

EN ROUTE

| YUTONG NEWSLETTER

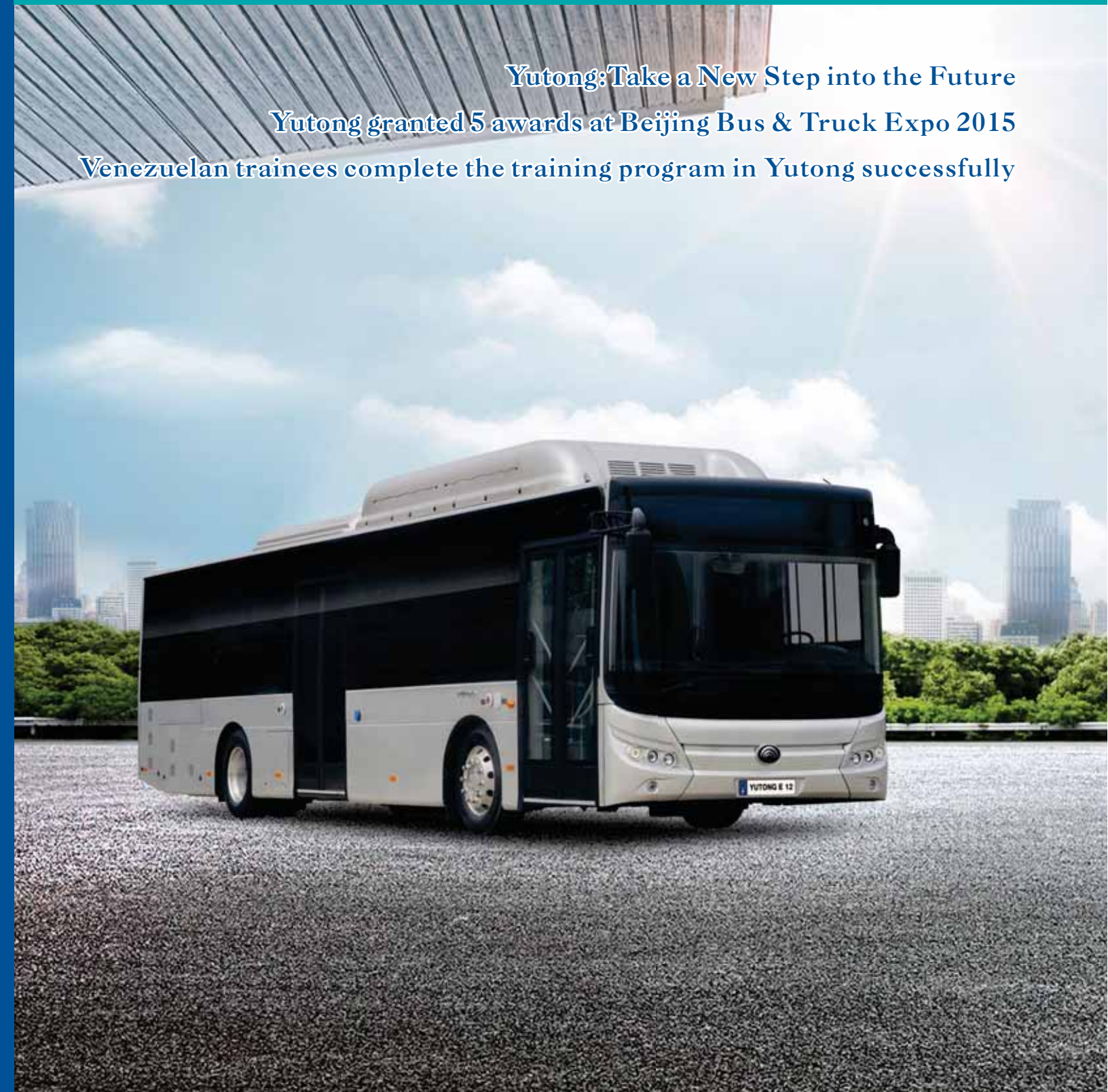
| ZHENGZHOU YUTONG BUS CO., LTD

| ISSUE 15 OCT 2015

Yutong: Take a New Step into the Future

Yutong granted 5 awards at Beijing Bus & Truck Expo 2015

Venezuelan trainees complete the training program in Yutong successfully



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PREFACE

STRIVING TO BECOME PIONEER OF “MADE IN CHINA”

Reviewing Yutong’s development history from a small factory to a large-sized company with thousands of employees, the process is full of hardships and difficulties. The achievements Yutong has made should be attributed to the attention of the country and support from all sides of the society. In the meanwhile, Yutong people always joined together in the process and formed the “Morality, collaboration and innovation” values and “Customer-orientation, staff-orientation” operational philosophy.

As the leading bus maker, Yutong should consider the development of the whole bus industry from the sector’s perspective, and even consider how to enhance development of "Made in China" from the perspective of national industrial construction so as to become the pioneer of "Made in China".



Tang Yuxiang / President of Yutong Group

Nowadays, the internet is growing at an unprecedented speed and accelerating the convergence with conventional industries. The development mode of the manufacturing industry is also undergoing in-depth reform, the new industrial competition pattern begins to take shape. As for the bus industry, the "Internet +", intelligentization, new energy vehicles are becoming the future direction of the industry. It is a new round of industrial revolution lead by technological innovation, which is both opportunity and challenge for Yutong. How to grasp the industrial trends and where is our future development direction? These are what we need to think about deeply and try to solve with our efforts.

In respecting of the "Internet +", Yutong will continue to strengthen the development and promotion of telematics technology, and try to transform from a sales-focus maker to a service provider and even a provider of intelligent transport system solutions in the future. As for the intelligentization, Yutong needs to concern the cutting-edge trends, benchmark the world-class level and provide intelligent products that can improve the transportation efficiency and meet passengers’ needs on new travel ways. Speaking of new energy vehicles, Yutong has made some exploration in this area, and will continue to develop more flexible and adaptable solutions for new energy buses in a bid to make contribution to the sustainable development of the society.

Time and tide waits for no man. Maintaining the spirit of “Daring to be the first” and following the commitment of “Creating greater value for you”, Yutong will carry out the work with greater enthusiasm, provide customers with quality products and professional services, boost the development of China's bus industry and narrow the gap with world-class enterprises so as to win greater respect and honor for Chinese brands and “Made in China”.

陈其华

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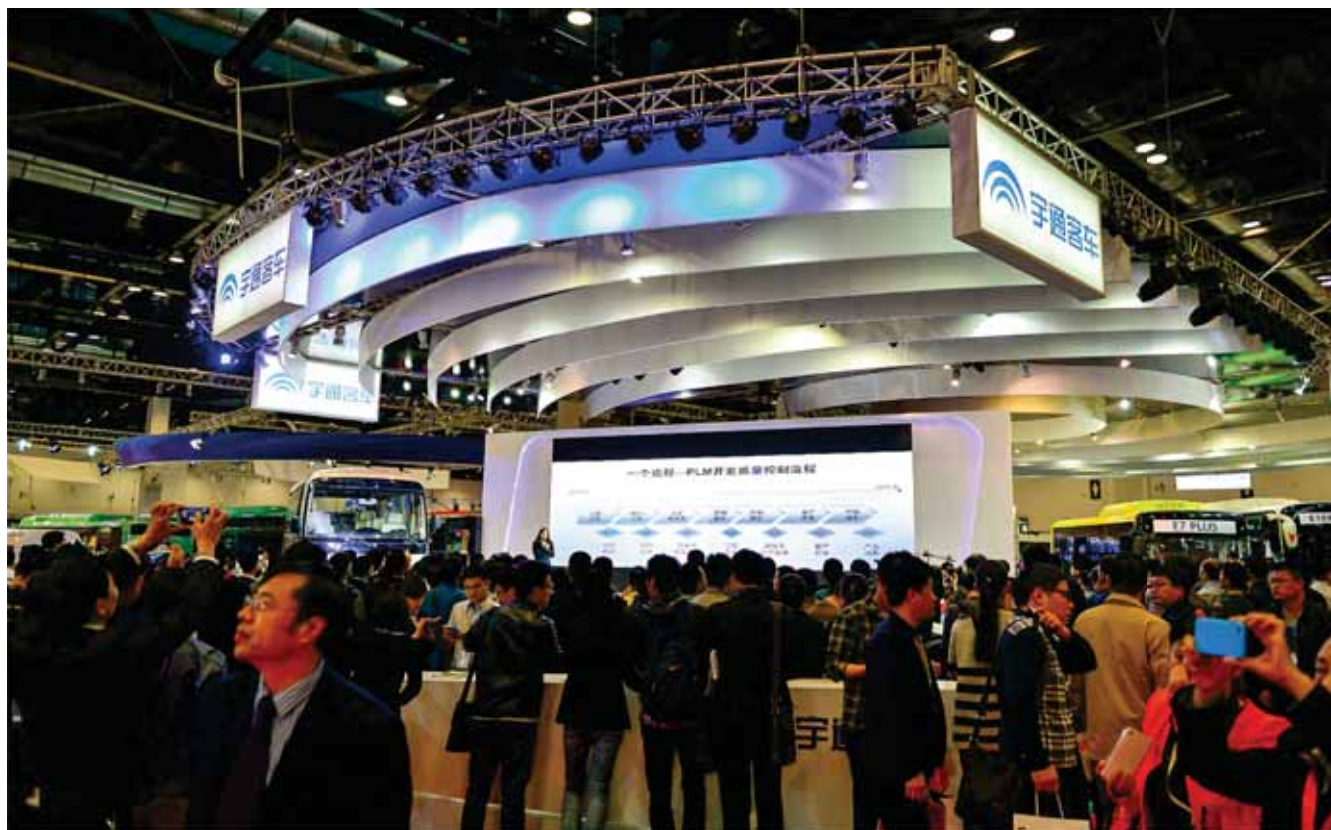
P-20 YUTONG CHARM

“Yes, I do.”

Grow up in happiness

Charming Taiwan, warm invitation

Yutong granted 5 awards at Beijing Bus & Truck Expo 2015



Themed with “New Energy: Opportunities and Challenges of Bus Development”, the 2015 China Beijing International Exhibition on Buses, Trucks & Components (Beijing Bus & Truck Expo 2015) officially kicked off in Beijing National Convention Center on May 11, 2015. As the leading bus maker in China, Yutong brought its four latest bus models on display, which attracted wide public attention. Also at the exhibition, the well-renowned bus maker pocketed five major prizes, including Best Business Purpose Vehicle, Best New Energy Bus, Best Telematics Platform Prize, and Best Exhibition Stand Innovation Prize.

Three of the four buses brought by Yutong are electrically powered. Among them, both ZK6705BEVG1 and ZK6105BEVG3 won Best New Energy Bus Award.

Undoubtedly, full electric city buses have been taking the lead

in the application process of new energy buses. Thanks to the fact that the bus routes are generally fixed, the recharging is comparatively easy. Currently, it must be admitted that some bottlenecks still exist for the application of new energy vehicles for families. Against such a backdrop, emphasis should be put on developing full electric buses for public transport. So far, ZK6105BEVG3 and ZK6705BEVG1 are well received by the bus market. ZK6705BEVG1, in particular, is gaining increasing popularity. The Public Transport Company in Xushui County, Baoding, bought 30 units ZK6705BEVG1, which made a huge splash in the China’s bus industry.

Besides the full electric buses, Yutong T7, a business purpose bus for the high end passenger transportation market is also quite a star at this year’s exhibition. Many industrial experts speak highly of the vehicle and they all have high

expectations of it. “Soon will be over for the days of the monopoly of foreign business purpose vehicles in the high-end business purpose vehicle market,” says one insider.

As a solely independently developed vehicle, Yutong T7 has successfully gone through a number of stringent tests. In regard to travel comforts, safety and appearance, it can readily rival with Toyota Coaster. Because of this, it won 2015 China Road Transport Cup Best Business Purpose Vehicle Prize.



Chinese Ambassador to Australia visits Yutong subsidiary



Ma Zhaoxu (R5), Chinese Ambassador to Australia, takes a group photo with Yutong staff.

A delegation headed by Ma Zhaoxu, Chinese Ambassador to Australia, visited Yutong Australian subsidiary on April 30, 2015. During the visit, Ma inspected a bus leasing company, a Yutong's customer, to learn about the operating status of Yutong buses.

Accompanied by Xu Jiansheng, vice chairman of the board of the subsidiary, Ma asked about customer's comments and suggestions on Yutong products. Then he took a close look at Yutong ZK6129HCA coach and had a cordial conversation with the driver. After learning that the driver is very satisfied with the maneuverability, safety and ride comfort of the vehicle, Ma praised the good quality of Yutong products.

Subsequently, Ma also asked the development situation of Yutong's subsidiary in Australia, and recognized Yutong's working philosophy of "Customer-orientation" and "Service first". Combining with the local culture, Yutong is exploring the market step by step so as to build the image of Chinese brand.

Venezuelan trainees complete the training program in Yutong successfully



In 2014, when Chinese president Xi Jinping visited Venezuela, Yutong, China's leading bus maker, signed a cooperative framework with the Ministry of Industry and Ministry of Land Transport of Venezuela for jointly building a bus factory. In preparation for the operation of the factory, over 40 Venezuelan trainees were invited to Zhengzhou where the headquarters of Yutong is based to receive a comprehensive training program.

Immediately after their arrival, these trainees were divided into five groups, namely order management group, equipment safety group, logistic group, quality control group and production technology group. They have showed great enthusiasm not only for theoretical studies, but field work as well.

On September 16, all these trainees successfully finished their program and received certificates from Yutong. Through such a comprehensive training program, the trainees have deepened their understanding of the whole process of bus manufacturing and sales. When they return to Venezuela, they will devote themselves to the production and management of Yutong's CKD bus factory in their country.



Yutong: Take a New Step into the Future

Europe is not strange for Yutong, which boasts good product quality and excellent services. Yutong brought nine buses to the Busworld Kortrijk 2015 to show its strength as the largest bus maker in China, and also appeal to European customers with its adapted products.



Buses adapted to the European market

Among the nine products, five are world premieres. The four vehicles inside the exhibition hall are TC12 tourist coach, EC10 school bus, HTC12 coach and full electric bus E12. The five vehicles outside the exhibition hall are TC12 tourist coach, IC10 intercity bus, CC 9 coaches, EC9 school bus and IC12 intercity bus.

These products are fully in complying with the requirements of the European market, and the high-tech and ergonomic designs are also applied on the vehicles. The original bus types of some buses are Yutong's best-selling models in the European market.

HTC12 has an ultra large 12m³ luggage compartment, and the key assemblies are supplied by the world's renowned brands. The vehicle boasts ergonomic design, high-tech application and on-site or remote diagnostic system.

Featuring modular design, the IC/TC12 series can be easily shifted between the tourism coach and intercity bus. Inheriting the styling of a Yutong product family, it boasts independent front suspension with 55° large steering angle, service door with short rotating arm, front towed spare tyre mechanism and high degree of parts commonality. It has 2-door and 3-door versions with optional integral kitchen and toilet. The seat number can be 57 + 1 + 1 (intercity bus) or 56 + 1 + 1 (tourism coach) which is the largest among the products with the same length.

The IC/EC10 series feature modular design. The modular combination of interiors and seats can meet the requirements of school buses and intercity buses. The turnable front wall, detachable headlamp and separable rear wall corner facilitate the repair and maintenance.

The full electric buses have become a hot issue in Europe. As the explorer and pioneer of China's new energy buses, Yutong's sales volume of new energy buses has been ranked first in China and stayed in a leading position in the world. The exhibited bus E12 is an excellent full electric bus featuring 295kwh battery capacity, 250km with AC and 320 km without AC driving range in normal usage conditions, 17 seconds from 050km/h to 50km/h and 85km/h max speed. The waterproof level of batteries reaches IP67 with an average power consumption less than 1kwh/km. The electromagnetic immunity reaches the highest ISO level, and the electricity consuming and charging are managed in intelligent way. At present, Yutong has confirmed to participate in the "BUS 2025" program of RATP and will provide a full electric bus for trial operation.



From steadiness to step into the future

Yutong's theme on the exhibition is "Take a new step into the future", which implies Yutong brand is seeking to conduct a new and greater development in Europe.

As the Chinese saying goes "Sharpen a sword for ten years". On the basis of guaranteeing the product quality and overseas services, and through the long-term strategic arrangement and cooperation with powerful European partners, a number of Yutong buses have passed the WVTa certification which cover city buses, tourism coaches and so on. Up to now, Yutong buses have been exported to 17 European countries and surrounding countries of Europe, like France, UK, Russia, Slovakia, Norway, Iceland, Israel and so on, the sales volume is increasing year by year.

Effective spare parts supply and services win European customers' recognition

In addition to products, the key point for Yutong to survive in the European market is to provide effective spare parts supply and services.

Before each batch of vehicles arrives in the target market, Yutong's spare parts managers will check the spare parts reserve list one by one with the corresponding dealers and deliver the spare parts timely so as to ensure the sufficient inventory of the spare parts. As for the timely spare parts

supply and services, Yutong has set up a well-established service network covering over 20 counties in Northern Europe, Western Europe, Central Europe, Southeastern Europe and the surrounding countries of Europe to guarantee the normal operation of Yutong buses and enhance customers' satisfaction on services. As a British customer said, "Now what I consider first is Yutong brand." Through this, we can see the customers' recognition on Yutong.

Through the exhibition, you can not only see the strength of Yutong, but also its determination to expand the European market.

Working with the European suppliers, Yutong will continue to provide customers with adapted quality products; and working with its European dealers and service providers, Yutong will improve its service network to provide better services to local customers and create greater value for customers. As an international brand, Yutong, will jointly develop and manufacture products together with these excellent partners so as to enhance the service value and achieve win-win outcome.

Nowadays, Yutong's sales volume of large and medium-sized buses has been ranking first in the world for several years. It is not only a Chinese brand, but also a global brand, that boasts the technologies and capability of designing, manufacturing and delivering world's advanced bus products. Working hand in hand with the world's renowned partners, Yutong will create greater value for customers.





E12

Urban range

The full electric bus designed and created for European cities

TECHNICAL SHEET - E 12

• Principal specifications

Dimensions	
• Length:	12.000 m
• Width:	2.550 m
• Height:	3.340 m
• Wheelbase:	5.875 m
• Front overhang:	2.700 m
• Rear overhang:	3.425 m
Weight	
• GVW:	19.700 kg



E12

Urban range



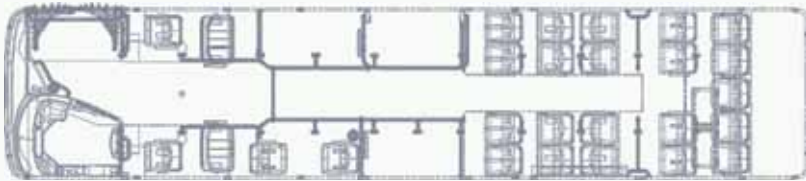
E12 Urban range



27 seated places +
64 standing places + 1

Other layouts possible:

27 seated places + 60 standing places +
1 wheelchair access + 1
27 seated places + 56 standing places +
2 wheelchair accesses + 1





High tourism range
The grand coach designed by Yutong

TECHNICAL SHEET - HTC

• Principal specifications

Dimensions	
• Length:	12.245 m
• Width:	2.550 m
• Height:	3.820 m
• Wheelbase:	6.090 m
• Front overhang:	2.795 m
• Rear overhang:	3.360 m
Weight	
• GVW:	19.000 kg



HTC
High Tourism range

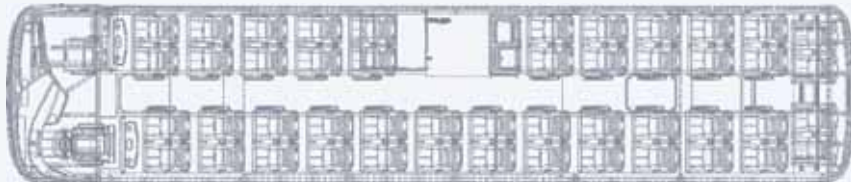


HTC High tourism range



48 reclining seats
+ 1 + 1 with WC

Other layouts possible:
53 reclining seats + 1 + 1 without WC





TC12

Tourism range
The new way for tourists to travel

TECHNICAL SHEET - TC 12

• Principal specifications


Dimensions	
• Length:	12.365 m
• Width:	2.550 m
• Height:	3.650 m
• Wheelbase:	6.250 m
• Front overhang:	2.670 m
• Rear overhang:	3.450 m
Weight	
• GVW:	19.000 kg



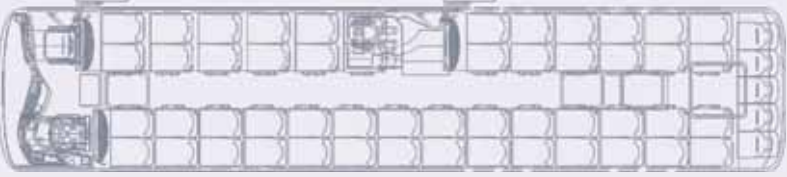
TC12

Tourism range





57 reclining seats + 1
+ 1 with WC



Other layouts possible:
59 reclining seats + 1 + 1 without WC
53 reclining seats + 1 wheelchair access + 1 + 1 with WC
55 reclining seats + 1 wheelchair access + 1 + 1 without WC

➤ The New Zealand based magazine Autofile published an article about Yutong, which introduced different aspects of the company in detail. The following worlds are the excerption from the article.

Going on the buses in China



Its vehicles are in service in many countries, including Russia, France, Kazakhstan, Cuba, Myanmar, Saudi Arabia, Kuwait, Sudan, Ethiopia and Israel to name a few.

Some were due to be imported into New Zealand last month, although talks continue to establish a local distributor.

I went along to Yutong's headquarters in Zhengzhou to inspect and measure buses destined for our shores, and advise it about compliance procedures to avoid any problems when its vehicles arrive for registration.

The company may not be well-known in New Zealand at the moment, but I'm sure it will be in the near future.

I went through its factory and was impressed. The company has a philosophy similar to what was instilled into Japanese manufacturing processes by American W. Edwards-Deming following the end of World War Two.

Essentially, that's treating the next person in the assembly process as your customer and striving to give your customers the best possible products you can produce.



I was recently advising a bus manufacturer in China on the compliance of some of its products with New Zealand's rules and requirements.

The company, Zhengzhou Yutong Bus Co., Ltd. (Yutong), is one of the largest makers of these vehicles in that country where it holds a market share of more than 30 percent.

Now it's setting its sights on a significant proportion of the Kiwi and worldwide markets.

The company produces more than 60,000 units annually in China. In addition to traditional diesel-powered buses, it also makes electric and hybrid vehicles with 3,897 "New Energy" buses sold last year.



Yutong's chassis and bodies are put through a seven-stage rust-proofing process, which includes electro-deposition of phosphate and other prevention substances. There are massive baths the body of a tour coach body can be completely immersed in.

These tanks and associated product recovery processes, which include reverse-osmosis equipment, are made by German company Dürr, while the rust-proofing chemicals are supplied by Henkel with refinishing products supplied by PPG.

Once a bus body has been through the final wash tank, most of the water is dripped off before the body is lifted by an overhead gantry and placed in a bake oven to cure before heading to the paint and refinishing shop.

After that, the body and chassis are married together with the installation of interiors carried out in a finishing workshop.

Yutong has an impressive research-and-development (R&D) facility where I witnessed sample testing of products sourced for buses.

These included headlamp assemblies being tested in a humidity chamber to ensure UN-ECE requirements are met, and indicator and micro-switches being tested on machines with computers tracking target activations of up to 200,000 applications.

The large test hall has a bus frame solidly fixed to testing

equipment, while the front is attached to hydraulic rams to twist the body in a pre-set computer-controlled fashion to verify torsional rigidity and durability.

There are front spring sets with the leaf springs being turned inside out using rams, while la piece de resistance is a complete city bus mounted on a road-test simulator with rams under each wheel.

This vehicle was fully laden using containers of sand with the computer controlling the rams, so random situations - such as the bus hitting pot holes and corrugations - were simulated.

The ram activations were every few seconds and the bus was jumping about all the time. The test involved it being on the simulator for 30 days continually, which equated to about one million kilometres.

Yutong's R&D facilities are similar to those used by the major car manufacturers and the principals are the same. It's just the scale of the operation and equipment that's bigger and heavier.

Its EURO V engines are made by Cummins, while the 11-litre EURO VI engine is supplied by DAF in the Netherlands. The transmissions are provided by Allison, steering systems by ZF and the braking system components, including EBS, by Wabco.

Two of the company's models are currently fully approved under the Australian Design Rules.



➤ The Peruvian trade journal Mundo Trucks recently released an article about Sinomaq, Yutong's dealer in Peru, and Yutong products. The following words are the English translation of the content.

Yutong on Mundo Trucks



Yutong is the leading bus company in terms of the number of produced buses whose annual capacity of production reached 60,000 units. It has the world's largest plant for medium and large buses, including public transport buses, passenger buses and special vehicles. In recent years, Yutong, thanks to the quality of its products and the value of its services, exported to five continents and got the certifications for entering into the European and American markets.

Positioning

The positioning of Yutong is based on the quality of its products with a world-class management (International Quality Management). Yutong buses are safe and durable, meanwhile are also innovative in the interiors and exteriors design of buses.

Bus resistance lies with the bathing of the body and chassis, with the electrophoresis system, which is a physical- chemical process by which the body and chassis pass six different pools providing a unique resistance to reduce corrosion damage, thus allowing the bus has greater strength and longer life

without problems.


Yutong buses are safe, because by offering buses with chassis and body (many of them with integrated body) from the plant, they can control more accurately the minimum international safety standards of the integral bus.

Strength

Yutong provides end customers with confidence, comfort and safety. Sinomaq and Yutong, after having positioned in the city bus market with CNG buses, more than five hundred units have been sold in recent years. And it is seeking to tap the interprovincial and tourism bus market with CNG and diesel buses. Those buses meet all the requirements of the minimum configuration required by the customer and can keep the balance between cost and benefit. Yutong is always at the forefront of technology, offering top quality buses and the after-sales service of Sinomaq. Yutong brand has a strong presence in South America with 1,500 buses sold in Venezuela and 5,000 buses in Cuba, as well as large fleet in Chile.

Yutong Bus releases output and sales data of Sep. 2015

ZHENGZHOU YUTONG BUS CO., LTD RELEASES ITS OUTPUT AND SALES DATA OF SEP. 2015.

	Sep. 2015(unit)	Jan-Sep.2015 (unit)	Y-o-y growth of Jan.-Sep.
Output	6312	44833	18.85%
Large Bus	2615	17081	4.84%
Medium Bus	2343	18417	13.04%
Light Bus	1354	9335	81.72%
Sales	6697	44166	12.70%
Large Bus	2819	17030	3.34%
Medium Bus	2426	17954	6.04%
Light Bus	1452	9182	58.94%

Note: This table shows the express data, the final report is subject to the company's regular report.

From the above table we can see, 6,697 buses and coaches were delivered in September. From January to September, the accumulated sales volume reached 44166 units, a rise of 12.70 percent than the previous year.



“Yes, I do.”

The 10th Yutong Mass Wedding Ceremony was held in Yutong Industrial Park, Zhengzhou on April 29, 2015. Totally 30 couples tied the knot on the grand ceremony.



“Yes, I do.”

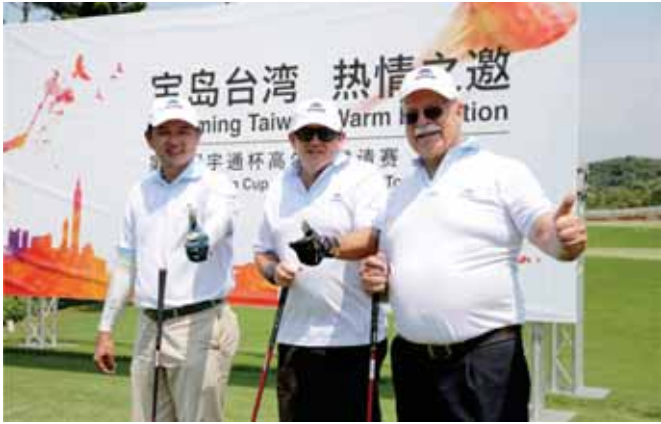
GROW UP IN HAPPINESS

The Yutong Summer Camp was kicked off on July 29, 2015, more than 30 children from Henan Province and Xinjiang Uygur Autonomous Region attended the activity.



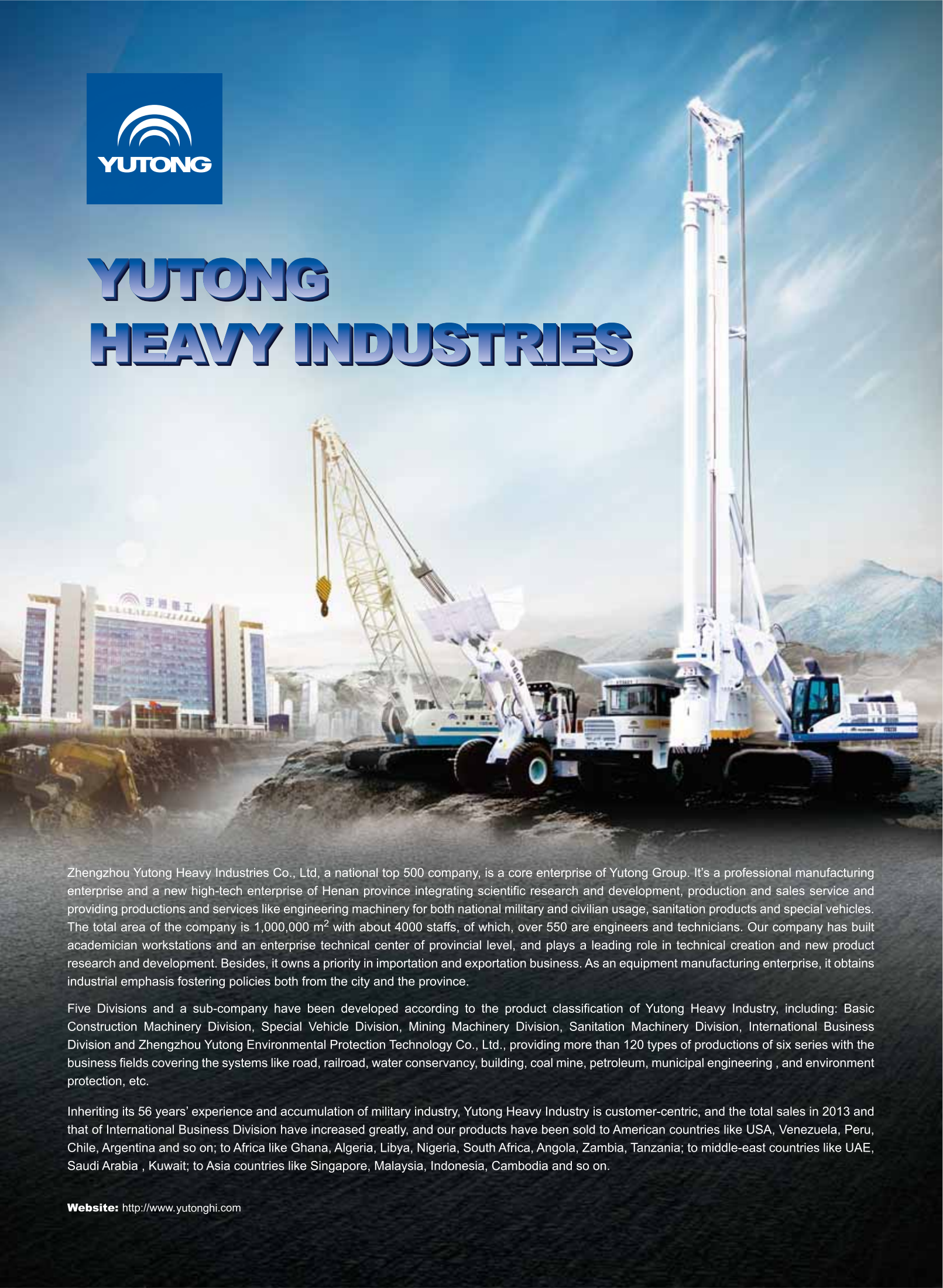
CHARMING TAIWAN, WARM INVITATION

The 9th Yutong Cup Invitational Golf Tournament was held in Taipei, Taiwan on May 17-20, 2015. About 100 customers from Australia, Singapore, Thailand, Philippines, Malaysia and other countries participated in the event.





YUTONG HEAVY INDUSTRIES



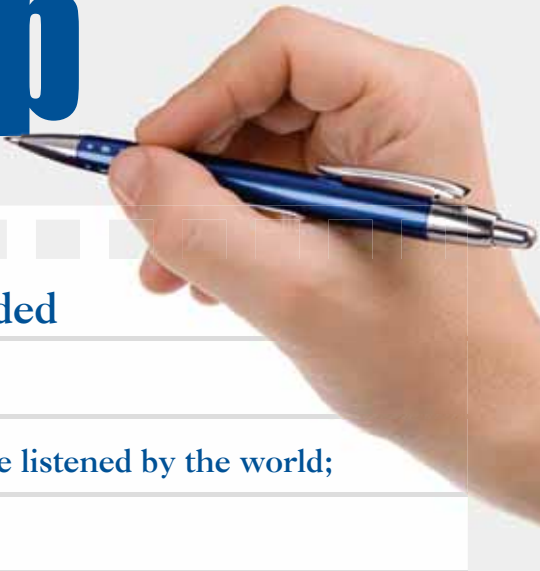
Zhengzhou Yutong Heavy Industries Co., Ltd, a national top 500 company, is a core enterprise of Yutong Group. It's a professional manufacturing enterprise and a new high-tech enterprise of Henan province integrating scientific research and development, production and sales service and providing productions and services like engineering machinery for both national military and civilian usage, sanitation products and special vehicles. The total area of the company is 1,000,000 m² with about 4000 staffs, of which, over 550 are engineers and technicians. Our company has built academician workstations and an enterprise technical center of provincial level, and plays a leading role in technical creation and new product research and development. Besides, it owns a priority in importation and exportation business. As an equipment manufacturing enterprise, it obtains industrial emphasis fostering policies both from the city and the province.

Five Divisions and a sub-company have been developed according to the product classification of Yutong Heavy Industry, including: Basic Construction Machinery Division, Special Vehicle Division, Mining Machinery Division, Sanitation Machinery Division, International Business Division and Zhengzhou Yutong Environmental Protection Technology Co., Ltd., providing more than 120 types of productions of six series with the business fields covering the systems like road, railroad, water conservancy, building, coal mine, petroleum, municipal engineering , and environment protection, etc.

Inheriting its 56 years' experience and accumulation of military industry, Yutong Heavy Industry is customer-centric, and the total sales in 2013 and that of International Business Division have increased greatly, and our products have been sold to American countries like USA, Venezuela, Peru, Chile, Argentina and so on; to Africa like Ghana, Algeria, Libya, Nigeria, South Africa, Angola, Zambia, Tanzania; to middle-east countries like UAE, Saudi Arabia , Kuwait; to Asia countries like Singapore, Malaysia, Indonesia, Cambodia and so on.

Website: <http://www.yutonghi.com>

Call-up



EN ROUTE contributors needed



your every word has the opportunity to be listened by the world;



your every point of view might trigger a resonance;



different perspective and ideas coexist harmoniously.

Anytime, no matter where you are, as long as you have a point of view and are willing to share it,

we will be “responsible for spreading it”.

EN ROUTE is expecting your involvement!

Requirements on articles:

1) The articles shall be the original work of the author and never published elsewhere (if an article is sent

to many journals or has been published, please specify.)

2) Comments of the hotspots of the bus industry and analysis of the industrial status quo and trend at home

and abroad are welcome. Articles with unique perspective which make sense are preferred.

3) Original photography and articles related with the bus industry are welcome. (We reserve the right to amend the articles.)

4) Please leave the author's real name, address, zip code and contact way.

5) Please send you articles to enroute@yutong.com