

# EN ROUTE

| YUTONG NEWSLETTER

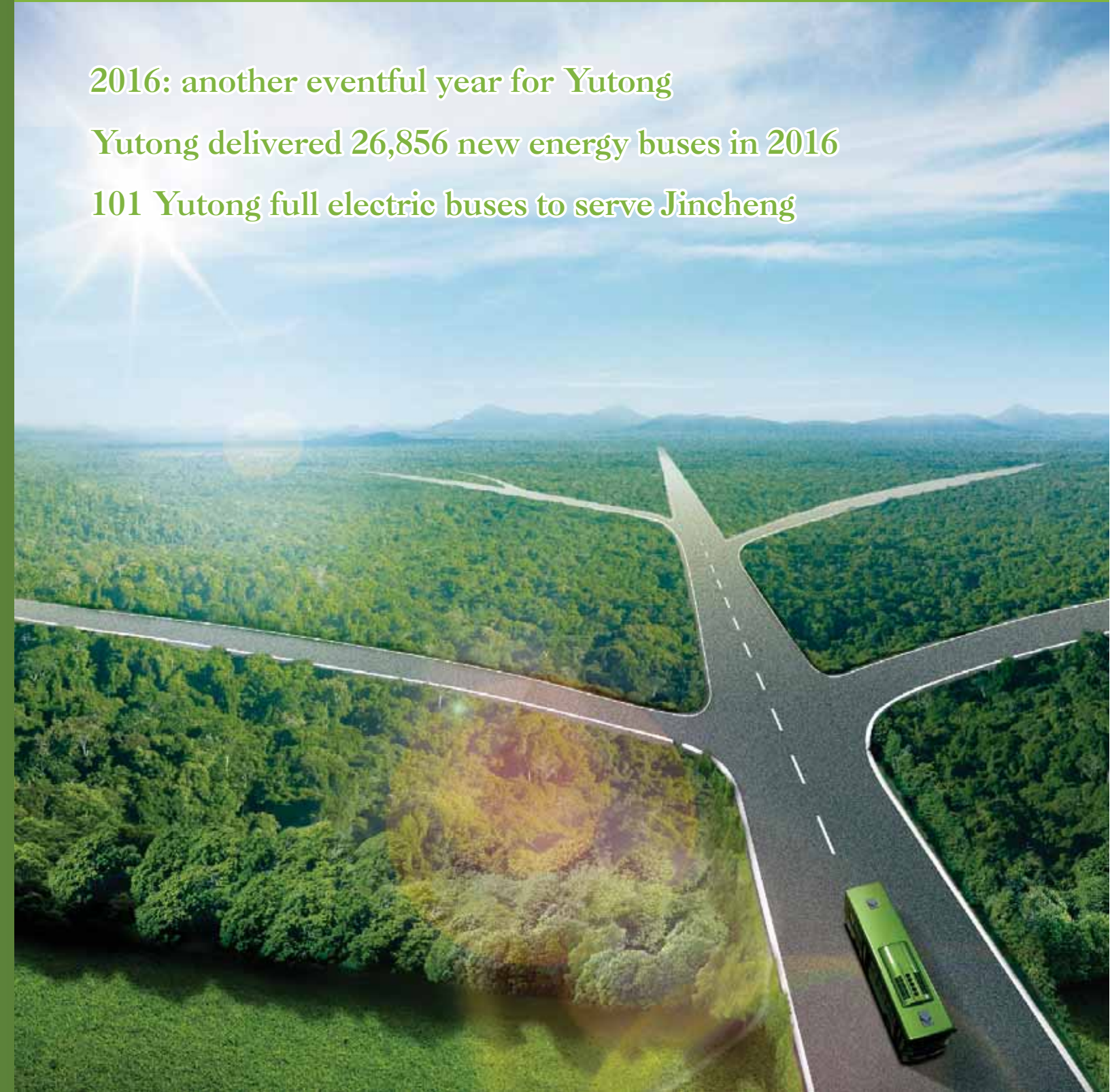
| ZHENGZHOU YUTONG BUS CO., LTD

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2016: another eventful year for Yutong

Yutong delivered 26,856 new energy buses in 2016

101 Yutong full electric buses to serve Jincheng



**ZHENGZHOU YUTONG BUS CO., LTD.**

Add: Yutong Industrial Park, Yutong Road, Guancheng District, Zhengzhou, China

P.C: 450061

Tel: +86 371 6671 8999

Website: <http://www.yutong.com>

E-mail: [sales@yutong.com](mailto:sales@yutong.com)

# EN ROUTE

## Honorary Editor-in-chief

Hu Fengju

## Honorary Consultant

Kent Chang      Fu Benqi      Jin Xin      Kevin Pan

## Consultant

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# PREFACE

## 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 sincere greetings and New Year blessings to all staff who is dedicated to Yutong's development, to the family members of the staff who always support Yutong cause, and to the friends from all sides who consistently concern and assistant the development of Yutong!



Tang Yuxiang / President of Yutong Group

The year of 2016 is full of challenges and achievements. In spite of the complex and changing situation of the global politics and economy, domestic economic downturn and the total decline in the bus industry, Yutong still maintained the growing momentum. In 2016, the turnover of Yutong Group once again hit a record high, soaring to over 45 billion yuan. The daily production capacity of Yutong Bus exceeded 400 units, and the annual sales volume surpassed 70,000 units.

In the same year, 100 units of Yutong T7 successfully served the G20 Hangzhou Summit, the Cuban Business Mode was carried out smoothly, and Yutong was praised as the role model of China's manufacturing industry going abroad. Thanks to the wisdom and sweat of all Yutong people, the company's business is expanding step by step, creating a wonderful prospect in the future.

The year 2017 is an important period of China's 13th Five-year Plan, and the pressure of economic downturn still exists. However, we will continue to forge ahead and never stop our steps. Let us work hand in hand with full enthusiasm and active attitude to make contribution to our common cause and add new luster to Yutong brand!

Wish you good luck in the coming year!

陈子平



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## OVERVIEW

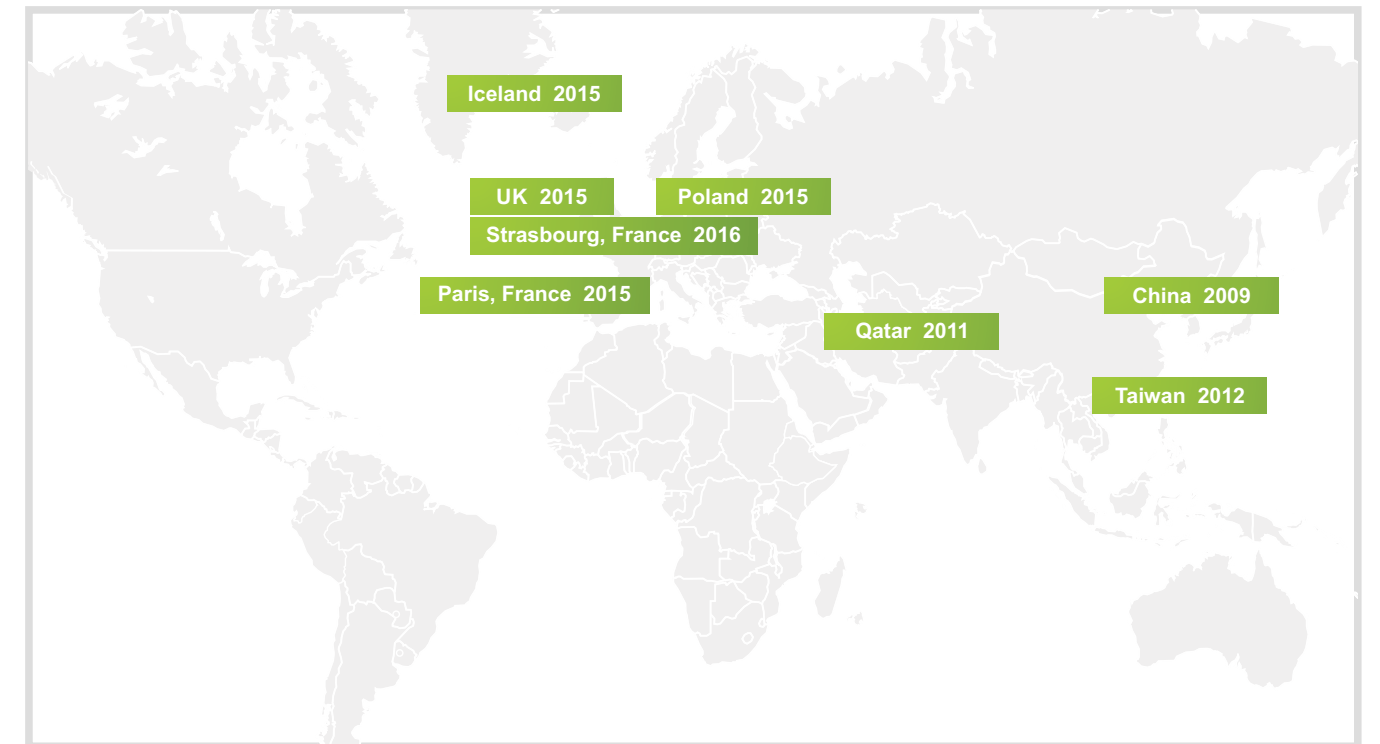
As world's major bus and coach supplier, Yutong ranked first worldwide in terms of the sales volume of large and medium-sized buses with its market covering six continents. As the leader of the industry, Yutong has developed three kinds of new energy buses, namely plug-in hybrid, full electric and fuel cell buses which were already widely used by customers.

With its mature and stable technologies, conditions and advantages, the new energy buses are conducting

demonstration run in the European market.

Through the development, production, technical upgrade, optimization and promotion of new energy vehicles, Yutong hopes to make contribution to the early realization of greenhouse gas zero emission, society's sustainable development, energy saving and residents' living quality improvement.

## OPERATING CASES AND RELATED PRODUCTS OF YUTONG NEW ENERGY BUSES AT HOME AND ABROAD



As of 2016, Yutong has totally delivered 41,632 units of energy-saving and new energy buses in 218 cities, including Paris, Strasbourg, UK, Poland, Iceland, Qatar, Macau, Taiwan, China mainland and so on.

## OPERATING CASES

### 📍 Shanghai, China



In April 2015, 200 units of full electric buses owned by Shanghai Bus Company were put into operation. Under the actual operating condition, the driving range of one-time charging reached more than 250km that met the needs of public transport. The average power consumption of DC side was 84.07kWh/100km.

## Tianjin, China



In August 2012, 10 units of 12-meter full electric buses were put into operation in Tianjin with an average daily operating mileage of 220km and an average power consumption of 0.9kWh / km.

In December 2013, 47 units of 12-meter full electric vehicles were put into operation in Tianjin with an average daily operating mileage of 190km and an average power consumption of 0.92kWh / km.

## Lyon, France



In June 2016, a Yutong 12-meter low-floor full electric bus conducted demonstration run on route C7 and route 45 in Lyon, France. The average speed on the routes was 10.93km/h. Under the condition of turning on the air conditioner, the driving range of one-time charging could meet the requirements of one-day usage.

## Paris, France



In February 2016, a Yutong 12-meter low-floor full electric bus conducted demonstration run on route 21 and route 147 in Paris, France. The average speed on the route 21 was 8km/h. Under the condition of turning on the air conditioner and traffic congestion, the driving range could meet the requirements of one-day usage.

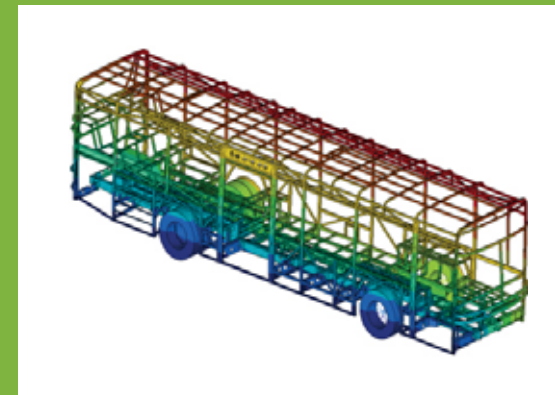
## MANUFACTURING PROCESSES AND TECHNOLOGIES OF YUTONG NEW ENERGY BUSES

### LOW ENERGY CONSUMPTION

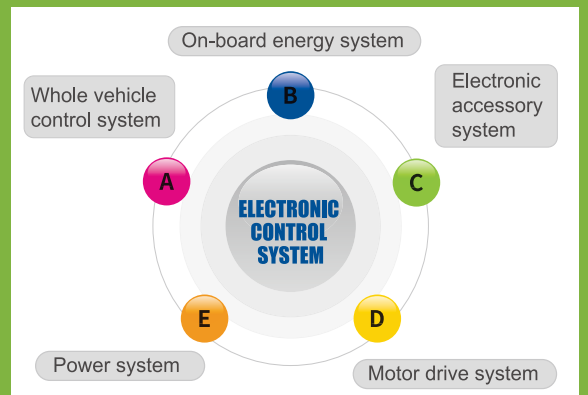
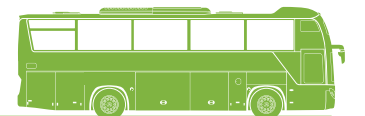
Through whole vehicle lightweight, intelligent control, high-efficient electric drive and braking, high-efficient electrical accessories and other technologies, the ultra low power consumption of E-series buses is ensured.



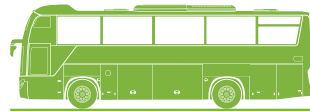
### LIGHTWEIGHT



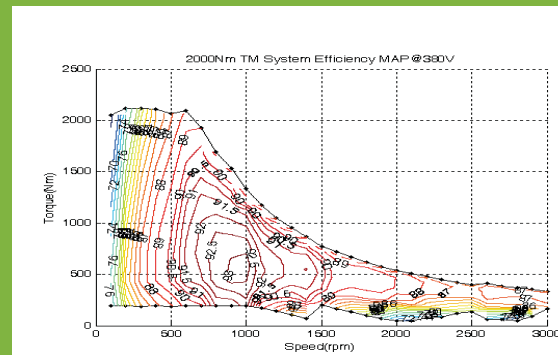
### INTELLIGENT CONTROL



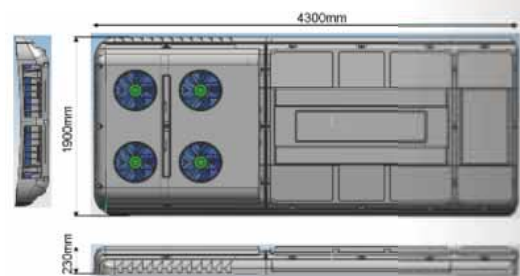
## MANUFACTURING PROCESSES OF YUTONG NEW ENERGY BUSES



### HIGH-EFFICIENT ELECTRIC DRIVE AND BRAKING



### HIGH-EFFICIENT ELECTRICAL ACCESSORIES



## FUTURE PROSPECT

### TECHNICAL PROSPECT OF YUTONG NEW ENERGY BUSES

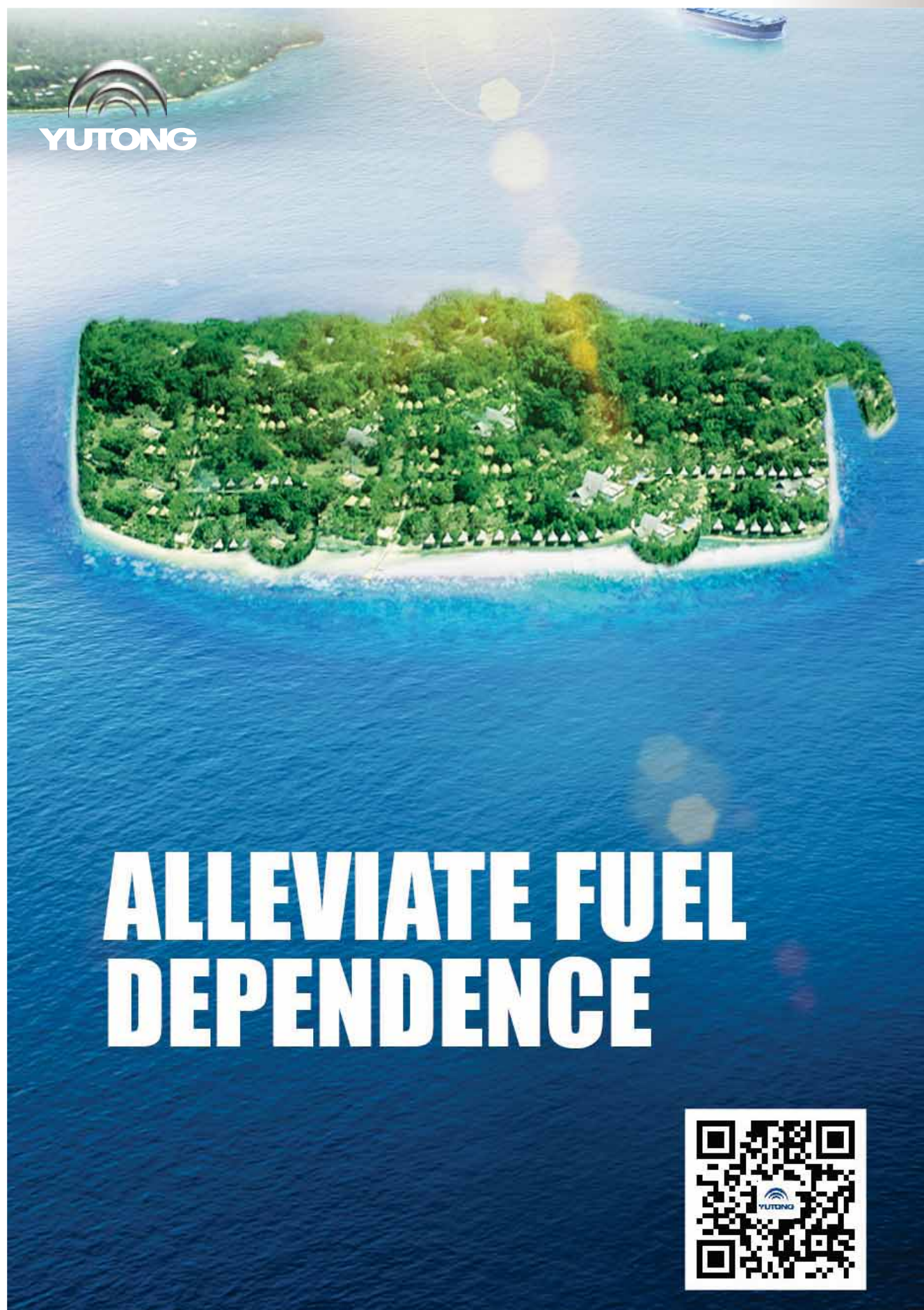
In the future, Yutong telematics will achieve the intelligentization of energy management. The system will conduct statistical analysis based on vehicle mileages as well as power consumption of whole vehicles and key components so as to not only ensure the safety and reliability of vehicles, but also enhance the efficiency of vehicles and reduce power consumption.



### FUTURE PLANNING OF YUTONG NEW ENERGY PRODUCTS


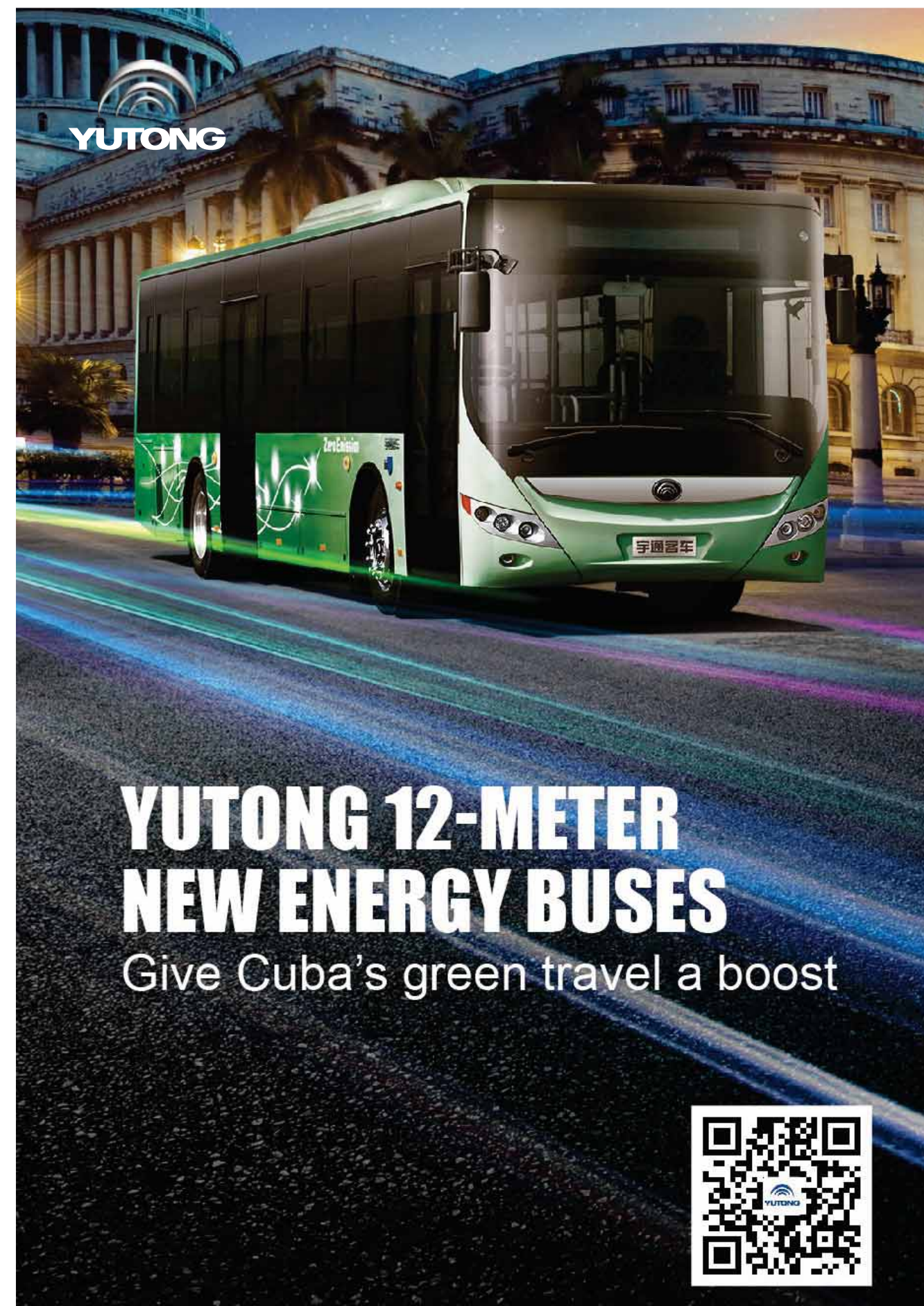
Yutong will provide customers with excellent management solutions concerning the whole operation process, including intelligent transportation management, intelligent safety management, intelligent energy consumption management, intelligent repair and maintenance management, vehicles' remote control, remote upgrade of electronic control unit, etc., enabling customers to use vehicles more efficiently and smartly with lower energy consumption and lower costs.





**YUTONG**


# ALLEVIATE FUEL DEPENDENCE

**YUTONG**

# YUTONG 12-METER NEW ENERGY BUSES

Give Cuba's green travel a boost



## Yutong delivered 26,856 new energy buses in 2016



In 2016, Yutong, China's leading bus maker, sold a total number of 26,856 units new energy buses, fully demonstrating its rising popularity in the emerging industry. Looking back, the bus maker made several big splashes in China's new energy industry over the past year.



### 1. Yutong H8 and fuel cell buses made their debut

In 2016, Yutong officially rolled out two fist products, including H8 plug-in hybrid city bus and a fuel cell bus. Equipped with ReCtrl 3.0 system, H8 aims to become the

most ideal plug-in hybrid city bus for medium-sized cities. With a lower weight, highly efficient electric drive and braking systems and highly intelligent control systems, H8 is able to cut fuel consumption by over 42%. Moreover, with increased passenger loading capacity, H8 achieves higher profitability compared with its counterparts, thus it is well positioned to meet the growing demands for new energy buses in China's small- and medium-sized cities.

On January 23, 2016, Yutong fuel cell bus made its official debut at China EV100 Summit. On May 23 in the same year, its third generation fuel cell bus appeared at Beijing Bus & Truck Expo, ushering a brand new era for China's fast-growing new energy vehicle industry. Within next two years, Yutong will continue to focus on seeking technological breakthroughs and building infrastructure needed for the operation of fuel cell buses. The bus maker is making an all-out effort to popularize over 1,000 units fuel cell buses by 2020.

### 2. Yutong E8 full electric city bus: a rising star in the market

Yutong E8, also known as ZK6805BEVG, sold over 14,000 units in 2016, making a sizable contribution to Yutong's overall sales volume of new energy buses in 2016. Built on a brand new developing platform in October, 2014, the vehicle went into the market in six months and gained instant popularity among bus operators.

### 3. Yutong launched new energy city bus operation mode.

At Shandong New Energy Application Exchange Conference, Yutong officially launched its new energy city bus operation mode, providing comprehensive and tailor-made green public transportation solutions for its customers. With a wide spectrum of new energy buses measuring from 6 to 18 meters in length, whole life-cycle vehicle management, and unparalleled after-sales services, Yutong is aiming to further cut down the operating costs for its customers.



Linyi Public Transportation Group introduced over 270 units Yutong full electric city buses measuring 8-10 meters in length in recent two years. Thanks to their smooth operation, these vehicles have long won the hearts and confidence of their operators, local governments, passengers and bus drivers.

### 4. Yutong realized new breakthroughs in both domestic and overseas market.

In 2016, Yutong appeared at a number of high-profile events held both in China and abroad. In March, 2016, Yutong E10 full electric buses became the first batch of new energy buses that ever served at China's annual NPC and CPPCC sessions.

On October 31, 2016, Yutong full electric bus ZK6125BEVG11 was displayed at Havana International Fair, making a big splash in the country and showing the bus maker's readiness to put more new energy buses on the road in the overseas market.



### 5. Yutong offered 3.3 million worth new energy vehicle development prize.

Yutong has always been attaching paramount importance to technological innovation. On October 25, 2016, Yutong held its annual conference on technological innovation and offered a whopping 3.3 million worth prize for its energy-saving and new energy bus key technological research & development and industrialization project.

Having overcome a host of difficulties, the project has successfully built a new platform for developing full electric buses and plug-in hybrid buses. In 2015, the project won the much coveted second prize of China's National Science and Technological Advances Award.



## 101 Yutong full electric buses to serve Jincheng



A grand ceremony was held in Jincheng, Shanxi province, to welcome the arrival of 101 units Yutong full electric buses on December 16, 2016. Zhang Lifeng, Vice Mayor of Jincheng city, together with a number of other city officials attended the ceremony and took a special ride with Yutong full electric buses.

According to the buyer, Shanxi Transportation Group Jincheng Branch, all the buses, including 66 units Yutong E8 full electric buses and 35 units Yutong E6 full electric buses, will soon be put into operation in the urban area and several counties of Jincheng for public transportation and for inter-city passenger transportation. "The operation of the new vehicles will bring enormous benefits to the local citizens and offer a host of travel comforts to them", says a person-in-

charge from the bus operator.

To ensure the smooth operation of the full electric buses, six recharging stations have already finished their construction. These buses will be put on slow recharging mode at the power consumption lows late at night and be repowered on fast-recharging mode after one round trip on the route. It is revealed that each bus usually drives around 50-70 kilometers for a one-way trip and it often travels four one-way trips each day.

Despite the seemingly high purchasing costs, it has become evident to the bus operator after a rough calculation that the new energy vehicles will help the company cut operating costs markedly in the long run.



## Yutong T7 delivered impressive performances in 2016



Making its debut in May, 2015, Yutong T7 was targeted at the high-end passenger transportation market, meeting the growing demands for business reception, passenger transportation and governmental services.



Soon after its debut, Yutong T7 appeared at China's V-Day Parade in 2015. On September 23 in the same year, Yutong T7 was chosen as the carrier for Chinese premier Li Keqiang when he conducted an investigation in Henan. At Shanghai Cooperation Organization Premiers' Meeting, Premier Li once again took a ride with Yutong T7.



Thanks to its frequent appearance at a host of high-profile events, Yutong T7 was awarded as the Business Vehicle for Government Procurement in early 2016. Later, 35 units Yutong T7 appeared at China's annual NPC and CPPCC sessions, winning wide media and public attention. At Bo'ao Forum for Asia and Hangzhou G20 Summit, T7 was another



eye-catcher and raised many state officials' eyebrows. Shouqi Group and BAIC Group, two major players in Beijing's high-end passenger transportation market, expressed their satisfaction with the unparalleled performance and classy appearance of T7.



In 2016, apart from the State Council, the Ministry of Public Security, many provincial governments, including Guangdong, Zhejiang, Jiangsu, Shandong, Hebei, Xinjiang, and Tianjin all placed orders on Yutong for T7. At the beginning of 2017, Yutong T7 won the Most Innovative Commercial Vehicle of the Year in China and the Vehicle of the Year.

## 2016: another eventful year for Yutong

As China's leading bus maker, Yutong witnessed another eventful year in 2016. It has made impressive achievements in the following four areas.



### 1. Yutong's leading innovation in China's bus industry

Under the new normal of Chinese economy, China's bus industry is facing a pressing task to realize its own transformation and upgrading. Xi Jinping, Chinese president, has pointed the way for the industry, saying developing new energy vehicles are the inevitable road for China to transform itself from a major vehicle manufacturer to a powerful vehicle manufacturer in the world.

As the bellwether in the bus manufacturing industry, Yutong's annual sales volume reached a new high, standing at almost 70,000 units, including over 26,000 units new energy buses, whose growth rate exceeded 30% in 2016. For the last fourteen consecutive years, Yutong has been the champion in the sales of medium- and large-sized buses in China. From an annual sales volume of 40,000 units in 2010 to an annual sales volume of 70,000 units, it only took Yutong seven years. For several years, it has been ranking the first place in the world bus & coach sales.

In addition, Yutong's annual sales volume of new energy buses has reached 26,000 units, making a record high in not only domestic but also global new energy bus sales. Since China launched the promotional program of "Putting 100,000 Units New Energy Buses in Ten Cities Across China" in 2009, the percentage of the sales of Yutong's new energy buses has

now accounted for nearly 40% of its total bus sales. This has fully demonstrated its successful transition from a bus manufacturer in China to a global bus innovator.

At China's annual NPC and CPPCC sessions in 2016, Yutong sent its new energy buses E10 to serve the delegates. On April 22, the Earth Day, Yutong released its H8 plug-in hybrid city bus and ReCtrl 3.0 system. Just one month later, at Beijing Bus & Truck Expo 2016, Yutong officially launched its third generation fuel cell buses, which is able to drive 600 km continuously after a ten-minute refill of hydrogen fuel. Currently, it boasts a wide spectrum of new energy bus products, making it well-positioned in the global bus market. The big technological advances made by Yutong are inseparable with its huge investments in technological



research and development. On October 25 last year, at Yutong 2015 Science & Technology Awarding Ceremony, its energy-saving and new energy bus key technologies research, development and industrialization won the highest prize, which is worth 3.3 million RMB.

In recent years, Yutong has been taking a number of measures to promote the commercialization of new energy buses. For example, it rolled out E-products, eased services, easy compatibility and enormous financing for electric buses, creating new dynamics for its business.

On January 8, 2016, Yutong won the highly coveted prize at

National Science and Technology Conference, showing that it has made major breakthroughs in new energy bus control, system integration, etc.

Apart from its commercial success in China, Yutong has been actively involved in growing its business abroad. On October 31, 2016, the first new energy bus went on the road in Cuba. In the previous year, Yutong rolled out a tailor-made full electric bus for the European market at Busworld Kortrijk 2015, the top bus exhibition in the whole world. Later, its full electric bus has passed the trial operation in Paris and other European cities. It was also designated as the official carrier at UN Climate Change Conference 2015 held in Paris.



### 2. Yutong is leading China's manufacturing industry on the global stage.

Since its inception, Yutong has always been eyeing the global market, aiming to become not only the biggest but the strongest bus manufacturer in the whole world.

In September 2016, Li Keqiang, Chinese premier, paid a state visit to Cuba and took a special ride on a Yutong bus. After the ride, he expressed his satisfaction with the vehicle, saying it not only improves the local public transportation, but also creates more job opportunities for local people. He also praised Yutong as a model enterprise in China in the Go-Global Drive.

Currently, Yutong is exporting conventional buses, new energy buses, related technologies and its brand abroad. Its vehicles have successfully made their way to Cuba, Venezuela, Paraguay and other Latin American countries, reaching formidable market shares. In Cuba alone, Yutong's market share has reached 99.9%. In Paraguay, it reached 90%. Its fast growing business in Cuba, in particular, also well known as Cuban Business Mode, has set up a solid example for all Chinese enterprises.

In November 2016, APEC Leaders Summit was held in Peru. Yutong buses were chosen as the official carrier for the high-profile event, attracting world-wide media attention.

From 2004 to 2016, Yutong's export volume of large- and medium-sized buses has reached 45,000 units, accounting for more than one third of the total bus exports in China. In addition, its bus export volume has been ranking for the first

place for many consecutive years. Now, it has become a major force in the global bus market and it has formed six major markets, including Europe & America, the Middle East, Asia-Pacific, CIS and Africa.



### 3.Yutong is constantly pursuing high craftsmanship.

In recent years, Yutong has been shifting its focus on pursuing high craftsmanship in its bus manufacturing process. Take Yutong ZK6805BEVG (E8) full electric bus for example, which sold 14,000 units in 2016, the vehicle has become a new fist product among its new energy products.

In October, 2014, Yutong decided to roll out a competitive 8-meter full electric city bus within six months. After several rounds of heated discussions, it decided to give top priorities to longer wheelbase, larger passenger loading capacity, low energy consumption and high reliability. With the concerted efforts of all its staff, its new electric bus has significantly improved its overall performances and thus set a new bar for the whole industry. Moreover, the protective level of its highly efficient permanent magnetic synchronous electric motor, integrated controller and standardized battery pack reached IP67. A real operation shows that its new electric bus can cut energy consumption by another 10%, which greatly boosted Yutong's sales of new energy buses.

At G20 Summit which was held in Hangzhou, Yutong T7, another representative of its high craftsmanship, made a big

splash on the global high-end business vehicle market, breaking the monopoly long held by some foreign vehicle brands in China. Completely developed in line with the development procedure of a passenger car, Yutong T7 has made its appearance at a number of high-profile events, including China's V-Day Parade, China's annual NPC and CPPCC sessions, Bo'ao Forum for Asia, Shanghai Cooperation Organization Premiers' Meeting, fully showcasing China's competitive bus manufacturing technologies.

Apart from its meticulous care to the detail of its products, Yutong has also been taking great measures to improve its overall services. On September 28, Yutong Changsha Service Center was officially opened to the public after a major renovation. Currently, it is the largest and the most advanced bus service station in China. On October 27, Yutong Urumqi Service Station started operation. So far, Yutong has built a total number of nine service stations nationwide, which have greatly sharpened its overall competitiveness and improved its customers' satisfaction. In the process, Yutong has also realized its transformation from just a bus manufacturer to a comprehensive service provider.

### 4.Yutong continues to shoulder more social responsibilities.

Not only making relentless efforts in promoting energy conservation and emission reduction, Yutong has been fully committed to improving the safety standards of school buses in China. So far, it has been actively involved in drafting China's National School Bus Safety Standards, exploring the sustainable operation mode for school buses, and promoting the safety education among bus operators, school kids and parents. Through holding a series of School Bus Safety lectures, such as Kangaroo Action, Yutong has rolled out a comprehensive school bus operation solution, which integrates reliable school buses, safety education, safety operation and care-free services. Since it launched School Bus Safety Lecture in August, 2015, the lecture has been held for over 100 times in over 20 provinces, autonomous regions and municipalities. Over 20,000 people participated in its activities. In addition, through holding a number of colorful activities among school children, such as "Yutong Happy School Kids" and "School Bus Drawing Competition", Yutong has been particularly effective in promoting school bus culture in China.

In 2016, Jiangsu province placed its largest school bus order on Yutong. In addition, Yutong became the official carrier for Canadian International School. In 2016, Yutong's sales of school buses are expected to reach 9,000 units. Its market share of 5.5-meter school bus now stands at 50%, continuing to rank the first place in the industry.

In addition, Yutong has been actively taking other social responsibilities. It has been making huge donations to its three major charity programs, including "Yutong Love", "Wing Program" and "Public Open Day". To date, the company has donated money and materials worth a total of 158 million RMB and helped over 70,000 people in need.

On July 13, 2016, at the latest issue of Fortune 500 in China, Yutong ranked the 176th place, moving up from the 207th place in the year before. Since 1997 when the company was listed on the stock market, Yutong has been realizing continued growth. In 2015, its market share in China reached 31.6% and its exports accounted for 33.1% of the total bus exports in China.



## Yutong pushes China's bus manufacturing technologies to another new height

The 11th China Bus Influences Annual Awarding Ceremony was held in Beijing on December 23, 2016. Yutong, the leading bus maker in China, became the biggest winner at the ceremony, pocketing four highly prized awards, including 2016 Top Ten News Maker in Bus Industry, 2016 High-end Business Bus Star, 2016 Intelligent Bus Star and 2016 Europe Star. "Focusing on Customers and Creating More Values" has long become part of Yutong genes, readily visible at every detail of Yutong's bus research & development, manufacturing, sales and services.

On June 20, 2016, Yutong participated in Cuba Industrial Exhibition held in Havana. As a long-term cooperative partner of the Ministry of Industry in Cuba, Yutong brought three popular bus models on display, attracting wide public and media attention. For all these years, Yutong has made a formidable presence in Cuba and Latin America. Many people in the region now are made fully aware of the superiority of products made in China. Yutong's fast expansion in Cuba, also known as "Cuba Business Mode", has been widely studied and praised by the bus industry across the world. Thanks to all

these, Yutong was awarded 2016 Top Ten News Maker in Bus Industry.

In the past, China's high-end midi-coach market was entirely dominated by a handful of foreign brands. To change the situation, Yutong introduced T7, a vehicle fully developed in line with the development procedure of passenger cars. Through the concerted efforts of Yutong's various departments, Yutong T7 has made impressive achievements in noise reduction and insulation. With meticulous care to details, Yutong T7 has brought China's bus manufacturing technologies to another historical height, representing the highest craftsmanship of China's bus industry.

Constantly increased intelligence is another highlight of modern buses. On August 29, 2015, Yutong rolled out the world's first driverless bus, Yutong ZK6105CHEVG2 electric bus. Without any human assistance, the vehicle successfully went through 26 traffic lights on real road operation conditions. Moreover, it accomplished such difficult tasks as following other vehicles, changing lanes, surpassing other



vehicles, making quick and correct responses to traffic lights, and making stops at assigned positions. Now, Yutong is fully committed to applying more intelligent technologies to buses and developing driverless buses, which can automatically detect the changes of road conditions and make travel plans accordingly.

Europe is home to several internationally famed bus manufacturers, representing the highest end of global bus market. Before entering the market, Yutong spent several years in forming a special team consisting of over 200 people who are made in charge of developing new vehicles for the European market. Thanks to its thorough market investigation and full preparations, Yutong successfully passed EU WVTA (Whole Vehicle Type Approval). To date, it has realized a

sizable sales volume in many European countries, including UK, France, Norway, Macedonia, etc. So far, Yutong's accumulated sales volume in Europe reached over 2,500 units. Yutong ZK6121HQ, alone, realized a sales volume of 350 units in Europe, becoming the undisputed Bus Star in Europe.

Jointly organized by Chinabuses.org and China Civil Engineering Association Urban Public Transportation Branch, the 11th China Bus Influences Annual Awarding Ceremony was witnessed by representatives from bus operating and manufacturing sectors as well as related industries. While reviewing the achievements made by China's bus industry in the past year, all participants are looking forward to a brighter future and seeking a sound and sustainable development of the industry.

## Yutong leads technology-driven bus industrial transformation and upgrading



Niu Bo, GM of Yutong Bus, at China EV100

Boosted by governments' favorable policies, China new energy vehicle industry has been maintaining a fast growing momentum. According to the statistics released by China Association of Automobile Manufacturers (CAAM), the nation's sales volume of new energy vehicles reached 507,000 units in 2016. Despite the impressive achievements, the industry is still facing a host of challenges.

On January 14, 2017 China Electric Vehicle 100 Forum, also known as 2017 China EV100 Forum was held in Beijing. At the forum, the future development trend of the new energy vehicle industry is the biggest concern of all participants. Niu Bo, General Manager of Yutong, delivered a keynote speech on Promoting the Sustainable Development of New Energy Bus Industry by Technological Innovation. "From the 10th

Five-year Plan period to the 13th Five-year Plan period, China's new energy bus industry has gone through four major phases. In the first phase, the research and development institutions were established; in the second phase, the technological foundation was laid out; mastering the core technologies is the third stage and improving the product quality is the fourth", says Niu. And his views were echoed by all the participants.

In the past few years, China has put over 200,000 units new energy buses on the road, becoming the home to the largest number of new energy bus fleet in the world. During the 12th Five-year Plan period, China launched a series of measures to support the research and development of key technologies for the energy-saving and new energy vehicles.

Advanced technologies are the very foundations for the success of bus manufacturers. Currently, China's 12-meter hybrid bus only consumes 17 liters of fuel for driving 100 kilometers, achieving higher fuel economy when compared with those of foreign bus brands. Thanks to the newly developed electric driving systems, intelligent start-ups, lowered body weight and energy-saving auxiliary systems, new energy buses made by Chinese bus manufacturers have significantly cut the fuel consumption and improved their overall reliability. In terms of electric bus, the most advanced 12-meter electric bus is now able to drive 100 kilometers with a minimum supply of 0.63 kWh energy. Such a performance is superior to its overseas counterparts. So far, many key spare parts of electric buses, such as controllers for electric motors, power batteries, recharging facilities are all made in China. Moreover, the energy density of power batteries has improved significantly.

In the field of fuel cell buses, China's fuel cell bus consumes 7.28 kilograms of hydrogen driving 100 kilometers. Though better than that of foreign brands, but the life-expectancies and reliability of fuel cells and the vehicle's start-up at low temperatures are still lagging behind. In addition, China has been keeping pace with the international development in intelligent management and operation of electric buses, especially the safety standards of electric buses has improved by leaps and bounds. Still, much work needs to be done in order to catch up with those with higher level of commercialization and the higher technological standards.

By 2020, China aims to cut its carbon emission by 40%-45%. Against such a backdrop, new energy vehicles, especially new energy buses and coaches, are expected to witness a booming period of fast growth.

Based on the central government's Energy-saving and New Energy Vehicle Technological Innovation Guide, new energy bus manufacturers are expected to further cultivate their own technological competitiveness and further improve their product quality. To achieve these goals, Yutong came up with five suggestions for the future development of China's new energy bus industry.

First, guidelines must be made for new energy bus operators for selecting, operating and replacing new energy vehicles, making sure that those new energy buses in operation fully meet the safety standards and deliver satisfactory

performances; second, regulations must be formed for the maintenance and repair of new energy buses. All bus operators are required to meet vehicle management regulations and establish safety operation systems; third, intelligent bus operation and management systems must be established and intelligent driving system should be the standards for every new energy bus; fourth, Chinese bus manufacturers should keep a close eye on its foreign counterparts and strengthen the overall competitiveness of China's new energy buses; fifth, measures must be taken to speed up the construction of fast-recharging facilities for new energy buses. It is firmly believed that with the government's continued supports, China's new energy bus industry, led by Yutong, will play an increasingly important role in the global bus market.

The second generation of thermal management for bus engines is able to help vehicles cut fuel consumption by 8-13% through controlling electronic fans. Moreover, it can cut vehicle noise and engine wear. Lanxin System makes full use of intelligent control and helps drivers cut the number of unnecessary accelerations and improper operation of the accelerators. Currently, both have been widely applied on Yutong buses and have been warmly welcomed by all bus operators.

"We always aspire to create a win-win situation. In recent years, we have been making tenacious efforts in improving our buses' interiors and exteriors designs, boosting their fuel economy and enhancing their performances. Currently, Yutong accounts for 50% of the bus fleet used for tourist transportation in Hangzhou. Through holding such a bus driver's skill competition, we sincerely hope that we can further deepen our understanding of the pressing needs of our customers in the tourist transportation market", says Wang Qiang, General Manager of Yutong Zhejiang & Fujian Region.

Thanks to the successful G20 Summit held in the city not long ago, Hangzhou has left an indelible impression on many people from both home and abroad. In the post G20 Summit era, the city has seen a marked increase in the number of tourists, which has brought new business opportunities for many enterprises, including those involved in tourist transportation. "Such a competition will build a new platform for bus drivers to improve their driving skills", says Jia Jinliang, Chairman of Hangzhou Road Transportation Association.

## Yutong focuses on three areas in social welfare programs



The 20th Yutong Public Day was held, attracting over 60 medium- and top-level managerial staff from Henan province on January 12, 2017. Themed with "Innovative Management", the event was held to share developmental experiences with all participants.

Since 2007, Yutong Public Day has been held for ten years. Through such an event, the company aims to share its development stories with the public and help more indigenous enterprises realize sound and fast growth.

### 1. Build systematic social welfare platform



Since 1990s, Yutong has been involved in a number of social welfare programs. How to assume more social responsibilities and give its profits back to the public has been a big concern for Yutong. In recent years, the bus maker has gradually built three major social welfare platforms, namely "Yutong Care Program", "Yutong Wing Plan" and "Yutong Public Day".

The first and foremost is "Yutong Care Program". On November 6, Yutong staff traveled over 200 kilometers and came to the house of Lu Xicai, a veteran in Henan province, to celebrate his 109th birthday. On July 7, 2015, Yutong officially launched a program to pay respect to all veterans in Henan province. So far, the company has donated 23 million RMB and provided daily necessities for over 1,000 veterans in Henan province. In addition, through "Finding Heroes" program, a number of unsung heroes, like Li Wenxiang, Ren Qinghe, Di Huimin, and Qiu Xinhui became known to the public.

"Yutong Wing Plan" aims to help those poverty-stricken students realize their dream for education. Through holding a number of activities, such as summer camps, financial aids for school kids, Yutong has helped a number of students broaden their horizons, strengthened their friendship and steered their



wills to succeed.

On the back of Yutong Public Day, it has been able to share its managerial experience and development experience with indigenous enterprises, especially those small- and medium-sized enterprises (SMEs).

### 2. Persevere in doing good to the general public

Yutong has always been committed to helping those disadvantaged and those in need. For the past twelve years, when China's Double Ninth Festival is approaching, the company would visit the old in the senior citizen's home,



sending rice and edible oil to them and taking them out to enjoy beautiful scenery. Every winter, the company's staff will also send winter clothes and other goods to those poor people and veterans. Thanks to Yutong Wing Plan, over 1,300 students went to colleges and universities. Through Yutong Public Day program, over 1,300 managerial staff have benefited immensely. In addition, the company has donated 9.44 million RMB to disaster-stricken areas and invested over 91.20 million RMB in building public transport networks and cultural programs.

So far, Yutong has donated over 158 million RMB worth of materials to the public and helped over 70,000 people. At the 8th China Enterprises Social Responsibility Annual Meeting held by South China Weekly, Yutong was awarded China's Most Socially Responsible Enterprise in 2015. Apart from that, Yutong has won a number of honors for its contributions to a variety of social welfare programs, including 2007 Moving China Top Ten Vehicle Manufacturers, 2010 Social Responsibility Special Award, 2010 Loving Enterprise Special Award, 2010 Zhengzhou Charity Day Outstanding Contribution Award, 2011 Zhengzhou Charity Award, Zhengzhou Red-Cross Advanced Unit from 2011 to 2013.

# Yutong makes big splashes in China’s school bus market

In 2015, Yutong sold over 8,000 units school buses, gaining a market share of 33%. In 2016, the company’s sales volume of school buses increased to 9,000 units and its market share jumped to 50%.

In June, 2016, Yutong secured a deal of 248 units school buses from Jiangsu. Thus, it is set to serving over 12,000 students from 24 schools in Nanjing. In the same month, it became the first batch of school buses appearing on the streets in Zhanjiang city. In July, Yutong became the official carrier for Canadian International School in Beijing after signing a strategic cooperation agreement with the school. In December, 12 units Yutong school buses were bought by Changsha Xiangyi School Bus Service Co., Ltd., which has been making purchases from Yutong for six consecutive years.

As the undisputed No.1 school bus brand in China, Yutong launched “Kangaroo Action---School Bus Safety Lecture” in China in August, 2015. Since then, it has organized a series of activities to raise the public’s awareness of the importance of school bus safety among bus operators, school kids, school authorities and parents. In 2016, Yutong Happy School Kids and Yutong School Bus Drawing Competition have generated significant impacts on the public and wide publicity for the company.

In the whole year of 2016, Yutong held nearly 60 school bus safety lectures in over 20 provinces, autonomous regions and municipalities across China, reaching 20,000 audiences. Apart




from spreading the knowledge about school bus safety, it also held School Bus Safety Management Seminars and Forums, which have become the new platforms for industrial insiders to exchange views and share experiences as well as to hear the voice of school bus operators.

In July 2016, Yutong School Bus Forum was held, which attracted over 200 participants from various organizations, such as governmental department in charge of the supervision of school bus operation, school bus operators, and educational institutions. At the forum, how to finance the school bus purchases and operation became the focus of discussion for all participants. Through such a forum, Yutong had opportunities to know its customers’ needs and concerns. In the meantime, customers gained a deeper understanding of its own needs and were more prepared to make informed decisions.



## Yutong Bus releases output and sales data of Dec. 2016

Zhengzhou Yutong Bus Co., Ltd released its output and sales data of Dec. 2016.			
	Dec. 2016 (unit)	Jan-Dec. 2016 (unit)	Y-o-y growth of Jan.-Dec.
Output	10,220	70,987	5.01%
Large Bus	3,515	25,206	-7.19%
Medium Bus	6,091	38,130	35.54%
Light Bus	614	7,651	-37.86%
Sales	10,859	70,988	5.92%
Large Bus	3,641	25,350	-6.02%
Medium Bus	6,717	37,990	36.87%
Light Bus	501	7,648	-37.76%
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, 10,859 buses and coaches were delivered in December. From January to December, the accumulated sales volume reached 70,988 units, up 5.92 percent than the previous year.

