Cango InvestorRoom

CANGO Auto View: China's Automobile Industry - at the Brink of a New Era

SHANGHAI, July 23, 2021 /PRNewswire/ -- With the evolving landscape of the global automotive industry, Cango Inc. (NYSE: CANG) ("Cango" or the "Company") is issuing a bi-monthly industry insight called "CANGO Auto View" to bring readers, drivers and passengers up to speed with what's on offer in the automobile market, what trends are emerging, and what holes need to be plugged.

Below is an article from the Company's 4th edition for June 2021.

If we were to split the auto industry's hundred-year history into four developmental stages, it would look something like this. The first was the era of the earliest automakers, headed by Mercedes-Benz, becoming luxury car brands with illustrious history; the second stage was about US car manufacturers such as Ford that invented the assembly line, built up price advantage and started marketing their products worldwide; in the third stage, companies represented by Toyota seized the opportunity during the energy crisis, and gained market share with compact, low-emission and high-quality products; and the fourth stage, where we are now, is four new trends for OEMs – electrification, intelligence, connectivity, and shared mobility.

Just as 3G technology gave birth to the PC Internet era and 4G kicked off the mobile Internet wave, the invention of 5G opens up the imagination for the transformation of traditional manufacturing industries, including the automotive industry.

The increasing maturity of 5G is also pushing the global automotive industry to speed up its journey towards electrification, intelligence, connectivity, and shared mobility. According to industry experts, the cost of single data unit transmission will be reduced significantly because of the greatly increased network capacity powered by 5G. More importantly, because electric vehicles have inherent advantages in term of intelligence development such as the short latency, with the deployment of 5G networks and the acceleration of auto intelligence, more users are expecting increasing intelligence of new energy vehicles.

An Conghui, President of Geely Holding Group, CEO and President of Geely Auto Group, stated that the industry is headed towards electrification, intelligence, connectivity, and shared mobility, while Chinese companies enjoy natural advantages at this stage. For example, when it comes to electrification, China is the largest market, where both the government and consumers have their own needs for environmental protection and air quality improvement; in the field of Internet of Vehicles (IoV), Chinese consumers have the highest acceptance of the Internet, and China owns the largest number of IoV companies and related developers and engineers, which helps the application of the Internet in automobiles.

If we take a global look, the four new trends have become the consensus of mainstream auto companies. Be it large domestic auto groups such as FAW and Changan Automobile, emerging automakers including Neo, Weltmeister and Li Auto, or multinationals like GM and Volkswagen, they have all formulated detailed plans to "embrace the era of electrification." This is an industry overhaul where both old and new players are eager to try it out.

Have a look at some targets outlined by leading global carmakers in this space:

Volkswagen: sales of pure electric vehicles to account for more than 70% of car sales in Europe by 2030

Audi: stop developing new internal combustion engines

Bentley: PHEV or EV models to be available in all car series by 2026, and all products to be purely electric in 2030

BMW: pure EV sales to increase by more than 50% every year by 2025

MINI: all MINI models to be purely electric in early 2030s

Mercedes-Benz: discontinue production or sales of all traditional fuel vehicles and provide hybrid or pure electric versions for all models by 2022

Jaguar: become a pure electric luxury car brand in 2025

Land Rover: launch 6 pure electric products in the coming 5 years

Volvo Cars: fully electrified by 2025, with pure electric models accounting for up to 50%, and transform into a pure electric brand by 2030

General Motors: zero carbon emissions from new cars sold by 2035 and carbon neutrality by 2040

Ford Motor: stop selling any form of internal combustion engine vehicles in the UK and Europe, and achieve full electrification by 2030

Nissan: achieve 100% electrification of new models in core markets in the early 2030s and realize carbon neutrality by 2050

Toyota Motor: new electrified vehicles sales to exceed 5.5 million in 2025, with over 4.5 million HEVs and PHEVs and over 1 million EVs and FCEVs

About Cango Inc.

Cango Inc. (NYSE: CANG) is a leading automotive transaction service platform in China connecting dealers, financial institutions, car buyers, and other industry participants. Founded in 2010 by a group of pioneers in China's automotive finance industry, the Company is headquartered in Shanghai and engages car buyers through a nationwide dealer network. The Company's services primarily consist of automotive financing facilitation, car trading transactions, and after-market services facilitation. By utilizing its competitive advantages in technology, data insights, and cloud-based infrastructure, Cango is able to connect its platform participants while bringing them a premium user experience. Cango's platform model puts it in a unique position to add value for its platform participants and business partners as the automotive and mobility markets in China continue to grow and evolve. For more information, please visit: www.cangoonline.com.

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