

EN ROUTE

| YUTONG NEWSLETTER

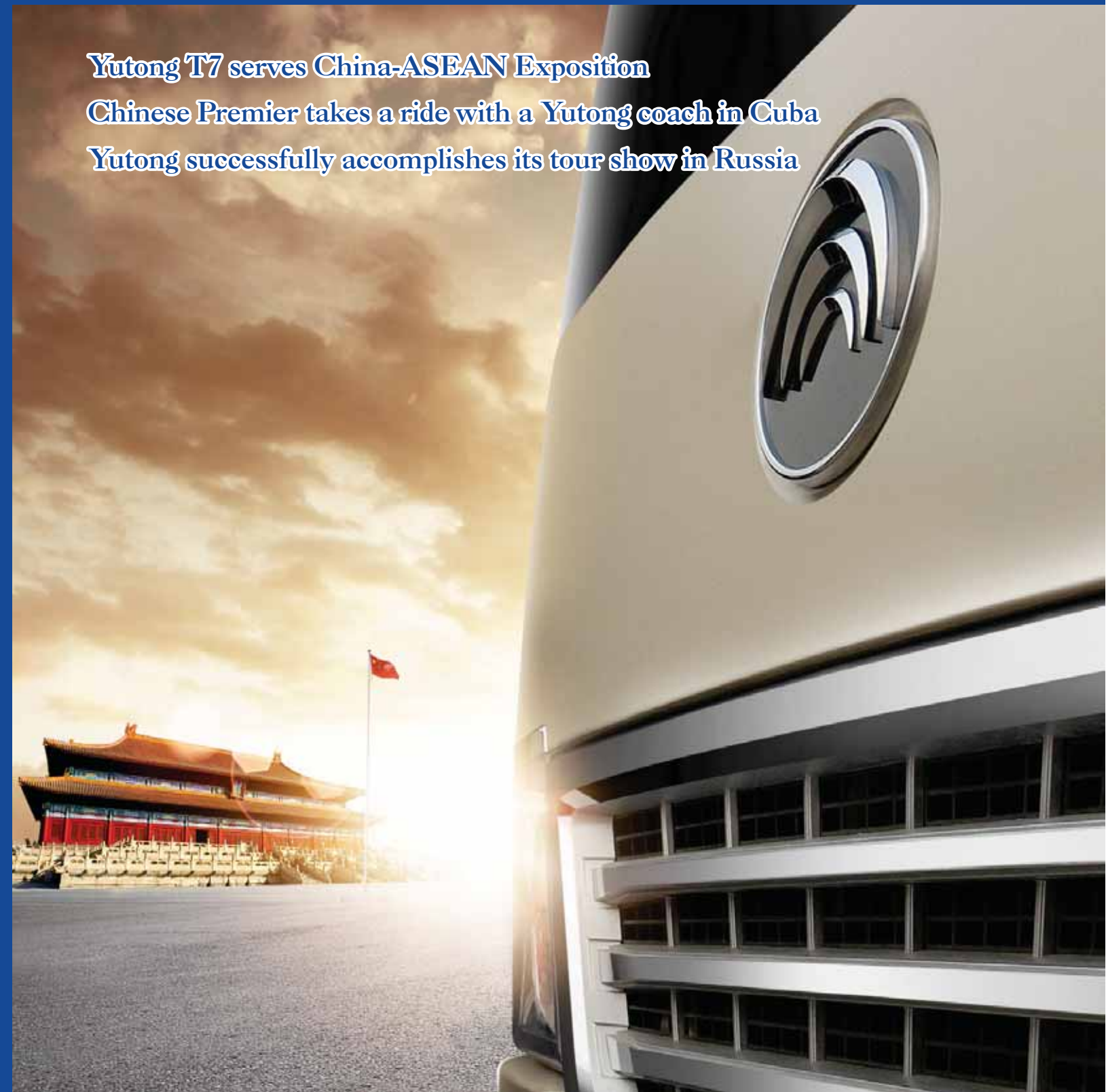
| ZHENGZHOU YUTONG BUS CO., LTD

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Road simulation test of whole vehicles

Before a new bus model is put into mass production, Yutong will carry out a series of development tests simulated to real road conditions so as to greatly improve the reliability of vehicles and reduce the repairing costs.

Road test

After the assembly of a bus is completed, Yutong will conduct the road test to ensure the corresponding performances of each bus meet the related standards.





Whole vehicle shower test

During the test, blowers are available to simulate the wind blowing effect in nature so as to ensure the water-tight capability of vehicles.

Wading test

Every new vehicle must go through this test. The maximum water depth of the inspection pit can reach 1m, and the longest inspection time is about 20 minutes. The wading test can check the water tightness of the luggage compartments and components so as to ensure the operating stability under various wading situations in the daily operation.



Rollover test

Yutong has conducted rollover tests many times with the tilt angle reaching 42°(national standard is 35°).The deformation after rolling was very small and the bus could still run after the rollover test. It has met the European standards, which not only provides a safety guarantee for operators, but also enhances the reputation in the minds of customers.

Crash test

Yutong is the first one in China's bus industry to conduct the crash test. The vehicle had minimal deformation after the crash test, and the driver still had enough space for survival without being trapped.

Chinese Premier takes a ride with a Yutong coach in Cuba



On September 25, Chinese Premier Li Keqiang took a ride on a Yutong coach, investigating Chinese brands doing business abroad. He made detailed inquiries about Yutong's production, sales and services in Cuba. The person-in-charge from Yutong Cuba revealed that the bus brand has exported a total number of 5,000-plus vehicles to the country. In addition, by cooperating with a local auto maker, Yutong has already assembled over 1,600 units buses in Cuba with its own technologies.

Premier Li boarded a Yutong coach, making inquiries about the operation of the vehicle from the coach driver. The driver expressed his satisfaction with the vehicle, saying he has been driving Yutong coaches for six years. "It is very fast, very stable and highly comfortable. So far, I have not encountered

any safety problems at all", says the driver.

In 2005, Yutong officially entered Cuban market. So far, Yutong buses have exceeded 90% of the overall bus fleet in the nation, becoming a well-known bus brand in the country. Since its entry into the country, Yutong bus fleet has been playing an essential role in supporting the local economic development and improving the country's public transport system. By providing technologies to a factory in Cuba, Yutong has created many job opportunities and set up a good example for Chinese brands going abroad.

Concluding his visit in Cuba, Premier Li told staff members from Yutong that the company must make all-out efforts to explore business opportunities in Caribbean region and Latin

America and deepen cooperative ties with countries in the region. Premier Li stresses the importance of international production capacity cooperation and Chinese brands doing business abroad, which is the key to China's success in its transformation of economic development mode. Now, the only way out for manufacturing enterprises, like Yutong, to maintain its overall competitiveness is by making relentless efforts to improve product quality, technologies and services. Only by actively taking part in the international competition can Chinese manufacturing industry realize its upgrading and transformation.



Yutong T7 serves three international events in one month



In the G20 summit held in Hangzhou from September 4 to 5, 100 units Yutong T7 coaches were put into service, attracting worldwide attention. After going through a series of stringent tests, Yutong T7 was officially designated as G20 leaders' carrier during the Summit.



G20 was initiated in 1999 and consists of Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Republic of Korea, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States and the European Union (EU).

Before the outbreak of global financial crisis in 2008, G20 meetings of Finance Ministers and Central Bank Governors were held to discuss international financial and monetary policies, reform of international financial institutions and world economic development. The first G20 Leaders' Summit was held in 2008. In September 2009, the Pittsburgh Summit announced G20 as the premier forum for international economic cooperation, marking an important progress in global economic governance reform.

From September 11 to 14, five units Yutong T7 coaches were chosen to serve all the distinguished guests attending China-ASEAN Expo, also known as CAEXPO. Providing a superb travel experience for all the leaders and officials, Yutong demonstrates its unrivaled bus manufacturing strength and

further expands its presence in Southeast Asia. Co-sponsored by ministries/department of commerce or industry and trade of China and the 10 ASEAN member states as well as the ASEAN Secretariat, and organized by the People's Government of Guangxi Zhuang Autonomous Region, the CAEXPO has grown into an event of special international influence and plays an important role in promoting the China-ASEAN friendly cooperation and building the 21st Century Maritime Silk Road.

From September 13 to 18, 140 units brand new Yutong buses went on the road to provide transportation services for G77 Summit. Throughout the summit, Yutong bus fleet delivered unparalleled services for all participants. The Group of 77 (G77) is the largest intergovernmental organization of developing countries in the United Nations (UN), which provides the means for the countries of the South to articulate and promote their collective economic interests and enhance their joint negotiating capacity on all major international economic issues within the United Nations system, and promote South-South cooperation for development.

In just one month, Yutong was seen at three international events, successfully accomplishing its transportation tasks and fully showcasing its formidable competitiveness in the global market.



Yutong successfully accomplishes its tour show in Russia


In 2016, Yutong officially launched two brand new bus products in Russia, namely ZK6122H9 and ZK6938HB9, both of which are fully in line with Euro V Emission Standards. Mainly targeted at Russian market, the two buses have stood the test of time. After upgrading, they are set to make big splashes in Russian market.

In Vladivostok, Yutong held a press conference for the official entry of the two upgraded vehicles. Journalists from various media witnessed the historical moment. From August 25 to September 30, a bus tour was also carried out in Russia, reaching over ten cities across the country, including Yekaterinburg, Kazan, Moscow, Rostov, Krasnodar and St. Petersburg. Traveling from northeast Asia to northeast Europe, the tour covered a total distance of 15,000 kilometers.

While stopping at every city and town, Yutong invited local bus operators and government officials to gain a comprehensive knowledge about Yutong vehicles by taking the bus in person. Although the tour has already ended, Russian customers' curiosity about Yutong buses has not subsided. Thanks to the tour, many bus operators in Russia have expressed their planning in the near future to make purchases from Yutong.



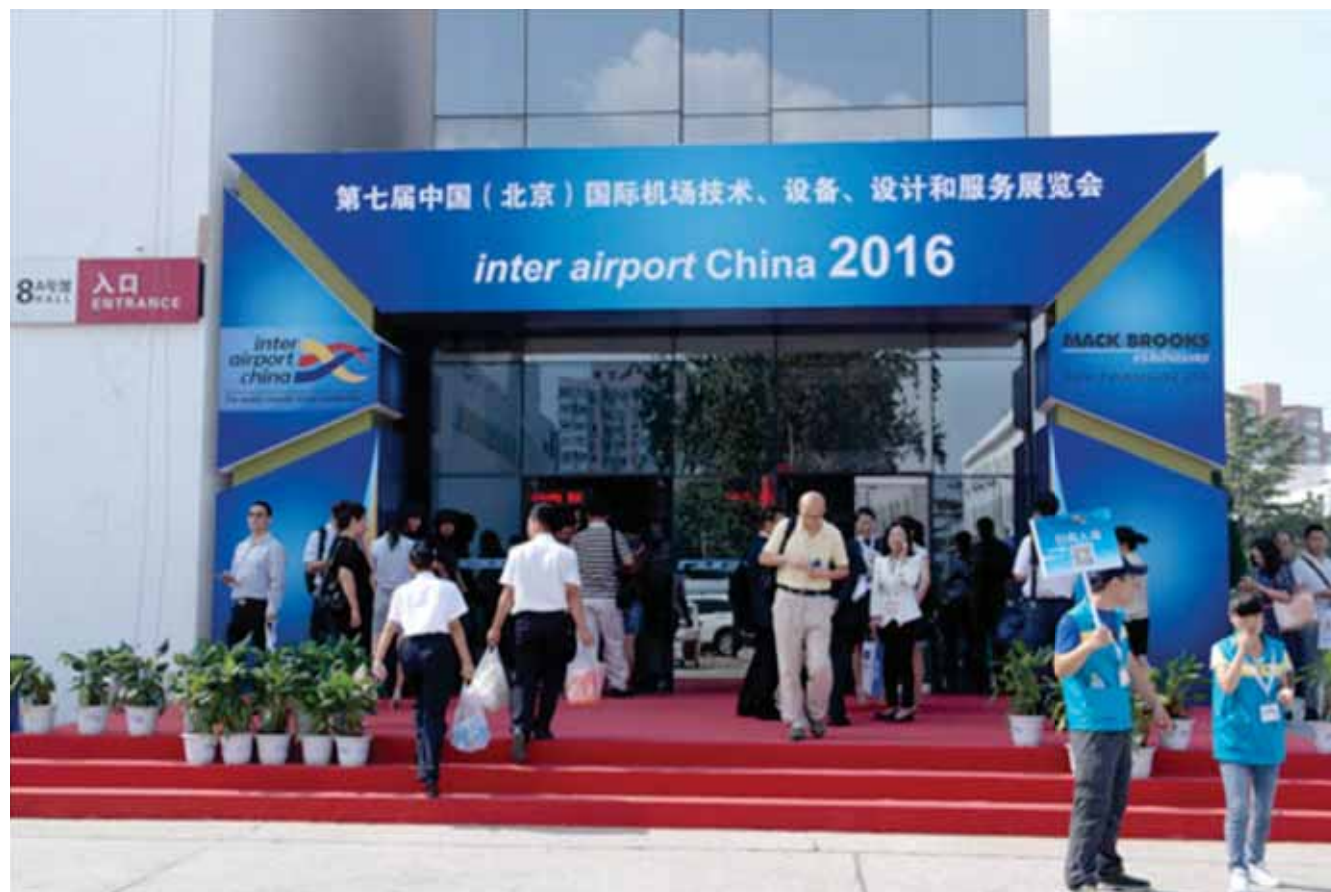
Yutong Bus releases output and sales data of Sept. 2016

Zhengzhou Yutong Bus Co., Ltd released its output and sales data of Sept. 2016.			
	Sept. 2016 (unit)	Jan-Sept. 2016 (unit)	Y-o-y growth of Jan.-Sept.
Output	6, 365	46, 876	4.56%
Large Bus	2, 336	15, 749	-7.80%
Medium Bus	3, 269	24, 862	34.99%
Light Bus	760	6, 265	-32.89%
Sales	6, 416	47, 483	7.51%
Large Bus	2, 499	15, 992	-6.10%
Medium Bus	3, 218	25, 190	40.30%
Light Bus	699	6, 301	-31.38%
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, 416 buses and coaches were delivered in September. From January to September, the accumulated sales volume reached 47, 483 units, up 7.51 percent than the previous year.



Yutong attends Inter Airport China 2016



The Inter Airport China 2016 was held in Beijing on September 12-14, 2016. As a platform showcasing the latest technologies and equipment for airports and airlines, the exhibition has attracted many well known exhibitors across the world. Yutong, as the leading bus maker in China, brought its ZK6140BD airfield bus and high-end business coach T7 on display.



With extremely impressive performances and competitive prices, Yutong air airfield bus ZK6140BD is not unfamiliar to many people. Equipped with imported intelligent anti-pinch system, the vehicle will open its doors automatically once encountering any forms of blockage. Its ECAS electronically controlled airbag is at least 280 millimeters above the ground, reaching the level achieved by its foreign counterparts. In addition, the bus can only be ignited when the passenger doors are fully closed, further ensuring the safety of passengers. With the latest noise reduction technology NVH, the bus is equipped with two separate air-conditioning systems for driver's cockpit and passenger area, ensuring the utmost level of comforts for both drivers and passengers. The bus also has one seven-inch LED display and digitalized information board to show the real-time operation status of the vehicle. It is just a press-the-button-away for driver to switch from one information board to the five others.



Yutong T7, as a high-end business coach, is chiefly targeted at airport VIP market. Apart from airfield buses, Yutong also rolled out airport passenger transportation solutions for its customers. From bus appearance design to interior decorations, from bus control to other small details, Yutong is able to meet the specific demands of airports across China. Among those large-sized airfield buses, Yutong T7 is particularly attractive thanks to its smaller size and luxurious and elegant appearance. Though appearing on the market for just one year, it has provided transportation services at a number of high-profile events, such as China's V-Day Parade,



SCO Premiers' Conference (Zhengzhou), 2016 NPC and CPPCC sessions, 2016 Bo'ao Forum for Asia, Lancang-Mekong River Cooperation Leaders' Meeting, G20 Hangzhou Summit, fully demonstrating China's formidable competitiveness in bus manufacturing industry.

At the exhibition, many visitors from airports and airlines were curious about Yutong, making detailed inquiries about the two vehicles on display. While taking a closer look at the vehicles, they all expressed their satisfaction with their safety

standard and comfortable interior space.

In recent years, along with people's rising living standards, the airfield buses, tourism coaches and school buses all have seen a continued growing demand. Airfield buses, as an indispensable part at airports delivering passengers, boast huge market potential. As they provide transportation services for thousands of passengers, it is also an effective way for bus brands to project a positive image among all who have been served. For a long time, China's airport bus market was



monopolized by a few foreign brands. However, the situation was changed when an airfield bus made by Yutong gained permit for airport use on July 27, 2008. Since then, Yutong airfield bus has maintained a robust growth in its sales. As of 2015, the brand took up over 30% of the domestic airfield bus market. Not only can it be seen at all major airports in China, it has also become the carrier for a number of well-known airlines. On September 7 this year, Xia Xinghua, Director of China Civil Airport Association spoke highly of Yutong's achievements while paying a special visit to the bus maker.



Yutong T7 serves China-ASEAN Exposition

On September 14, the 13th China-ASEAN Exposition, also known as CAEXPO, closed its curtain in Nanning, Guangxi Zhuang Autonomous Region. Five units Yutong T7 coaches successfully accomplished their transportation tasks for the distinguished guests from ASEAN countries.

“Yutong T7 coaches are all of very high quality. Besides, Yutong after-sales services are superb”, says a person-in-charge from Guangxi Yunde Group Vehicle Rental Branch. From drivers’ training to vehicle monitoring, from regular trouble-shooting to emergency plans, Yutong has always been there with its customers. By serving at such a big event, Yutong once again strengthened its public image in Southwest China and ASEAN countries.



Yutong T7 is the result of ten years’ relentless hard work from the bus maker. With a total investment of over 400 million RMB, the coach has passed stringent test, traveling over 60,000 kilometers. Currently, it represents the highest bus manufacturing level in China.

Since its debut on October 1st, 2015, Yutong T7 has made a high-profile appearance at various domestic and international events, such as China’s V-Day Parade, Shanghai Cooperation Organization Premiers’ Meeting in Zhengzhou, 2016 NPC and CPPCC sessions, Bo’ao Forum for Asia, Lancang-Mekong River Cooperation Leaders’ Meeting, and G20 Summit in Hangzhou. Having attracted wide media and public attention, the coach has successfully delivered transportation services for all distinguished guests.



Yutong invests 120 million RMB for Changsha Service Center



At the end of September, Yutong Changsha Service Center officially kicked off its operation. With a total investment of 120 million RMB, the center is the largest one in scale in China. Having optimized a whole range of services, the center differs from other Yutong service centers in terms of its advanced facilities and its size.

Yutong Changsha Service Center, also known as Sannong Yutong Technology Co., Ltd., boasts a dirt-free assembly & repair workshop, an 18-meter environmentally friendly painting room, 14 repair pits, as many as ten repair stations, a new energy vehicle repair station and recharging posts. Its first phase construction costs 70 million RMB and covers a total area of 160,000 square meters.



Currently, Yutong Changsha Service Center is specialized in pre-sales consultations, whole vehicle sales, repair, spare parts provision, financial services, and second-hand vehicles sales, fully meeting customers varied needs. According to the person-in-charge from the center, it was only able to provide repair services for only 20-30 units vehicles every day in the past. Now, the center can easily deal with 80-90 units vehicles. Not only Yutong buses, but buses of other brands can also receive comprehensive services at the center.

Compared with traditional service centers, Yutong Changsha Service Center has diversified its service items, assuming tasks for customer services, technological innovation, customer training and personalized services. Not only customers in Changsha, but those in other cities in Hunan

Province and even from neighboring provinces can get technical training and assistance as well as spare parts provision from the center. As the era of merely price or quality competition in China's bus industry has long gone, Yutong is set on winning more customers by not only selling high quality products, but also providing a wide spectrum of services to meet customers' special needs.



“Service is our competitiveness and service is our brand”, says the person-in-charge from Yutong Changsha Service Center. As the leading brand in China's bus industry, Yutong has always been committed to serving its customers well and bringing them more than just satisfaction. To the bus maker, its after-sales services also represent its craftsmanship and providing differentiated after-sales services is also key to its business success. Thanks to such an operation philosophy, its timely, highly efficient and high-quality services have become an indispensable part of the company's core competitiveness, helping the bus maker further speed up its upgrading and transformation.

Currently, Yutong boasts a well-established after-sales network with over 1,000 service stations. In each of its first-



tier markets, it has a team of over 360 technicians, experts and service personnel. In addition, the company has eight wholly owned service centers across China, helping it provide unparalleled after-sales services to all customers. In the near future, Yutong will set up seven new service centers in parallel with Changsha Service Center in scale.

Yutong has established service parts network in various markets to which its buses were delivered so as to provide after-sales service for customers. Up to now, Yutong's overseas service network has covered more than 130 countries and regions.

In addition, Yutong also established a joint service system of global suppliers and signed service agreements with



Cummins, Yuchai, Allison, etc. Their service networks worldwide will jointly provide service for Yutong vehicles.

In order to provide professional technical support to customers and service stations, Yutong has set up a professional and skilled service team for overseas market, consisting of more than 150 Chinese service engineers and over 30 local service engineers, who settle in the local areas to service the customers directly.