PRESENTATION TO ECO-MOBILITY 2026

Current Status, Development Planning, and Opening-up Opportunities in China's Automotive Industry

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23.25M
vehicles produced, Jan–Sep 2026

>60%
NEV share of new passenger-car sales

#1
vehicle exports, 3rd consecutive year

P R N D
SYS READY · DRIVE MODE

01 · CURRENT LANDSCAPE

China's Automotive Industry: Three Features of the Current Landscape

01

A Large and Diverse Market

23.25M

vehicles produced, Jan–Sep 2026 · sales 23.27M

- In Jan. to Sept. of 2026, China produced and sold about 23.2M vehicles. Passenger cars account for roughly 20M; commercial vehicles about 3.3M.
- More than 60% of new passenger car sales are now electric.
- Competition is increasingly about more than the powertrain: software, charging convenience, safety and the overall ownership experience matter just as much.

02

Growing International Activity

8.21M

vehicles exported, Jan–Sep 2026

- In Jan. to Sept. of 2026, China exported 8.2M vehicles, of which 4M were new energy vehicles. Component exports reached almost 70B USD.
- BYD's Szeged plant in Hungary will start in 4th quarter 2026.
- Geely with Ford's Valencia plant, Chery's joint venture with Ebro in Spain.

03

Pressure to Improve Performance

FROM RAPID GROWTH TO DURABLE RETURNS

- Not every company has a sustainable business model.
- Scale established, exports accelerating, and international cooperation has moved from trade to local presence.

> The next phase requires greater attention to quality, efficiency and durable commercial value.

Source: CAAM / MIIT, Sep 2026; DSTC Analysis

02 · THE 15TH FIVE-YEAR PLAN

The Next Five Years: Four Connected Directions

An industry outlook for the 15th Five-Year Plan period

A · FOUR CONNECTED DIRECTIONS

Electrification

Vehicle efficiency, charging and energy-system coordination

Intelligence

Software, sensing, vehicle control and advanced driver assistance

Connectivity

Vehicle–service–infrastructure, with safe and reliable signal exchange

Green Development

Life-cycle emissions, resource efficiency and circularity

B · KEY PLAN TARGETS

TECHNOLOGY — 3.3 L/100 km average passenger-car fuel consumption; 11.5 kWh/100 km for battery-electric cars; highly automated driving on highways, urban expressways and some urban roads

INTERNATIONALISATION — deep participation in the formulation and implementation of international standards and regulations

CARBON — carbon peaking in the automotive industry before 2030; full life-cycle carbon accounting system

MARKET ACCESS — charging, grids, standards, safety, software and international market access

C · THREE PRIORITIES FOR INTERNATIONAL COOPERATION

01

Efficiency and Safety

Systems engineering, validation and functional safety, cybersecurity and real-world reliability

02

International Compatibility

Different market regulatory requirements, test methods, technical dialogue and standards coordination

03

Lifecycle Sustainability

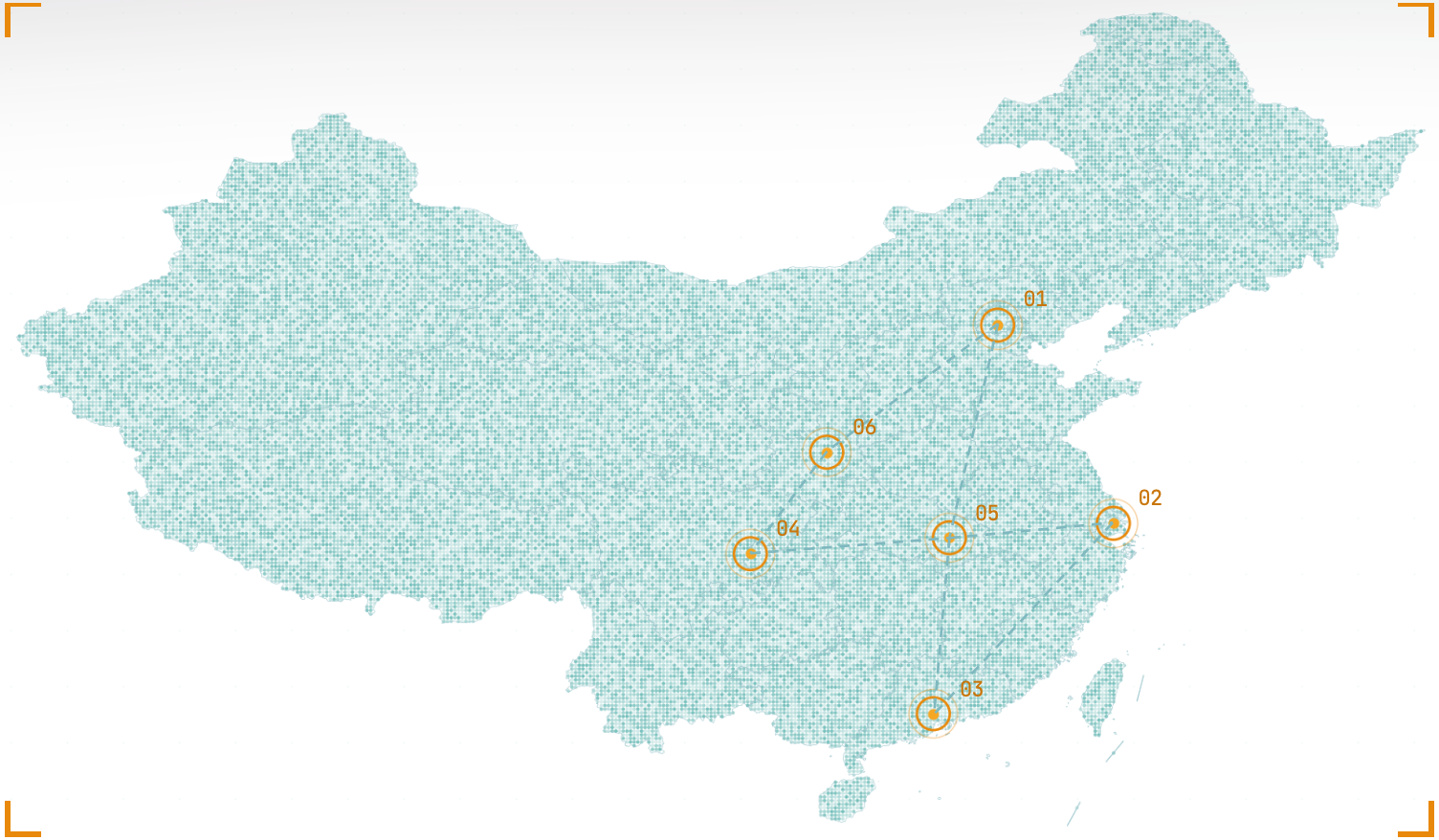
Battery traceability, trusted carbon-footprint information, resource efficiency and recycling

> The plan sets targets, not market forecasts; technical cooperation can support progress, while regulatory mutual recognition requires agreement between authorities.

Source:《智能网联新能源汽车产业发展“十五五”规划》，2026年9月；DSTC Analysis。

03 · INNOVATION GEOGRAPHY

China's "3+3" Innovation Centre Network



SCHEMATIC MAP · NODE POSITIONS APPROXIMATE

01 **BEIJING**
Basic research, AI, software and policy-related institutions

02 **SHANGHAI & YANGTZE RIVER DELTA**
Whole-vehicle manufacturing, engineering, semiconductors and international business networks

03 **GUANGDONG–HK–MACAO GREATER BAY AREA**
Electronics, batteries, digital technologies, advanced manufacturing, testing and financial linkage

04 **CHENGDU–CHONGQING**
Whole-vehicle manufacturing, power semiconductors and industrial supporting facilities

05 **WUHAN**
New energy vehicles, hydrogen and intelligent connected vehicle testing

06 **XI'AN**
Solid-state batteries, materials, engineering and components

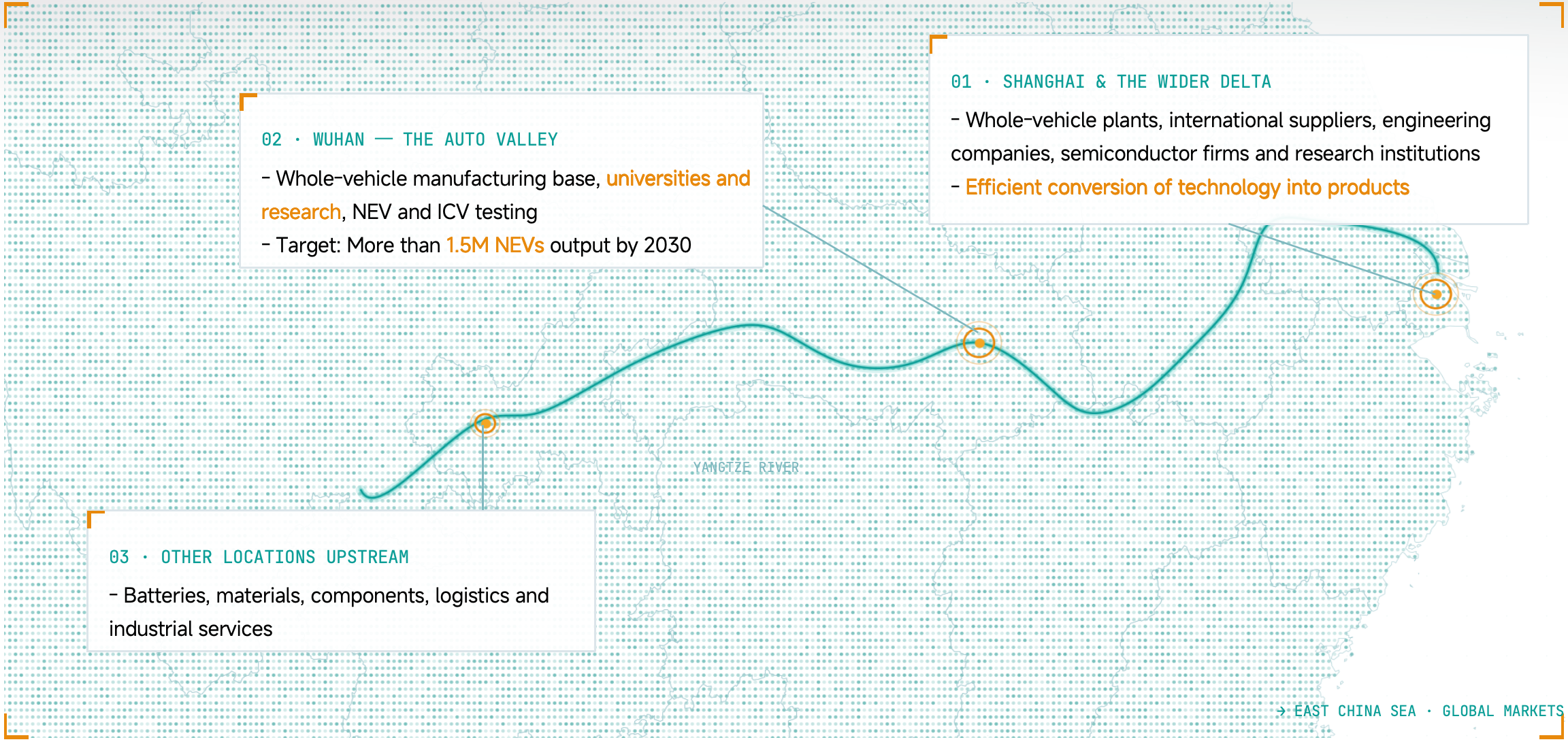
> These are not six isolated hubs. They form a chain with overlapping capabilities: start with the technical or commercial problem, then identify the right cluster and partner.

◉ Amber nodes — six innovation centres; --- links — capability chains

Source: DSTC Analysis · map rendered from national boundary data, schematic

03 · INNOVATION GEOGRAPHY

The Yangtze River Corridor: Connecting Complementary Capabilities



Source: DSTC Analysis · corridor map schematic, positions approximate

04 · SEGMENT OVERVIEW

Six Industry Segments, Three Areas of Focus

SEGMENT	STATUS	TARGET
Whole-vehicle manufacturing	NEV penetration: 84.5% for Chinese independent brands, 15.9% for joint ventures; fuel-vehicle sales continue to decline.	Orderly capacity optimisation and product differentiation; New-energy heavy trucks and zero-carbon transport corridors.
▸ FOCUS Intelligent connectivity	L2 fitment >70%, NOA >30%, L3 pilots in 23 cities (as of July 2026).	By 2028, L4 urban low-speed commercial operation; Emergency takeover rate 0.1%/million km.
▸ FOCUS Key components	Domestic content: 82%batteries / 68%motors / 60%e-control; Gaps in high-end powertrains and automotive-grade chips.	Shared testing platforms, failure-analysis database and dedicated talent programme.
Aftermarket services	About 6M charging piles, concentrated in cities and highway networks.	County-level coverage by 2027; nationwide battery-swapping network by 2030; 80% battery recycling rate.
▸ FOCUS Internationalisation	Exports ranked first globally for three consecutive years; carbon-footprint mutual recognition and data compliance still early.	2027 battery-passport mutual recognition with the EU; International science and technology transformation organisation.
Derivative industries	Exploration of vehicle-city coordination.	Autonomous logistics, smart passenger vehicles, motor sports and camping culture.

Deep dives follow on the three focus areas: Vehicle Engineering & Intelligent Connectivity (next page) · Components & International Operations (p.8)

Source: DSTC Analysis

05 · FOCUS AREAS I

Vehicle Engineering and Intelligent Connectivity

VEHICLE ENGINEERING

84.5%
NEV penetration of domestic brands — structural, not cyclical

15.9%
NEV penetration of joint-venture brands

INDUSTRY NEEDS

- Consistent quality and durability
- Efficient integration and cost control
- Adaptation to different climates, road conditions and regulations

POTENTIAL JOINT WORK

Whole-vehicle integration, thermal management, NVH engineering, simulation and validation

INTELLIGENT CONNECTIVITY

L2 >70%
combined assistance fitment

NOA >30%
navigation-on-autopilot

23 cities
L3 pilots, as of Jul 2026

INDUSTRY NEEDS

- Clear distinction between automation levels
- Safety evidence defined for operational conditions
- Compliance with local regulations

POTENTIAL JOINT WORK

Reliable perception and robust software, scenario-based testing, cybersecurity and human-machine interaction

> **Driver assistance is not autonomous driving.** Deployment depends on safety evidence, operating conditions and regulatory approval. The strongest basis for cooperation is joint work on capabilities, not a promise about timing.

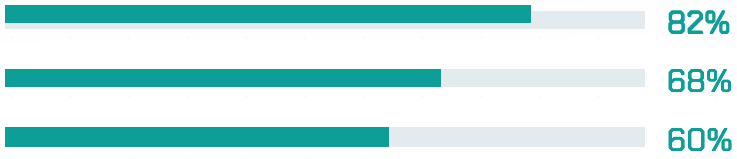
Source: DSTC Analysis; MIIT pilot list, Jul 2026

05 · FOCUS AREAS II

Specialised Components and International Operations

SPECIALISED COMPONENTS

LOCALISATION RATE — KEY ELECTRIC COMPONENTS



STATUS

- High domestic content for conventional generic parts
- High-end powertrains and precision components remain dominated by foreign suppliers
- Domestic content rates: 82%power battery / 68%drive motor / 60%e-control
- Automotive-grade chips are accelerating in power devices and MCUs

GAPS THE PLAN ADDRESSES

- Shared testing platforms for automotive chips, failure-analysis database and dedicated talent programme (functional safety design, high-reliability packaging and automotive validation testing)

POTENTIAL AREAS

High-performance materials, precision manufacturing, testing equipment, power electronics and thermal management

QUANTIFIABLE VALUE

Lower energy consumption, longer component life, improved manufacturing consistency and reduced development risk

INTERNATIONAL OPERATIONS

STATUS

- Exports ranked first globally for three consecutive years
- Overseas plant construction and technical-standard cooperation advancing together
- Carbon-footprint mutual recognition and data compliance still at an early stage

MARKET-SPECIFIC REQUIREMENTS

- Customer expectations and service networks
- Regulatory and data obligations
- Local supplier cooperation

TWO-WAY OPPORTUNITIES

- Austrian companies serving Chinese customers
- Chinese-Austrian companies cooperating in Europe
- Joint projects in third markets when conditions mature

PLAN MILESTONE

2027: mutual recognition of the battery passport with the EU (the plan calls for it)

Source: DSTC Analysis

06 · SERVICE ECOSYSTEM

Charging, Aftermarket Services and Circularity

CHARGING AND ENERGY SERVICES

- Cities, rural areas and fleets need different solutions
- Reliability and maintenance
- Energy management and user experience

AFTERMARKET SERVICES

- Diagnostics and repair
- Technical support and training
- Long-term vehicle performance

BATTERY CIRCULARITY

- Safe repair, second-life use and recycling
- Traceability and environmental performance
- Economic viability

> Long-term service quality matters as much as initial deployment.



Battery service in operation — long-term performance is part of the product

Source: DSTC Analysis

07 · PARTNERSHIP FRAMEWORK

Principles for a Balanced Partnership

> The transition raises legitimate concerns in Europe about competitiveness, employment and the resilience of local supply chains. Those concerns should not be dismissed.

THREE PRINCIPLES







CHINA'S OPENING · GOAL AND APPROACH

GOAL

From product exports to integrated coordination of capacity, technology and ecosystem

→

APPROACH

01 Localised plant construction
02 Technology cooperation and licensing
03 Supply-chain restructuring

The opening is real, but it is for partners willing to be inside the system, not just sell into it.

Source: DSTC Analysis

08 · COOPERATION MODELS

Different Partnership Models, Shared Commitment to Lasting Value



01

Competitive New Energy Products and Market Access

FOCUS —Competitive new energy product portfolio; European market access; after-sales service network; cost and product response

MARKET SIGNAL :

>7% of EU passenger-car market

>10% of the BEV segment · Chinese brands, Jan–May 2026

02

Localised Investment and Industrial Partnerships

FOCUS — Localised plants, joint ventures, reactivating idle capacity, local supplier participation, local engineering and certification, and employment

CASES

BYD — Szeged, Hungary
Geely — Valencia, Spain
Chery × Ebro — Barcelona, Spain

03

Frontier Technology and Standard Coordination

FOCUS — Technology licensing, joint development, cross-border battery-passport data, carbon-footprint methodology and standards coordination

CASE

CATL × BMW — battery-passport data and carbon-footprint methodology cooperation

> The measure of success is not simply the opening of a facility; it is whether the partnership creates **sustainable local value** over time.

Source: DSTC Analysis

09 · CONCLUSION

China's Next Phase, Complementary Capabilities, and a Practical Next Step

01 · CURRENT STATE

China's scale and export position are established.

The next phase is about **quality improvement** and **global coordination.**

02 · THE PLAN

The 15th Five-Year Plan is built around **four transformations working together**, with carbon peaking before 2030 as a hard boundary.

03 · OPENING

The opportunities are in **competitive products and market access, localised manufacturing and industrial partnerships,** and **frontier technology and standard coordination** — and they are open to our Austrian partners.

> The opportunity is not simply to sell more to one another; it is to develop better solutions together and create lasting value in both countries.