Wuling Hongguang MINIEV: A New Breed of Chinese Automaker

SAIC-GM-Wuling Automobile (hereinafter "Wuling") described its Hongguang MINIEV (hereinafter "MINIEV") as "a fashion accessory and social statement for young people" and "a toy for adults". Few people would typically associate such epithets with a car, but then again, few car models ever achieved a cult following quite like the MINIEV.

The MINIEV was renowned for its creative community of owners who enjoyed modifying and customizing their cars. By April 2021, just nine months after the model's launch, 72% of owners had reportedly customized their vehicles. This craze for customization thrust the MINIEV into the social media spotlight (see Exhibit 1).

The MINIEV's surging popularity on social media soon translated into higher sales: In August 2020, just one month after its debut, it overtook once-dominant market leader Tesla to become China's best-selling electric vehicle (EV). Furthermore, sales continued to outstrip Tesla's for the next eight months (see Exhibit 2) to top global EV sales in January and April 2021.

However, for Shen Yang, vice president of SAIC Motor and general manager of Wuling, and Xue Haitao, deputy general manager of Wuling, the MINIEV's early success did not bring a sense of safety. Instead, the pair felt under pressure to maintain sales momentum throughout the following months. They wondered whether the sales trajectory was even sustainable and began considering MINIEV's future product strategy. Should it try to break into the high-end market by upgrading products or consolidate its position in the value-for-money segment?

About Wuling

Wuling was founded in Liuzhou, Guangxi province, in 2002 as a joint venture between SAIC Motor Corp., Ltd. (50.1%), General Motors Company (44%), and Guangxi Automobile Group Co., Ltd. (5.9%). The latter was a minivan manufacturer formerly known as Liuzhou Wuling Motors Co., Ltd (hereinafter "Liuzhou Wuling").

60-year-old Shen Yang graduated in 1982 as a combustion engine major and joined Liuzhou Wuling in 1985. By 1999, he had climbed to the position of GM. Under his leadership, Wuling produced and sold more than 300,000 Wuling Zhiguang micro-vans in 2006, topping sales in its market section nationwide with a 38% market share, eight percentage points ahead of the next challenger. On the strength of its stellar sales performance, Wuling was permitted to develop proprietary products independently, a rarity for joint ventures in China. In 2010, Wuling created the "Hongguang"[①] brand (which later earned a reputation in China as a

[①] Launched in 2010, the Wuling Hongguang was a three-row, seven-seat multi-purpose vehicle (MPV) that was an upgraded version of Wuling's earlier minivan. Priced at ¥40,000 to ¥50,000 (¥=CNY=Chinese yuan renminbi;

"miraculous car") and "Baojun" (a passenger car brand). The two brands pushed Wuling across the two-million sales mark in 2015. However, this honeymoon period didn't last long. Wuling experienced a sharp slowdown in sales in 2016, with negative growth posted over the following few years (see **Exhibit 3**) for two reasons. First, the Chinese government banned using passenger vehicles for transporting goods[①], reducing Hongguang's appeal. Second, Chinese consumers began to favor more well-known car brands over newcomers like Hongguang and Baojun, which had yet to develop brand appeal.

To address this predicament, Wuling shifted focus to electric vehicles (EVs). As Shen described, "EVs will redefine vehicles using internet technologies. China is at the forefront of the internet industry, meaning Chinese automakers are well positioned to seize opportunities in the EV sector." Shen hoped to create a new breed of automobile and a new transportation ecosystem, enabling Wuling to regain the upper hand over competitors.

The MINIEV was the embodiment of Shen's EV-driven vision. He positioned the car to complement combustion engine vehicles that were perfect for short commutes. Shen also believed that the MINIEV could deliver explosive sales. As with other traditional Chinese automakers, Wuling urgently needed to ramp up its EV sales using the MINIEV to generate "new energy credits", which could offset negative credits from excess fuel consumption under China's "dual-credit"[②] policy.

The market landscape

The Chinese market for gasoline cars and EVs

Between 2011 and 2017, China recorded a boom in gasoline car production and sales. However, growth for gasoline car sales cooled from 2018 onwards as privately owned cars hit

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¥1=approximately US$0.1477 at the 2010 year-end), the car once set a monthly sales record of 80,000 units and an annual sales record of 700,000 units in the Chinese market. Such impressive sales figures would not have been achieved without Wuling's national network of 2,800 dealerships. The Hongguang was widely referred to as a "miraculous" car because of its exceptional functionality: it could carry both passengers and goods while withstanding rugged mountain roads, and it could beat expensive sports cars in drifting competitions. However, after hitting a peak in 2016, sales fell as Chinese households climbed up the social ladder and the government clamped down on vehicle safety. In 2020, Hongguang posted disappointing annual sales of 283,000 units, a year-on-year decline of 23.3%. On the positive side, Wuling had cumulatively sold over 4.5 million units of the car by that year. Source: "The Historical Inevitability of the Wuling Hongguang's Sales Drop," Autohome.com, 23 August, 2018 [25 June, 2021], https://chejiahao.autohome.com.cn/info/2669677.

① The *Law of the People's Republic of China on Road Traffic Safety* stipulated that passenger vehicles should not be used for transporting goods unless the goods were placed on a luggage rack or in the trunk of the vehicle. Being a minivan, the Wuling Hongguang fell into this passenger vehicle category.

② China's "dual-credit" policy comprised (i) a Corporate Average Fuel Consumption (CAFC) credit that carmakers earned if they reduced the average fuel consumption of their vehicles to below a certain level, and lost if they failed to do so; and (ii) New Energy Vehicle (NEV) credits that were credited to carmakers for each EV they produced, and deducted if they failed to produce a specified percentage of EVs in a year. The criteria were designed so that most traditional carmakers would have a negative total of CAFC credits at the end of each year. To avoid having their production capped in the following year, carmakers had to either make their own EVs or purchase NEV credits from other companies.

almost 300 million amid stricter vehicle purchasing restrictions and the rise of EVs. In 2020, the top 10 automakers contributed 89.5% of sales.[1]

The Chinese EV market grew exponentially from 2009. However, growth shifted down a gear from 2015. Sales began to decline in 2019 before picking up again in 2020. That year, China reported that domestic sales grew to 1.4 million units.[2]

Such market fluctuations were attributed primarily to government EV subsidies (see **Exhibit 4**). From 2014, growth eased amid diminishing subsidies and higher eligibility requirements.[3] So what were the reasons behind the 2020 rebound in both the mid-to-high and low ends (see **Exhibit 5**)? One factor was growing consumer demand for EVs, while another was the government's "dual-credit" policy, which placed unprecedented pressure on automakers to clean up their act.

Much like gasoline cars, EV manufacturers competed on vehicle specifications, high-tech features, luxury interiors, comfort, price, and range.

Mini-EVs, categorized as A00 vehicles in China , previously commanded the lion's share of the EV market. However, as government subsidies diminished, by 2019, mini-EVs accounted for only 22% of pure electric car sales, down from 61% in 2016.[4] This percentage again increased to 40.2% in Q1 2021,[5] signaling a bounce in the market. This time, in addition to price, brands also competed on looks and technology (**Exhibit 6**).

Younger buyers

Data from 2020 shows that 41% of Chinese car owners were born after 1990.[6] Moreover, many young people aspired to buy a car.

Of the 40 million+ Chinese consumers aged 18–24 with a driver's license, 75% did not own a car. These young consumers wanted cars that would display their values and were willing to pay a premium for stylish designs, smart features, and an enhanced driving experience.[7]

Female consumers accounted for 39% of pure electric car owners, and in general, young women were more likely to personalize their cars to express their individuality.[8]

Alternative R&D approach

Before the MINIEV, Wuling had launched two electric cars, the Baojun E100 and E200, developed using a needs-driven R&D process focused on user preferences. This marked a break with Wuling's past approach when technical parameters led vehicle design.

Wuling's EV R&D team first studied rush-hour traffic on bridges in the city of Liuzhou. They observed that nine out of ten vehicles only carried one or two passengers. Based on this finding, Wuling decided to develop a compact two-seater vehicle.

"Spherical" project team

With the approval of the mini-EV project in 2016, Shen assembled an R&D team with no prior experience developing gasoline cars. Instead, he aimed to depart from established practices and shift the focus onto the user; he even forbade Wuling's regular auto team from interfering with the design process.

In the second half of 2019, this new R&D team began reporting to Xue Haitao, who headed marketing. It was thought that this unconventional arrangement would allow the team to iterate products faster by being more responsive to shifting consumer preferences. Xue put together a project team encompassing R&D, marketing, after-sales services, and supplier management personnel. Zhao Xiaoyu, deputy general manager at Wuling Technology Center and responsible for EV technology, described the project team as a "spherical team, where user needs are the central focus and drive and coordinate all operations"[①]. To ensure seamless collaboration, all relevant departments were co-located on the same floor of the same building, or directly above or below one another.

Involving users in R&D

Traditionally, automakers rarely released details about upcoming products ahead of launch. However, Zhao's team departed from this practice by creating WeChat focus groups, where it shared pictures of conceptual designs, vehicle body color schemes and materials, and prototypes with target users. Some final product designs were even shelved as a direct result of feedback from these focus groups.

"We are not obliged to keep the product development process confidential," said Zhao. "Only by opening up the R&D process can we obtain instant feedback. This reflects our user-centric approach." Zhao added that Wuling's rapid product iteration was another reason the company was more willing to open up to users. For example, some Liuzhou locals in a WeChat focus group frequently bought takeout noodles. They complained that the MINIEV had no dedicated holder for takeout food bags. Using this feedback, Wuling updated its design within one month to include hooks for fastening takeout bags.

Rapid product iteration would not have been possible without Wuling's "spherical" team, the company's abundant supply chain resources, and a results-oriented corporate culture that fully empowered individuals. Indeed, Wuling's culture of delegation and tolerance of mistakes allowed for efficient decision-making at each level in the corporate hierarchy. This was evident in Wuling's short product development cycles: 18 months for the Baojun E100, 12 months for

① Previously, dealers would identify an unmet need in the marketplace, and report it to the car brand's marketing department, which would pass on the information to the technology department. Next, the technology department would assign R&D tasks to the most relevant business unit. After developing a new product, information was then disseminated in the opposite direction.

the Baojun E200, and eight months for the MINIEV, compared with an industry average of four years.[9]

Iterating designs based on big data

Wuling did not rush the Baojun E100's launch. It first tested the waters with 10,000 units offered to public servants and ordinary citizens in Liuzhou for a free three-to-six-month test drive. The test-drive project cost the company ¥600 to ¥700 million, but Shen believed it was worthwhile. Participants were asked to keep a diary on their driving experience and offer suggestions on what could be improved. This helped Wuling collect vast amounts of vehicle usage data and direct feedback from users.

This data enabled Wuling to pinpoint what users wanted and update its products accordingly. In July 2017, Wuling officially launched the Baojun E100, a two-seater with a range of 155 km. The car came in two editions, with manufacturer's suggested retail prices (MSRP) of ¥93,900 and ¥109,900, respectively, or ¥35,800 and ¥48,800 after subsidies. One year later, the Baojun E200 with a 210 km range hit the market with two editions priced at ¥49,800 and ¥59,800, respectively. By 2019, both models had sold a cumulative 70,000 units in Liuzhou[①], and most buyers had previously owned gasoline cars.

Gradually, with the support of the local government, some businesses and public institutions in Liuzhou purchased Baojun models in bulk for their employees, and these smaller vehicles were permitted to use bus lanes. In addition, half-sized parking spots equipped with EV chargers were created in downtown areas, including in street-side locations, residential blocks, shopping malls, and near office buildings.

However, when Wuling tried launching these models in other parts of China, many consumers thought the two-seater Baojun was useless. This spurred Wuling to try and develop a four-seater vehicle.

The MINIEV's minimalist approach

According to data analysis of the two Baojun models, 89% of users drove within a 30-kilometer radius of their homes. Therefore, when Wuling initiated the MINIEV project, it focused on shorter ranges[②]: 120 km and 170 km. Given that those ranges were eligible for subsidies, Wuling needed to reduce costs to remain price-competitive.

Zhao pointed out that in 2019, short-range mini-EVs explicitly made for the elderly cost ¥30,000 to ¥40,000, constituting MINIEV's price ceiling. However, Wuling needed to find a way

[①] Wuling rolled out upgraded products with longer ranges in response to changes in eligibility requirements for NEV subsidies.
[②] In 2019, the Baojun E100's maximum range was 250 km.

to create a four-seater car for a lower cost than the E100, which was simply not possible using established approaches.

Wuling disrupted traditional practices by removing optional features[①] (such as airbags, built-in air conditioners, and DC fast chargers) from the MINIEV. This was done after careful consideration of typical use cases. Users spent no more than 30 minutes in the car per day, making air conditioners unnecessary; 30 km was the furthest users traveled in a day, so a powerful electric motor was not essential. They rarely drove faster than 30–40 km/h, which was too slow to trigger airbags in a crash, so they were also not needed. In short, Wuling stripped out every redundant feature from the MINIEV. It even held four team meetings just to decide whether or not to remove a button from the car.

Zhao likened the barebones MINIEV to "a roughcast house with nothing but water, power, and gas." However, that did not mean the car was not technically sophisticated. For example, to reduce costs, the battery system was optimized so that batteries could be retired and given a second lease of life elsewhere. The car's body was designed to protect passengers in various crash scenarios. These technologies were borrowed from the earlier Baojun EVs or derived from data-driven innovation. For example, Wuling used big data to help supply chain partners cut their R&D costs. Ultimately, the company lowered the costs of the MINIEV's battery, electric motor, and control systems by 30%.

Building the GSEV platform

Following the launch of the MINIEV, Wuling's Global Small Electric Vehicle (GSEV) platform also began to take shape. GSEV was an open hardware and software development platform for EVs that interfaced with users, partners, dealers, facilitators, and even competitors[②]. It aggregated data covering EVs, users, charging infrastructure, and services.

The GSEV platform took Wuling a step closer to creating what Shen referred to as a new transportation ecosystem. However, Wuling needed to attract more users to the platform and increase user stickiness to become a global small-EV leader. The MINIEV would be instrumental in achieving these goals and establishing an EV ecosystem.

The making of a fashion accessory

Rock-bottom prices

Wuling's MINIEV carried presale estimates of ¥29,800, ¥32,800, and ¥38,800 according to different configurations, and an official starting price of ¥28,800, the lowest in the A00 EV market. Wuling's desire to gain a solid foothold in the EV market drove its low pricing strategy.

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① Function configurations not required by China automobile regulations.

② Zhao said that Wuling adopted a coopetition mindset when exploring ways to expand the small EV market.

Standing on the shoulders of the original Hongguang

According to Xue, the timing of the MINIEV launch was perfect. The sudden outbreak of Covid-19 in early 2020 forced most businesses in China to halt production, but Wuling was an exception. It started producing face masks and donating them to pandemic-stricken areas. As a result, Wuling received widespread media coverage throughout February and March. One noteworthy comment online lauded, "Wuling provides that which the people need." The company promptly adopted the phrase as a marketing slogan and even printed it on the packaging for its face masks.

The year 2020 marked the 10th anniversary of the launch of the original Wuling Hongguang. To mark the occasion, in April of that year, Wuling initiated public discussion around the topic "Wuling Hongguang, the miraculous people's car".After that, it put up posters with the tagline "The miraculous Hongguang in miniature" (see **Exhibit 7**) and released an animated video about the car to appeal to young consumers. Wuling also disclosed some of the MINIEV's key selling points, including its generous storage space and high-strength steel body.

These marketing efforts paid off, enabling Wuling to collect the contact information of over 20 potential buyers aged around 30. Some said they were attracted by the car's boxy shape, which they considered perfect for applying car decals. This surprised Xue, who had initially thought it would be challenging to build a brand identity around such a low-priced car. In a stroke of genius, Xue decided to give the MINIEV an approachable identity that could transcend socioeconomic boundaries and command broad appeal among the younger generation.

Xue wanted to present the MINIEV as a high-quality, aesthetically-pleasing car across all media touch points. He also stressed the need to focus on media platforms popular with younger users. Specifically, he favored China's RED social app for word-of-mouth promotion; Q&A platform Zhihu and cultural site Douban for cultivating purchase intent; Weibo for reaching niche user groups through various influencers; and Douyin (China's local version of TikTok) and Bilibili (grassroots video-sharing) for waging content marketing campaigns. At the same time, he believed that the 2,800 frontline staff at Wuling's network of over 400 dealers had the potential to become key opinion consumers (KOCs) for the MINIEV.

Generating buzz

Amid mounting hype surrounding the forthcoming launch of a miniature version of the legendary Hongguang (see **Exhibit 8**), Wuling announced on May 7 that the MINIEV, a "short-range car for the people," would be available for preorder at an unspecified price until May 28, when regular presales would begin. Moreover, customers who paid ¥199 as a down payment

would receive a ¥6,888 discount voucher. Wuling received over 1,000 orders in 24 hours, with most coming from Shanghai consumers.[①]

The day after the announcement, the MINIEV began trending on social media. Popular topics included: "Over 1,000 orders in one day! Why the MINIEV is worth buying", and "Pick up a Wuling for just ¥20,000: with over 5,000 preorders and just five cents per km, why buy a Yadea[②]?"

On the opening day of the presale, Wuling received 1,000 new orders, bringing its cumulative total to 6,000. In cities with strict license plate restrictions, social media platforms ran the headline, "Wuling's MINIEV goes on sale today! Buy a car for ¥29,800 and get a license plate for free". Later, other related topics went viral, such as "With over 10,000 orders already, can the MINIEV make miracles too?"

As these topics gained traction, more people placed orders, further fueling social media buzz. Thanks to this self-reinforcing loop, the MINIEV was able to sustain media hype right up until its official launch (see **Exhibit 9**).

The buzz around the MINIEV not only focused on sales. In June, some car owners[③] posted pictures of their decorated cars online. Wuling reposted these pictures and invited influencers to join a test drive so they could share their impressions of the car (including the keywords "flexible, compact, and fun") in social media posts. These tactics proved fruitful: top-flight tea-drink brand HeyTea soon approached Wuling about a partnership.

Wuling joined forces with HeyTea and several influencers to customize a few MINIEV EVs, announcing plans to debut them at the Chengdu Auto Show on July 24.

On July 22, after pictures of the custom cars appeared online, the MINIEV's score on Baidu Index (similar to Google Trends) climbed from 9,403 to 20,947. The following day, the MINIEV Special Edition—a six-wheel-drive pickup—was unveiled online, pushing the score to 13,840.

On July 24, the collection of custom MINIEVs showcased at the Chengdu Auto Show, generating considerable social media buzz. Between July 25 and 28, the Baidu Index score for the MINIEV held firm above 32,000. To capitalize on this momentum, Wuling published posters depicting typical car usage cases, including commutes, school runs, delivering parcels, and conducting security patrols.

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① Shanghai restricted the registration of new gasoline cars through a lottery process, which was time-consuming and costly. EVs were exempt from these restrictions, which made them a popular choice for consumers who couldn't get a Shanghai plate, or wanted to purchase an additional car. However, the Hongguang Mini wasn't just for those on a lower budget: several Hongguang Mini owners in Shanghai also owned luxury cars. Moreover, prior to the Hongguang Mini, Wuling had had difficulty breaking into first-tier markets such as Shanghai.

② Yadea is a two-wheeled electric-scooter brand.

③ These users were the first to place orders. They had access to the car in advance of the official launch event.

In the first 20 days after the launch, the MINIEV sold over 15,000 units, and in August of that year, its sales figures topped China's EV industry. Online, people even compared the MINIEV against Tesla's Model 3, which helped to cement the MINIEV's market position and influence.

Creating a cult following

Initially, Wuling created custom versions of the MINIEV mainly to attract younger buyers. However, the results of a post-launch owner survey convinced the brand to double down on the customization trend.

Indeed, data collected by Wuling showed that over 60% of car owners customized or otherwise decorated the exterior of their car, while roughly the same percentage of potential buyers inquired about carrying out such modifications. Wuling realized that it could boost sales by promoting car customization in order to create a community of committed MINIEV owners who would constantly tinker with their vehicles and interact with the brand.

Creating a car modding culture

In August 2020, Wuling hosted a "MINIEV Day" party in Shanghai, signaling its aspiration to set new trends together with young consumers. At the event, Wuling unveiled its "Customize Before You Drive" slogan. The company also staged a series of crossover collaborations with other brands to entertain participants, including concerts, pop culture-themed exhibitions, and "fashion week". Wuling also invited influencers to each event to fuel discussion on social media around its "A toy for adults" topic.

In December 2020, Wuling organized a MINIEV customization competition for car owners, as well as a creativity contest for students from 46 universities and colleges.

Competition winners were entitled to participate in Wuling's first "trend-setting" conference, held in Shanghai in March 2021. At the event, attendees were captivated by 100 customized MINIEVs, repainted in dazzling colors and adorned with graffiti and stickers. Their owners' jazzy outfits of their owners and the over 300 car dealers attending added to the spectacle. Later that day, Wuling announced three fashionable new hues for spring—Avocado Green, Lemon Yellow, and White Peach Pink—with input from world-renowned color trend consultancy Pantone.

Wuling spent ¥10 million on the conference and generated over 200 million social media impressions on the first day. Given that less than half of these impressions were from dealers, it was clear that this broad sharing of content was largely spontaneous and car owner-driven.

Tao Xin, a 28-year-old engineer from Liugong Group and one of the winners invited to the event, posted short videos to Douyin of almost every customized vehicle. "There were so many

imaginative designs, and I had a chance to meet other car customization enthusiasts," said Tao. "Now, I must do up my car well; otherwise, I'll be too ashamed to show them."

A third-party survey in April 2021 showed that custom MINIEVs had become a social 'lubricant' that could help young owners to meet and connect with like-minded people.[10]

Building a car customization platform

The MINIEV customization craze fueled a surge in Taobao stores specializing in custom parts, but this nascent ecosystem was highly fragmented and lacked quality standards. Thus, Wuling resolved to build an official car customization platform to standardize practices. It established quality control and supply chain management systems, and offered car customization services for the MINIEV in company-operated stores. In the future, it also planned to provide such services across its dealership network. In addition, Wuling offered approved auto parts through Ling Club, the brand's social networking app.

Product iteration

The MINIEV's minimalist design provided fertile ground for creative customizations, which fed back into the design process for newer models. Zhao said that after the model's success, Wuling began considering making cars easier to customize, including adding extra fittings and connectors. The company also partnered with trend-setting supply chain partners to constantly iterate its products.

Propelled by this customization trend, Wuling developed products for different market segments. For example, one target consumer group was young women. To meet their needs, Wuling developed the MINIEV EV Macaron, which came with a reversing camera and airbags (not included with standard models) and in three gorgeous pastel colors. With a ¥43,600 price tag, the Macaron generated a positive net profit margin for Wuling and, more importantly, transformed the MINIEV into a "*fashionable* short-range car for the people." In April 2021, Wuling debuted the MINIEV EV Cabrio, an even trendier model with a folding roof, at the 19th Shanghai International Automobile Industry Exhibition.

A portrait of MINIEV owners

As of April 2021, the company had sold over 250,000 MINIEVs in China, with 62% of its buyers women, 72% born in the 90s, and 70% based in urban areas, mainly third-tier cities. The motivation behind their purchase decisions varied. Some had friends with customized cars and wanted to join the trend—the low price point made it very accessible. Some confessed that they had previously been too afraid to drive, despite holding a driver's license, but after a test drive, they discovered that the MINIEV was easy to handle and park.

Nearly one-third of users said that the MINIEV was their first car, while 5% had traded up. The remainder bought the MINIEV as a second car. Many confessed that the driving experience

of the MINIEV was so rewarding that family members often squabbled over whose turn it was to drive. 43% of buyers opted for the ¥38,800 version, while 51% chose the ¥32,800 version.

Owners typically spent a few thousand yuan to just over ¥10,000 on car customization, although for some, this could stretch to ¥50,000–60,000. At the time of writing, the MINIEV had been on the market for fewer than 12 months, but some users had already modified their cars two or three times, often sharing photos and videos on social media.

Future prospects

In the space of just a year, the MINIEV established a new class of car that was at once a fashion accessory and social statement. This helped give the Wuling brand a youthful, trendy look while spurring the development of its GSEV platform. Looking ahead, it was clear that the MINIEV's continued success was key to rejuvenating the Wuling brand and building a better business ecosystem.

However, there were still several problems that the brand needed to consider. How could Wuling ensure the long-term success of the MINIEV? How should it define its next generation of products? If Wuling upgraded car models to meet evolving user needs, would users still want to customize them, and could they afford to? Would the customization trend central to the MINIEV's success continue to nurture a cohesive user community? How would the MINIEV hold up against more established rival brands in the higher-end segment? How could Wuling expand its market?

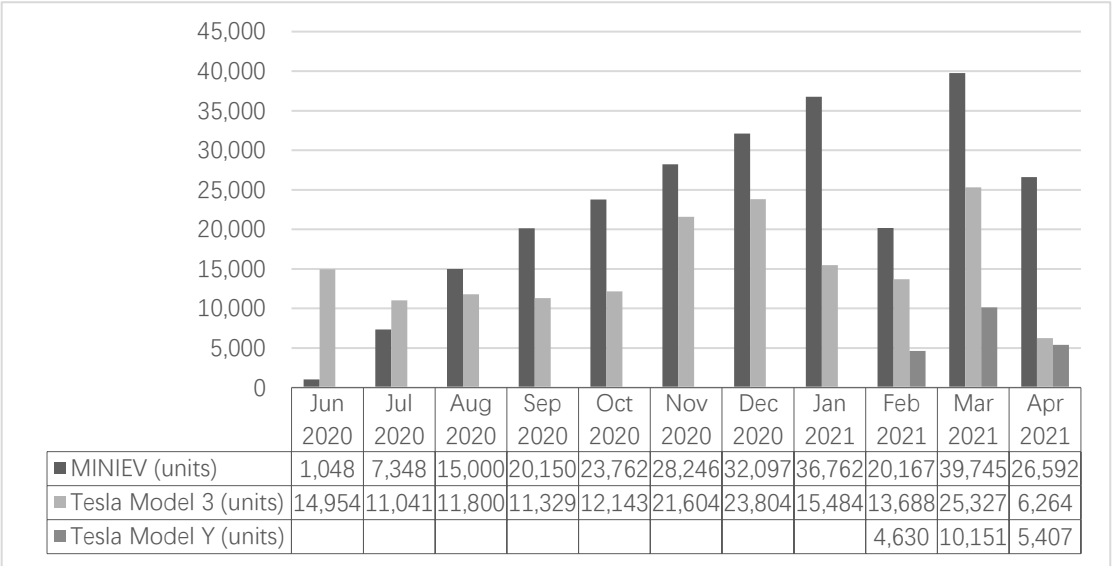
If the company would pursue a similar category to that of the MINIEV for future models, how could it eep users passionate about customization? How could it expand its market? As consumers moved up the consumption ladder and China's vehicle safety standards became stricter, could Wuling adapt to consumers' evolving needs while keeping costs under control?

At the time of writing, Shen and Xue were actively exploring solutions to these problems.

Exhibit 1: Customized MINIEVs

Source: Wuling

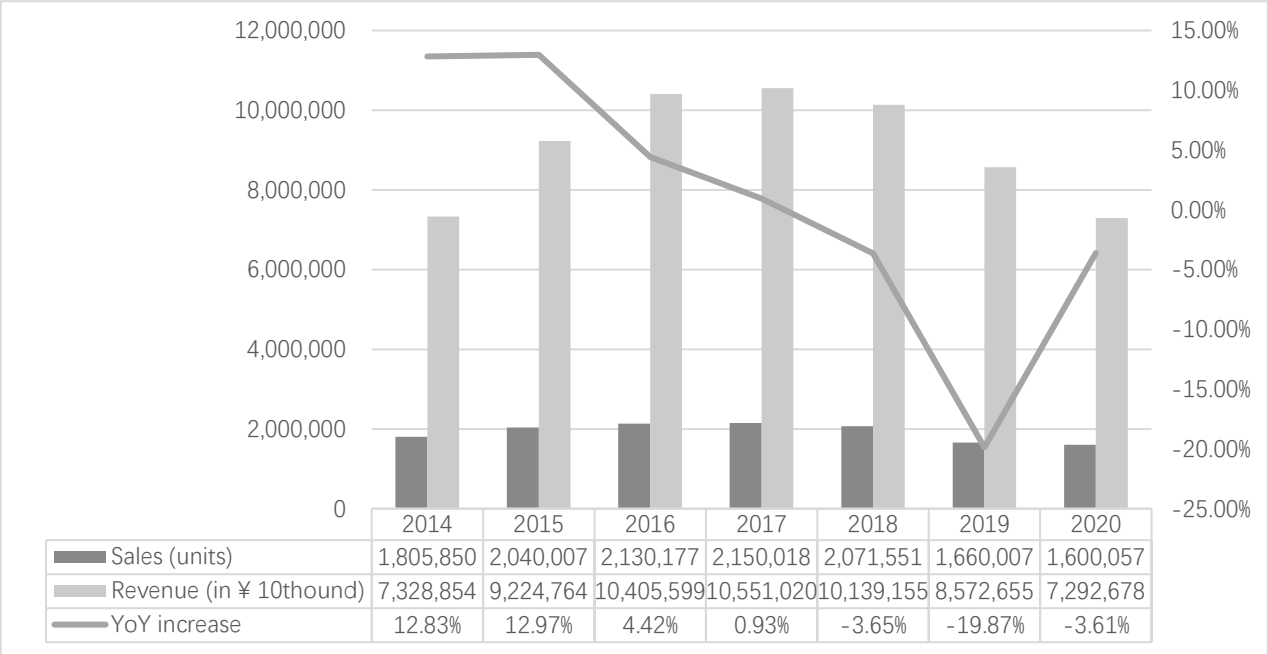
Exhibit 2: The MINIEV's sales



	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021
MINIEV (units)	1,048	7,348	15,000	20,150	23,762	28,246	32,097	36,762	20,167	39,745	26,592
Tesla Model 3 (units)	14,954	11,041	11,800	11,329	12,143	21,604	23,804	15,484	13,688	25,327	6,264
Tesla Model Y (units)									4,630	10,151	5,407

Source: Collated from publicly available materials from the China Passenger Car Association (CPCA).

Exhibit 3: Wuling's sales performance between 2014 and 2020



	2014	2015	2016	2017	2018	2019	2020
Sales (units)	1,805,850	2,040,007	2,130,177	2,150,018	2,071,551	1,660,007	1,600,057
Revenue (in ¥ 10thound)	7,328,854	9,224,764	10,405,599	10,551,020	10,139,155	8,572,655	7,292,678
YoY increase	12.83%	12.97%	4.42%	0.93%	-3.65%	-19.87%	-3.61%

Source: Wuling.

Exhibit 4: EV subsidies in China

Year	Minimum range eligible for subsidies (km)	Subsidy per vehicle (¥)	Remarks
2013	80	36–60k	
2014	80	33.25–57k	
2015	80	31.5–54k	
2016	100	25–55k	
2017	100	22–48.4k	
2018	150	15–50k	
2019	250	18–25k	
2020	300	16.2–22.5k	For EVs priced below ¥300,000 only
2021	300	13–18k	For EVs priced below ¥300,000 only

Source: Innovation Center for Energy and Transportation (ICET), New Policies on NEV Subsidies Come into Effect in 2021, Tesla Cuts Prices of Its Model Y, Pure Electric Cruise Ship the "Yangtze River Three Gorges 1" Enters Manufacturing Phase, Tencent, January 4, 2021 [June 28, 2021], https://new.qq.com/omn/20210104/20210104A05DEQ00.html; An Overview of Policy Changes in NEV Subsidies over the Years, Reportrc.com, February 25, 2021 [June 28, 2021],

https://www.reportrc.com/article/20200225/4294.html.

Exhibit 5: Sales ranking for EVs in China in 2020

No.	Model	Subsidized price (¥)	Sales (units)	YoY increase
1	Tesla Model 3	249–419.8k	137,459	-
2	Wuling MINIEV	28.8–38.8k	112,758	-
3	GWM ORA R1	68–84.8k	46,776	64.1%
4	GAC NE Aion S	139.8–205.8k	45,626	40.4%
5	All-New BYD Qin EV	129.9–174.8k	41,219	1279.0%
6	Chery eQ	59.8–74.8k	38,249	-2.9%
7	Li Xiang ONE	328.0k	32,624	3070.5%
8	BYD Han EV	219.8–279.5k	28,772	-
9	NIO ES6	346.5–518k	27,945	144.4%
10	BMW X5 PHEV	499.9–536.9k	23,433	-9.5%

Note: Models ineligible for subsidies included: mid- and high-end models priced above ¥300,000 (e.g. Tesla Model 3, BYD Han, Li Xiang ONE, NIO ES6, and BMW X5 PHEV), the MINIEV, and some other mid- to low-end models.
Source: AskCI Research, National New-Energy Passenger Car Sales Ranking, Askci.com, January 14, 2021 [June 28, 2021], https://top.askci.com/news/20210114/1810041332631.shtml.

Exhibit 6: Common electric car models in China

Product name	Manufacturer	Launch date	Subsidized prices (¥)	Maximum range (km)	Special features
ORA Black Cat (R1)	GWM	December 26, 2018	68–84.8k	351/405	A cartoonish five-door four-seater; the name was designed to appeal to younger consumers, and women in particular
Leapmotor T03	Leapmotor	May 11 2020	65.8–75.8k	403	Long-range; smart technology
Chery eQ1 Queen Edition	Chery	March 25, 2020	78.8k	301	Pink exterior and interior designed to appeal to female users
BenBen E-Star National Edition	Chang'an Automobile	January 15, 2021	29.8–39.8k	150/301	Japanese aesthetic; donut-inspired colors; stylish design
Lingbox	Lingbox	April 12,	26.8–36.8k	120	The cheapest electric car on the

COCO		2021			market
Letin Mango [1]	Levdeo	April 2021	29.8–54.9k	130/185/300	The Chinese version of the K-Car

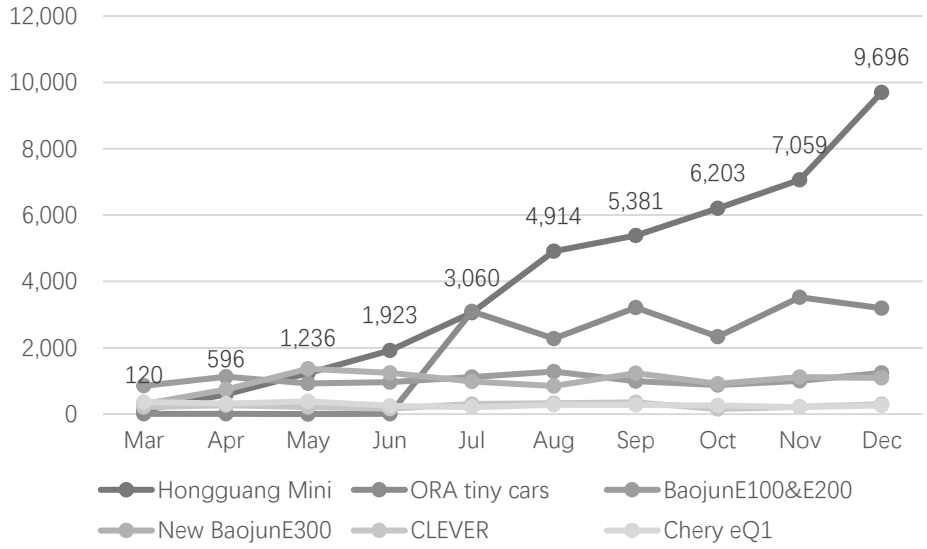
Note: [1] Levdeo started life as a low-speed electric car manufacturer.
Source: Collated from publicly available materials.

Exhibit 7: Original poster for the MINIEV

Note: The "出色而来"means the MINIEV is coming with a colorful appearance.

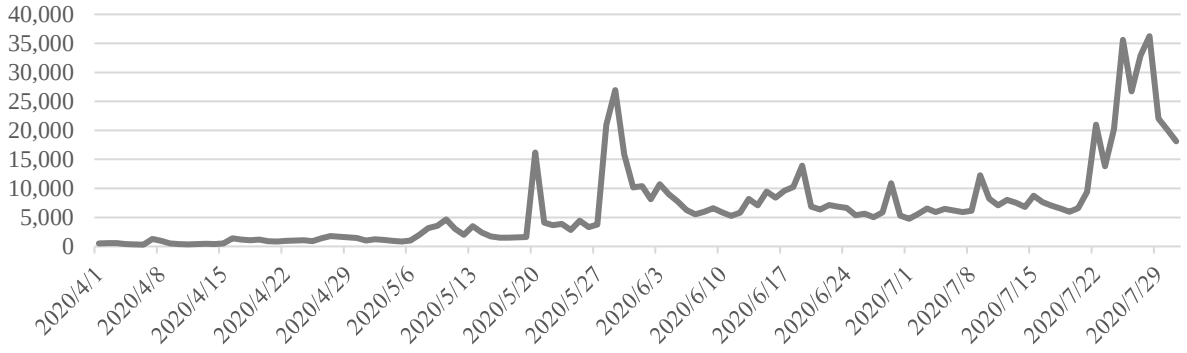
Source: Wuling.

Exhibit 8: Comparison of average daily voice for the MINIEV and competitor products in 2020



Source: Wuling.

Exhibit 9: Baidu Index score for the MINIEV



Note: The Baidu Index reflects the exposure, visibility, and search trajectory of certain keywords over the past 30 days.
Source: Baidu.

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