

TuanChe Expands into EV Market, Differentiating Itself from Competitors with A Strong Sales Network

BEIJING, Jan. 10, 2022 /PRNewswire/ -- Beijing-based automotive marketplace, TuanChe Limited (NASDAQ: TC), recently announced the establishment of an electric vehicle (EV) business unit as part of its efforts to enter the EV manufacturing sector by working with a diverse team of EV designers, R&D engineers and manufacturing executives. Guided by market research reports and trending data, the company plans to leverage its strong distribution network across more than 240 cities in China to bridge the gap in digital marketing for its EV brands, while tapping into the potential of its new business model.

"With the support of favorable government policies, accelerated construction of infrastructure, and advancements of related technologies, EVs are increasingly becoming the vehicle of choice for more and more consumers," said Wen Wei, the founder and CEO of TuanChe. "To address this rising demand, we are on the one hand gathering deep insights on consumers based on our current business model and large base of loyal customers, while on the other integrating our extensive distribution network and sales capabilities into the new business. We believe that an optimal synergy will be made possible through the combining of our existing platform and the top-notch design, R&D and manufacturing team that is soon to come on board, in tandem with a close collaboration with a number of potential strategic partners. These multiple advantages position our company to take the lead in the future EV market."

Driven by policies, the market is booming

As governments around the world work to forge the global consensus toward carbon neutrality, they enacted a series of carbon reduction policies in 2021, especially in the area of transportation with a focus on renewable energy vehicles. Sales of such vehicles in China have doubled every month since the country unveiled its Renewable Energy Vehicle Industrial Development Plan for 2021 to 2035 last November. During the period from January to November 2021, the country's sales of the EVs reached 2.99 million units, a year on year growth of 166.8 percent, with a market share of 12.7 percent.

Data from the China Association of Automobile Manufacturers shows that annual sales of the EVs are expected to reach 3.4 million units in 2021 and 5 million in 2022 when the market share is estimated to climb to some 20 percent of the total market, meeting its 2025 sales target three years ahead of schedule.

Perfect timing to start making EVs

The lack of a sales network outside the first-tier cities has always been a major hurdle for the new EV brands, as direct selling requires face-to-face communications with their customers. This has also led to EV makers consider growing their offline network as a core strategy, whereas TuanChe, on contrary already owned strong offline sales network capabilities that will achieve a better breakthrough in this area.

As a leading automobile trading and services platform from China, TuanChe had been working on the expansion of its sales network which now covers more than 230 cities throughout the country, organizing over 1,000 offline events each year and attracting tens of millions of customers. More than 350,000 vehicles changed hands on the platform in 2019 prior to the arrival of the pandemic. Moreover, TuanChe has demonstrated it is well prepared for the sales of renewable energy vehicles. Public data from January to October of 2021 reveals the company saw a nearly fivefold year-on-year increase in EV sales, spanning 78 brands and close to 100 cities.

Following the COVID-19 outbreak in early 2020, TuanChe continued to improve its digital marketing capability, maintaining a rapid 70 percent growth rate in its online business revenue since the second half of that year, according to its fiscal reports. Combining offline and online resources, the company is working to build an extensive marketing system for applications both in the public and private sectors.

About TuanChe

Founded in 2010, TuanChe Limited (NASDAQ: TC) is a leading integrated automotive marketplace in China. TuanChe offers services to connect automotive consumers with various industry players such as automakers, dealers and other automotive service providers. TuanChe provides automotive marketing and transaction related services by integrating its online platforms with offline sales events. Through its integrated marketing solutions, TuanChe turns individual and isolated automobile purchase transactions into large-scale collective purchase activities by creating an interactive many-to-many environment. Furthermore, leveraging its proprietary data analytics and advanced digital marketing system, TuanChe's online marketing service platform helps industry customers increase the efficiency and effectiveness of their advertising placements.

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