

EN ROUTE

| YUTONG NEWSLETTER

| ZHENGZHOU YUTONG BUS CO., LTD

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SUPER ENERGY-SAVING



With XCVT hybrid system, the decoupling of engine and vehicle speed can be achieved through the double-row planetary gearbox. Through the optimization of the whole

vehicle control strategy, the engine can always work within the optimal working curve, thus improving the economy of whole vehicles.

SUPER SAFE



Physical isolation of capacitor cabin and passenger compartment, as well as the fire extinguishing bombs on the top of fire-hazardous points, can ensure the safety of passengers.

The protection class of connectors that link important voltage components reaches IP67, ensuring the normal operation of vehicles on flooded roads in rainy days.

The electric potential balance enables that a person who touches the exposed electrical parts of electrical equipments will not be injured due to voltage difference at various positions.

When the collision hazard occurs, the vehicle motion sensor can detect the collision action, and the control system of the vehicle will disconnect the relay of the capacitor system.

SUPER CONVENIENT

The car-style dashboard, gear selection panel and commonly used buttons positioned on the console facilitate the driving.



SUPER COMFORTABLE



The hybrid buses that achieve stepless speed change boast smooth start-up and make passengers feel more comfortable.

APPLICATION OF YUTONG HYBRID BUS TECHNOLOGY



ReCtrl Technology

Yutong ReCtrl technology is an intelligently integrated system consisting of the electrification of propulsion, steering, cooling and braking, which is composed of engine start-and-stop, drive management, whole vehicle CAN control and remote technical support.

Yutong ReCtrl can accurately judge the real-time status of the

vehicle and intelligently provide an optimal power matching program, thus giving full play to the vehicle's efficiency. In the actual operation, new energy buses equipped with ReCtrl can save the fuel by over 30% and reduce the PM emissions by over 90% than that of the conventional vehicles.



ReCtrl can save the fuel by over 30%

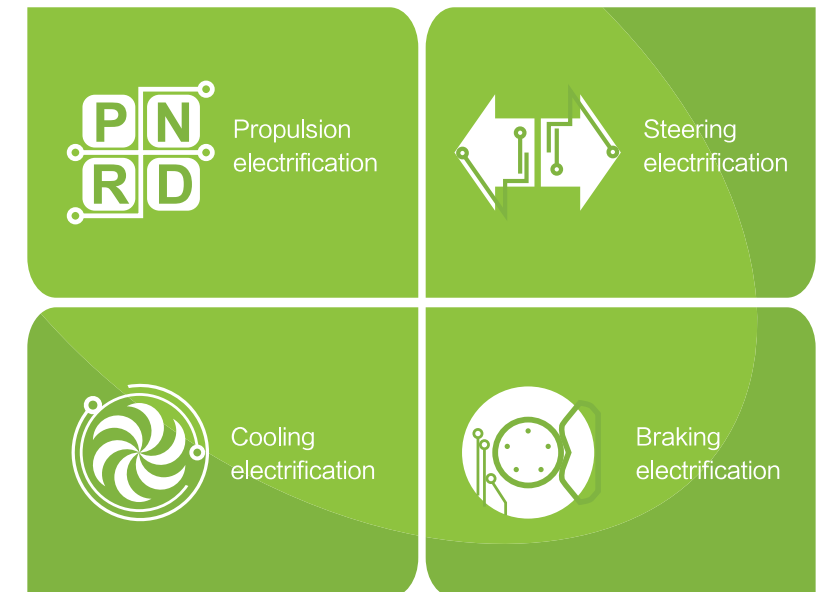
Reduce the PM emissions by over 90% than that of the conventional vehicles

Make buses “energy-saving, reliable, comfortable and efficient”

Vehicles equipped with ReCtrl are controlled by double motors and can have two modes, full electric and hybrid. The high efficient motor will replace the gearbox of conventional vehicles to achieve stepless speed change, thus making drivers more relaxed and passengers more comfortable.

Electric steering and electric cooling can achieve a balanced energy distribution through advanced dynamic frequency conversion technology and electronic fan controller, thus avoiding the energy waste to the maximum extent.

The braking electrification can reduce the loss of braking energy and achieve the recycling of the energy.



Efficient energy conservation and intelligent control

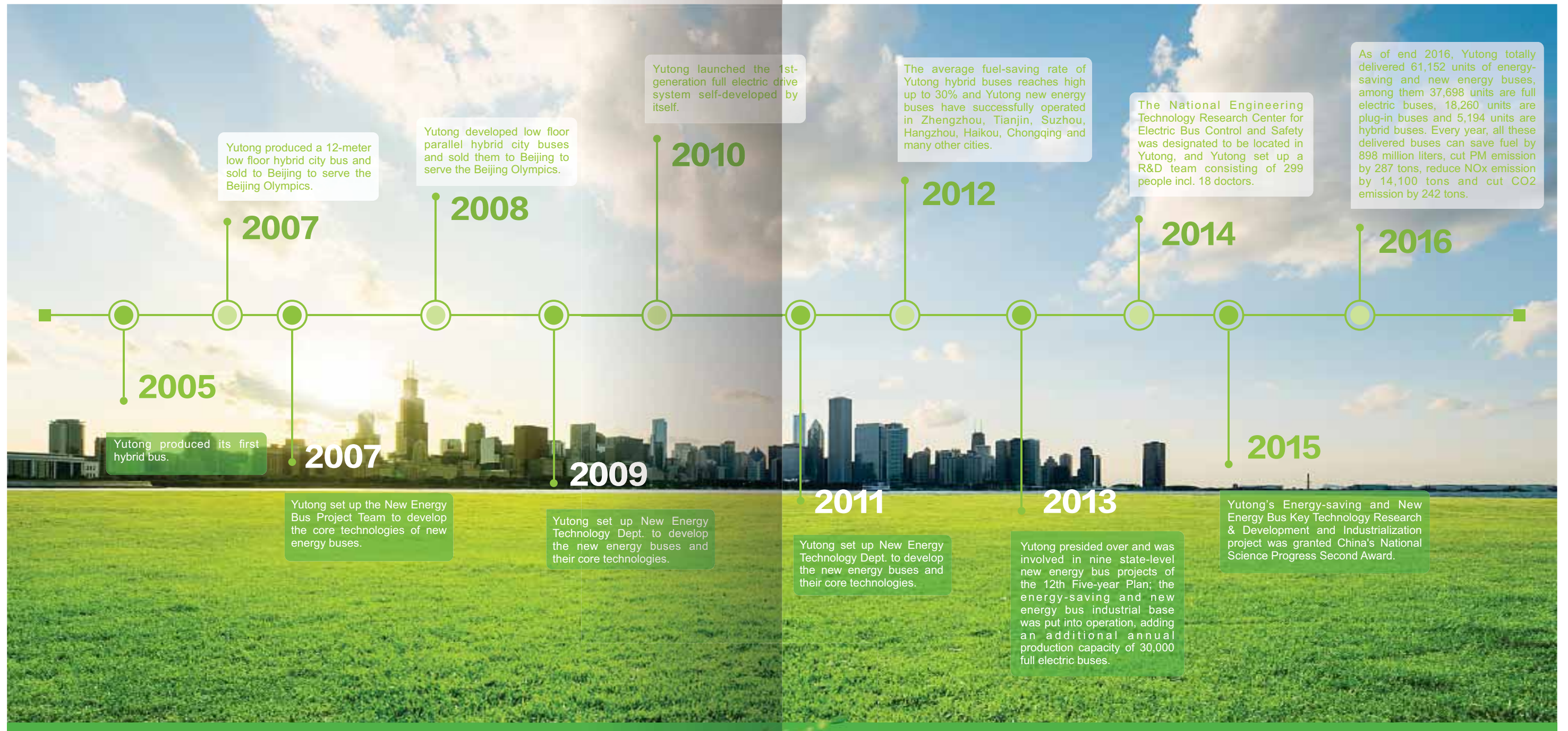


The energy-saving control of ReCtrl is mainly through the IST intelligent start-and-stop system. It can achieve the quick stop or instant start of engine according to the power needs of the vehicle, which is suitable for the frequent stop situation of the urban traffic. Thus, the fuel-saving rate becomes higher while the carbon emissions become lower.

Propulsion intelligent management system, namely the whole vehicle control system, will analyze the energy consumption of the vehicle from the fuel tank to the wheel, which will further increase the fuel-saving rate to above 30%. This is a three-hierarchy energy-saving technology of components, systems and whole vehicles.

For passenger transport and public transport companies, the intelligentization of whole vehicle CAN control and remote technology support in ReCtrl system are also quite attractive. The ReCtrl system can monitor the location and status of vehicles through collecting the data via CAN control system.

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YUTONG R&D HISTORY OF ENERGY-SAVING AND NEW ENERGY BUSES



DEVELOPMENT TREND OF YUTONG HYBRID BUSES

Compared to the conventional buses, Yutong hybrid buses have significant advantages in terms of fuel economy and vehicle quality. In response to the world's increasingly growing pursuit of energy conservation and emission reduction trend, the more hybrid buses there are, the better! In the future, Yutong will build intelligently connected new energy buses which combine the intelligentization,

networking and electrification together. Based on new energy buses equipped with ReCtrl, the intelligent information exchange and sharing will be realized, and the "energy-saving, reliable, comfortable and efficient" driving can be achieved, thus ultimately reaching the target of energy conservation and high efficiency.

Yutong serves 2017 Summer Davos



Themed with “Achieve inclusive development in the 4th Industrial Revolution”, the 11th Summer Davos, also known as Annual Meeting of the New Champions, kicked off in Dalian, China on June, 27, 2017. Over 2,000 leading figures from more than 80 countries attended the meeting, covering politics, business, academics and other fields.

The point worthy of pride in China’s bus industry was that Yutong T7, as the reception vehicles, not only provided the distinguished guests with comfortable service, but also showcased the powerful strength of “Made by Yutong”. Meanwhile, the company also delivered an excellent outcome on implementing the “Industry 4.0” on behalf of China’s bus industry.

As a representative of China's bus industry, Yutong has long eyed the intelligent connected vehicles, which are the key point of future strategy. It is learned that Yutong began to

conduct the research on intelligent connected technology in 2009. Up to now, the company has carried out 91 intelligent technical researches. On August 29, 2015, the Yutong self-driving bus ran almost 33km on the road between Zhengzhou and Kaifeng, and achieved the lane changing and overtaking



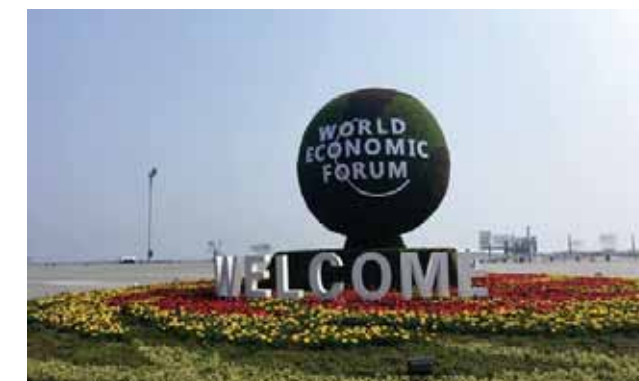
independently, becoming the first self-driving bus in the world. In 2016, Yutong worked out a development plan of intelligent connected vehicles and put the development of these vehicles as its key work direction in the future.

Yutong not only set up the Intelligent Connected Technology Institute, but also readjusted the organizational structure of its technical and marketing systems, and provided integrated solutions which are more adapted to the markets and customers. Meanwhile, it also established a R&D center in Shenzhen.

On the Bus & Truck Expo 2017 just concluded recently, Yutong brought the 18-meter dual-source trolleybus equipped with intelligent connected system, and launched the integrated solution of intelligent public transportation operation, boosting the efficient and accurate operation of the urban transportation.

It is worth mentioning Yutong T7, as the key reception business vehicle of the 2017 Summer Davos, broken the situation that the vehicles for large-scale high-end conferences, events and competitions were monopolized by foreign or JV automobile brands.

Actually to say, Yutong T7 is already a “veteran”. After being



launched, the vehicle has already made its appearance at a number of big events, including China’s V-day parade, Boao Forum for Asia, G20 Summit in Hangzhou, Prime Ministers' Meeting of SCO Member States and China’s annual “Two Sessions”. It has almost become the indispensable vehicle for the high-end conferences and events, and been highly praised due to its outstanding performance.

President Xi Jinping inspected enterprises in Shanxi province on June 22, 2017, and the business vehicle he took was Yutong T7. Manufacturing industry is the symbol of a country’s comprehensive strength, and China’s bus industry represented by Yutong has opened the transition path from a large manufacturing country to a strong manufacturing country.



Yutong's annual Science & Technology Award totals RMB9.5m

The commendation meeting of Yutong Science & Technology Award 2016 was held in the Yutong Industrial Park on June 20, 2017. The meeting aims to commend the R&D teams that stood out in terms of products, technologies and manufacturing processes in 2016 with a total prize high up to RMB9.51 million.

It is learned that there are totally 32 technological progress awards, covering products, technologies, manufacturing processes and so on. Among them, T7 product series and ReCtrl 3.0 coupling power system, as the key innovative research and development results, were granted the grand prize of product category and the first prize of technological progress category respectively.

As the typical representative of high-end business reception vehicles, it is the first vehicle in China's bus industry which was developed in line with the forward engineering process of passenger cars. With a total investment of over RMB400 million and multiple versions like gasoline and diesel, it has already made its appearance at a number of big events, including China's V-day parade, Prime Ministers' Meeting of

SCO Member States, China's annual Two Sessions, Boao Forum for Asia, G20 Hangzhou Summit, Belt & Road Forum and Summer Davos 2017, breaking the situation that high-end business reception vehicle market were monopolized by JV brands.

In addition to T7, a host of new energy product development projects such as Yutong E10 full electric city bus and Yutong H8 plug-in hybrid bus were granted the second prize of product category.

As the core technology of Yutong new energy products, ReCtrl system is Yutong's important achievement in the field of energy-saving technology. 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, marking that Yutong has won the nation's top level science and technology award, and ReCtrl is the core achievement of this award.

This time, the ReCtrl 3.0 has obtained the first prize of technological innovation. In addition, this technology was



granted 42 patents, including 16 invention patents. Nowadays, the ReCtrl system has been upgraded to 4.0 version. In the future, along with Yutong's continuous innovation in technological area, the ReCtrl system will be further optimized, and contribute to the energy conservation and emission reduction of China's urban transport.

In addition to the technological progress awards, products awards were also granted at the meeting. Totally nine product series were awarded, among them city buses, school buses and exported products won the top prizes.

The judgement of products awards fully depends on the market results. The product development needs to adapt to the market and truly meet the needs of customers. Due to such requirements, Yutong products have gained a larger share of the market. Continuously focusing on the improvement of product competitiveness, Yutong will further emphasize the market orientation of its technological innovation.

In fact, Yutong attaches great importance to the research and development. Every year, over 3% of its annual turnover is invested in the R&D area. It is learned, the annual R&D

investment reached RMB314 million in 2008 and RMB869 million in 2012. In 2016, the turnover of Yutong Bus exceeded RMB 35.8 billion, and the R&D expenditure also surpassed RMB1.25 billion, accounting for 3.5% of the annual turnover.

Yutong is keenly aware that technological innovation is fundamental to the continuous development of a company. In the future, Yutong will achieve a better market performance and create greater value for customers through the innovations and breakthroughs.



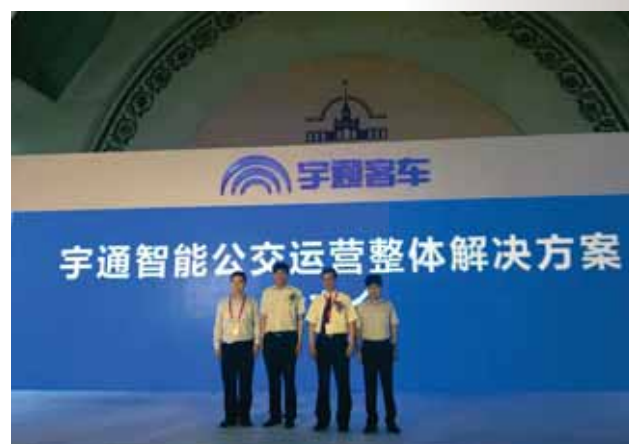
Yutong leading innovations smart technology era



On May 24, 2017 Beijing International Exhibition on Buses, Trucks and Components was held in Beijing.

As China's leading bus maker, Yutong officially revealed its intelligent public transport solutions to its customers. The solutions include a package of services for urban dwellers and a host of remedies for a number of urban afflictions, such as traffic congestion, inefficient operations of vehicles, and increasingly severe air pollution.

In November, 2014, Yutong first came up with Yutong Electric



Bus Operation Solutions, aiming to transform itself from just a bus maker to a supplier for overall public transport solutions. "We are not only committed to developing state-of-art technologies, but also devoted to promoting the sound growth of the overall industry", says Wang Jianjun, Marketing Director of Yutong Bus.

The initial trial operation of the new solutions has shown that passenger flow has increased dramatically and vehicle operation efficiency has improved by 20%. Human-free operations, such as intelligent vehicle control and intelligent

recharging are now no longer a dream. With the assistance of its intelligent platform, Yutong intelligent public transport solutions can help its customers cut costs significantly on human resources and improve their vehicles' overall efficiency.

At the exhibition, Yutong also brought its dual powered trolley bus, diesel powered T7 business vehicle, its new generation 12-meter coach, E6 full electric city bus, and ZK6906H airport shuttle bus on display. With more products solely targeted at the high-end market, Yutong once again demonstrated its determination to compete with its international rivals on a global arena.



The 3rd LA Partners Summit Forum concludes successfully



Recently, the 3rd Latin America Partners Summit Forum themed with “Enjoy in Caribbean, Meet in Dominica” concluded successfully. Nearly 100 Yutong customers and dealers gathered in Punta Cana, capital city of Dominica, to exchange views with each other and discuss about the issues of common concern.

Customers and dealers from nine countries were invited to

attend the event, namely Dominica, Ecuador, Colombia, Costa Rica, Cuba, Peru, Venezuela, Jamaica and Chile. During the period, a business meeting with the title of “Embrace the upgrade of bus travel” was held to introduce Yutong’s new energy technologies and new product planning for Latin America as well as the spare parts warehouse in Panama. Meanwhile, Yutong also granted its dealer in Ecuador a Ten-year Cooperation Award to commend its dedicated efforts



over the years. In addition, the customers and dealers from Cuba, Chile and Dominica shared their cooperation experience with Yutong, through which all the guests learned Yutong’s footprints and excellent performance in Latin America.

The LA Partners Summit Forum has become a big event featuring Yutong characteristics and certain fame. It not only provides an interactive platform for customers, but also showcases Yutong’s corporate culture of Customer-orientation, which will lay a good foundation for building customer relationship, enhancing their loyalty to Yutong brand and concluding prospective orders.



Enjoy in Caribbean, meet in Dominica

Recently, the 3rd LA Partners Summit Forum concluded successfully. Nearly 100 Yutong customers and dealers from Dominica, Ecuador, Colombia, Costa Rica, Cuba, Peru, Venezuela, Jamaica and Chile attended this event.

