

EN ROUTE

| YUTONG NEWSLETTER

| ZHENGZHOU YUTONG BUS CO., LTD

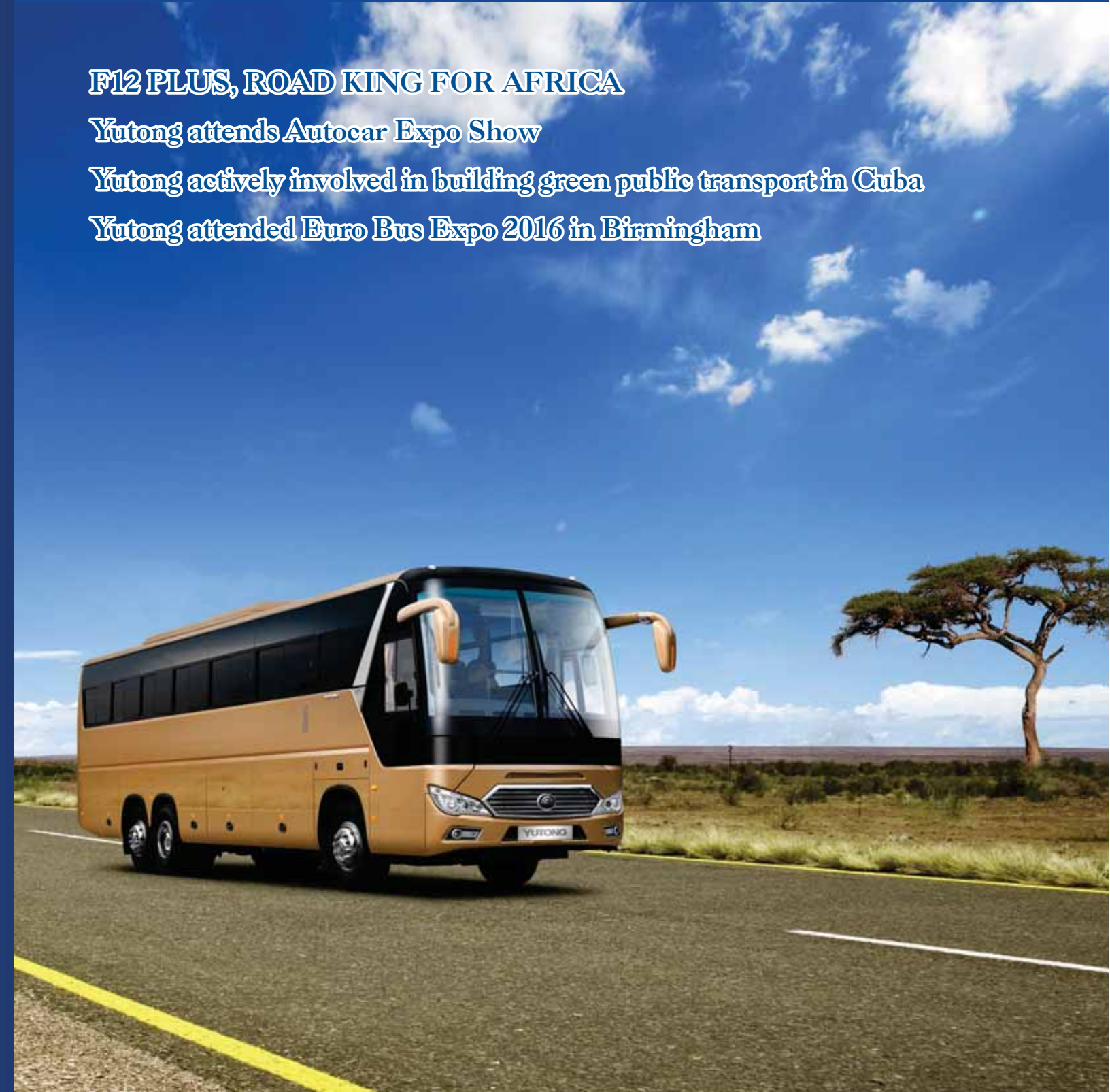
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F12 PLUS, ROAD KING FOR AFRICA

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Yutong actively involved in building green public transport in Cuba

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F12 PLUS

ROAD KING FOR AFRICA



INNOVATIVE SUSPENSION STRUCTURE WITH TWO REAR AXLES

LOADING CAPACITY PLUS⁺

Besides the charming appearance, the main point for a large-sized coach is the framework with high strength. The F12 Plus with two rear axles boasting good reliability and high loading capacity, making it become a real road king of passenger transportation.



UPGRADED LOADING CAPACITY

Innovative suspension structure with two rear axles greatly improves the loading capacity.

UPGRADED ENTERTAINMENT

Free access to VOD system via cell phones

UPGRADED SPACE

Ultra large luggage compartment increased by 12%.

UPGRADED PERFORMANCE

Advanced Cummins engine enhances the power performance by 10%

UPGRADED STRUCTURE

Lowered engine hood creates the fully flat floor.





ADDED ADVANCED VOD SYSTEM

ENTERTAINMENT PLUS⁺

How to ease the fatigue caused by a long trip is an issue we are always considering. Now, the F12 Plus is equipped with advanced VOD system and WiFi function. Even when the WiFi is not available, you also have the access to the system free of charge which offers videos, audios, games and so on. Hence, your trip will be more enjoyable and have more fun.



ULTRA LARGE MULTIPURPOSE LUGGAGE COMPARTMENT STORAGE SPACE PLUS⁺

Apart from the charming appearance, the vehicle is also provided with a large luggage compartment of 11.2 cubic meters. Featuring good reliability and durability, the suspension boasts simple structure and high loading capacity, so operators don't need to worry about carrying more luggage any longer.



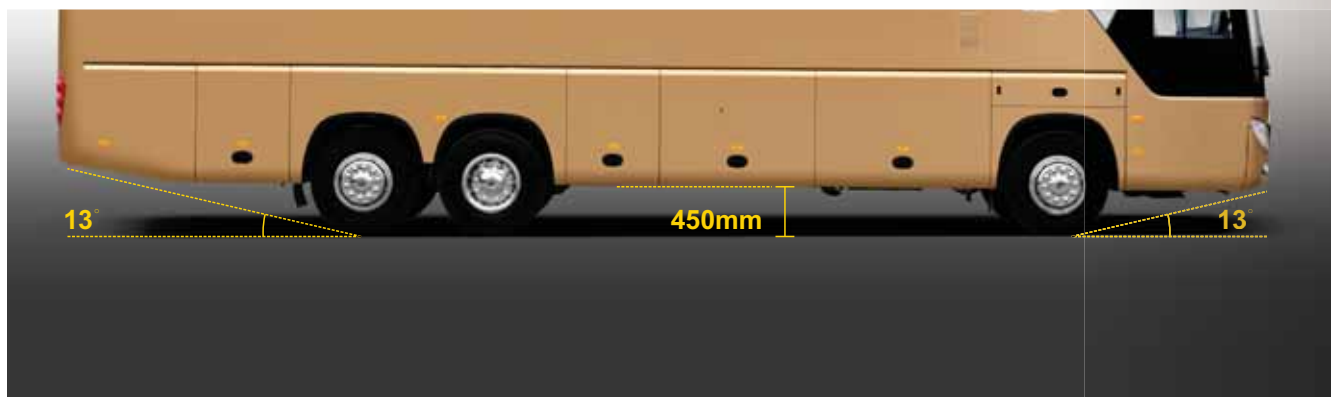
11.2 m³



Luggage compartment volume of 11.2 m³

13 DEGREES DEPARTURE AND APPROACH ANGLES TRAFFICABILITY PLUS⁺

The trafficability of a vehicle mainly depends on the departure and approach angles. Different from the normal data of 9, 10 or 11 degrees, F12 Plus boasts 13 degrees on both departure and approach angles. Hence, it can conquer any road conditions without sacrificing the performances of the vehicle. Equipped with L360 20 Cummins engine and optimized power matching, both the acceleration and the power reserve coefficient are greatly improved.



LOWERED ENGINE HOOD DESIGN AESTHETICS PLUS⁺

F12 Plus boasts not only charming appearance, but also a sophisticated internal structure. The distinctive design of lowered engine hood avoids the drawback of the protruding engine hood and creates a flat structure which combines the functionality and aesthetics together.



Yutong attends Autocar Expo Show



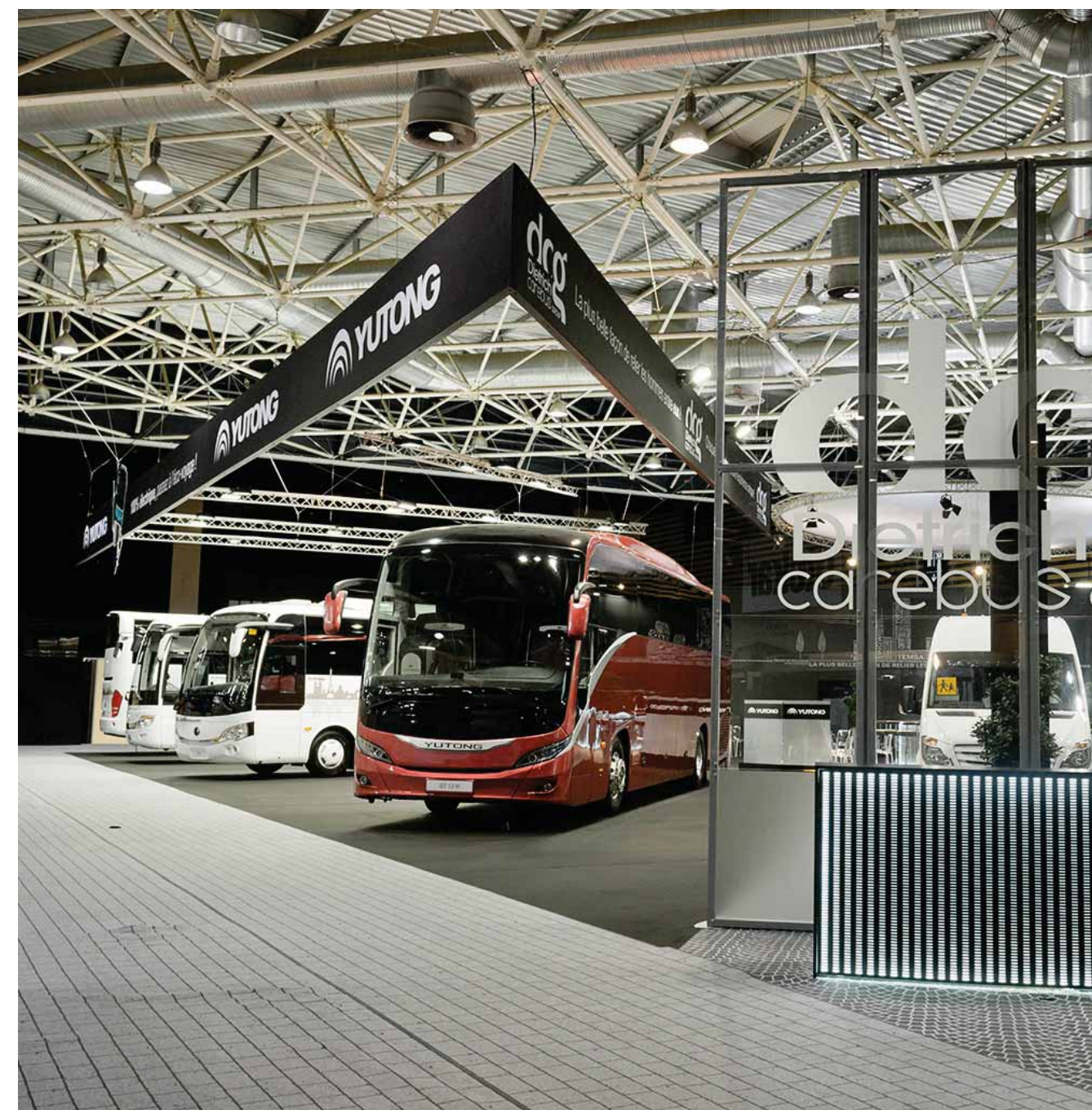
Recently, the Fifth Autocar Expo Show kicked off in Lyon, France. As the biggest biennial auto event featuring buses and coaches in France, this year's expo attracted 76 exhibitors from all over the world.



Yutong, the leading bus maker in China, brought four latest bus models on display. At its exhibition stand, Yutong T12 high-end tourism coach and ZK6938HQ tourism coach, both of which have successfully passed Euro VI emission standards, have aroused keen interest among the visitors. Outside the exhibition hall, three Yutong buses were also

available for trial drive by bus operators.

Under the theme of "Now it's time to take a new step into the future", Yutong fully demonstrates its commitment to creating a better living environment and providing greener public transport for people all over the world. Through attending such a high-profile event in Europe, Yutong further deepened its understanding of the European market and boosted its brand image among bus operators in the region. Moreover, some local bus operators have already been in close contacts with Yutong for further business cooperation.



Yutong holds 85% market share in Macau

Macau Auto Expo 2016 officially kicked off on November 4, 2016. At the opening ceremony of the show, Yutong was invited as a representative of manufacturers to witness the parade. The head of Macau SAR and other officials also paid their first visit to Yutong exhibition stand when they took a tour at the exhibition hall.

At this year's expo, Yutong brought three vehicles on display, namely an airfield bus, a luxury recreational vehicle, and a barrier-free commuting bus. Born from a school bus chassis, Yutong luxury recreational vehicle has its engine mounted in front and has superior standards of safety and reliability.

As of the end of 2016, the sales volume of Yutong buses in Macau is expected to reach 1,000 units. Thus, Yutong will hold a whopping 85% market share in the city. Apart from



tourism coaches and city buses, the bus maker is aiming to expand its presence in the special vehicle market. "Six years ago, when we first came to Macau Auto Expo, we only intended to gain a deeper understanding of our customers in Macau. To our surprise, we gradually learned that the event



also exerts great impacts on Hong Kong and Southeast Asia", says Chang Hao, Deputy General Manager of Yutong International Business Dept.

In 2016, Yutong's total sales volume across the globe is expected to break the threshold of 70,000 units, accounting for 15% global market share. Also in this year, its export volume is ready to reach 8,000 units. Its buses have successfully made their way to over 130 countries and regions across the globe thanks to their high quality standards and sound after-sales



services. Its bus LCC management solution no longer competes with its rivals for just the price. Instead, it seeks all possible means to help bus operators cut their operation costs and maintenance costs, thus bringing them more profits.

Now, Yutong new energy buses, city buses, tourism coaches airfield buses and recreational vehicles provide wider choices for its global customers. Along with the Paris Climate Agreement came into effect, Yutong new energy buses are set on helping all nations cut their CO2 emissions.



Yutong actively involved in building green public transport in Cuba



On October 31, the 34th Havana International Fair was held in Cuba. Exhibitors from over 75 countries attended this year's fair, making a new record in history. Yutong, the leading bus maker in China, rolled out a full electric city bus to the market, which attracted immediate public and media attention. In recent years, Cuba's economy has been maintaining a fast growing momentum. However, due to its shortage of oil resources, over half of the country's oil consumption, which chiefly goes to fuel various vehicles, depends on imports every year. For this reason, it has become a pressing issue for

the government to improve its energy structure and make the nation less dependent on oil imports. The annual Havana International Fair provides a great opportunity for the country to tackle its energy challenges.

This year, Yutong has brought seven fist products to the much-anticipated fair, including city buses, tourism coaches, special vehicles, and engineering machineries, etc. Its new energy buses, in particular, offer a brand new manner of green transportation and give hope for the nation to cut its energy consumption and curb the increasingly severe urban pollutions.

Ivan, an official from Cuba's Ministry of Transport says that Yutong has made tremendous contribution for Cuba's public transportation sector. The arrival of Yutong new energy buses marks a new milestone, showing the bus maker's commitment to pushing forward the technological innovation in Cuba.

The full electric bus brought on display in Havana by Yutong is ZK6125BEVG11. With a power storage of 285kWh, the vehicle is able to drive continuously for 250km-300 km. It takes only 17.9 seconds for the bus to reach a speed of 50km/h



General Manager of Yutong America Division.

Since Yutong's entry into Cuban market eleven years ago, a total number of 6,800-plus Yutong buses had already been put into service in the country as of August, 2016. Their consistently reliable performances and Yutong's timely after-sales services have already made the bus brand extremely popular in the country. Now, Yutong Cuba Business Mode, which fully integrates customer-tailored services, spare supply and marketing strategies, has become well known in the bus manufacturing industry. The innovative business mode, has not only delivered customer satisfaction, gained trust from customers, but has also created more added value for



from a standstill. Its maximum speed can reach 69km/h. The water-proof level of its power battery system reaches up to IP67. The average energy consumption for one kilometer is just 0.84kWh. In addition, the electromagnetic immunity of its controller is able to meet ISO's highest standards. No matter in operation or in recharging process, the vehicle has already realized intelligent management.

"We are planning to deliver our full electric bus on display to Havana Public Transport for trial operation without charge. In doing so, we hope our customer can gain a much deeper understanding of our products and we can deepen our cooperation in the new energy field," says Zhang Yaowu,



customers. Apart from exporting vehicles to Cuba, Yutong has also set up a CKD factory in collaboration with CAISA, a company attached to Cuba Ministry of Metallurgical Industry. In 2015, Yutong's sales volume of large- and medium-sized buses reached 67,018 units, accounting for 15% of the global sales volume. It has been ranking the top position in the global market for five consecutive years.

As a pioneer in the new energy vehicle industry, Yutong started its research and development work of energy-saving and new energy vehicles in 1999. To date, Yutong electric buses have successfully made their way to a number of cities both at home and abroad. With an accumulated sales volume of over 20,000 units, Yutong is now ranking the first place in the global electric bus market. Having won international recognition, Yutong electric buses have been put into operation in a number of cities in Europe. In 2015, Yutong full electric bus, as the only vehicle brand coming outside of Europe, was displayed and promoted at the World Climate Conference.

In recent years, in response to the Central Government's call



for Chinese Brands Going Out, Yutong has been actively involved in expanding its business in the overseas market. So far, it has formed six major markets abroad, including Europe & America, the Middle East, Asia-Pacific Region, Latin America, CIS, and Africa. In Cuba and Venezuela, Yutong has now become synonymous with high quality product, well representing China as a whole. In September this year when Chinese Premier Li Keqiang paid an official visit to Cuba, he took a ride with one Yutong bus in person and spoke highly of the brand's growing international influence.



Yutong attended Euro Bus Expo 2016 in Birmingham



On November 1 to 3, the Euro Bus Expo 2016 was held at UK National Exhibition Center. Yutong, China's leading bus maker, brought three vehicles on display, including the 9-meter and 12-meter travel coaches as well as the 12-meter full electric city bus.

Currently, Yutong 9-meter travel coach is enjoying great popularity in UK. In addition, its 12-meter full electric city bus, jointly developed with Arriwa Group, a multinational bus operator in EU, is scheduled to hit the roads in Liverpool in January next year.

As the only specialized bus exhibition in the UK, the Euro Bus Expo attracts a number of well-known bus brands each year. This year, Jin Xu, Business Counsellor of Chinese Embassy in the UK paid a special visit to the exhibition stand of Yutong, making detailed inquiries about Yutong bus products and their sales in UK.



Yutong attends Australian Bus & Coach Show



The Australian Bus & Coach Show was held in the Olympic Park, Sydney, Australia on October 5-6, 2016. As one of the largest and most influential events in the bus industry of Australia and New Zealand areas, it attracted renowned bus companies from around the world to attend the fair.

The cold air outside the venue did not affect the enthusiasm of visitors. During the two-day fair, the Australian transportation



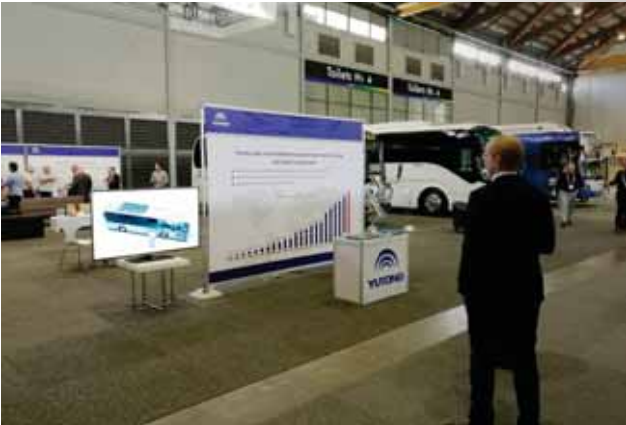
department, school bus association, tourism association, travel companies as well as thousands of visitors came to take a close look at the show.

Yutong entered into the Australian market in 2011. This time, Yutong brought three bus models on display which have already been sold in Australia, namely ZK6760DAA, ZK6930H and ZK6129HCA. Through the fair, Yutong demonstrated the superior quality and safety performance of its bus products, and showcased its sophisticated

manufacturing process in the international arena.

It is learned that the three models of Yutong buses have been appreciated by Australian customers due to its high-standard quality and services. Nowadays, the volume of Yutong buses in Australia ranked first among all Chinese bus brands, and the total volume is expected to exceed 500 units in the next year.


Since 2005, Yutong buses have been exported to more than 130 countries and regions, including Cuba, Venezuela, Russia,



Iran, Saudi Arabia, Hong Kong and Macao. On the basis of ensuring product quality and services, Yutong, after long-term strategic layout, has obtained the WVTa certification of EU and entered into the European market. Up to now, Yutong buses have been delivered to UK, France, Norway, Israel, Macedonia and other countries. In 2016, the successful presence of Yutong buses on the Australian Bus & Coach Show once again showcased its formidable competitiveness in China's bus industry.



Yutong Bus releases output and sales data of Oct. 2016

Zhengzhou Yutong Bus Co., Ltd released its output and sales data of Oct. 2016.			
	Oct. 2016 (unit)	Jan-Oct. 2016 (unit)	Y-o-y growth of Jan.-Oct.
Output	5,483	52,359	3.77%
Large Bus	2,474	18,223	-6.38%
Medium Bus	2,681	27,543	33.08%
Light Bus	328	6,593	-35.98%
Sales	5,418	52,901	6.92%
Large Bus	2,462	18,454	-3.29%
Medium Bus	2,561	27,751	37.06%
Light Bus	395	6,696	-34.00%
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, 5,418 buses and coaches were delivered in October. From January to October, the accumulated sales volume reached 52,901 units, up 6.92 percent than the previous year.



Yutong shines at China International Industry Fair



On November 1, the 18th China International Industry Fair (CIIF) officially kicked off in Shanghai. During the high-profile event, a special exhibition was held to showcase the latest developments of 2016 intelligent manufacturing pilot projects in commercial airplanes and high-speed rails, etc. Yutong, as the only auto maker, has also been invited to exhibit its latest achievements in intelligent vehicle manufacturing.

In 2015, Yutong Energy-saving and New Energy Bus Modularized and Flexible Intelligent Manufacturing Project passed the assessment of a specialist panel organized by China's Ministry of Industry and Information Technology (MIIT). In July 2016, Yutong's Bus Intelligent Manufacturing Pilot Project was listed among 2016 Intelligent Manufacturing Pilot Projects released by MIIT. As the leading bus maker in China, Yutong is the only brand in China's auto industry to make its way to such highly coveted list.

Yutong's Bus Intelligent Manufacturing Pilot Project focuses



on the automation and intelligent manufacturing of energy-saving and new energy buses. By integrating modularized design, modularized sales and flexible production of energy-saving and new energy buses, the bus maker is striving to roll out a new generation of intelligent energy-saving and new energy buses with a new height of automation level. Consisting of seven different aspects, such as the modularized design and distance intelligent upgrading, the project is



expected to make full use of the state-of-art information technologies and help the bus maker build manufacturing and management systems featuring high level of automation and intelligence. More importantly, it will lay a solid foundation for the company's business transformation and upgrading as well as future market expansion.

At its exhibition stand, Yutong brought its ZK6115BEV5 and ZK6808BEVQ1 full electric buses on display, both of which fully demonstrate its impressive achievements in intelligent bus manufacturing sector.

On product life-cycle management, Yutong takes full advantage of modern information technologies and state-of-art manufacturing technologies. Focusing on customer orders, it fully integrates the whole production procedure, from

customers' needs, module development, order management, supply chain planning & collaboration, production arrangements, lean production, quality inspection & control, to delivery and services. A video made by Yutong fully displays the company's achievements in modularized design, laser cutting, CNC right angle shearing, robot on-line selecting, automatic and flexible welding system, automatic painting, monitoring of new energy buses, workshop automation system, robot integration and information management system, etc. So far, its models include automatic painting production line and flexible welding system.

By independent R&D work and introduction of state-of-art technologies from outside, Yutong has significantly improved its overall bus manufacturing level. It is now committed to setting up a whole manufacturing system with high flexibility, automation and intelligence.

Every detail of Yutong buses now speaks volume of its exquisite workmanship and unparalleled craftsmanship. In 2015 alone, the company sold 20,446 units new energy buses, ranking the first place in the industry. In the first nine months this year, Yutong's sales volume of new energy buses reached 13,143 units, up by 32% year on year. In the meantime, its growth rate is eight percentage points higher than the industrial average. Its market share in the new energy bus market continued its robust growing momentum, maintaining the top position in the market.



Yutong attends the 8th International Conference on Applied Energy

Organized by Applied Energy, a globally well renowned journal, the 8th International Conference on Applied Energy, also known as ICAE2016, was held at Beijing International Convention Center from October 8 to 11. As the highest level academic conference on applied energy, ICAE2016 has attracted over 600 top scientists, scholars and enterprise representatives from 30-plus countries, including USA, Canada, Japan, Italy, Norway, and China, etc.

Themed with “Change and Innovation for a Sustainable Future”, ICAE2016 encouraged all participants to hold in-depth discussions and exchange views in seven technological areas, such as electric vehicles, recyclable energy and intelligent power systems. Dr. Chen Zhen from Yutong, delivered a keynote speech on Electric Bus Key Technologies R&D and Industrialization. From the current development stage of electric buses, the research and development of key technologies, the elevation of the safety standards of electric buses, and the industrialization of electric buses, Dr. Chen gave a detailed analysis of the development opportunities and challenges faced by Yutong and its counterparts. During the



conference, Prof. Jinyue Yan, the Chairman of ICAE2016, and all members of the editorial board of Applied Energy took a ride with a Yutong full electric bus. After the ride, they all spoke highly of the spacious passenger room, low noise level and high travel comforts of the vehicle. Prof. Yan also expressed his confidence that Yutong will continue to gain popularity in the overseas market.

So far, Yutong has rolled out integrated controller, highly efficient driving motors, parallel-serial connection systems



which boast high power transmission and high recycling percentage of braking energy. In addition, Yutong's highly reliable battery systems have greatly eased the public's concern for water-related safety problems and environmental adjustability. Also worth noting is that its whole vehicle control systems have achieved the highest energy efficiency in the world.

By making an all-out effort in developing new technologies in water resistance, fire prevention, electric shock prevention, battery safety, monitoring safety, and collision safety, Yutong has been elevating the overall safety standards of electric buses, whether they are on the assembly lines, in operation on the roads or in repair and maintenance.

According to the bus maker, the number of Yutong buses equipped with above-mentioned advanced technologies and high safety & protection standards has exceeded 40,000 units, ranking the first place among all other bus brands in China.

China National Electric Bus Control and Safety Engineering & Technological Research Center was set up at Yutong in November, 2014. Chiefly focusing on research and development of electric buses, the center has been in close cooperation with Yutong and has made a number of



breakthroughs in the electric bus manufacturing technologies and safety technologies.

In 2015, Yutong won the second National Science and Technology Award thanks to its achievements made in its energy-saving and new energy bus key technologies research & development and industrialization project. Breakthroughs made in the project include highly efficient power system, power battery integration and management, whole vehicle control and energy conservation. Thanks to these achievements, Yutong has significantly promoted the commercialization of electric buses, plug-in buses and hybrid buses. So far, Yutong is the only enterprise in China's new energy automobile industry to win such a highly prized honor.

Yutong highest annual Science & Technology Award up to 3.3 Million RMB

On October 25, Yutong held 2015 Science & Technology Awarding Conference at Yutong Industrial Park. At the conference, technicians and engineers who made significant contributions to the company's development in the areas of products, technologies, manufacturing level and product quality in 2015, received awards from the bus maker. The highest award is presented with a bonus of 3.3 million RMB.

To comprehensively evaluate its technological progress in the previous year, a panel of judges was formed to assess 175 projects. In the end, 35 projects stood out, which cover new energy bus technologies, T7, E8, school bus, interior design, accelerator, torque self-adjusting controller, material cutting, drilling, etc. The highest award with 3.3 million RMB bonus went to Energy Conservation & New Energy Bus Key Technology R&D and Industrialization project. The project also won 2015 China National Science & Technology Progress Second Award thanks to its breakthroughs made in



some key technologies and its enormous social and economic benefits.

After a decade's continuous hard work, the project has realized the shared platform development for full electric buses, plug-in buses and hybrid buses. It has successfully rolled out a whole spectrum of energy-saving and new energy buses measuring 6-18 meters in length. In addition, the bus maker's whole vehicle energy conservation and control technologies, high-voltage power supply insulation & conversion technologies, and high-density electric drive & control technologies have given Yutong a lead in the international market. So far, the Energy Conservation & New Energy Bus Key Technology R&D and Industrialization project has won 23 invention patents, 142 utility model patents, and 14 software copyrights. Moreover, 23 research papers have been published and four national and industrial standards have been formed thanks to its technological advances.

Thanks to its many technological breakthroughs in a number of key areas, such as highly efficient power systems, power battery integration & management, whole vehicle control & energy conservation, the Energy Conservation & New Energy Bus Key Technology R&D and Industrialization project marks a new historical milestone in China's ambitious drive to sharpen the nation's overall competitiveness of its new energy vehicle industry in the global market.



Take Yutong T7 high-end business coach for example. Since its debut, it has successfully broken the monopoly of foreign bus brands in this sector. So far, it has made its way to a number of high-profile national and international events, such as Hangzhou G20 Summit, Bo'ao Forum for Asia, China's annual NPC and CPPCC sessions. Behind the laurels of the

investments have been reaching new record high every year. Its R&D investments stood at 171 million RMB in 2005, 314 million RMB in 2008, 869 million RMB in 2012 and over 900 million RMB in 2015 as its operating income reached 31.2 billion RMB in the same year.



T7 are the continuous hard work of Yutong's employees and its relentless pursuit of perfection. At Yutong 2015 Science & Technology Awarding Conference, four projects related to the development of T7 have won awards in different categories.

As the leading bus maker in China, Yutong has always been giving its top priority to technological innovation. Tang Yuxiang, president of Yutong Group, points out that technologies are Yutong's core competitiveness and only technological leaders are qualified to be a bellwether in the industry. In order to strengthen its technological competitiveness, Yutong puts 3% of its sales income aside each year for research and development projects. Along with the continued rise of its sales income, Yutong's R&D

Apart from its generous investments in R&D, Yutong also attaches paramount significance to the cultivation of talents. In 1993, the number of the company's technicians only stood at 18. Currently, the bus maker boasts 12 departments with over 3,000 professional technicians. Among them, 29 hold doctor's degrees, 315 master's degrees, 27 are senior engineers, and 280 engineers. In addition, 17 have been recognized as the experts by related state-level organizations.

Adhering to its PSC innovation principle which integrates proactive measures, systematic approaches and customer-oriented strategies, Yutong focuses on its products, its markets and its customers, and it has maintained a robust growing momentum. In 1993, it rolled out China's first coach with sleepers. In 1999, it gave birth to China's first full electric bus and in 2008 it released China's first school bus. Among its counterparts, Yutong is also the first bus maker in China to build whole vehicle electrophoresis production line, state-level bus testing center. Having won 399 patents, the company has participated in the draft of 35 national standards.

Currently, Yutong has successfully accomplished its transition from just a domestic bus maker to a bus giant in the global market with formidable strengths in a number of bus manufacturing areas.