

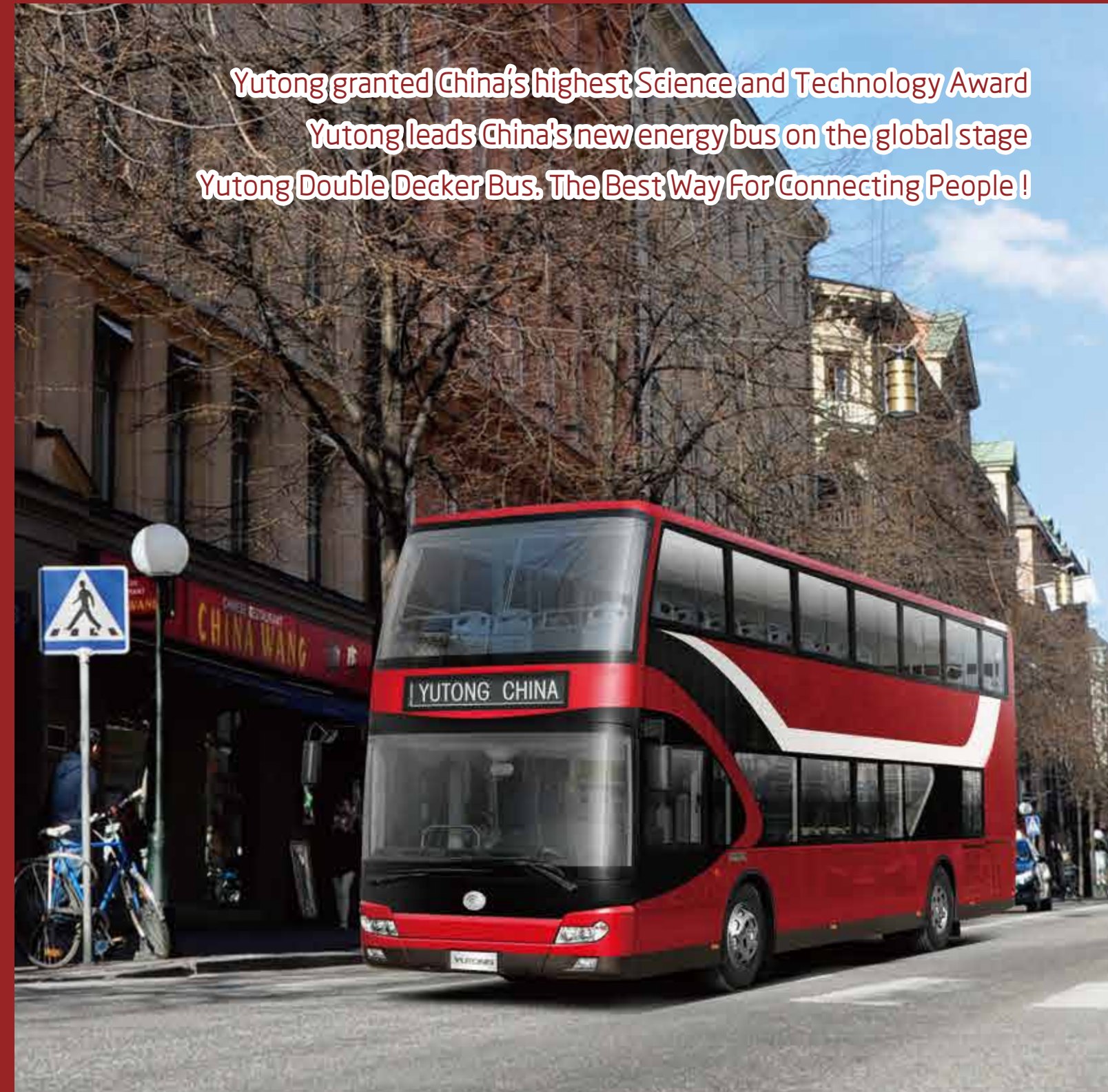
EN ROUTE

| YUTONG NEWSLETTER

| ZHENGZHOU YUTONG BUS CO., LTD

| ISSUE 20 MARCH 2016

Yutong granted China's highest Science and Technology Award
Yutong leads China's new energy bus on the global stage
Yutong Double Decker Bus. The Best Way For Connecting People !



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PREFACE

Lunar New Year Address of the President

As the Chinese lunar new year approaches, I, on behalf of the management of Yutong Group, would like to extend my gratitude to all staff for your dedicated efforts and my sincere greetings and new year blessings to the family members of the staff and the friends from all sides who consistently concern and support the development of Yutong!

Despite the complicated and changeable situation of the global political and economic environment as well as the declining growth rate of domestic economy and the shrinking of conventional bus market in China, all Yutong staff have worked hand in hand and achieved great performance amid the difficulties.

In 2015, the Yutong Group totally delivered over 70,000 units of buses and construction machinery with a turnover of 41.8 billion yuan. The bus sector has seen positive growth in consecutive 18 years since being listed in the Shanghai Stock Exchange. Meanwhile, the strategic achievements have been consolidated and the company's soft power has been further enhanced. The whole Group continues to maintain healthy and stable development trend.

The year 2016 is the beginning time of China's 13th Five-year Plan and a series of key measures like supply-side reform, structural optimization and adjustment will be gradually carried out. Facing the new situation and new opportunities, Yutong Group should well implement the two virtuous cycles of corporate culture and business, enhance the scale effect, strengthen the competitiveness and innovation of products and further improve the operational efficiency so as to support the company's full assurance of success in the cutthroat market competition.

New year kicks off new journey! I hope that all Yutong people will keep their mission and responsibility in mind and work dedicatedly with strong driving force and solid work style in a bid to achieve a high-standard start of the 13th Five-year Plan, provide positive energy for the leaping development of the company, add new luster to Yutong brand and scale a new height for our common course !

Last but not least, wish all of you a most happy and prosperous New Year !



Tang Yuxiang
President of Yutong Group

A handwritten signature in black ink, likely of Tang Yuxiang, the President of Yutong Group. The signature is stylized and cursive.



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Yutong Bus releases output and sales data of Feb. 2016

ZHENGZHOU YUTONG BUS CO., LTD RELEASES OUTPUT AND SALES DATA OF FEB. 2016			
 YUTONG	Feb. 2016(unit)	Jan-Feb.2016 (unit)	Y-o-y growth of Jan.-Feb.
Output	1,292	8,253	7.98%
Large Bus	248	2,894	-3.57%
Medium Bus	685	4,057	13.77%
Light Bus	359	1,302	21.00%
Sales	1,578	9,096	20.51%
Large Bus	362	3,140	5.76%
Medium Bus	761	4,465	28.23%
Light Bus	455	1,491	35.92%

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, 1,578 buses and coaches were delivered in February.
From January to February, the accumulated sales volume reached 9,096 units, a rise of 20.51 percent than the previous year.



YUTONG

FOR YOU, FOR YOUR BUSINESS!

As the world's leader,
we are everywhere where
transport companies
demand the best!



- 100

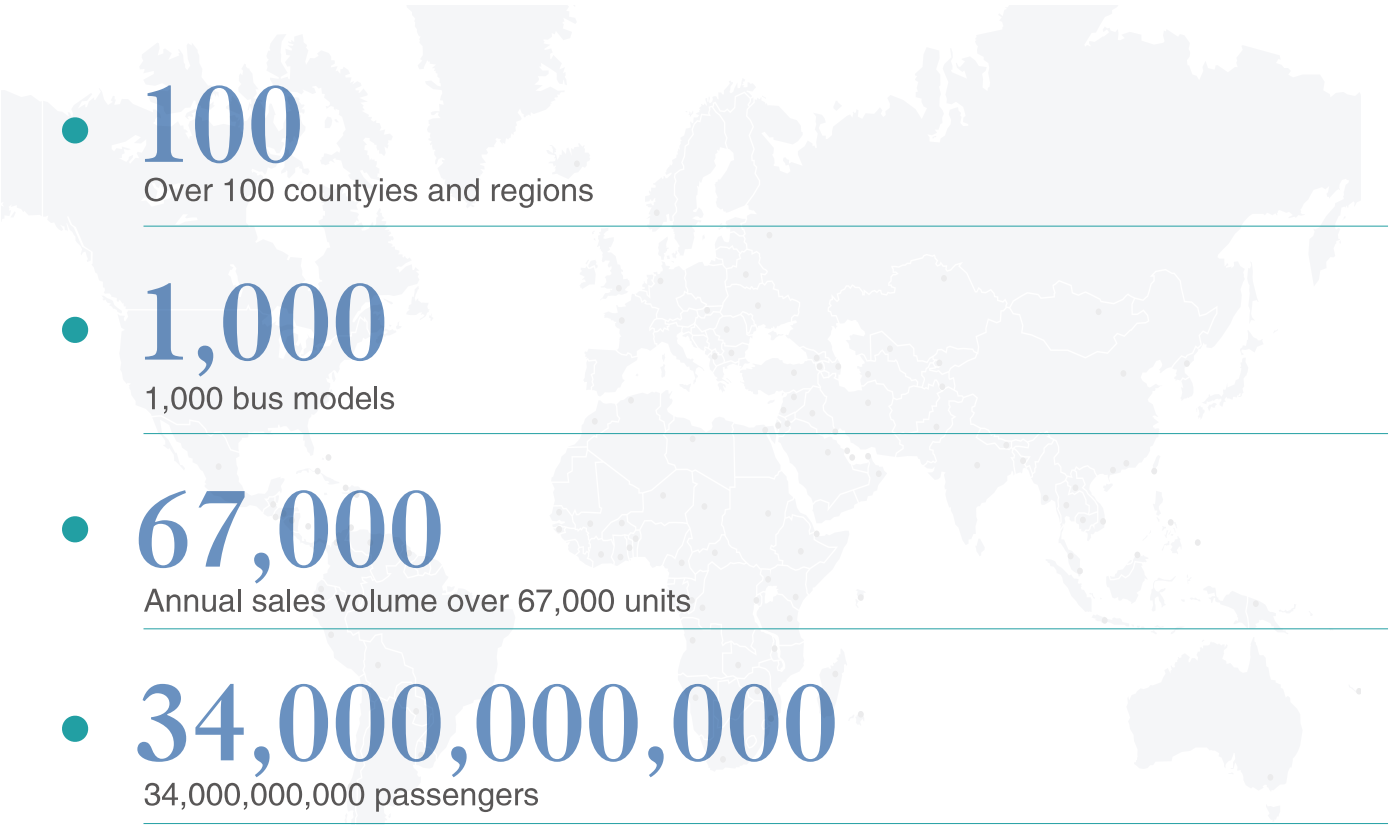
Over 100 countyies and regions
- 1,000

1,000 bus models
- 67,000

Annual sales volume over 67,000 units
- 34,000,000,000

34,000,000,000 passengers
- 43,000,000,000

43,000,000,000 km



Yutong takes an interview on China's Primetime News

China's National Science and Technology Award Conference was held at Great Hall of People in Beijing on January 8, 2016. The Energy-saving and New Energy Bus Key Technologies Research & Development and Industrialization Project led by Yutong won 2015 National Science and Technology Progress Second Award thanks to the enormous social and economic returns generated by the newly developed technologies. China's Primetime News, which broadcasts at 7 pm everyday, made a full coverage of the high-profile event. Yutong, as the sole representative of China's new energy vehicle industry took an interview in the report.



In 2015, the national science and technology progress award fully demonstrates Chinese government's emphasis on the application of technological advances to national strategic projects. "Our hybrid buses can cut the emissions of nitrogen oxides by 90% and PM2.5 by 95%, which can greatly help urban areas improve the air quality in the city," Li Gaopeng, Deputy Technical Director of Yutong tells the reporter.

Some bus experts points out that China's new energy vehicle industry is still facing a host of challenges, including over reliance on the import of some key spare parts, low integration rate, high production costs, short life-expectancies of power



batteries, low adaptability, low energy utilization rate and short continuous driving capacity. They also feel encouraged by Yutong's new breakthroughs made in three key areas in the energy-saving and new energy bus sector thank to the bus maker's relentless efforts in developing new technologies in the past decade. They note that the remarkable progress made by Yutong will further push the popularization of electric, hybrid and plug-in buses.

According to Yutong, its new technological achievements made in 2015 have been introduced to the whole spectrum of its energy-saving and new energy bus products, ranging from six-meter to 18-meter in length. Having won 112 product announcements, Yutong is now well positioned to meet bus operators' specific demands for urban public transportation, airport passenger transportation, business reception, and a number of other market segments. As of October 2015, Yutong sold 23,796 units energy-saving and new energy buses, all of which help bus operators save fuel by 93 million liters and cut gas consumption by 200 million Nm³ each year. In other words, these eco-friendly vehicles help Yutong's customers save fuel costs by 1.4 billion RMB, help cut carbon emissions by 640,000 tons and PM2.5 by 790,000 tons each year.

Yutong Group's annual turnover hits a new high of 41.8 Billion RMB in 2015

Yutong held a grand awarding ceremony in Henan People's Great Hall on February 4, 2016. Best-performing teams and employees of the bus maker were awarded for their remarkable contributions to the whole company's achievements in the year of 2015. It reaped a turnover of 41.812 billion RMB last year.



In 2015, Yutong managed to sell 20,445 units new energy buses, up 179% year on year. Its sales volume ranked the first in China and it held the largest market share in China's bus industry. In the meantime, the Energy-Saving and New Energy Bus Key Technologies Research & Development and Industrialization, which was led and finished by Yutong, won the second prize in China National Science & Technology Progress Award. Yutong T7 also made a high-profile debut in 2015, which was put into service when Chinese Premier Li Keqiang paid a visit to Henan Province and when Shanghai Cooperation Organization held its meeting in Zhengzhou. The appearance of T7 in China immediately pushed Chinese high-end vehicles for business reception to a new height.

In 2015, Yutong succeeded in exporting over 7,000 buses abroad, up 10.4% year-on-year. It made new breakthroughs in

France, Britain and other developed countries, successfully projecting a new image for products made in China.

Tang Yuxiang, President of Yutong made a keynote speech at the awarding ceremony. It is revealed that the company sold 70,616 units of buses and engineering machinery. Compared with its sales volume in 2014 which stood at 65,081 units, its sales volume in 2015 went up by 8.5% year on year. Its turnover reached 41.812 billion RMB in 2015, which grew by 4.525 billion RMB compared with that in 2014, that is a 12.1% year-on-year growth. Since its entry into the stock market, Yutong has realized positive growth for 18 consecutive years. With a solidified position in the global bus industry, Yutong is well positioned to maintain a fast and sound growing momentum in the coming years.

Yutong granted China's highest Science and Technology Award



Jointly hosted by CPC Central Committee and the State Council, China's National Science and Technology Award Conference was held at the Great Hall of the People on January 8, 2016. Xi Jinping, Chinese president, Li Keqiang, Chinese premier and other key leaders attended in conference.

Yutong won 2015 National Science and Technology Progress Second Award. The energy-saving and new energy bus key technology R&D and industrialization project led by the bus maker has so far generated handsome economic returns. In the new energy vehicle sector, Yutong has made new breakthroughs in a number of key areas, such as high energy efficient driveline systems, battery integration and management, vehicle control and energy conservation. Thanks to its impressive achievements, Yutong is the only enterprise in China's auto-making industry to gain such a highly sought-after honor.

After a decade's relentless efforts, Yutong has developed full electric buses, plug-in buses and hybrid buses. Through constant innovation, it now boasts a wide spectrum of eco-friendly vehicles, ranging from 6-meter to 18-meter buses

in length. Its energy-saving and vehicle control technology, high-voltage insulation power switch technology, high-density electric drive control technology have already reached the internationally advanced level. So far, it has obtained 23 invention patents, 142 new application patents, and 14 software copyrights. Moreover, it has four national-level and industry-wide standards and has published 23 research papers.

"For a long time, China's new energy vehicle sector has been plagued by a number of problems. Specifically, we were overly reliant on imports; our integration level was low; our production cost was high; our battery could only last for a short period of time; our products were not quite adaptable to the environment; our products were not able to drive continuously for a long distance," Wan Xinming, vice-president of China Automotive Engineering Institute, pointed out. However, Yutong has three breakthroughs on technological bottlenecks that prevented the energy-saving and new energy bus sector from growing faster. The breakthroughs made by Yutong will be conducive to the popularization of full electric, plug-in and hybrid buses.



"Judging from the explosive growth of new energy bus market in 2015, conventional buses are now threatened to lose even more market shares," some experts say. Last year, the percentage of new energy buses jumped to 47.81% in China's urban public transport sector. Now, it is set to rise further. Also, new energy buses have been gaining recognition in inter-city passenger transportation and tourist transportation markets.

As of October 2015, Yutong had successfully sold 23,796 units energy-saving and new energy buses. All together, these eco-friendly vehicles can help bus operators save fuel by 93 million liters and gas by 200 million Nm³. Each year, they will cut fuel costs by 1.4 billion RMB, cut carbon emission by 640,000 tons and reduce PM2.5 emissions by 79 tons.

In 2012, China set a development goal for the nation's new energy vehicle industry. To achieve the goal, the government has launched a host of favorable policies, such as purchasing subsidies, priorities for roads and vehicle license plates. Made in China 2025 initiative, which was released only recently, clearly shows the government's determination and continued support for the development of electric and fuel-powered vehicles. Among the Recommendations for the 13th Five-Year Plan for Economic and Social Development issued by CPC Central Committee, the popularization of new energy vehicles

is high on the list. Despite the sluggish overall market conditions in China in 2015, new energy vehicle sector, in sharp contrast, witnessed a super-high speed growing momentum, the electric vehicle and the plug-in hybrid vehicles, in particular saw three-digit growth in both their production and sales.

According to the statistics released by CAAM (China Association of Automobile Manufacturers), China sold 171,145 new energy vehicles from January to October in 2015. Thus, China is expected to surpass USA with an annual sales volume of 180,000 eco-friendly vehicles as world's largest new energy vehicle market.

"China's auto industry has gradually completed restructuring and has made a number of technological achievements. Thanks to the concerted hard work of all enterprises involved in this sector, it has laid a solid foundation for its sustainable growth in the future. Through the fast industrialization of some technological advanced products, the industry is now able to meet the diversified needs of the ever-growing market," Wan Xinming says. Other industrial insiders also point out that the sound development of China's new energy vehicle industry requires every auto maker to comply with industrial regulations, speed up their product innovations and boost the quality of their products. With all these preparations, China is right on its way from a big automobile manufacturer to an internationally competitive auto maker.



Yutong leads China's new energy bus on the global stage



In 2015, China's new energy vehicle industry witnessed an explosive growth. For the whole year, the nation produced and sold a total number of 330,000 units new energy vehicles. In the meantime, the country's new energy vehicles reached nearly 500,000 units, becoming the largest new energy vehicle market in the world. According to some sources, among the top ten new energy vehicle manufacturers in the world, four companies are from China.

Yutong won 2015 China's National Science Progress Second Award. Wan Xinming, Vice President of China's Automobile Engineering Institute, spoke highly of the Energy-saving and New Energy Bus Key Technology Research & Development and Industrialization project led by Yutong, saying the maker has overcome three major technological bottlenecks in the area of new energy buses and it has made significant contributions to the popularization of full electric buses, plug-in buses and hybrid buses.

China awards its highest prize in the science field to Yutong, which sends a positive message to the public. China is now

undergoing a fast transition in its economic development. Against such a backdrop, Yutong is fully committed to independent research and development. By attaching paramount significance to innovation, Yutong has already mastered the key technologies in new energy vehicles and it has pushed the world bus-making industry to a new historical height.

Now in the field of new energy bus industry across the world, China has already gained a solid position. As the leading energy-saving and new energy bus enterprise Yutong has made many advances ahead.

A few years ago, China became the world's largest new energy bus market. In 2015, China sold about 70,000 units new

energy buses, way ahead of the other countries in the world. Now, only ten vehicle makers across the globe have an annual production volume of 10,000 units new energy buses. Yutong alone boasts an annual production volume of over 20,000 units new energy buses.



124 Units Yutong Coaches Serve NPC and CPPCC Sessions 2016



The annual meetings of the National People's Congress (NPC) and Chinese People's Political Consultative Conference (CPPCC) will start at the Great Hall of the People in Beijing on March 3 and 5 respectively. Not only will a number of proposals made by the members of CPPCC and NPC grab the media attention, but also the vehicles which are to be put into service will be made under the spotlight.



In this year's NPC and CPPCC sessions, 124 units Yutong coaches will take part in the service work, including 35 units Yutong T7.

In May 2015, Yutong T7 made a spectacular debut in Beijing, bringing a much-needed fresh air to the dull high-end business vehicle market in China. Later, T7 toured across China for nearly six months, traveling to places where it is put to severe test of various extreme weather conditions, such as high temperatures, high humidity and freezing coldness. By successfully accomplishing the tour, T7 has demonstrated its international competitiveness with high flexibility, high reliability and impressive performance.

On September 23, when Chinese Premier Li Keqiang toured across Henan Province, Yutong T7 was made to be the carrier. In the middle of December last year when the prime ministers' meeting 2015 of Shanghai Cooperation Organization was held in Zhengzhou, Yutong T7 was once again seen with those dignitaries. In less than one year, T7 has made its way to almost all high-profile events in China, winning itself a solid position in China's high-end business vehicle market.

This year, T7 will shoulder some important transportation tasks, carrying those high-ranking officials who are going to attend the big events. In total, it will be put on 14 transportation routes especially made for the members of NPC and CPPCC, traveling between various hotels and the venues for the annual meetings.

Also worth mentioning is that Yutong E10 full electric bus will participate in the service as well, becoming the first new energy vehicle to serve in the annual NPC and CPPCC sessions.

Measuring 10-meters in length, Yutong E10 is equipped with ReCtrl technology. With highly integrated and modularized structure, it successfully cuts the number of its components by 57%. With much improved integration level and safety standards, the vehicle can be fully recharged in 75 minutes on fast-recharging mode and 2.5 hours on slow-recharging mode. When fully powered, it is able to drive over 150 km continuously.



YUTONG DOUBLE DECKER BUSES

Yutong Double Decker Bus. The Best Way For Connecting People !

A long with the growth in the number of motor vehicles, the urban traffic congestion is getting increasingly serious and has become the bottleneck of city development. In order to provide an efficient public transportation network in cities, city buses with large carrying capacity are appearing in response to the situation, bringing new opportunities to the development of public transport.



ZK
6116
HGS



ZK
6126
HGB



ZK
6115
HGS1

Yutong double decker bus -- ZK6116HGS

ZK6116HGS is a double decker manufactured by Yutong to alleviate the growing urban public transport pressure, which boasts large carrying capacity and safe framework structure, becoming a gorgeous moving scenery in the city.



Short left and long right rearview mirrors give a better visual field and are easy for drivers to adjust the angle.
Stylish and exquisite rear lamps match harmoniously with the body.
One-piece windshield offers a broaden visual field and excellent visibility.





Ultra large passenger compartment

The added decker increases the passenger number compared to the ordinary city buses. Passengers feel more comfortable and have better visual field. Furthermore, with less quantity of city buses, the urban traffic pressure is alleviated.

Standard front staircase, optional rear staircase or front & rear staircases.

The interiors without any sharp corners avoid the potential injury to an extreme extent. Rational layout of seats and enlarged seat pitch enable you to enjoy a comfortable ride.



More ergonomic design

The colorful LCD field-bus instrument equipped with 7-inch TFT LCD screen can provide diagnostic functions and fault signals, which are easy to read. Rational layout of buttons greatly enhances the driving convenience and safety. The ergonomic driver seat reduces the driving fatigue, combining the safety and ride comfort together.



Small front and big rear inward-swing doors are 10mm wider than that of the buses of the same kind. the lower entrance facilitates the boarding and alighting of passengers .



Transparent glasses in the front, side and rear offer you excellent visibility.



The dashboard surrounding the driver seat gives the driver an easy access to various buttons.



The front windshield at the second decker enables passengers to enjoy the scenery without sacrificing the safety.

The open top design gives you a sweeping view of the scenery.

The staircase with awning shields the lower decker and is suitable for all-weather condition.

Yutong double decker bus -- ZK6126HGB

Among quite a lot of double deckers, ZK6126HGB is very unique ,since it is a city bus with the open top. When passengers on the second decker are looking at the surrounding scenery , they will feel fully relaxed.





Yutong double decker bus -- ZK6115HGS1

Unlike other double decker busses, the cockpit of ZK6115HGS1 is a separated area, which creates a distinctive, look from other vehicles. Besides the aesthetics, the cockpit also affords the driver a distraction-free working environment and a wider visual field.



Front and rear inward-swing doors facilitate the boarding and alighting of passenger.

Rational layout of seats and enlarged seat pitch enable you to enjoy a comfortable ride .

Transparent glasses in the front, side and rear offer you excellent visibility.

French operator: full electric buses are the trump card of Yutong in Europe

France is the first stop of our reporters' European tour. In the interview, the two giants of the local bus circle highly praised Yutong buses.

Sitting in the meeting room, we heard the views from the two giants of the local bus circle: one is a French bus operator with over 40 years of operating experience, the other is an experienced French dealer with 100 years experience on vehicle sales. They spoke highly of Yutong's products and looked forward to the development of Yutong's full electric buses in France in the future.



- Jean-Sebastien Barrault
- President of LACROIX company

"We believe that the full electric vehicles are the trend of future development. Yutong has great advantages in terms of full electric buses, even better than European brands. Therefore, the full electric buses are the trump card of Yutong in Europe," said Jean-Sebastien BARRAULT, president of LACROIX, a time-honored bus operator in France.



- Laurent Gugumus
- GM of French DCG company

"Yutong buses are not inferior to European counterparts, and its technology on full electric buses has even reached the internationally advanced level," said Laurent GUGUMUS, GM of DIETRICH CAREBUS GROUP (DCG), Yutong's dealer in France.

From the perspective of market innovation, the full electric vehicles are the trend of future development. BARRAULT expressed that although some European bus makers have leading positions in Europe, their advantages are mainly in the diesel vehicle area. In the field of new energy buses, they can not even provide hybrid buses. "Yutong has great advantages in terms of full electric buses. The European bus makers are expected to have the related products in one or one and half year. But at that time, Yutong will have had related cases on the operation of full electric buses," said BARRAULT.

"It is worth mentioning that Yutong has reached the world's leading level in terms of full electric bus application. Yutong and our company work very well and are now actively promoting the full electric buses to operate in the French market," said GUGUMUS. "The year 2015 is a very important year. In Europe, it is decided by policies and regulations that 80% of the existing city buses will be replaced by clean energy buses (CNG, hybrid, full electric, fuel cell, etc.), so the full electric buses will be one of the trends in the future," he added.

Yutong, the Voice of China in Europe

From interviews of the reporters and what they heard and saw at Busworld Kortrijk and in France, Belgium and UK, they personally felt the attitudes, attention and enthusiasm of Europeans upon Chinese buses, which sounded like "The Voice of China" reverberating on the European continent.

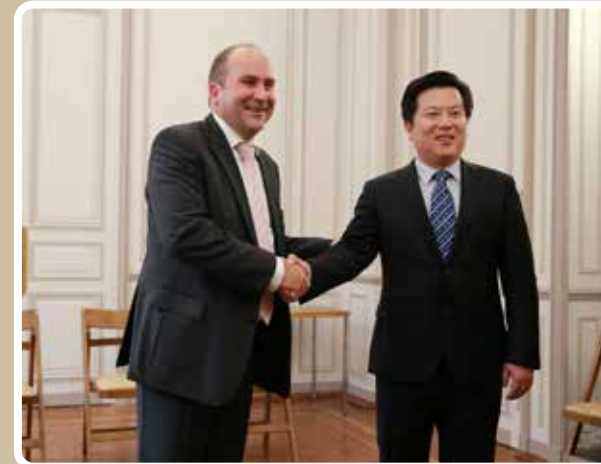


Yutong ' s news conference at Busworld Kortrijk 2015



- Richard Crump
- Managing director of Yutong ' s dealer PEC in UK

"Having entered the British market for 18 months, the sales volume of Yutong buses in UK is expected to reach 100 units in 2015, about the same as that of some European counterparts," said Richard Crump, head of Yutong's dealer in UK, with pride while mentioning Yutong's performance in the British market. Previously, Chinese people preferred to buy imported buses and now the European people like to purchase Chinese buses.



- Pierre Reinhart (L)
- Chairman of the board of French DCG company

Such pride could also be seen on Mr. Pierre, head of Yutong's dealer in France. "After signing the cooperation agreement in 2012, we have totally sold 250 Yutong buses. Among them, 240 units were sold in 2014. Nowadays, we can see an annual sales volume of 250 Yutong buses." What does the "250 units" mean? France needs about 2,000 units of buses and coaches every year, so the number means one eighth of the annual demand.

As the saying goes in the automobile industry "the first vehicle is sold by the sales staff while the second vehicle is sold via the service." In fact, the sales data is only part of the reasons of these dealers' pride. From the perspective of sustainable development, only the repeated procurement of customers is the absolute principle in the eyes of dealers. Now, the quality of Yutong buses can compare favorably with that of the second-tier European brands, and the after-sales service is becoming a key item to make the difference amid the competition.

"In order to make Chinese brands internationalized, the first thing we should do is to make them recognized by the global market. This is not merely a corporate brand image, but rather the national brand image!" said Tang Yuxiang, president of Yutong company. This has also become the guideline of Yutong's overseas strategy. With this guideline, the

customers in the overseas markets began to be familiar with the Yutong brand gradually. Obviously, in Europe, a place that represents the world's highest level of bus technology, the customers have known not only the Chinese products, but also the Chinese company – Yutong.



Yutong launched the first full electric bus adapted to the European market