*The information and statistics set out in this section and other sections of this Document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by China Insights Consultancy Limited ("CIC"). We engaged CIC to prepare an independent industry report in connection with the* [**REDACTED**] *(the "CIC Report"). The information from official government sources has not been independently verified by us, the Joint Sponsors,* [**REDACTED**]*, any of their respective directors and advisors, or any other persons or parties involved in the* [**REDACTED**]*, and no representation is given as to its accuracy.*

## OVERVIEW OF GLOBAL AND CHINA'S SMART VEHICLE MARKET

With the continuous development and application of emerging technologies such as AI (artificial intelligence), IoT (Internet of Things), and big data, automobile OEMs and technology companies have continued to increase their investment in intelligent functions of vehicles, driving the rapid development of the global smart vehicle industry. Smart vehicles refer to passenger vehicles equipped with functions of Internet of Vehicles (IoV), OTA upgrades, and driving assistance solutions (L0-L2+). In 2024, the global sales volume of smart vehicles reached 58.0 million units, and is expected to reach 86.5 million units by 2030, representing a CAGR of 6.9% during this period. China has the world's largest passenger vehicle market, has shown particularly rapid development in the smart vehicle market, and becomes a major player in the global advancement of smart vehicles. The sales volume of smart vehicles in China reached 20.7 million units in 2024, accounting for 35.8% of the global total sales volume, and is expected to reach 34.8 million units by 2030, with a CAGR of 9.0% from 2024 to 2030.

### Future Trends of Global and China's Smart Vehicle Market

- ***Continuous advancement of chip computing power has become a key force in promoting the intelligent upgrade of vehicles***, which furnishes a robust hardware foundation for the realization of its complex functionalities and creates favourable development opportunities for software solution providers with strong R&D capabilities. Through close collaboration with chip manufacturers, such providers can give full play to their expertise in algorithm optimization and system adaptation to enrich smart cockpit functions and enhance user experience.

- ***Smart vehicle sector is entering a new era propelled by user service orientation***, where OEMs focus on improving in-vehicle user experiences and leveraging AI and big data to enhance service intelligence, thereby building their brand differentiation, boosting customer loyalty, and unlocking new revenue models.

- ***Vehicles will become the hub of the smart ecosystem, enabling interconnection of all things***, achieving seamless connection and interaction with smart home appliances, smart wearables, smart offices, etc. In addition, through technology such as IoV (Internet of Vehicles), vehicles can realize more intelligent path planning, traffic flow optimization, and so forth.

## ANALYSIS OF GLOBAL AND CHINA'S PASSENGER VEHICLE SMART COCKPIT SOLUTION INDUSTRY

### Definition and Main Components of Passenger Vehicle Smart Cockpit Solution

Smart cockpit solution is the core carrier of automotive intelligence. By integrating advanced software and hardware systems and technologies such as AI, IoT, and cloud computing, among others, it upgrades traditional cockpit into a "Third Living Space" endowed with active perception,

autonomous decision-making, and personalized service capabilities, providing functions including HMI (human-machine interaction), telematics services, and scenario expansion, ultimately providing drivers and passengers with a comprehensive experience of safety, intelligence, and enjoyment.

The smart cockpit system can be divided into hardware components, including smart cockpit domain controller, in-vehicle displays, IMS (in-cabin monitoring systems), software solutions, etc. The smart cockpit software solution refers to the software solutions that integrate various software technologies to provide functional supports for the smart cockpit system, encompassing system software (including operating systems, middleware, etc.), functional software (including AI algorithms, etc.), and application software (including infotainment software, vehicle life service software, etc.). Smart cockpit software solutions facilitate functionalities such as multi-screen interaction, voice control, and multi-modal interaction, creating immersive and personalized driving experiences, and thus promoting the evolution of vehicles towards smart mobile spaces, and the construction of a data-driven, user-centric automotive ecosystem. Therefore, smart cockpit software solution is a key component of the smart vehicle era.

**Analysis of the Value of AI Technology for Passenger Vehicle Smart Cockpit Solution Industry**

The passenger vehicle smart cockpit solution industry currently faces three major pain points: 1) cockpit systems remain passive in interaction with insufficient personalisation and intelligence, failing to realise deep integration of multi-modal interaction and accurate interpretation of user intentions; 2) the industry features a simplistic business model, as OEMs lack direct consumer engagement channels while third-party content and service providers (CSPs) struggle with smooth in-vehicle integration; 3) and cross-domain integration is limited due to siloed functions and data across smart cockpit, intelligent driving, vehicle body and other domains without effective data sharing and coordination mechanisms, thereby restricting the advancement of overall vehicle intelligence and user experience.

The emergence of AI technology can accurately solve the above pain points of smart cockpit solution industry, and promote the transformation of vehicles from mobility tools to interactive intelligent entities. The importance of AI technology in enhancing the intelligence of vehicle cockpit systems is increasingly recognized, and its value is mainly reflected in the following aspects:

- ***Improvement of multimodal interaction experience:*** AI technology brings a novel interaction experience to the smart cockpit, significantly enhancing the interactivity and convenience between users and vehicles. Multimodal large model technology provides users with a more intelligent interaction experience through the integration of multiple interaction modes such as voice recognition, gesture recognition, and eye tracking.

- ***Ecological transformation of business models:*** Currently, OEMs, Internet giants and technology companies, software solution providers, CSPs and other parties strengthen cooperation to jointly build an ecosystem for smart cockpit software solutions to provide personalized services based on user behavior habits and preferences through AI technology, and thus promoting the industry's transformation from traditional "hardware sales" to the emerging "software subscription + data service" model to broaden the profit channels for these players in the industry.

- ***Promotion of cross-domain integration of the vehicle:*** The core of cross-domain integration lies in the integration of domain controllers and the evolution of the operating system to a cross-domain integrated OS and even central computing platform, and AI technologies plays an critical role in the integration process. AI enables the efficient collection and analysis of multi-domain data to dissolve data silos and enable cross-domain data sharing and collaboration. Ultimately, through data-driven methods

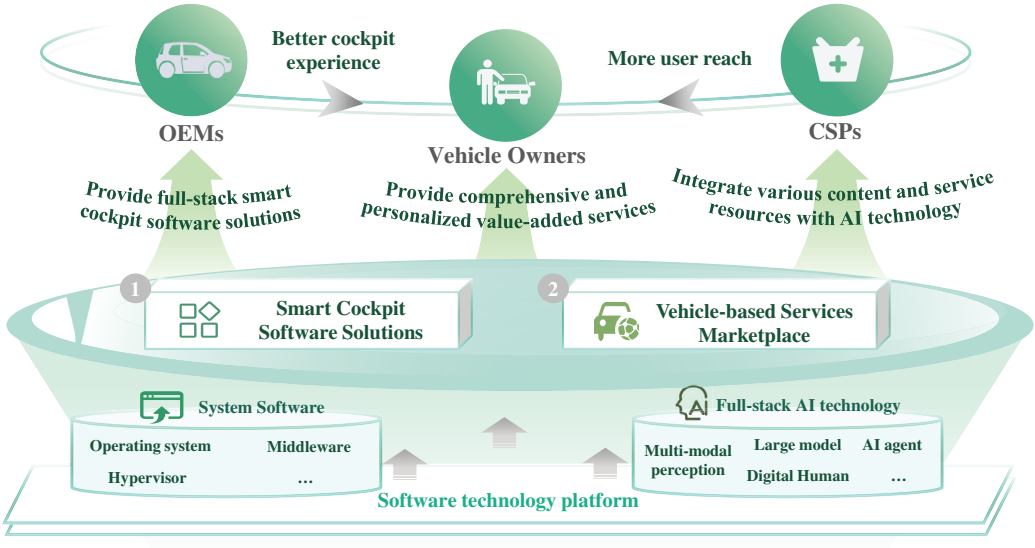
and algorithm optimization, comprehensive and accurate information is provided for vehicle decision-making, enabling deep integration of various domains and promoting the advancement of intelligent level of passenger vehicles.

**Ecosystem for Software-based Smart Cockpit Solution Industry**

In recent years, the smart cockpit solution industry ecosystem is undergoing profound evolution, and services around vehicle owners are gradually becoming a "blue ocean" market with great potential. At present, the business models, product designs and services of players in the smart cockpit industry ecosystem focus on meeting needs of OEMs. However, with the growing demand of vehicle owners for in-vehicle entertainment, local life services and vehicle experience, OEMs are paying more and more attention to user experience, and the smart cockpit system, as the core entrance to in-vehicle interaction, become a key carrier for linking vehicle owners, Internet content services, and local lifestyle services. Therefore, the smart cockpit industry ecosystem is migrating from OEM-centered to vehicle owner-centered and vehicle-based services marketplace for vehicle owners has rapidly emerged.

Furthermore, in order to meet the growing personalized needs of vehicle owners, software applications have begun to deeply adapt and innovate around the characteristics of the in-vehicle environment. This driver-centric approach has elevated the importance of smart cockpit software, giving rise to an industry built around software technology, and the figure below demonstrates the ecosystem for software-based smart cockpit solution industry.

**Ecosystem for Software-based Smart Cockpit Solution Industry**




*Source: CIC*

In this ecosystem, smart cockpit solution providers play a critical role in helping an OEM to build a reliable smart cockpit system. In the automotive industry, due to the long safety validation cycles and high technical entry barriers for automotive products, OEMs are unlikely to replace suppliers during the development process. Specifically, once an OEM chooses a supplier during the development phase of a vehicle model, this partnership is usually maintained throughout the entire life cycle (typically two to five years) of the vehicle model to avoid the high costs of re-verification

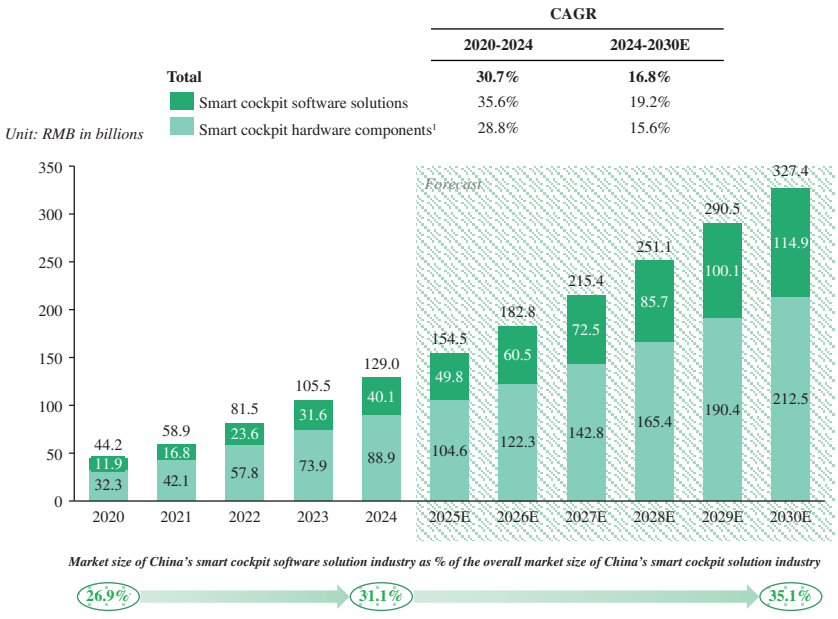
and adaptation of new suppliers. In addition, maintaining the same smart cockpit solution provider during the development of a vehicle model is critical to ensure codebase continuity, avoid compatibility issues, minimize the risk of bugs or system instability and help ensure a consistent after-sales services to end users.

**Analysis of the Market Size of the Global and China's Smart Cockpit Software Solution Industry**

In terms of revenue, the market size of global passenger vehicle smart cockpit solution industry reached RMB366.8 billion in 2024. Among them, the market size of global smart cockpit software solution industry was approximately RMB103.8 billion in 2024 and is expected to reach RMB245.1 billion in 2030, with a CAGR of 15.4 % during the period.

China is one of the largest smart cockpit solution markets in the world. In terms of revenue, the market size of China's passenger vehicle smart cockpit solution reached RMB129.0 billion in 2024. Among them, the market size of China's smart cockpit software solution industry grew from RMB11.9 billion in 2020 to RMB40.1 billion in 2024 at a CAGR of 35.6%, accounting for 31.1% of the overall market size of China's smart cockpit solution industry in 2024. Driven by supportive policies, vigorous development of smart vehicles, rapid iteration of AI technology, and increase in consumer demand for intelligent driving experience, it is expected that the market size of China's smart cockpit software solution industry will reach RMB114.9 billion in 2030, with a CAGR of 19.2% from 2024 to 2030, accounting for 35.1% of the overall market size of China's smart cockpit solution industry in 2030.

**Market Size of China's Smart Cockpit Solution Industry by Delivery Form, in Terms of Revenue, 2020-2030E**




*Source: CPCA, CIC*

*Note:*

1. The value of the hardware component includes the value of the hardware components of integrated software and hardware solutions as well as the value of standalone hardware components.

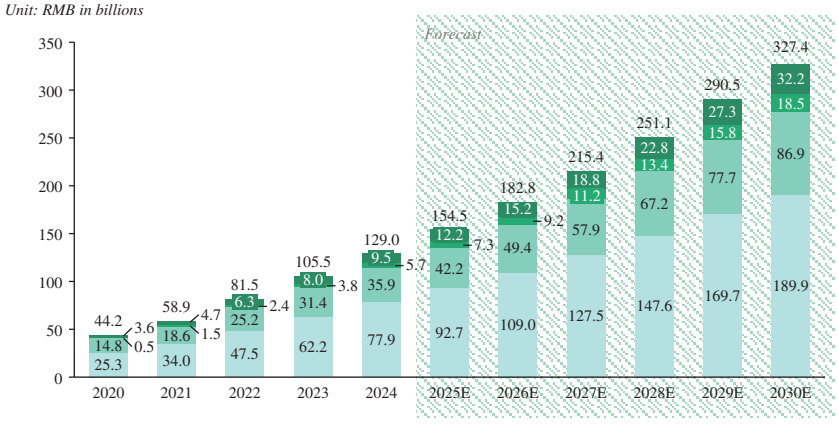
In terms of the provider types in China's smart cockpit software solution industry, the total revenue of software-focused smart cockpit solution providers accounted for approximately 20-25% of the overall market in 2024. As consumers demand more intelligent, convenient and personalized smart cockpit experience, many software-focused solution providers have kept investing in innovating new smart cockpit software and iterating existing ones at faster pace, which helps them continue to expand their market share. As a result, it is expected that the market share of software-focused solution providers, with their prominent advantages in algorithm optimization and functional innovation, will increase to 25-30% in 2030.

Furthermore, the development of AI technology has led to the emergence of numerous AI-powered features (e.g., large model technologies and multimodal interaction capabilities) within vehicle cockpits, such as natural language processing, multimodal interaction and so forth. In 2025, the market size of AI-powered smart cockpit software solution industry accounted for approximately 25-30% of the overall market. With the continuous advancement and deepening application of AI technology in automotive scenarios, the market share of AI- powered smart cockpit software solution industry is expected to grow rapidly, reaching 50-55% by 2030.

Considering the solution type of smart cockpits, while integrated software and hardware solutions currently dominate the market, there is a notable acceleration in the growth of software-focused solutions. The market size of China's software-focused smart cockpit solution industry grew from RMB3.6 billion in 2020 to RMB9.5 billion in 2024 at a CAGR of 27.2% during the period, and is expected to reach RMB32.2 billion in 2030, with a CAGR of 22.5% from 2024 to 2030.

**Market Size of China's Smart Cockpit Solution Industry by Solution Type, in Terms of Revenue, 2020-2030E**

| | CAGR | |
|---|---|---|
| | 2020-2024 | 2024-2030E |
| **Total** | **30.7%** | **16.8%** |
| Software-focused smart cockpit solutions | 27.2% | 22.5% |
| Smart cockpit software solutions self-developed by OEMs | 87.9% | 21.8% |
| Smart cockpit standalone hardware components | 24.7% | 15.9% |
| Integrated software and hardware smart cockpit solutions | 32.5% | 16.0% |




*Source: CPCA, CIC*

## Analysis of China's Vehicle-based Services Marketplace Industry

### *Definition and achievable value of China's vehicle-based services marketplace*

The vehicle-based services marketplace is an emerging service model derived from the smart cockpit software solution. It relies on the in-vehicle software platform, integrates online and offline CSP resources with AI technology to provide vehicle owners with comprehensive, multi-scenario, personalized, intelligent and value-added services and experiences, establishes an intelligent service ecosystem, and finally realizes the in-vehicle traffic monetization (such as generating income from revenue-sharing arrangements with CSPs), thus promoting the evolution of vehicles from "traditional mobility tools" to "intelligent entities of mobility and life service". Here are the main service contents of vehicle-based services marketplace:

- **Internet services:** Integrate ecological resources such as smart digital content (including music, news, film and television, etc.) and local lifestyle services (such as online meal ordering, online shopping, in-vehicle office services, etc.) to provide users with more convenient services for daily life.

- **Vehicle service:** Integrate various services involved in the entire life cycle of the vehicle, such as energy services, vehicle status inquiry services, vehicle repair and maintenance services, automotive accessories services, etc., to provide users with comprehensive vehicle services.

The achievable value of vehicle-based services marketplace includes 1) user experience improvement through personalized and intelligent services by deeply analyzing data related to their usage habits and preferences; 2) industry upgrades promoted by the migration of the industry value chain to vehicle owner-centric service; 3) market expansion through deeply tapping into vehicle owners' potential needs, and creating new business model with growth potential, broad development space and rich profit opportunities for industry participants.

### *Market size of China's vehicle-based services marketplace*

At present, China's vehicle-based services marketplace is still in its early stage of development, and the market size of China's vehicle-based services marketplace in 2024 was approximately RMB0.7 billion in terms of revenue. With the continuous development of smart cockpit solution industry, the increasing demand of consumers for intelligent experience, the increasing importance of smart cockpit software solution, and the continuous enrichment of the content covered by vehicle-based services marketplace, the market size of China's vehicle-based services marketplace is growing rapidly. It is expected that its market size in terms of revenue will reach RMB14.7 billion in 2030, with a CAGR of 64.8% from 2024 to 2030.

## Drivers of the Global and China's Smart Cockpit Solution Industry

- ***Continuous iteration and innovation of AI technology:*** In recent years, the rise of generative AI has greatly upgraded the interactive experience of smart cockpit systems. The breakthroughs in LLMs enables voice assistants to understand more complex natural language commands, greatly enriching the depth and breadth of interaction. At the same time, the interaction mode of smart cockpits has also changed from a single voice mode to multi-modal interaction to provide users with a more natural and convenient interactive experience.

- ***Advancement of chip performance***: The continuous enhancement of chip performance—marked by breakthroughs in computing power, energy efficiency, and compatibility—provides essential hardware support for innovation and upgrading in the smart cockpit software industry.

- ***Increasing consumer demand for intelligence and personalization:*** Consumer demands for intelligent and comfortable driving experiences are becoming increasingly pronounced. Smart cockpit software solutions, with their capacity to fulfill needs pertaining to intelligent interaction and personalized services, hold substantial promise for future development.

- ***Supportive Policies and regulations:*** Countries around the world have taken intelligence as an important strategic development direction for the transformation and upgrades of the automotive industry, and the smart cockpit is an important part of automotive intelligent. In China, authorities have introduced policies to promote the development of the smart vehicle industry, including the Strategy for Innovative Development of Intelligent Vehicles (《智能汽車創新發展戰略》) and the Development Plan for the New Energy Vehicle Industry (2021-2035) (《新能源汽車產業發展規劃（2021-2035年）》), providing a favorable political environment for the development of the smart cockpit software solution industry, here are the details:

  – The National Development and Reform Commission, the Ministry of Industry and Information Technology, and other key Chinese government departments have jointly released the Strategy for Innovative Development of Smart Vehicles (《智能汽車創新發展戰略》), or the Strategy. The Strategy aims to build a Chinese-standard smart vehicle system and explicitly prioritizes the development of electronic and information systems related to smart vehicles, naturally including the smart cockpit, a core system for human-machine interaction. In addition, the policy also mentions various specific incentive measures to support the development of the industry, such as: 1) utilizing multiple funding channels to support the R&D and industrialization of basic and common key technologies for smart vehicles; 2) strengthening tax and financial policy guidance, allowing eligible enterprises to enjoy pre-tax deductions for corporate income tax in accordance with current tax policies, and implementing tax and financial incentives for start-ups; and 3) strengthening industrial investment guidance, encouraging social capital to focus on R&D of key technology for smart vehicles and other fields.

  – The Development Plan for the New Energy Vehicle Industry (2021-2035) (《新能源汽車產業發展規劃(2021-2035年)》) issued by the General Office of the State Council emphasizes accelerating the development and application of vehicle operating systems and building an ecosystem for in-depth cooperation among market players in areas such as vehicle manufacturing, key automotive components and automotive software. In addition, the policy also mentions implementing tax incentives for NEVs, and promoting the scientific layout and accelerated construction of charging, battery swapping, and hydrogen refueling infrastructure through financial supports. These measures directly promote the rapid popularization of NEVs. Simultaneously, because the level of intelligence of NEVs is usually higher than that of ICEs, the accelerated adoption of NEVs will lead to a greater demand for smart cockpit software solutions such as operating systems, thereby driving the development of the smart cockpit software solution industry.

**Future Trends of the Global and China's Smart Cockpit Solution Industry**

- ***Emergence of end-to-end large model technology:*** End-to-end large model technology for smart cockpits refers to an integrated AI model based on a deep learning framework that can directly generate decision instructions or service responses from multimodal inputs (such as voice, vision, and sensor data) without relying on the traditional modular architectures. Due to its large parameter scale and advanced neural network architecture design, the end-to-end large model has powerful language understanding and generation capabilities, bringing a more natural and intelligent interactive capabilities to the smart cockpit. Meanwhile, the increasing computing power driven by chip advancements are paving the way for the deployment of larger on-board large models that enable real-time processing, lower latency, stronger data privacy protection and higher operational stability, accelerating the shift toward end-to-end solutions in the smart cockpit solution industry.

- ***Increasing importance of smart cockpit software and AI algorithms R&D:*** With rising consumers' demand for automotive intelligence, OEMs realize that relying solely on hardware performance improvements can no longer meet user needs for intelligent interaction. Therefore, OEMs are paying more and more attention to R&D in system software, application software, and AI algorithm technology, and cooperating with third-party full-stack solution providers to accelerate the introduction of AI Agent, AI digital human and other services on vehicles to enhance the interactive experience and intelligence level of smart cockpits.

- ***Acceleration of domestic substitution process:*** In recent years, with the increasing uncertainty of the global supply chain and the intensification of international technological competition, the process of domestic substitution in the field of smart cockpit solutions has significantly accelerated, especially for automotive operating systems. Domestic manufacturers are gradually breaking the monopoly of international manufacturers through independent technological R&D and innovation, and provide guarantees for the country's technological and industrial security.

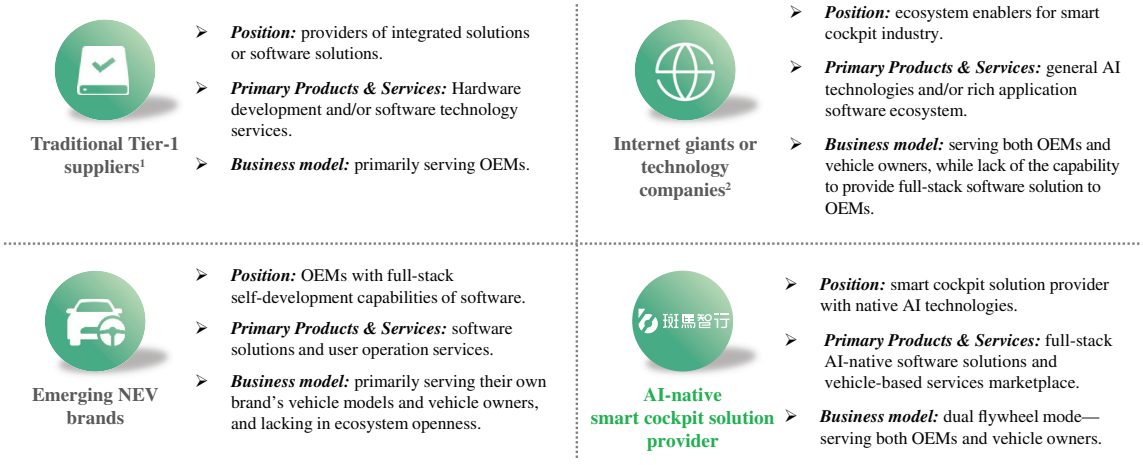
## COMPETITIVE LANDSCAPE OF CHINA'S SMART COCKPIT SOLUTION INDUSTRY

### Types of Major Players in China's Smart Cockpit Solution Industry

The major players in China's smart cockpit solution industry can be divided into three types: i) Traditional Tier-1 solution suppliers of integrated solutions or software solutions; ii) Internet giants or technology companies with self-development capabilities of general AI technologies; iii) Emerging NEV brands with full-stack self-development capabilities of software.

With our strong R&D capabilities encompassing full-stack AI-native software solutions, broadest adaptability of chip platforms and wide ecosystem openness, we can efficiently meet OEM's evolving demands and become a preferred choice to OEMs compared with the players mentioned above. Meanwhile, our Company can directly meet the personalized and intelligent needs of vehicle owners with the deep layout in vehicle-based services marketplace.

**Types of Major Players in China's Smart Cockpit Solution Industry**




*Notes:*

1. Including traditional Tier-1 integrated solution suppliers and traditional software-focused solution providers;

2. Including major Internet giants or AI technology companies.

*Source: CIC*

## Competitive Landscape of China's Smart Cockpit Software Solution Industry

### *Types of major players and supply modes in China's smart cockpit software solution industry*

The major players in China's smart cockpit software solution industry can be divided into three types: i) software-focused solution providers that focus on software development (including R&D services of operating systems and other system software, AI algorithms and application software, among others), whose revenue is mainly derived from software services. This type of providers consists of traditional software-focused solution providers, Internet giants or technology companies as well as AI-native smart cockpit solution provider; ii) Tier-1 integrated solution suppliers that provide smart cockpit solutions that combine both software solution and hardware components, whose revenue is mainly derived from products such as smart cockpit domain controllers, in-vehicle displays, sensors and other hardware components. Although such suppliers also have certain smart cockpit software development capabilities, their software solutions are typically installed on hardware components and then delivered to OEMs together, and they almost never provide separate software development services; iii) OEMs that deploy full-stack smart cockpit software solution by themselves.

At present, there are only a few OEMs in the industry that can realize full-stack self-development of smart cockpit software solutions. In terms of sales volume, the proportion of passenger vehicles equipped with smart cockpit software solutions provided by third-party solution providers reached more than 90% in 2024. The reasons why most OEMs choose third-party smart cockpit software solution providers includes: 1) strong technological expertise and accumulated know-how of third-party providers in chip adaptation, operating system customisation and other core fields, which enable mature and advanced solutions to meet complex functional and high-performance requirements; 2) third-party providers also possess outstanding system integration capabilities and rapid response speed to ensure stability, compatibility and timely customisation for OEMs; 3) cooperating with third-party providers allows OEMs to reduce upfront R&D investment, lower development risks and achieve higher cost-effectiveness through economies of scale; 4) third-party providers usually maintain extensive collaboration across the industrial value chain and can offer additional ecosystem resources and cooperation opportunities for OEMs.

### Rankings of China's smart cockpit software solution industry

Software-focused solution providers and Tier-1 integrated solution suppliers both belong to independent third-party solution providers. Compared with Tier-1 integrated solution suppliers, software-focused smart cockpit solution providers are usually able to provide software solutions that are compatible with a variety of chip architectures, and can optimize and fully release chip computing power through their strong algorithm capabilities. In terms of supply modes, software-focused solution providers can provide customized solution based on specific demands and respond quickly to customer needs. These providers facilitate flexible and expeditious delivery to reduce client hardware investment costs and R&D cycles. In addition, certain software-focused solution providers possess the ability to build a software ecosystem, and can provide customers with sustainable value services through software subscriptions, vehicle-based services marketplace, etc., and thus demonstrating enhanced market adaptability and service flexibility.

In terms of sales revenue related to smart cockpit software solutions, software-focused solution providers accounted for approximately 23.8% of the overall smart cockpit software solution industry in 2024. Since there exists significant differences in the forms of products and services delivered by software-focused solution providers and Tier-1 integrated solution suppliers, and the software-focused solution providers are more comparable to our Company, the following statement only considers the competitive landscape of software-focused solution providers.

In 2024, our Company ranked first among China's software-focused smart cockpit solution providers, and accounting for 7.8% of the total market in terms of revenue of smart cockpit software solutions.

**Top five software-focused smart cockpit solution providers[1] in China, in terms of revenue, 2024**

| Ranking | Software-focused smart cockpit solution providers | Revenue (RMB million)[2], 2024 | Market share (%)[3], 2024 |
|---|---|---|---|
| **1** | **Our Company** | **741** | **7.8%** |
| 2 | Company A | ~704 | 7.4% |
| 3 | Company B | ~665 | 7.0% |
| 4 | Company C | ~243 | 2.5% |
| 5 | Company D | ~215 | 2.2% |
| | **Subtotal** | **2,568** | **26.9%** |

*Notes*

1. Only include independent third-party solution providers.

2. This includes the revenue of smart cockpit software solutions in China in 2024, and the revenue is derived from turnkey system level solution, which is charged from OEMs for the technical development service and license fee.

3. Revenue from smart cockpit software solutions in China in 2024 as a percentage of the overall size of the market where China's software-focused smart cockpit solution providers are located in.

*Company A: A company founded in 2008 and listed on the Shenzhen Stock Exchange in 2015. It is a provider of intelligent operating systems and terminal intelligent products and technologies, with business covering consumer electronics, smart vehicles, IoT and other fields.*

*Company B: A company founded in 1999 and listed on the Shenzhen Stock Exchange in 2008, engaging in the research of AI technologies such as intelligent voice, computer vision, natural language processing, cognitive intelligence, and empowering industries such as education, medical care, finance, automobiles, cities, telematics operators.*

*Company C: A company founded in 2004, mainly providing smart cockpit software solutions, hardware products and other related services.*

*Company D: A company founded in 2002 and listed on the Shenzhen Stock Exchange in 2021. It mainly provides comprehensive AI-based automotive software solution, with business covering smart cockpit, intelligent driving, smart vehicle cloud, digital map, vehicle integration and testing, XCU cross-domain integration and other fields.*

*Source: CIC*

In 2024, our Company ranked seventh among China's third-party smart cockpit software solution providers, accounting for 1.8% of the total market in terms of revenue of smart cockpit software solutions.

**Top 10 Third-party Smart Cockpit Software Solution Providers in China, in Terms of Revenue, 2024**

| Ranking | Smart cockpit software solution providers | Provider type | Revenue (RMB million)[1], 2024 | Market share (%)[2], 2024 |
|---|---|---|---|---|
| 1 | Company G | Integrated solution suppliers | 3,000~5,500 | 10.6% |
| 2 | Company H | Integrated solution suppliers | 1,500~2,300 | 4.7% |
| 3 | Company I | Integrated solution suppliers | 1,200~2,000 | 4.0% |
| 4 | Company J | Integrated solution suppliers | 1,100~1,500 | 3.2% |
| 5 | Company K | Integrated solution suppliers | 800~1,200 | 2.5% |

| Ranking | Smart cockpit software solution providers | Provider type | Revenue (RMB million)[1], 2024 | Market share (%)[2], 2024 |
|---|---|---|---|---|
| 6 . . . . . | Company L | Integrated solution suppliers | 600~1,000 | 2.0% |
| **7 . . . . .** | **Our Company** | **Software-focused solution providers** | **741** | **1.8%** |
| 8 . . . . . | Company A | Software-focused solution providers | ~704 | 1.8% |
| 9 . . . . . | Company M | Integrated solution suppliers | 500~900 | 1.7% |
| 10 . . . . | Company B | Software-focused solution providers | ~665 | 1.7% |
| | **Subtotal** | | **10,810~16,510** | **34.0%** |

*Notes:*

1. Since the software solutions offered by integrated solution providers are sold together with hardware components, the data presented is estimated by multiplying their percentage range of software value by their overall revenue respectively.

2. Average revenue from smart cockpit software solutions in China in 2024 as a percentage of the overall market size of China's smart cockpit software solution industry.

*Company G: A company founded in 1986 and listed on the Shenzhen Stock Exchange, primarily engaged in smart cockpit, intelligent driving, and intelligent connectivity services, and offering comprehensive smart cockpit solutions, including domain controller unit and information interaction systems.*

*Company H: A company founded in 2000 and listed on NASDAQ, primarily offering vehicle cockpit electronics products, including digital instrument clusters, smart cockpit domain controllers, Android-based infotainment systems, and battery management systems, among others.*

*Company I: A company founded in 1993 and listed on the Shenzhen Stock Exchange, with business covering automotive electronics (including smart cockpit, intelligent driving, and intelligent vehicle connectivity products), precision die-casting, precision electronic components, and LED lighting, among others.*

*Company J: A non-listed company founded in 2016. It is a subsidiary of a company listed on the Shanghai Stock Exchange, primarily engaged in smart cockpit domain controllers and intelligent vehicle connectivity service.*

*Company K: A non-listed company founded in 1993, providing a comprehensive product portfolio encompassing solutions for smart cockpit, intelligent driving, intelligent connectivity and software service systems, among others.*

*Company L: A company founded in 1871 and listed on the Frankfurt Stock Exchange, with business covering automotive electronics (including smart cockpit, intelligent driving, and intelligent information and communication technology associated with the mobility services), and tires, among others.*

*Company M: A company founded in 1997 and listed on the Euronext Paris. It is a provider of intelligent operating systems and terminal intelligent products and technologies, with business covering consumer electronics, smart vehicles, IoT and other fields.*

*Source: CIC*

### Competitive Landscape of China's Vehicle-Based Services Marketplace Market

The vehicle-based services marketplace industry is an emerging market but with high growth potential, as it innovatively creates an intelligent service ecosystem providing vehicle owners with personalized and intelligent services and experiences. While this market is still in its early development stage, and current third-party market players mainly include our Company and several Internet giants. In 2024, our Company ranked first among China's vehicle-based services marketplace providers, and accounting for 11.2% of the total market in terms of revenue of vehicle-based services marketplace.

**Top three vehicle-based services marketplace providers in China, in terms of revenue, 2024**

| Ranking | Vehicle-based services marketplace providers | Revenue (RMB million)[1], 2024 | Market share (%)[2], 2024 |
|---|---|---|---|
| **1** | **Our Company** | **82** | **11.2%** |
| 2 | Company E | ~60 | 8.2% |
| 3 | Company F | ~50 | 6.8% |
| | **Subtotal** | **192** | **26.2%** |

*Notes:*

1. This includes the revenue of vehicle-based services marketplace in China in 2024.

2. Revenue from vehicle-based services marketplace in China in 2024 as a percentage of the overall market size of vehicle-based services marketplace in China in 2024.

*Company E: A company founded in 1998 and listed on the Hong Kong Stock Exchange in 2004. It is one of the Internet giants in China, and its automotive intelligence related business mainly focuses on voice assistance, AI technologies, and vehicle-based services marketplace.*

*Company F: A company founded in 2000 and listed on both NASDAQ in 2005 and the Hong Kong Stock Exchange in 2021. It is one of the Internet giants in China, and its automotive intelligence related business mainly focuses on voice interaction, AI technologies, high-precision maps, vehicle-based services marketplace and autonomous driving.*

*Source: CIC*

### Entry Barriers and Key Success Factors of China's Smart Cockpit Software Solution Industry

- ***Advanced R&D capabilities of full-stack software and AI technology:*** In smart cockpit software solution industry, technology R&D capabilities are the core competitiveness of companies. Companies need to have full-stack development capabilities from high-performance operating systems, middleware, AI algorithms (especially the end-to-end large models) to application software. At the same time, companies also need to continuously carry out technological innovation applying to smart devices beyond cars in the C-AIoT and embodied intelligence era to maintain their technological leadership in the industry.

- ***Strong financial strength:*** The development of smart cockpit software solutions requires a lot of initial capital investment, covering software development, testing and verification, among others. In addition, companies also need to invest a lot in market expansion and ecosystem construction.

- ***Top-tier customer resources:*** Companies need to establish long-term and stable cooperative relationships with top-tier OEMs, deeply understand market demands and user pain points to develop products that meet market demands.

- ***Complete data security and privacy protection system:*** As the functions of smart cockpits become more complex, data security and privacy protection have become important concerns. Smart cockpit software solution providers need to establish a complete data compliance management system, and use advanced data encryption as well as regular data audits and assessments to ensure the transparency and compliance of data processing.

## SOURCE OF INFORMATION

CIC was commissioned to conduct an analysis of, and to report Global and China's passenger vehicle smart cockpit solution industry at a fee of approximately RMB550,000. The commissioned report has been prepared by CIC independent of the influence of the Company and other interested

parties. CIC's services include industry consulting, commercial due diligence, strategic consulting, etc. Its consulting team has been tracking the latest market trends across various industries, where it has relevant and insightful market intelligence.

CIC conducted both primary and secondary research using a variety of resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources, such as the National Bureau of Statistics and other Chinese governmental agencies' releases. The market projections in the commissioned report are based on the following key assumptions: (i) given China's enduringly stable political system, effective social governance and robust economic foundation, it is anticipated that the overall social, economic and political environments in China will remain stable during the forecast period; (ii) according to the National Bureau of Statistics of China, key economic indicators such as gross Domestic Product ("GDP"), industrial added value, and urbanization rate have shown an upward trend in China over the past decade. Therefore, we believe that the economic and industry development in China is likely to maintain a steady growth trajectory during the forecast period, accompanied by continuing urbanization; and (iii) there will be no extreme force majeure event or unforeseen industry regulation that may significantly or fundamentally affect the relevant market and industry.

Unless otherwise specified, all data and forecasts contained in this section are derived from the CIC Report. Our Directors confirm that, after taking reasonable care, there has been no material adverse change in the overall market information since the date of the CIC Report that would materially qualify, contradict or have an impact on such information.