

EN ROUTE

| YUTONG NEWSLETTER

| ZHENGZHOU YUTONG BUS CO., LTD

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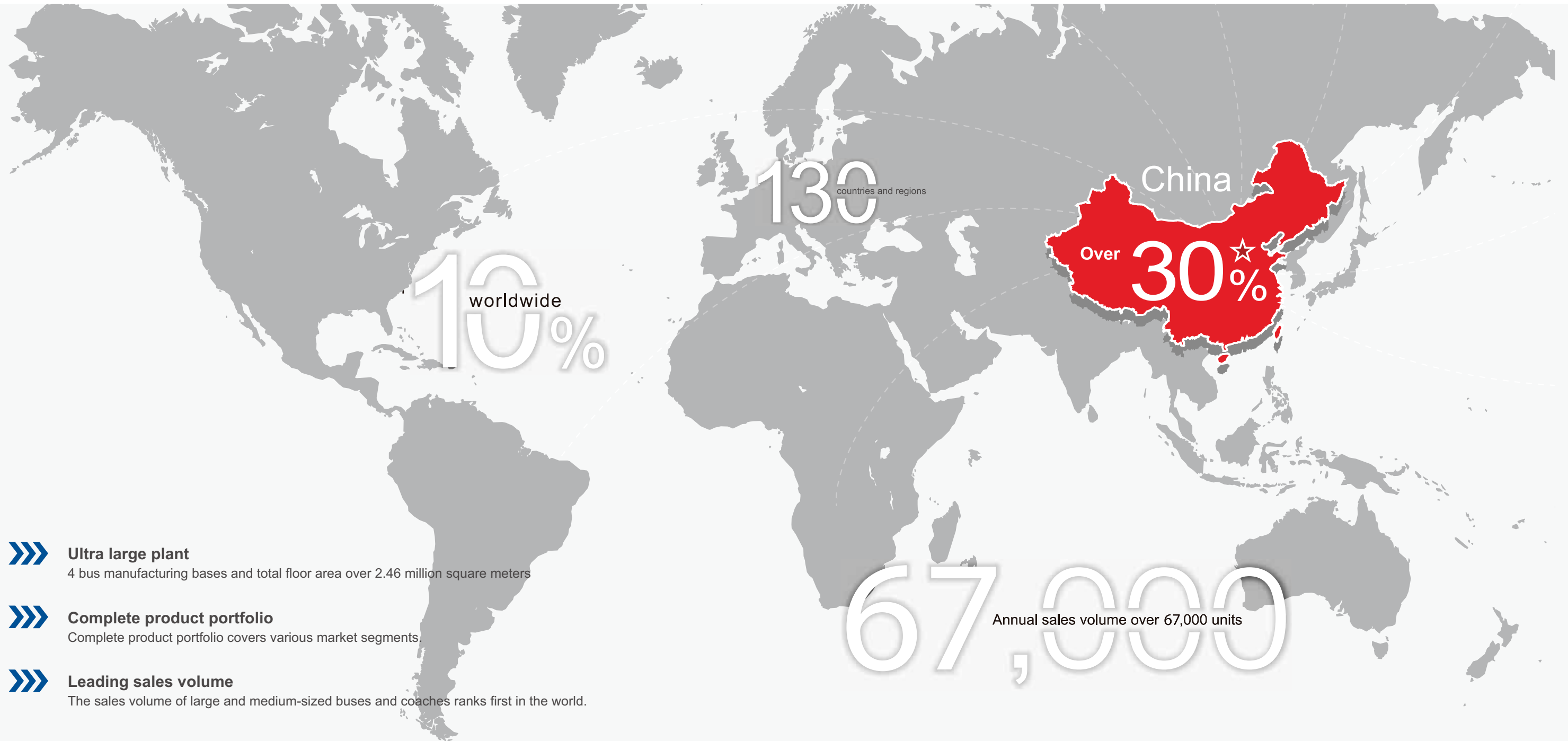
Yutong, world's major bus and coach supplier

Zhengzhou Yutong Bus Co., Ltd., the core enterprise of Yutong Group, has four production bases, which are specialized in the design and manufacturing of buses and coaches, new energy buses, special purpose vehicles and parts & components of buses.

Yutong, your trusted partner

In 2015, its sales volume of large and medium-sized buses reached 67,000 units, ranked first in the world. The enterprise scale and sales performance take a lead in the industry. Its sales network covers over 130 countries and regions with a market share of over 30% in China and over 10% in the world. In the main target markets, Yutong has become one of the world's major bus and coach suppliers.



**Ultra large plant**

4 bus manufacturing bases and total floor area over 2.46 million square meters

**Complete product portfolio**

Complete product portfolio covers various market segments.

**Leading sales volume**

The sales volume of large and medium-sized buses and coaches ranks first in the world.





Processes really matter

Five technological processes successfully achieve the safety, reliability, comfort, energy saving, environmental friendliness and intelligentization.




Advanced technology

3% of the annual turnover is put into R&D, over 3,000 R&D people and a number of professional research centers guide the design and development of bus products with science and technology.



Yutong Bus releases output and sales data of Jul. 2016

ZHENGZHOU YUTONG BUS CO., LTD RELEASED ITS OUTPUT AND SALES DATA OF JUL. 2016.			
 YUTONG	Jul. 2016 (unit)	Jan-Jul. 2016 (unit)	Y-o-y growth of Jan.-Jul.
Output	4,604	33,995	4.12%
Large Bus	1,768	11,010	-9.88%
Medium Bus	2,151	18,478	33.16%
Light Bus	685	4,507	-31.24%
Sales	4,200	33,968	10.31%
Large Bus	1,716	11,179	-7.06%
Medium Bus	1,915	18,527	40.73%
Light Bus	569	4,262	-23.89%
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, 4,200 buses and coaches were delivered in July. From January to July, the accumulated sales volume reached 33,968 units, up 10.31 percent than the previous year.



FOR YOU

Yutong always pays a close attention to the new technologies and meanwhile actively carries out its own research and development. In addition, Yutong also innovatively applies the new technologies into the manufacturing improvement and product innovation to enhance the bus manufacturing processes and the travel experience of passengers.

Yutong T7 high-end business coaches officially delivered to Hangzhou for G20 Summit



On August 12, a batch of brand new Yutong T7, a high-end business coach, which was chosen as the carrier for VIPs during the G20 Summit, was officially delivered to the organizing committee of the G20 Summit. As China's first indigenous brand to serve at such a high-profile event, 100 units Yutong T7 will provide all-around transportation services for all those big heads from twenty countries across the globe.

Strictly complying with the development procedures of passenger cars, Yutong T7 was born after a decade's hard work with a total investment of 400-plus million RMB. It has successfully passed a number of stringent tests, showing formidable strengths and high consistency in such demanding working conditions, such as high altitude, high temperatures

and extremely low temperatures. In addition, it has passed the 60,000 kilometers reliability test.

In terms of its power, Yutong T7 is equipped with 6.0-liter V8 gasoline engine, Allison 1000 auto transmission gearbox, ensuring the vehicle's strong performance, high safety



standards and a lot more travel comforts. In addition, the ergonomically designed seats, passenger-car-like central control platform, electric windows for bus drivers, and electrically heated rearview mirror all demonstrate China's internationally competitive bus manufacturing technologies.

As an indigenous bus brand, Yutong T7 has taken China's high-end business vehicle market by storm. Since its debut, it has never failed to make its appearance at various big events, including China's V-Day Parade, 2015 Shanghai Cooperation Organization Premiers' Meeting, 2016 NPC and CPPCC Sessions, Bo'ao Forum for Asia and Lancang-Mekong Conference, etc.



As the most influential think tank for global economy, G20 Summit will gather the most talented people from both political and business arena to discuss pressing issues facing the global economy.

"As a local brand, Yutong feels very proud to serve all the leaders. Also, it means heavy responsibilities for all staff from Yutong. Now, we are well prepared to provide transportation services for the coming G20 Summit, making sure all participants have a pleasant stay in Hangzhou," says Guan Jinliang, Deputy Marketing Director of Yutong Bus.

100 Yutong T7 to serve at G20 Summit in Hangzhou



The 11th summit of G20 leaders (also known as G20 Summit) will be held in Hangzhou on September 4-5, 2016. Themed with “building innovative, invigorated, interconnected and inclusive world economy”, the leaders from 20 countries will gather in Hangzhou to discuss measures of developing global economy. The first G20 Summit was held in 2008. This year it is the first time for China to host such a high-profile event.

To prepare for G20 Summit, Hangzhou Municipal Government has designated 100 units Yutong T7 coaches to provide transportation services for leaders from 20 countries during the summit.

At the 10th G20 Summit held in Antalia, Turkey in 2015,

Chinese President Xi Jinping came up with the theme for this year’s summit.” Innovating Growth Mode”, as an important topic during this year’s summit, made its entry into the summit for the first time. Emphasis must be put on reforms and innovation so as to revitalize the current global economy.

In recent years, China’s economic development has been characterized by robust innovation. As the leading bus maker in China, Yutong has always been committed to innovation. Yutong T7 is the latest achievement which fully demonstrates the company’s strengths in its research & development of new vehicles.

After a thorough investigation of China’s high-end business

reception vehicle market, Yutong positions T7 as a national coach brand with the highest quality and highest standards. By introducing the designing concepts for passenger cars, Yutong T7 was China’s first coach which was wholly developed based on the development procedures for passenger cars. From the initial market investigation to product positioning, to the whole development procedure, Yutong T7 is the result after pooling the intelligence and talents of over 100 core technical people.

Now, innovation has been playing an increasingly dominant role in China’s economic growth. At this year’s G20 Summit, China aims to spread such an innovation-driven growth mode to the world, hoping to create new growth points for the world economy and deepen the world’s understanding of China’s miraculous rise on the world stage. The appearance of Yutong T7 at G20 Summit will showcase the huge impacts brought by innovation in China’s bus manufacturing industry.

Apart from adopting passenger car development procedures,



Yutong T7 has also passed stringent experiment in extreme working conditions, such as high altitude, high temperature and low temperature. It is also China’s first vehicle which passed the national roll-over test while loading with a half of its capacity. It has maintained an incredibly high standard in terms of its design, power performance and travel comforts.

According to Yutong, T7 is manufactured on an independent production line. Equipped with nearly 200 sets fixture tools, the production line has fully ensured the consistency and accuracy of T7 coaches. Also, T7’s whole production procedure is strongly characterized by high level automation, precision and modularization.

Just making its debut in 2015, T7 has brought some fresh air to the domestic high-end business vehicle market. It is believed to generate huge impacts to the monopoly of foreign brands in this sector and become a new impetus to drive the market to a new development stage.

Yutong school buses favored by Canadian International School in China



Beijing Canadian International School was founded in 2005. The school is mainly to provide quality education services for children of foreign diplomats in Beijing, returnees' scholars and people from all over the world. On July 9, the Canadian International School and Yutong held strategic cooperation signing ceremony as well as the school's graduation ceremony in the Great Hall of the People.

It is because of the positioning and characteristics of Beijing international school, the school pays more attention to students' commuting. The school always adheres to consistent high standards and strict requirements in selecting school buses. After careful selection and inspection, the school finally settled on Yutong school buses.

Yutong school bus is worthy of trust with its high safety and

reliable quality, and has good performance in actual operation. The parents and students show high degree of recognition and praise. It is particularly worth mentioning that in Shanghai high-end school bus market, Yutong takes more than 60% of market shares, nearly 550 Yutong school buses. In fact, as an active advocate of the school bus safety and one of China's bus industry standard makers, Yutong buses are not only the preferred choice of high-end school bus market, also the favorites of all schools. In 2015, the Chinese school bus sales have reached 26,433 units, among them 8,088 units were Yutong school buses, accounting for over thirty percent. Yutong is well deserved the No.1 brand of Chinese school buses.

All along, Yutong provides safe school buses for all children, allowing operators, schools and parents to be assured. The



company believes that ensuring the school bus operation safety is the top priority. Yutong not only ensures the driving safety but also the "interior" safety. The environment-friendly interiors without peculiar smell, upholstered armrests, seats with special seat belts, air cleaning system, NVH mute design and so on, all these enable students to stay in a safe environment. Yutong said, 'All for Children, for All Children.' Therefore, this signment with Beijing Canadian International School proved Yutong has strong ability to secure children's commuting.



Yutong granted 2015 Socially Responsible Enterprise in China

On July 29, the eighth China Enterprises Social Responsibility Annual Conference, organized by Southern Weekly, was held in Beijing. Yutong ranked the seventh place in Mainland China Private Enterprise Wealth Creation List and it ranked the twelfth place in China's Socially Responsible Enterprises Charity List. Also, the bus maker was listed as 2015 Socially Responsible Enterprise in China.

China Enterprises Social Responsibility Annual Conference was first held in 2009. The organizer, Southern Weekly is actively involved in constantly viewing and evaluating state-owned enterprises (SOEs), privately owned enterprises and transnational enterprises in fulfilling their social responsibilities. Each year, the list rolled out by the organizer has won the wide public recognition in China.

Yutong has always been shouldering more and more social responsibilities, creating more value for the public welfare. In 2016, the bus maker has launched "Wing Plan", "Open Day" and "Yutong Love" programs, aiming to return its profits to larger and wider communities.



40 Yutong new energy buses start operation in Kaifeng



Recently, 40 units Yutong new energy buses were officially put into operation on Bus Route No.13 and No.16 in Kaifeng, central China's Henan province. The move is aimed at further speeding up the application of environmentally friendly buses and providing more travel comforts for local citizens.

According to Yutong, the 40 units buses are all ZK6105CHEVPG21, fuel-electricity hybrid bus. Measuring 10.5-meters in length, the bus has 28 seats and achieves internationally competitive emission standards. Boasting powerful performance, high environmental friendliness, high safety standards and more travel comforts, the vehicle is able to drive continuously for 200 kilometers.

Featuring annular frame member structure, the bus has gone through electrophoresis treatment, making it rust-resistant. The rear compartment is cushioned by heat insulation and anti-combustion materials. Also, it has automatic fire extinguisher in place to deal with any emergencies. The

integrated information control terminal on the bus is connected with Public Transport Intelligent Operation System, giving the vehicle such power as real-time positioning, automatic station broadcasting, LED plate displaying, and real-time monitoring.

Niu Zaiqiang, General Manager of Kaifeng Public Transport Company reveals that the city now has 105 units new energy buses and is planning to add more, promoting a low-carbon lifestyle among local citizens.



Yutong launches V7 promotional activities in Guatemala



Recently, by joining hands with local sales agents, Yutong launched a series of promotional activities for its V7 in Panajachel, Solola Province, a popular tourist destination in Guatemala.

Over 20 travel agents from Solola province were present at the activities. By demonstrating the strengths of Yutong and introducing the brand's expansion in the local market, Yutong chiefly aims at promoting its V7.



After taking a ride with V7, customers expressed their satisfaction with the design and travel amenities provided by the vehicle. They were also impressed by the all-round after-sales services provided by Yutong. In the end, they all showed their confidence in cooperating with Yutong.

Through holding such promotional activities, Yutong has greatly improved its brand image in the country. In the meantime, they help the company to gain a full knowledge of the local market, laying a solid foundation for its further expansion.



Yutong strengthens core competitiveness in Ecuador to boost bus sales

Since early 2015, Yutong has been confronted with a host of challenges in Ecuador market, mainly due to the due to stubbornly high tariffs. Its customers have expressed their desires to make new purchases. However, none of them has made any substantial move. To make matters even worse, Yutong's sales agent in Ecuador has cut its spending on its services as it has been having difficulties in collecting its arrears. In an effort to improve the current situation and boost Yutong's brand image, the bus maker, together with its sales agent, held a series of services activities which lasted for a month from May 16 to June 16, 2016.

In Ecuador, Yutong's three major customers have a combined fleet of 91 units Yutong buses. To better serve them, Yutong did work hard in three aspects. First, it conducted a thorough

inspection for all vehicles. Especially by using Cummins Trouble-shooting Software, Yutong delivered a comprehensive health check-up of all bus engines and provided free repair services. Second, it launched a campaign to raise the three bus operators' awareness of fire prevention. Third, Yutong donated a batch of spare parts to its customers and offered favorable discounts for some other spare parts during the month.

With the full supports from Yutong headquarters, the service activities were warmly welcomed by Yutong's sales agent and customers in Ecuador. Its sales agent sent a maintenance worker, a bus driver and a service vehicle to provide services during the whole month. In addition, Over 10% discounts were offered to its customers. The staff from Yutong not only



did a lot of translation & interpretation and coordination work, they also made arrangements for buying gifts for customers. The success of the service activities in Ecuador once again proves the strong team spirit within Yutong.

Currently, it is the rainy season in Ecuador. To improve bus operators' awareness to make better use of the air-conditioning systems and cut related maintenance expenses, Yutong also held a number of training sessions at various bus terminals. Through such a professional training programs, many technicians from bus operators have gained new insights into Yutong buses and become better prepared to improve passengers' travel comforts.



A Yutong coach appeared on the front page of the UK based magazine ROUTE ONE issue 632, and an article was also published on the inside pages, which introduced Yutong's TC9 Euro 6 in details. The following words are the excerption from the article.



The coach that swims

Perhaps the biggest surprise in the midicoach market at Euro 6 has been the success of Yutong's 35-seat TC9. Supplied by Pelican Bus and Coach, it has gone great guns, and the importer expects things to continue like that.

Eyebrows in certain parts of the coach industry were raised slightly when family-owned, Castleford-based dealer Pelican announced that, besides the Chinese-built 12.2m TC12, it would be bringing the 9.35m Yutong TC9 to UK and Irish buyers. ‘Will it sink or will it swim?’ was the reaction.

Now that the market has had time to adapt to this previously unheard-of marque and appreciate its good-value TC9, the answer to

that is clear. It hasn't just swum; it has taken the baton and run with it, becoming one of the best-selling products so far in the midicoach class at Euro 6, helped by Yutong's use of a Cummins/ZF driveline.

Operators across the industry have taken to the TC9, including at least two Coach Marque members. One of them is award-winning Stanley Travel of County Durham, which placed a TC9 into service earlier this year.

Managing Director Ian Scott reports that the coach has been well received by passengers, and he also pays tribute to the value for money it represents; tellingly, he confirms without hesitation that he would take another should business needs dictate.

Unlike truck-derived midis, the 9.35m TC9 is purpose-built as a coach at Yutong's Zhengzhou factory. It is powered by a rear-mounted 280bhp, 6.7-litre Euro 6 Cummins ISB6.7 engine that drives through a six-speed ZF EcoLife gearbox.

