

EN ROUTE

| YUTONG NEWSLETTER

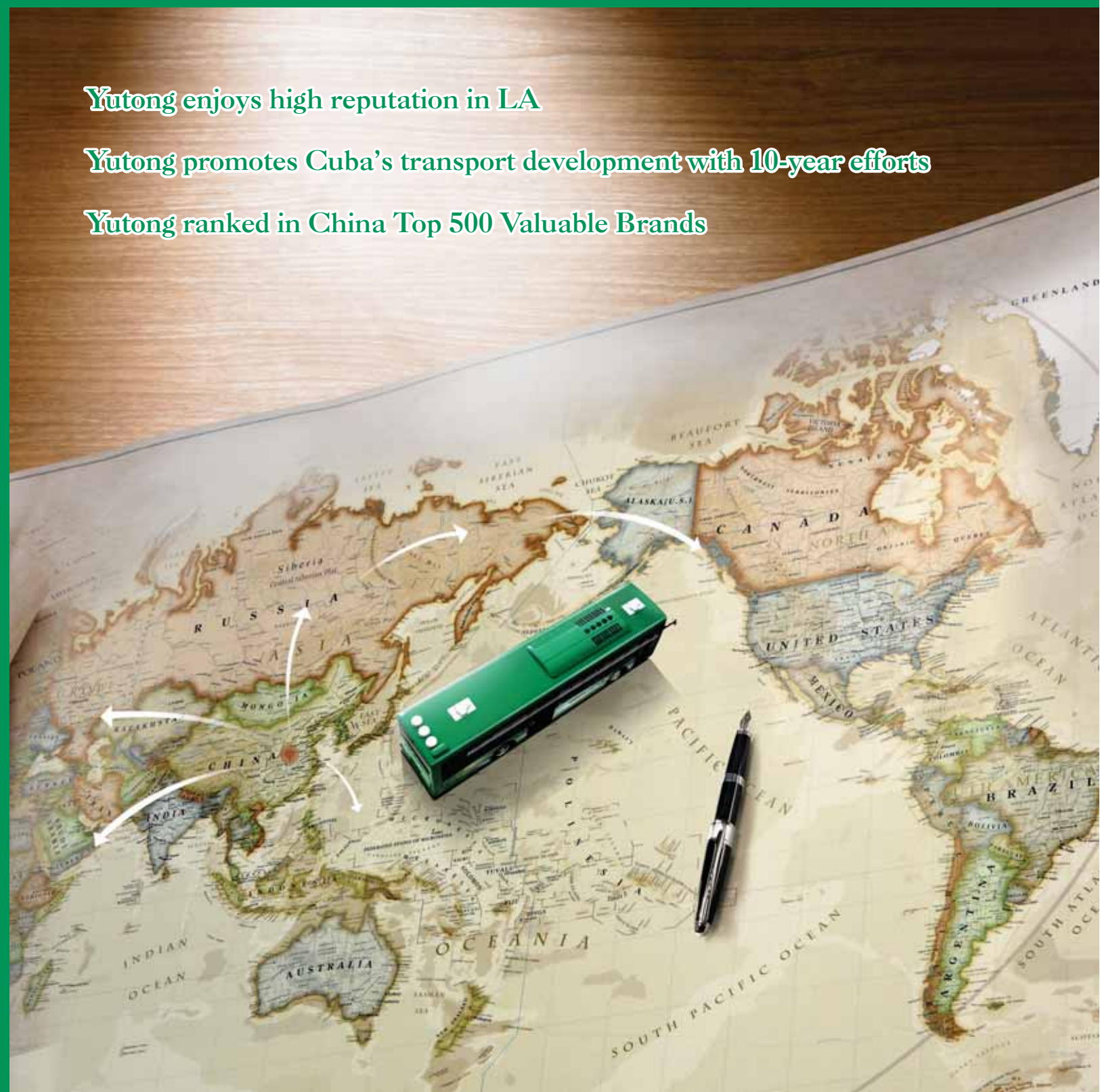
| ZHENGZHOU YUTONG BUS CO., LTD

| ISSUE 24 JULY 2016

Yutong enjoys high reputation in LA

Yutong promotes Cuba's transport development with 10-year efforts

Yutong ranked in China Top 500 Valuable Brands



ZHENGZHOU YUTONG BUS CO., LTD.

Add: Yutong Industrial Park, Yutong Road, Guancheng District, Zhengzhou, China

P.C: 450061

Tel: +86 371 6671 8999

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

E-mail: sales@yutong.com

EN ROUTE

Honorary Editor-in-chief

Hu Fengju

Honorary Consultant

Kent Chang Fu Benqi Jin Xin Kevin Pan

Consultant

Ren Hong Wang Feng Wu Zhijie

Editor

Zhao Yao Tina Tan

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Yutong enjoys high reputation in LA

Latin America is Yutong's key overseas market. Through vigorous development of the overseas market and involvement into the local economic development, Yutong has achieved a very high market share in Cuba, Venezuela, Chile, Uruguay and other countries. Especially share Cuba, the market share of Yutong buses has reached over 90%. In Uruguay, Yutong buses also accounts for about 90% of Chinese buses in the area.



Since the first batch of Yutong buses exported to Cuba in 2005, ten years have passed. Nowadays, the total Yutong buses in Cuba have exceeded 6,100 units, with a market share of over 90%. The city buses, school buses, long-distance transportation coaches, tourism coaches and so on are almost all Yutong buses. Instead of saying "taking city buses", the Cuban people usually say "taking Yutong". The buses used by



the Cuban government for receiving foreign delegations are all Yutong buses.

On the celebration ceremony of 1,000,000km mileages jointly held by Cuban ASTRO company and Yutong, the Cuban First Deputy Minister of Transport spoke highly on the quality of Yutong buses and said "Yutong buses are the road king in Cuba," that showcased Yutong's position in Cuba.

In order to adapt to the special requirements on vehicles' anti-corrosion performance under high temperature, high humidity and high salinity environment in Cuba, Yutong introduced the world's advanced electrocoating process, effectively enhancing the performance and service life of vehicles.



Yutong also set up the spare parts warehouse in Cuba with an inventory worth of over 5 million USD to ensure the smooth operation of Yutong buses. In addition, Yutong also built two large service centers and 14 service stations in Cuba. The service vans can provide flexible repair service at any time when malfunction occurred on buses.

In Latin America area, besides Cuba, Yutong also set up a KD assembly factory in Venezuela, marking a new beginning for Yutong from product export to the export of technologies and capitals.

Due to the trust in Yutong buses, the Chile national football team has chose Yutong to do the transportation service for consecutive two years. According to the statistics of China Customs from 2005 to March 2016, Yutong has exported to Chile 492 buses, ranked first in China's bus industry.

Getting customers' satisfaction with sincerity and building "Made in China" reputation with quality are the key to Yutong's success in Latin America, which will also become an effective measure in exploring the overseas market. "Respecting the overseas market, Yutong attaches great importance on the reputation, rather than the benefits in short term," said Tang Yuxiang, president of Yutong Group.

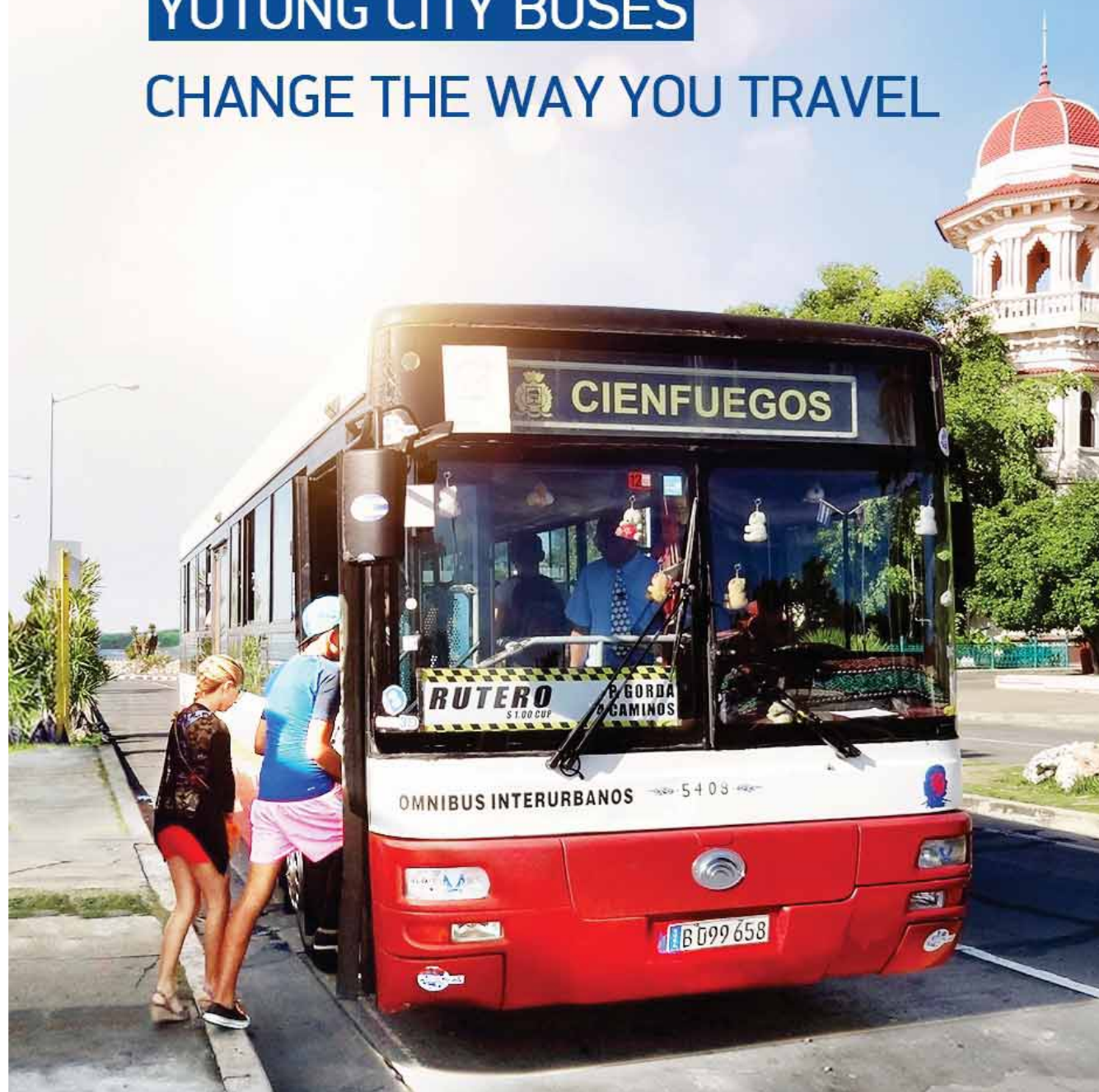




“GOOD MORNING
CUBA!”

YUTONG CITY BUSES

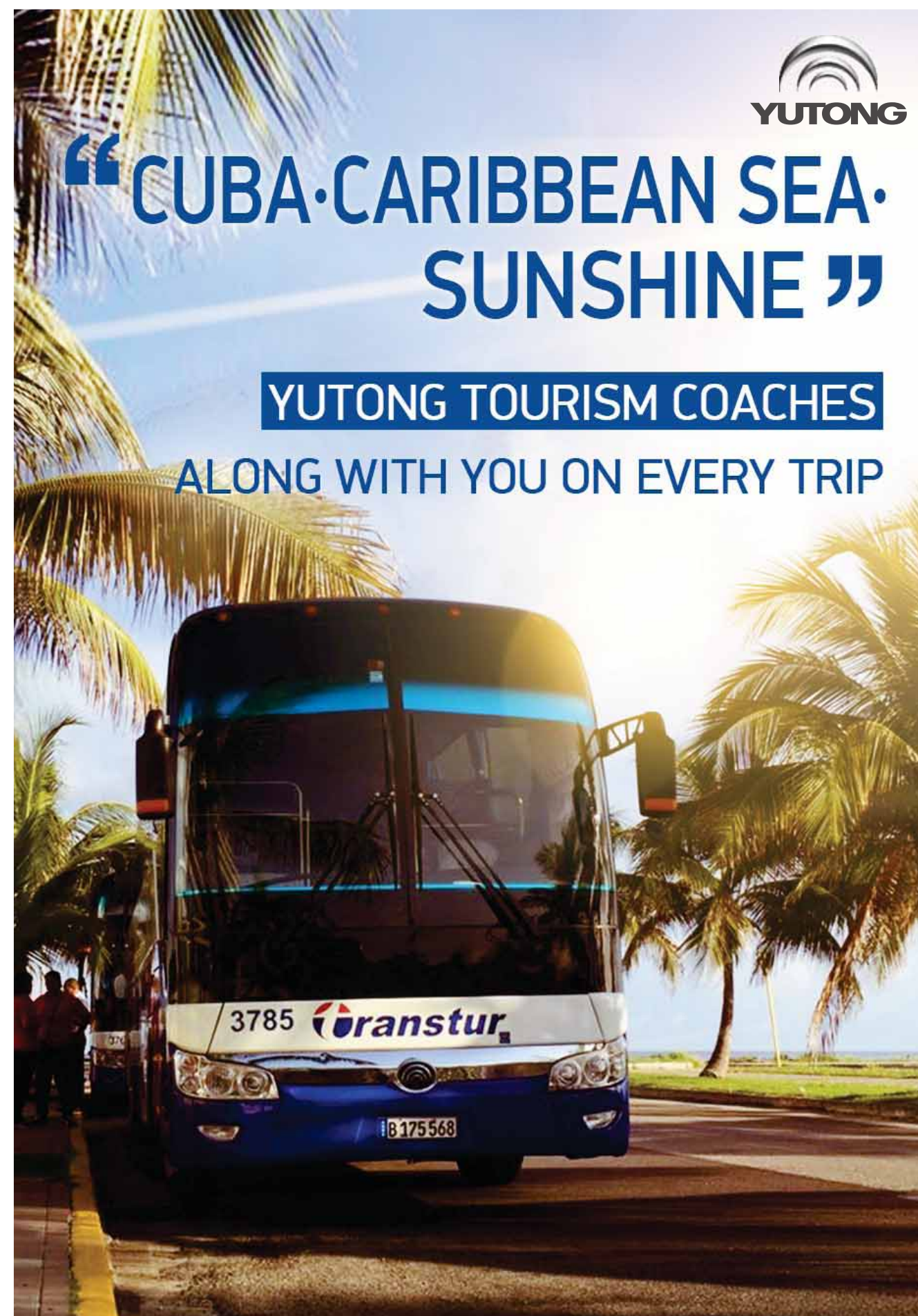
CHANGE THE WAY YOU TRAVEL



“CUBA·CARIBBEAN SEA·
SUNSHINE”

YUTONG TOURISM COACHES

ALONG WITH YOU ON EVERY TRIP



Yutong promotes Cuba's transport development with 10-year efforts



The world-famous charming Varadero bay boasts 20km-long white sand beach, which is located on Hicacos Peninsula, 140 km to the east of Havana, Cuba. Large numbers of tourists from around the world attracted by the scenery gather here, and the coaches they take are entirely Yutong buses.

"This phenomenon is not uncommon, since Yutong buses account for over 90 percent of the city bus and tourism coach market segments," said Ariel, technical director of Cuba Travel Transportation Group TRANSTUR.

Such a high market share in a single overseas market is very rare in the bus industry worldwide. From 2005, Zhengzhou Yutong Bus Co., Ltd. took ten years to become the "bus titan" in the Cuban market and won recognition of most of the

Cuban partners.

In 2005, Yutong kicked off the export to Cuba and the first batch was 12 buses. Up to February 2016, the total exports to Cuba reached 5,827 units, including city buses, long-distance coaches, labor buses, school buses, tourism coaches and so on. In 2015, Yutong's exports to the Latin America was 2,761 units, accounting for 66% of China's total bus exports, ranked first for consecutive years.

Caballero, president of a Cuban public transportation company told the reporter that his company has purchased a total of 777 units of Yutong buses and the main bus models are articulated buses and 12-meter buses. "Due to the government approval and financial problems, our procurement

volume was not much at the beginning. But Yutong's service people still provided patient guidance in terms of spare parts and training. In recent years, the procurement volume is rising gradually, about 90 units per year, and our cooperation is further deepened." He said some vehicles have been running for ten years, but can still run smoothly after technical improvement which rationally prolongs the service life of the vehicles. It is very important for the Cuban public transportation that is in short of funds.

As a bus manufacturer in China, Yutong has realized the transition from product export to technology export. It has not only won the recognition of the Cuban market, but also extended its influence to the neighboring Latin American countries. As advocated by Yutong, it provides not only the

bus products, but also an overall package solution that includes transportation planning, service network construction, vehicle design and vehicle monitoring system.





“CUBA·HAVANA· HOMEWARD JOURNEY”

YUTONG COACHES

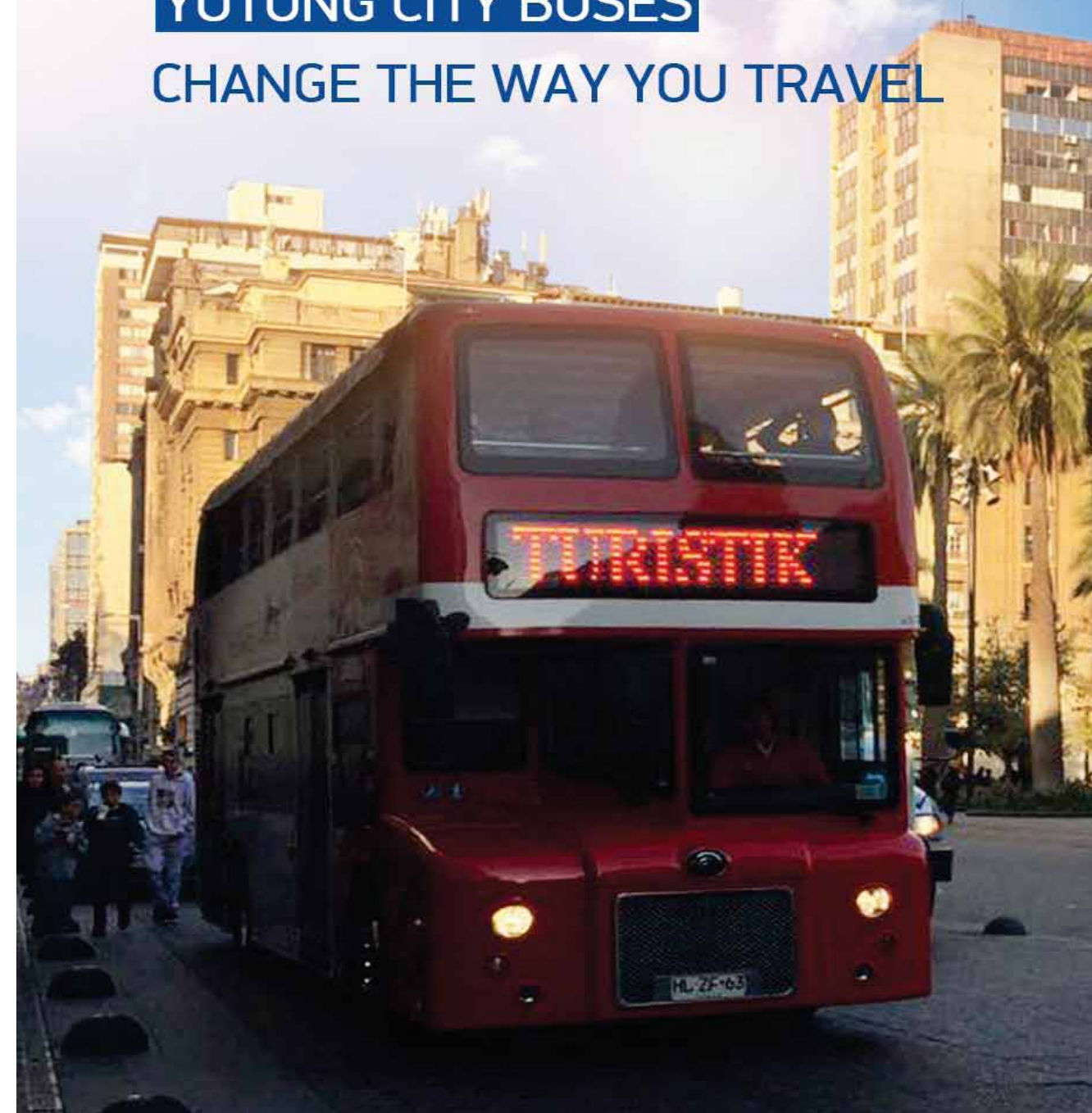
CONNECT EVERY CORNER IN CUBA



“CHILE·DAWN LIGHT· COZY!”

YUTONG CITY BUSES

CHANGE THE WAY YOU TRAVEL



Yutong shines at Cuba Industrial Exhibition 2016



The Cuba Industrial Exhibition 2016 officially kicked off at Havana Pabexpo Center on June 20, 2016. The exhibition aims to showcase the latest achievements in Cuban industries and provide a platform for exchange and cooperation with international industrial giants. As a long-term cooperative partner, Yutong brought three popular bus models on display, demonstrating China's internationally competitive manufacturing strengths.



According to Yutong, the three bus models displaying at the exhibition are tailor-made for Latin America. Yutong ZK6122H9, based on the well-developed 12-meter bus, has made a range of adjustments to suit the special needs of bus operators in the region. The bus boasts a number of passenger-

friendly features, including more comfortable seats and larger luggage compartments, etc. Given some long-distance transportation routes which often take more than ten hours, Yutong has mounted an easy chair for drivers to relax and a heat insulating box for them to drink iced water during the long journey. So far, 370 units ZK6122H9 have been sold in Latin America. Cuba-based Transtur and Transgaviota, two major bus operators in the country, are among many loyal customers of the vehicle.



Another star at the exhibition is the eight-meter ZK6838HA, a new medium-sized coach specially developed for the overseas market. With a luggage compartment 20% more spacious than that of its counterparts, the coach is equipped with AMP water-proof connectors, imported electric relays and VDO sensors, all of which have significantly improved the reliability of the vehicle's electric system. In addition, the whole vehicle cathodic electrophoresis process and tinned copper wires have largely improved the vehicle's anti-corrosion capacity, anti-oxidation capacity and anti-combustion capacity. The SPL self-locking fasteners mounted at the vibration part of the chassis have given extra reliability to the vehicle. After its arrival in Cuba, Transtur and Transgaviota immediately purchased over 100 units. Now, ZK6838HA fleet has become a backbone in Cuba's medium-sized coach transportation market.



The third bus model is the 7.5-meter Diana, which was jointly developed in 2014 by Yutong and Caisa, a factory belonged to Cuba's Ministry of Industry. The bus is aimed at the short-distance intercity transportation. While developing the vehicle, Yutong provided 935 units chassis and over 60% of vehicle components. Currently, 350 units Diana have been put into operation. The rest 585 units are now in production and they are set to hit the market soon.



Miao Wei, Minister of China's Ministry of Industry and Information Technology, also visited Yutong's exhibition stand. After hearing Yutong's development in Latin America, he pointed out that Chinese enterprises must make certain adjustments to the local political and economic conditions while doing business abroad. "Creating a win-win situation is our goal and improving the well-being of the local people is also essential", said Miao.

The 7.5-meter Diana bus represents the joint efforts of Yutong and Cuba. In 2014, Caisa, an indigenous bus brand started introducing bus chassis and spare parts from Yutong. In doing so, the company has significantly cut its production costs and ensured the quality of its products. Before this, Yutong cooperated with Cuba's Ministry of Transport by setting up a CKD factory, which has rolled out 914 units buses. All these vehicles are working smoothly in the various sectors of the public transportation in Cuba.



Yutong officially entered Cuba in 2005. As of February, 2016, Yutong had exported an accumulated number of 6,746 units buses, ranging from city buses, inter-city buses, and school buses to tourism coaches. Boasting over 30 loyal customers, Yutong is playing an essential role in Cuba's public transportation sector, bringing unprecedented travel conveniences for local people. Its success in the country has been highly prized as Cuba Mode. Zhang Tuo, Chinese ambassador to Cuba, is very proud of Yutong bus fleet, saying "Yutong quality and standards have long reached the hearts of many Cuban people".

As of the end of 2015, Yutong's total export volume had reached over 41,000 units. In 2015 alone, Yutong exported 7,218 units buses. In Latin America, its export volume reached 2,761 units in the same year, accounting for 66.02% of China's overall large- and medium-sized bus exports in the

region. For many consecutive years, Yutong has maintained the No.1 position among its rivals in Latin America.

However, Yutong does not rest in exporting vehicles abroad. By setting up CKD factories and joint ventures, the company is pursuing a much higher level of cooperation. So far, over 100 workers from Cuba have visited China, receiving a comprehensive training course. Such experiences have greatly deepened their understanding of Yutong's corporate culture and production procedures. After returning home, these workers have all become the backbone in Yutong's CKD factories, helping the country further improve its bus manufacturing capability. More importantly, Yutong has helped Cuba buy more vehicle spare parts locally instead of importing from foreign countries. Apart from Cuba, Yutong has also set up its CKD factory in Venezuela, marking the bus maker's shift from product export to the export of technologies and capitals.

As early as 2003, Yutong started doing its business in Latin America, attaching strategic importance to the regional market. In just thirteen years, Yutong has already formed a formidable presence in a number of countries in the region, including Cuba, Venezuela, Chile, Uruguay, etc. In Cuba, Yutong has already become the dominant bus brand with its market share reaching 99.9% while its market share in Uruguay has also jumped to 90%.

Tang Yuxiang, president of Yutong Group, pointed out "We are like those hard-working farmers and we can only prove the value of our products through our diligence. While exploring the overseas markets, we believe it is very important to see far beyond the current economic returns. What we treasure most is our reputation." Yutong's high quality products and uncompromised services are the key to its continued success in Latin America and the rest of the global market.



Yutong serves Chile National Football Team



Chile National Football Team returned from America after winning the champion of American Cup on June 28, 2016. The team rode Yutong ZK6136H to its training base in San Diego.



The carrier of the winning team reveals that Yutong has been the designated vehicle for Chile National Football Team since 2012 thanks to the well-established reputation of Yutong in Chile. In-depth discussions have been made about the pattern of the vehicle and the layout of its seats. Since the start of its operation, the team has showed their great satisfaction with Yutong buses. At 2015 FIFA U17 World Cup in Chile, Yutong

ZK6136H shouldered the majority of transportation tasks.

According to Zhang Kang, Sales Manager of Yutong Chile, the bus maker entered the South American country in 2005. Statistics show that Yutong's accumulated exports to Chile reached 492 units as of March, 2016. Currently, the number of Yutong buses ranks the first place among all bus brands from China. Apart from providing high-quality bus products, Yutong also delivers a whole package of transportation solutions for its customers, including drivers' training, service training.





“CHILE·ANDES·
AMAZING!”

YUTONG TOURISM COACHES

ALONG WITH YOU ON EVERY TRIP



“CHILE·SANTIAGO·
TRIUMPH CHEERS”

YUTONG COACHES

CONNECT EVERY CORNER IN CHILE



Yutong is establishing a formidable presence in LA

Since its entry into the Latin American market in 2003, Yutong has always attached strategic importance to the huge market. In 2015, the bus maker exported a total number of 2,761 units buses to the region, accounting for 66.02% of China's overall bus exports. For several consecutive years, it has been the top bus brand in the region. Its business expansion in Cuba and Venezuela, in particular, has been widely imitated by other bus makers.

Yutong in Cuba

Yutong started cooperation with Cuba in 2005. After earning the trust of Cuban customers, Yutong has so far built a solid presence in the country. As of February, 2016, Yutong had exported a total number of 5,827 units buses to Cuba, ranging from city buses, long-distance coaches and school buses, to travel coaches. The smooth performances of Yutong buses, unparalleled after-sales services and well-connected spare parts distribution channels have earned the bus brand a fine reputation.



In just a decade, Yutong boasts 32 loyal customers in Cuba, including two dominant travel coach operators, urban city bus operators, school bus operators, etc.

Yutong in Chile

According to statistics from China's customs, China exported a total number of 4,499 units buses to Chile from 2005 to March, 2016. Yutong made up for about 11% with its total export to Chile reaching 492 units in the same period. Since entering the market in 2008, Yutong has made impressive achievements. Currently, Yutong boasts the largest number of buses in operation in the country.

In 2012, Chile National Football Team chose Yutong coaches

as its carriers. In 2015 when FIFA-U17 World Cup was held in Chile, Yutong ZK6136 shouldered the heavy tasks of transporting the majority of the football players, enabling the bus brand to further strengthen its presence in the country.



Yutong in Venezuela

On July 21, 2014, under the witness of Chinese president Xi Jinping and Venezuelan president Maduro, Yutong and the Venezuelan Ministry of Transport signed an agreement for setting up a KD factory with an annual production capacity of 3,600 units large- and medium-sized buses and coaches. With a total investment of 278 million USD, the KD factory held a grand ceremony to mark the delivery of its first 100 buses in March this year. Aristobulo, vice president of Venezuela, hosted the ceremony. In addition, Yutong, together with Venezuelan Ministry of Transport and Ministry of Industry, has set up a joint venture. A team comprising of six managerial personnel and twenty technicians was sent to Venezuela to assist the smooth operation of the company. In the meantime, Venezuela sent 42 staff members to China for a training program. Such a high level exchange has laid a solid foundation for the joint venture to open on schedule.



Yutong Venezuelan KD Factory is Yutong's first factory abroad with all standardized production procedures. It is also Yutong's first joint venture set in the overseas market, marking a new beginning for Yutong from product export to the export of technologies and capitals.



Yutong in Paraguay

In 2014, Yutong sent some sample vehicles to Paraguay. Given the scorching hot weather in the country, Yutong mounted air-conditioning systems on its ZK6108HGD. As Paraguay's first batch of air-conditioned buses, Yutong immediately made a splash in the country. Soon, La San Lorenzana, a bus operator based in Asuncion, placed an order of ten buses. The deal ushered in a new era for Yutong's expansion in Paraguay.

In 2015, thanks to the rising popularity of Yutong in Paraguay and the government's favorable policy for urban bus replacement, Yutong managed to sell 49 units buses in the country.

Yutong in Uruguay

Yutong gained a strong foothold in Uruguay by its high vehicle standards and sound after-sales services. The continued rising popularity of Yutong in Uruguay has also forced its rival Brazil-based Benz to adjust its product policy.

In 2015, in an effort to meet the demands of COME S.A., a local bus operator in Uruguay, Yutong and its dealer presented their sample vehicles for the bus operators half a year ahead and invited its customer to experience the vehicles' performance. After the first meeting, Yutong quickly made a series of adjustments to suit its customer's needs. Moved by Chinese bus maker's commitment and services, the bus operator finally chose Yutong. Thus, Yutong became the only Chinese bus brand that registered sales in Uruguay in 2015.

Currently, a total number of 350 Yutong buses are working smoothly in Uruguay, accounting for 90% of the bus fleet from China.

On the basis of its previous success in Latin America, Yutong is now working relentlessly to further strengthen its presence in the region. Drawing experience from its expansion in Cuba, the bus maker focuses on meeting its customers' needs and improving the quality of its products and after-sales services. By diversifying its products and services and caring for the special needs of local customers, Yutong aims to enhance its customers' satisfaction, which is essential to sustain the sound development of its overseas business.



Yutong ranked in China Top 500 Valuable Brands



The World Brand Lab released the list of China Top 500 Valuable Brands in Beijing on June 22, 2016. Yutong held the 117th position with a brand value of 25.8 billion yuan, ranked first in China's bus industry. This is also the consecutive 13th year for Yutong to be ranked first in the industry.

As the No.1 bus brand in China, Yutong has been granted a number of BAAV awards, such as Busbuilder of the Year, Innovation Award, Safety Award, Environment Award, Coach Award and so on. In 2004, as the benchmark of China's bus industry, Yutong won the China Top Brand granted by AQSIQ (Administration for Quality Supervision and Inspection and Quarantine). In 2005, Yutong was awarded the Chinese Well-known Trademark by the related national legal departments. In December 2010, Yutong became the only one in the industry to be listed on "Chinese Brands of the Year 2010" and was titled "China Pride". On January 8, 2016, the Energy-saving and New Energy Bus Key Technology Research & Development and Industrialization project won 2015 China's National Science Progress Second Award, becoming the first one in the automobile industry to win the award due to the new energy project.


In 2015, Yutong delivered 67,018 buses and coaches, a rise of

9.15 percent than the previous year, and its annual turnover reached 31.2 billion yuan, up 21.31 percent year-on-year. The total sales volume of new energy buses exceeded 40,000 units, and the enterprise scale and sales performance continued to rank first in China's bus industry.

Yutong is also active in exploring the overseas market while consolidating its market share and improving its brand position in China. Yutong buses have been exported to over 130 countries and regions, like Cuba, Venezuela, Russia, Iran, Saudi Arabia, Hongkong, Macao and so on. Through long-term strategic layout, Yutong has got the WVTa certificate of EU and begun to enter the European market. Nowadays, Yutong buses have been delivered to UK, France, Norway, Israel, Macedonia and so on.



Zhengzhou Yutong Bus Co., Ltd released its output and sales data of Jun. 2016

ZHENGZHOU YUTONG BUS CO., LTD RELEASED ITS OUTPUT AND SALES DATA OF JUN. 2016			
	Jun. 2016 (unit)	Jan-Jun. 2016 (unit)	Y-o-y growth of Jan.-Jun.
Output	6,625	29,391	16.09%
Large Bus	2,302	9,242	-4.63%
Medium Bus	3,605	16,327	43.46%
Light Bus	718	3,822	-9.96%
Sales	6,452	29,768	23.63%
Large Bus	2,325	9,463	1.34%
Medium Bus	3,564	16,612	50.09%
Light Bus	563	3,693	0.54%
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, 6,625 buses and coaches were delivered in June. From January to June, the accumulated sales volume reached 29,768 units, up 23.63 percent than the previous year.



CAISA praises co-op with Yutong: from 3 units a month to 3 units a day

The workers were busy with their work in CAISA, Cuba on June 21, 2016. From 2005, Yutong began to cooperate with this company, helped them to train technicians and set up enterprise management system, and provided technical guidance on each production process.

"Before the cooperation with Yutong, we only produced 3 units of medium-sized buses every month, and now we can make 3 buses a day," said Eric, general manager of CAISA. He told the reporter that Yutong always consider issues in their shoes and actively helped them to tackle the difficulties encountered during the production process, this is also the reason of the continued cooperation between the two parties. Nowadays, the company with 560 employees is constructing the second production line under the held of Yutong. Once it is put into operation, the production capacity is expected to be further expanded.

It is learned that in the earlier phase Yutong exported bus

components to Cuba and then the assembling was conducted in CAISA company. Up to now, over 1,000 Yutong buses have entered the market with this mode. From 2015, CAISA began to import Yutong chassis, assemblies and part of body components, and produced the intercity buses with their own brand DIANA. "Our plan is to produce at least 1,000 units of DIANA buses in 2016, which also needs Yutong's continuous support and assistance."

After ten-year development in the Cuban market, Yutong has won a number of loyal customers like CAISA, including tourism transportation company, public transportation company, inter-provincial passenger transport company, commuter company, school bus company, airfield bus company and so on. Yutong's continuous focus on the Cuban market has effectively enhanced the development level of local economy and society, and helped the local government to improve people's livelihood and expand employment.



“Yutong changes us a lot.”



“Yutong changes us a lot.” Since 2006, the service engineer Louis has been working in the Cuban CAISA company. Talking about the relationship with Yutong, he had a lot to say.

In 2008, Louis went to China and took part in a month-long training in Yutong company. "This course made me know better about the vehicles, and my technical skills were also greatly improved," said Louis. He told the reporters that he felt very proud to work with Yutong in Cuba, since Yutong has become a household name in Cuba. When we take city buses, instead of saying “taking city buses”, we usually say “taking Yutong”.

He said that there are nearly 2,000 Yutong buses at Cuba Urban Transportation Company and Cuban Inter-provincial Passenger Transportation Company. “We are responsible for the repair and maintenance of all these buses.” Louis said that Yutong has brought huge changes to Cuba’s transport. But he also found that Yutong has not only brought bus products to

Cuba, but also been involved in the development of local economy.

“Yutong helped us set up the transportation system and brought brand new scientific management and service mode," said Louis. More importantly, Yutong also brought the essence of Chinese culture like diligence, dedication and so on to Cuba." I learned a lot from them, and now this kind of culture has blended into my blood and become my behavioral habit. Now I am also changing the Cuban people around me through my own influence.”

Nowadays, Louis’ salary is four times that of the local people. Speaking of the future, he is full of hope. “I love the job. In the future, Yutong is likely to launch electric buses in Cuba, and I’m still not familiar with this field. Yutong can provide me with opportunities for growth, and I plan to learn as much as possible so as to do better in my work,” said Louis.

Call-up



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your every point of view might trigger a resonance;

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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