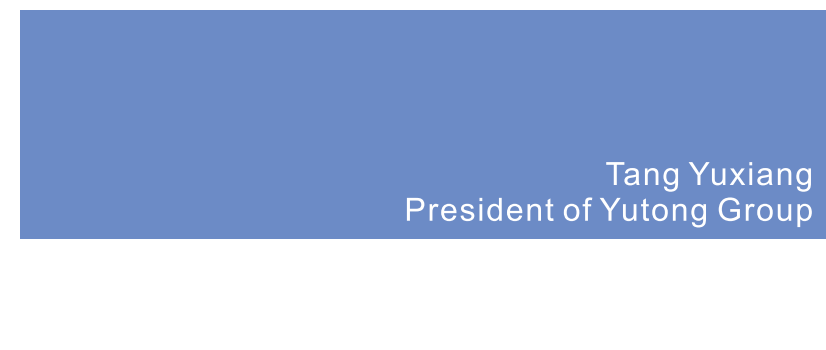
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Dear readers,

It is my great pleasure to present you the first issue of Yutong customer magazine - En Route, a name signifying the vision and ambition of our company.

Since 1963 when Yutong was established, we have been en route to deliver buses and coaches to the public; since 1997 when we were listed in the Shanghai Stock Exchange, we have been en route to modern enterprise; since 1998 when the Shibalihe plant was set up, we have been en route to chase industry leaders; since 2003 when we first started export business, we have been en route from a domestic company to an international one; since 2005 when we delivered 20,000 units buses in a single year for the first time and emerged as the second largest bus manufacturer after Daimler, we have been en route to match the best; and moreover, since don't know when, we are en route to drive your value.

In this issue you will find a brief review of our business performance of year 2008, again showing a double-digit increase in revenue. After that is the recent news and events, a close look at the electrocoating lines, and the latest model designed for Africa - the F11.

As we all know, business is undergoing its worst time in decades with a declining demand and even worsening credit crunch. Yet Yutong has seen the slightest decline of revenue in the first half of 2009 among the industry, thanks to the trust and support from everyone of you. The changing world is demanding everyone to follow, but what remains unchanged is our dedication to maximize the value for our customers and the community.

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# Orders



## Uruguayan President Mr. Tabare Vazquez Meets Mr. Qin Yangwen in Shanghai

Uruguayan President Mr. Tabare Vazquez (right) met Mr. Qin Yangwen, Vice President of Yutong Group, in Shanghai on March 25<sup>th</sup>.

Mr. Vazquez praised Yutong's contribution to Uruguayan transportation system and expressed hope that Yutong will further develop its business in Uruguay.

106 Yutong coaches are currently in operation in Uruguay, accounting for more than 30% of new registrations in non-citybus segment.



## 1<sup>st</sup> Partners of Yutong Convention Held in Zhengzhou

36 Yutong partner representatives attended the 1<sup>st</sup> Partners of Yutong Convention on March 30<sup>th</sup>. Mr. Tang Yuxiang, President of Yutong Group, attended the convention and addressed an opening speech. Participants exchanged experiences and ideas for market development in the discussion sessions.

The delegates visited the Electrophoresis Lines at Shibalihe plant on March 31<sup>st</sup>.



## KUWAIT

JUN 29, 2009

Al Zayani Trading Co., Yutong distributor for Kuwait, held a delivery ceremony today to handover the first batch of 175 citybuses to Kuwait Trading Warehouse Co., one of the biggest bus operators in Kuwait. Mr. Huang Jiemin, Chinese Ambassador in Kuwait, honored the event with his presence.

## MACAU

JUN 1, 2009

45 units tailor-made Yutong coaches today put into use in Macau by City of Dreams, a renowned integrated resort. These top luxury coaches are results of year-long researches and outstanding engineering wisdom.



## Service

### Kuwait Technicians Trained in Yutong



Four technicians from Kuwait were trained in Yutong Plant this May. They were awarded the Certificate of Service Technician at the closing ceremony. They will serve the Yutong citybuses arrived in Kuwait in June.

### Service Month Campaign Held in Cuba



Yutong started the Service Month campaign in Cuba this June, during which local and Yutong technicians visited end-users all over Cuba. The campaign has been highly praised by the Cuban Ministry of Transport, operators and drivers.

### Venezuelan Service Station Put into Operation



On March 13<sup>th</sup>, Yutong's bus service station in Bolivar, Venezuela, named SERVIBUS BOLIVAR, was formally set up and put into use after one-year preparation.

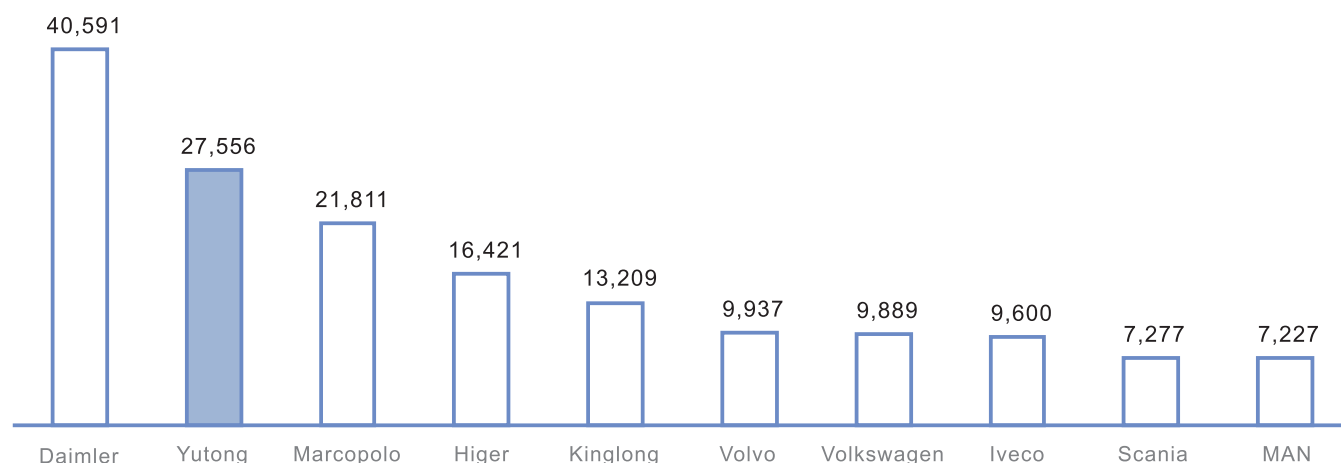
# Market Performance Review of Year 2008

Year 2008 was not a favorable year for business, neither for China nor the world. Yet we managed a record high annual delivery of 27,556 units buses and remained as world second largest bus manufacturer.

We supplied 7-8% of the global bus demand for another successive year. We are proud that these results were achieved not at the price of customer value, but that our highest standards were maintained.

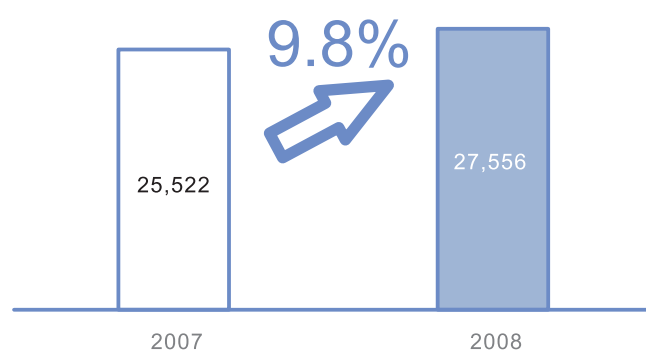
## World Bus & Coach Industry Output

Deliveries in 2008, units

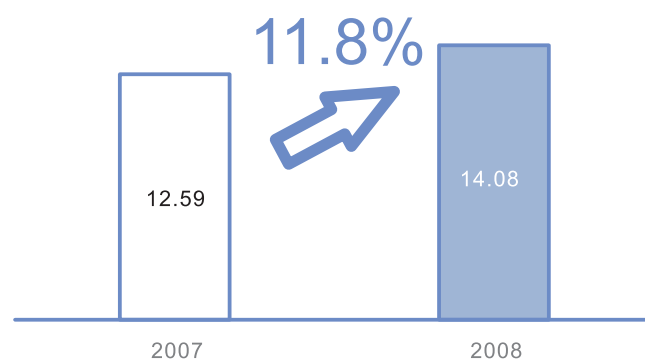


## Yutong Group - Bus Segment

Deliveries, units



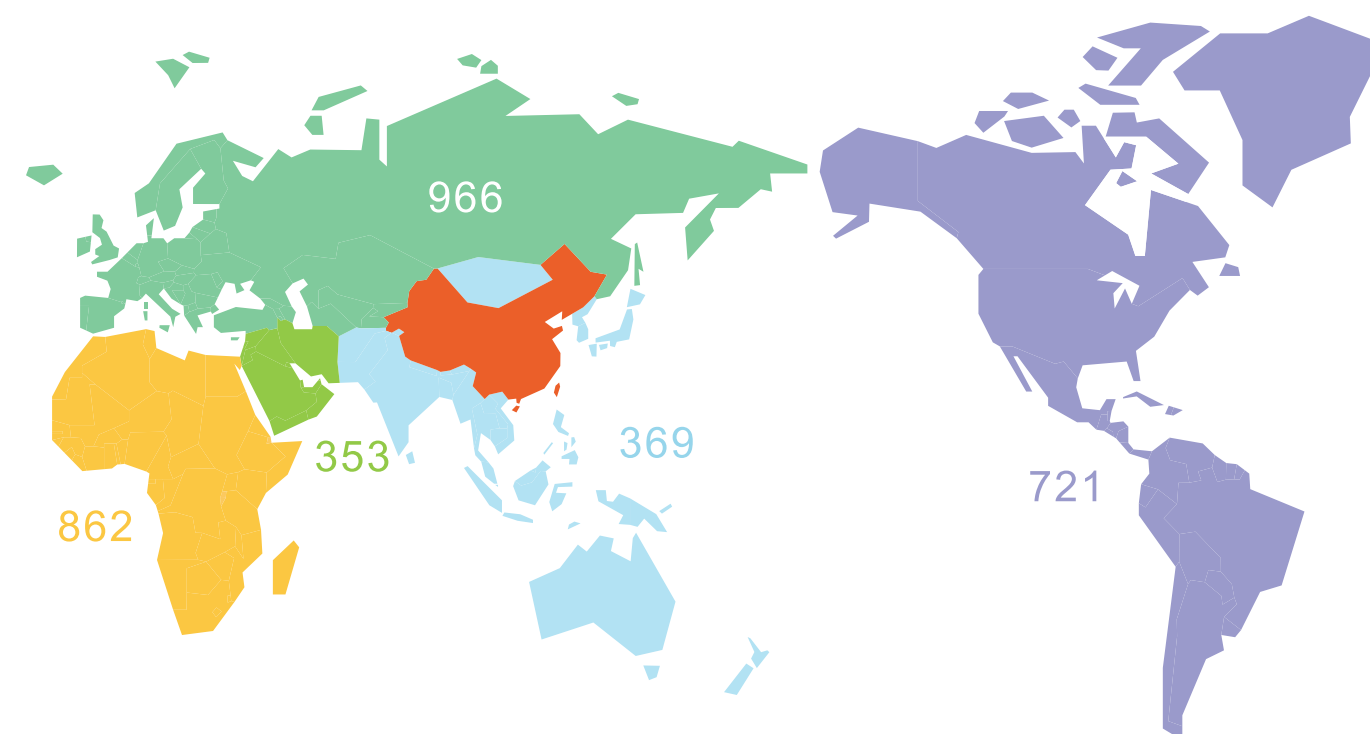
Revenue, CNY bn



## Bus Delivery Map of 2008

Market distribution has become more balanced in 2008 compared to the previous year. Africa region sales jumped to 862 units and ranked 2nd only after Europe & CIS area, where Russia continued to lead among all target markets. Asia & Pacific region sales also underwent a big increase to 369 units, a fourfold increase compared to

year 2007. The American area contributed a stable 721 units, and the figure will probably soar in 2009 when the Cuban order will be delivered. Middle East region was severely hit by the crisis and the demand plummeted as never before, but new orders were still received for Haj transportation.



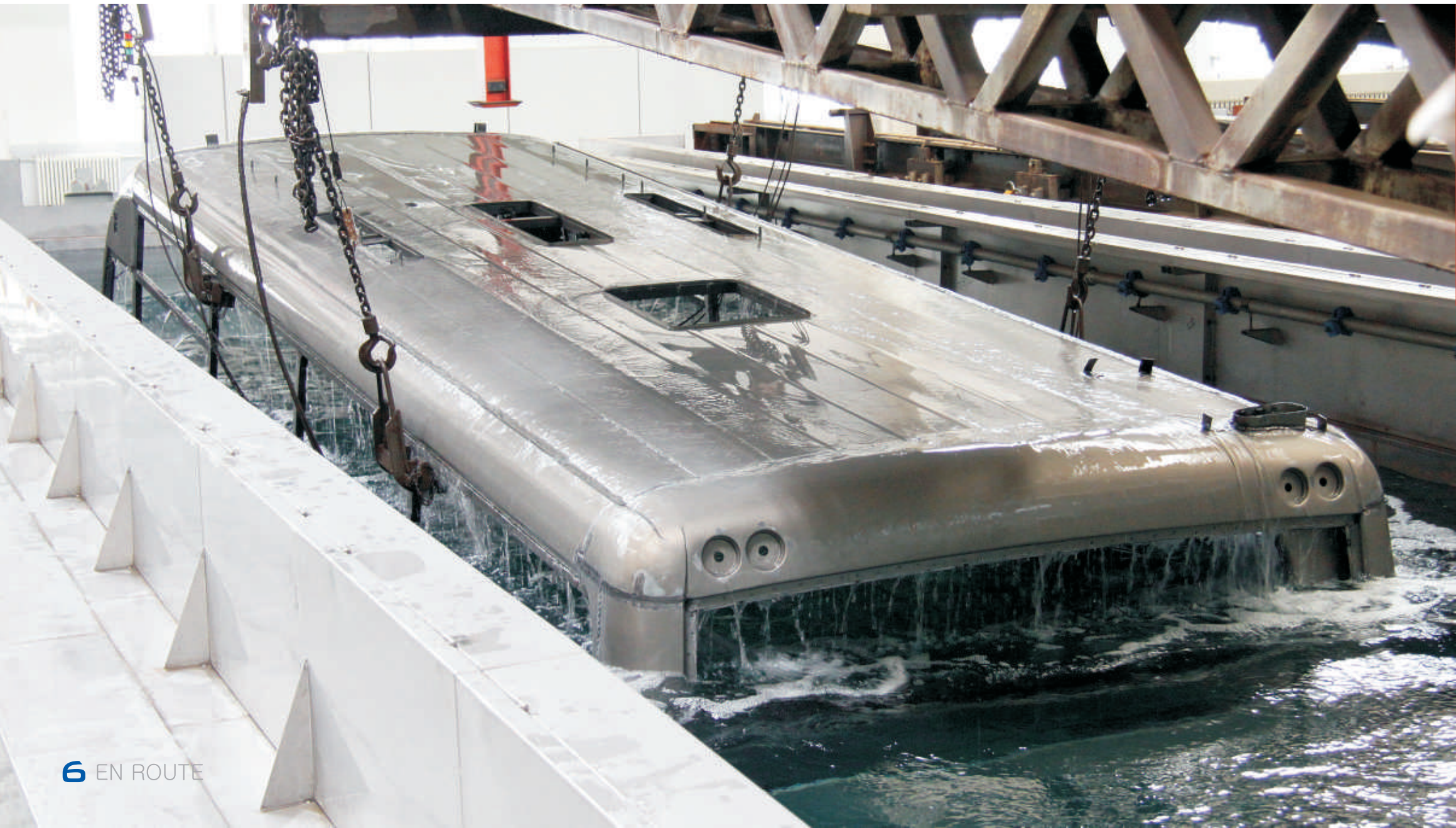


Yutong Electrophoresis Lines  
Unique and State-of-the-Art

Interests in better coating quality and coverage have been growing among customers these years, and we stand up in time. Built in 2008 - 2009 with heavy investment of 30m USD, Yutong's electro-coating lines are by far the most advanced in the industry. The coating capacity reaches 30,000 units per annum, which means almost every single Yutong bus is well protected by the state-of-the-art technology.

Quick Facts

Coating Pools	24	Tact Time	6min
Coating Procedures	16	Max. Length	13.7m
Annual Output	36,000 units	Anti Salt Spray	>1000hr
Paint Film Thickness	25±5μm		



Coach bodywork lifted from the coating pool





## Electrocoating brings a world of difference for customers.

Mr. Zhang Baofeng, Chief Engineer of Electrophoresis Lines, talks of the benefits of electrocoating for operators and passengers during our interview.

### En Route: When did Yutong launch the electrophoresis lines?

Zhang: We launched the chassis electrocoating line on May 10th 2008, and the body line on March 20th this year. They are obviously the latest electrophoresis lines throughout the world.

### En Route: Very few coach manufacturers own electrocoating facilities. Why did Yutong decide to set up such lines?

Zhang: Although electrocoating has long been the coating standard in sedan industry, no more than 6 coach manufacturers in the world have the similar facilities, mostly for ROI considerations. In the case of Yutong, we always put

customers' values first and have noticed the increasing demand for better coating quality, both domestic and abroad. Electro-coating is apparently the best solution to meet the demand, and we are capable of setting up the line and making it financially operational.

The key factor here is the production capacity. The investment is huge, you need an evenly big output to make it a wise decision. We have a steady 27,000-30,000 deliveries per annum, so everything remains under control.

### En Route: And what are the advantages of electrocoating, compared to traditional coating techniques?

Zhang: It makes a world of difference. The spray coating, or what you call traditional

coating, has several downsides. It does cover the surface evenly and solidly, nor does it protect the inside of the profiles. The electrocoating is superior to spray coating in at least three dimensions:

First, electrocoating has better anti-corrosion attributes. The coating lasts four times longer than spray coating under salt spray, as test result shows.

Secondly, the electrocoating covers the entire body and chassis evenly, both outside and inside, thus forming a thorough protection for the bus.

Last but not least, the electrocoating is stronger in adhesiveness, evenness and solidity, which makes the bus surface look like new for a long time.

### En Route: Amazing. So who are the major suppliers for the electrocoating lines?

Zhang: Parker of Japan and Durr of Germany are our equipment supplier for chassis and body lines respectively. Durr also designed an electrocoating line for Daimler bus plant at Mannheim some 15 years ago. Now they have designed the 2nd generation electrocoating line for us.

We also use Henkel and PPG materials in our electrocoating operation. PPG company was the first in the industry to invent electrocoating paintings. We are now using their 6th generation lead-free paintings.

### En Route: Good partners are guarantees for good quality. So what how would the end-users benefit from this new technique?

Zhang: The most direct benefit is the prolonged service life of the vehicles. With the latest electrocoating technique, we safely guarantee a life cycle of 8-10 years, which may vary in different climate conditions. The customers are sure to enjoy a better return on their investment.

And since the electrocoating will guarantee the bus surface free of corruptions and stone-dumping, the bus will always look attractive to passengers, thus increasing load factors and in turn bringing profit for operators.

Aside from that, electrocoating protects the buses from dangerous stone-bumping in undesirable road conditions. This is a critical advantage in terms of safety.

The chassis electrocoating line has been put into use since last May and we have collected very positive responses from the market. Combined with the body electro-coating line launched this year, we are expecting this new technique bringing more value for our end customers. This is part of our effort to create better value, and I don't see an end to the way forward.

### Coating Coverage

— Steel Plate  
 Coating



Spray coating



Dip Coating



Electrophoresis Coating



## F11: Designed for Africa

Africa is a magic continent holding breath-taking mountains, savannas and desert. Yet people there also face most challenging road conditions in the world. To make things easier for our African friends, Yutong engineers spent years in researching the specific road conditions in several African countries and all their observations and wisdom come into one: the F11.

This milestone model is a perfect symbol of Yutong's dedication to create the customized local transport solutions. It is a combination of

sophistication and economy. The name F11 implies it is a front-engined model with 11 meters in length, both are meant for African conditions. Every detail of the bus is the result of repeated observation, consideration and engineering configuration.

The model has been exhibited in Angola, Tanzania, arousing huge public attention. Hopefully it will appear in your country as well.



### Air Intake Panel

Special-large air-intake holes enable higher volume of air to cool down the front-mounted engine, guaranteeing bus reliability in extremely hot weather. It is a combination of feasibility and beauty.



### Extra Luggage Room

Bonus rear-luggage room along with regular side rooms amounts up to 10m<sup>3</sup>. The side luggage room is specially designed to allow extra-long parcels.



### High Floor for all road conditions

The approach angle is 12° and avoids most possible stone-bumping on the road, enhancing both chassis reliability and passenger comfort.



### Ultra Body Strength

The unique design of Closed Loop Protection frames brings reliable support for the entire bus, improving the driving safety as well as enabling a wider compartment and larger luggage room.



# Yutong Citybus Moving the City

Yutong city buses earned good reputation during the Beijing Olympic Games. With high reliability and value for money, we have been awarded two major BRT bus orders from Hangzhou and Zhengzhou respectively, pushing us one more step into the mass transport business in urban areas. The trust came not only from domestic customers, but also from abroad. An order of 175 units ZK6118HG citybuses were received from Kuwait. This is the biggest single citybus order received last year.

To satisfy increasing demand for better urban transport quality, we have developed a full series of citybuses, ranging from 8 meters to 18 meters, with a maximum passenger capacity of 120. We wish we could contribute more for everyone living in city by providing

a sophisticated product line and transport solution. If you have great ideas to help us improve our product and/or service, please do contact us via [sales@yutong.com](mailto:sales@yutong.com).



A	Model	ZK6128HGK
	Dimensions (mm)	11990*2500*3150
	Passenger Capacity	81

C	Model	ZK6118HGA
	Dimensions (mm)	11600*2500*3550
	Passenger Capacity	81



B	Model	ZK6108HG
	Dimensions (mm)	10350*2500*3550
	Passenger Capacity	73

D	Model	ZK6180HG
	Dimensions (mm)	18000*2550*3150
	Passenger Capacity	160

