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Test Center Complete: Volkswagen Group Now Able to Fully Develop and Validate Products in China for China

- **Strategic Milestone reached:** For the first time in Volkswagen Group's history, new vehicle platforms and key technology can be fully developed and brought to market readiness with all approval processes outside Germany.
- **Comprehensive capabilities:** Around 100,000 m² of space with over 100 advanced laboratories integrating software-hardware testing, battery and powertrain validation, and full-platform verification at the Volkswagen Group China Technology Company (VCTC) in Hefei, Anhui province, completing the centres expansion.
- **China Speed:** New facilities contribute directly to slash development time by 30%, accelerate the rollout of the Group's China Electronic Architecture (CEA), and deliver tailor-made digital cockpit features, advanced driving assistance system (ADAS) functions and over-the-air (OTA) upgrades for Chinese customers.
- **Oliver Blume, CEO Volkswagen Group:** Our 'In China for China' strategy continues to gain momentum. At our development centre in Hefei, China, we have now created all the conditions necessary to develop, test and locally manufacture the next generation of intelligent connected vehicles. This milestone makes us even faster and more efficient – and brings us even closer to our customers. This will enable us, as the Volkswagen Group, to strengthen our position in the world's largest automotive market with the clear goal of becoming the Global Automotive Tech Driver."
- **Ralf Brandstätter, Member of the Board of Management of Volkswagen AG responsible for China, and Chairman and CEO of Volkswagen Group China:** "China is the world's most competitive automotive market, and our customers here expect rapid innovation and flawless quality. This is why we are taking our development capabilities in China for China to the next level. By expanding our footprint in Hefei, we are strengthening our ability to respond quickly to local needs and to shape technologies directly where they will be used."

[Beijing/Hefei, November 25, 2025] With the opening of its first Test Workshops in Hefei, Volkswagen Group China Technology Company (VCTC) has accomplished its final expansion stage, now bringing end-to-end development capabilities directly to the Chinese market. The new facilities significantly expand the Group's local R&D strength and integrate software, hardware, and whole-vehicle validation under one roof — enabling faster decision-making, closer customer alignment, and accelerated rollout of next-generation technologies.

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Final expansion stage completed: Volkswagen Group China Technology Company in Hefei, China



The Electromagnetic Compatibility Laboratory of Volkswagen Group China Technology Company: Testing the reliability of vehicle electronic systems

With the completion of the new Test Workshops, VCTC has become the Group's most comprehensive R&D hub beyond its home market. For the first time in Volkswagen's history, it can support the development and validation of new vehicle platforms from very early phases outside Germany. The new Test Workshops feature over 100 state-of-the-art laboratories across around 100,000 square meters, delivering powerful testing capabilities. These include software-hardware integration, battery and powertrain testing, and full vehicle-level validation.

Oliver Blume, CEO Volkswagen Group: "Our 'In China for China' strategy continues to gain momentum. At our development centre in Hefei, China, we have now created all the conditions necessary to develop, test and locally manufacture the next generation of intelligent connected vehicles. This milestone makes us even faster and more efficient – and brings us even closer to our customers. This will enable us, as the Volkswagen Group, to consolidate our position in the world's largest automotive market with the clear goal of becoming the global technology driver of the automotive industry."

Ralf Brandstätter, Member of the Board of Management of Volkswagen AG responsible for China, and Chairman and CEO of Volkswagen Group China: "China is the world's most competitive automotive market, and our customers here expect rapid innovation and flawless quality. This is why we are taking our development capabilities in China for China to the next level. By expanding our footprint in Hefei, we are strengthening our ability to respond quickly to local needs and to shape technologies directly where they will be used. This step deepens our commitment to China and ensures that our future products reflect the preferences and expectations of Chinese customers from the very beginning."

VCTC plays a pivotal role in Volkswagen Group's "In China for China" strategy. As the Group's most comprehensive R&D hub beyond its home market, it is also the only Group R&D center dedicated exclusively to electric, intelligent and connected vehicles. VCTC is integrating core development units and decision-making processes for local vehicle and technology projects, while coordinating developmental processes with the R&D units of joint ventures. By deepening integration into the local technology ecosystem, VCTC can proactively address China's market-defining trends — such as digitalization and autonomous driving — at an early stage, allowing the company to fully harness the growth momentum and innovative vitality of the Chinese market.

Delivering CEA at China Speed

Right in Hefei Software-hardware test workshop, VCTC and CARIAD China are launching the first delivery of the China Electronic Architecture (CEA) – the Group's first zonal E/E architecture specifically tailored to the needs of Chinese customers, within 18 months. Enabled by the all-new Software-Defined-Vehicle development process, the overall vehicle development cycle can be shortened by 30%. Leveraging local development and early supplier integration during the

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concept phase of new cars and technologies, the cost of a new model can be reduced by up to 50% in specific key projects. CEA also ensures seamless integration of digital cockpit functions, Advanced Driving Assistance System functions, and whole-vehicle level over-the-air upgrades.

Thomas Ulbrich, CTO of Volkswagen Group China and CEO of VCTC: "The new workshops give our engineering teams an entirely new level of integration. We can now run software, hardware, and full-vehicle validation processes in parallel, shorten decision loops, and bring innovations to maturity much faster. This environment enables us to push forward next-generation intelligent-vehicle technologies with high precision and efficiency."

Volkswagen DNA, Engineered in China

Safety, durability and reliability have long defined the Volkswagen DNA. The new Test Workshops in Hefei further strengthen the Group's commitment in China by enabling earlier and more comprehensive validation of core vehicle systems, while also validating products and technology for export to regions like ASEAN and the Middle East.

At the Battery & Powertrain Integration Testing Center, engineers can test up to 500 battery systems per year. Tests cover performance, lifetime, safety and environmental robustness, as well as E-Drive, thermal management, electronics and battery cell components.

The Platform & Module Testing Center follows the same philosophy. Its advanced Electromagnetic Compatibility (EMC) laboratory safeguards the reliability of vehicle electronics, while a full-vehicle durability test bench could simulate all global driving road conditions within the workshops.

Together with the City Test Track, Volkswagen Group has established a full design-build-test-validate cycle in Hefei, in close collaboration with its global R&D network.

More capabilities at the gate

Volkswagen Group continues to expand the capabilities of Hefei. The Functions Integration Test (FIT) Laboratory comes online in mid-2026 — one of only two in the Group — to simulate extreme environment conditions. These efforts establish a future-ready foundation for Volkswagen's next chapter in intelligent and connected mobility.

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About the Volkswagen Group:

The Volkswagen Group is one of the world's leading car makers, headquartered in Wolfsburg, Germany. It operates globally, with 115 production facilities in 17 European countries and 10 countries in the Americas, Asia and Africa. With around 680,000 employees worldwide. The Group's vehicles are sold in over 150 countries.

With a comprehensive portfolio of strong global brands, leading technologies at scale, innovative ideas to tap into future profit pools and an entrepreneurial leadership team, the Volkswagen Group is committed to shaping the future of mobility through investments in electric and autonomous driving vehicles, digitalization and sustainability. The goal: As a "Global Automotive Tech Driver", to make the best automotive technologies accessible to customers worldwide - from entry-level mobility to the luxury segment.

In 2024, the total number of vehicles delivered to customers by the Group globally was 9.0 million (2023: 9.2 million). Group sales revenue in 2024 totaled EUR 324.7 billion (2023: EUR 322.3 billion). The operating result in 2024 amounted to EUR 19.1 billion (2023: EUR 22.5 billion).

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