China EVs: 500 Entered, Six Survivors

China · Electric Vehicles

SECTOR SPOTLIGHT

First Edition | March 2026

English Edition (also available in Russian and Chinese)

Brandmine

SECTOR SPOTLIGHT

China EVs: 500 Entered, Six Survivors

William Li made eighteen calls before the nineteenth saved his company. Wang Chuanfu held R&D steady under shareholder pressure to retreat. Five hundred EV startups entered China's market; only six founder-owned companies survived without corporate safety nets. What separated those who made the nineteenth call from those who stopped at eighteen?

QUICK FACTS

Market Size	12.87 million NEVs sold in 2024 (40.9% of all new cars), up tenfold from 1.24 million in 2019—world's largest EV market by volume
Unique Advantage	Vertically integrated supply chain (batteries, chips, software) with 30–50% cost advantage • tenfold scale-up in five years, unreplicable depth
Biggest Challenge	Price wars drove industry margins to 4.3%, below manufacturing average—only three of 100+ active brands are profitable (BYD, Tesla China, Li Auto)
Timing Factor	US 100% tariffs and EU 17–35% duties forcing survivors to localise abroad now • BYD building 820K units of overseas capacity across six countries

MARKETS: China

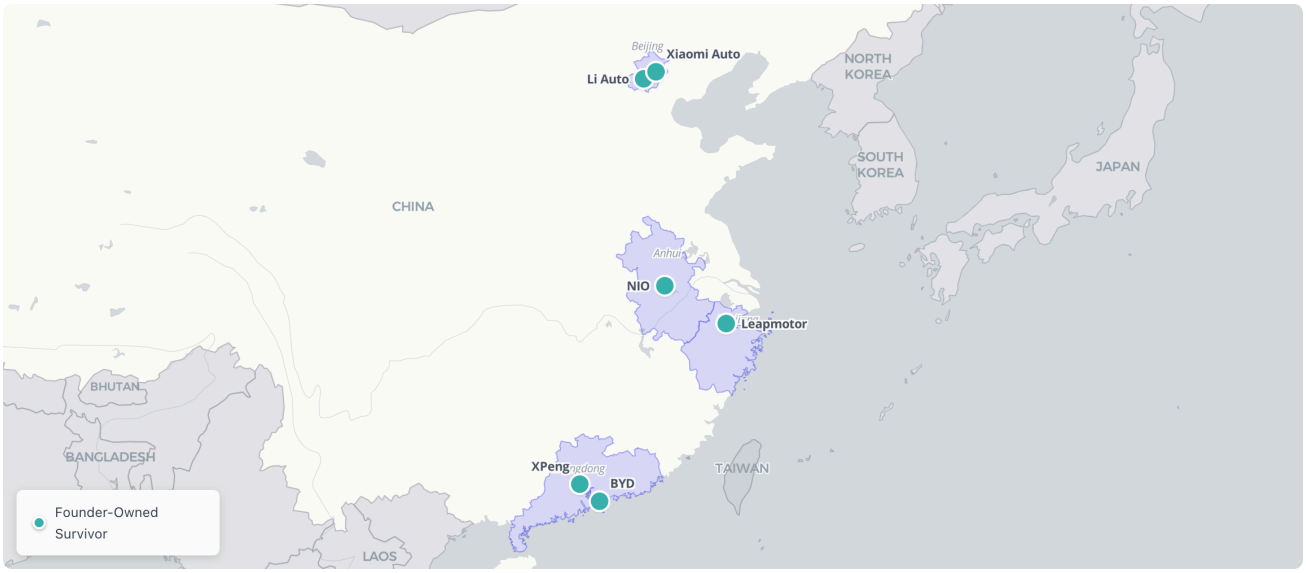
SECTORS: Electric Vehicles

BRANDS: NIO · BYD · XPeng Motors · Li Auto · Leapmotor · Xiaomi Motor · Zeekr · Voyah · Deepal · Avatr Technology · AITO · GAC Aion · IM Motors

FOUNDERS: William Li · Wang Chuanfu · He Xiaopeng · Li Xiang · Zhu Jiangming · Lei Jun · An Conghui · Lu Fang · Tan Benhong · Liu Tao · Zhang Zhengping

GEOGRAPHIC CONTEXT

500 entered, six survived without a safety net



Six founder-owned survivors, four provinces — no single city won the shakeout.

No single province dominated: two in Guangdong (BYD in Shenzhen, XPeng in Guangzhou), two in Beijing (Li Auto, Xiaomi Auto), one in Zhejiang (Leapmotor in Hangzhou), one in Anhui. The Hefei dot is the most consequential — it is the nineteenth city William Li called. The eighteen before it said no.

* * *

SECTOR NARRATIVE

William Li (李斌) was on his eighteenth rejected rescue call — NIO burning $120 million a month, three months of cash left, the Chinese internet calling him the most unfortunate man in China — when Hefei finally wired ¥7 billion and saved the company. The rescue is not the story. The story is what Li endured to reach that point, and what separated him from the hundreds of founders who didn't.

Roughly 100 EV brands still operate in China, but strip away the conglomerate-sheltered regionals and the loss-absorbing state players and only six founder-owned survivors remain: NIO, BYD, XPeng, Li Auto, Leapmotor, and Xiaomi. They didn't survive because a safety net caught them. They survived because their founders made decisions that turned crisis into competitive moat.

When the money stopped

The turning point came on March 26, 2019, when China's Ministry of Finance announced that electric vehicle subsidies—up to ¥60,000 per car—would be halved by June. Local government top-ups, which had doubled the bonanza, vanished entirely. In an instant, the economics of every startup shifted from "marginally viable with massive subsidy" to "structurally unprofitable."

More than 500 EV companies had registered between 2014 and 2019, chasing what totalled nearly ¥200 billion in government largesse. When the subsidies ended, so did the illusion. BYD, the only heritage player with 25 years of battery expertise, saw quarterly profits plunge 89%. NIO lost $390 million in a single quarter. Hundreds of startups simply stopped answering their phones.

Then Tesla opened its Shanghai Gigafactory in January 2020—built in ten months for 65% less capital than an American plant, producing a car every 37 seconds. The Model 3, priced at ¥299,050, set a quality and cost benchmark that made excuses impossible. Match Tesla's price and beat its features, or cease to exist.

The first wave of failures followed. Byton, founded by BMW and Nissan executives who had raised $1.2 billion, never delivered a single car despite showcasing a 48-inch dashboard screen that won design awards. Singulato raised ¥17 billion across eleven rounds and produced zero marketable vehicles in nine years. Bordrin, Enovate, and dozens of others quietly folded, their websites going dark without announcement.

The founders who survived this culling faced a second, more vicious test: the price war.

The orphan's gambit

Wang Chuanfu (王传福) learned about loss early. His father died of liver cancer when Wang was 13. His mother died two years later. Orphaned at 15, he moved in with his older brother Wang Chuanfang (王传方), who had dropped out of school at 18 to support the family. When Wang's sister-in-law sold jewellery from her dowry to pay for his textbooks, Wang tried to quit. His brother refused. "If you stop now," he said, "we all failed for nothing."

Wang became a battery scientist. In 1995, aged 29, he borrowed ¥250,000 from a cousin and started BYD with 20 employees hand-assembling rechargeable batteries. By 2003 he had bought a failing state car manufacturer. By 2008, Warren Buffett invested $230 million for 9.89% of the company.

> "Wang Chuanfu is a combination of Thomas Edison and Jack Welch." > > — Charlie Munger, Vice Chairman, Berkshire Hathaway

But in 2017, Wang faced what he later called his "至暗时刻"—darkest moment. Three consecutive years of collapsing profits as early EV subsidies adjusted. By Q3 2019, the plunge had reached the company's core. Under intense shareholder pressure to retreat from electric vehicles and return to the profitable combustion business, Wang refused. He maintained ¥8.4 billion in annual R&D—money the company could not afford—that eventually produced the Blade Battery and DM-i hybrid technology.

In April 2022, BYD ceased all production of internal combustion vehicles, the first major automaker in the world to do so. In 2024 it sold 4.27 million new energy vehicles, surpassing Tesla to become the world's largest. Buffett's Berkshire Hathaway exited its stake in September 2025 with a 3,890% return.

The lesson Wang learned at 15—survival requires doubling down when others quit—proved worth ¥777 billion in 2024 revenue.

The phone maker's last project

He Xiaopeng (何小鹏) had already won. After co-founding UCWeb in 2004 and selling it to Alibaba for $4.3 billion in 2014—China's largest internet merger at the time—he had the kind of wealth that makes further risk irrational. His Alibaba executive position was what he called a "gilded cage": comfortable, prestigious, meaningless.

In August 2017, he left for XPeng full-time. He called the transition "hell mode."

The 2019 funding winter forced desperate city-to-city fundraising. A $400 million Series C in November 2019, with Xiaomi as strategic investor, barely kept XPeng alive. But the real crisis was self-inflicted.

On September 21, 2022, XPeng launched its flagship G9 SUV with six confusing trim levels. Features advertised as standard were not. Pricing made no logical sense. Within 48 hours, He issued an emergency relaunch—unprecedented in China's automotive history. The stock crashed 80% for the year. Online mockery was merciless.

His diagnosis: "问题一定出在人身上"—the problem must be in the people. He replaced ten of twelve senior executives, hired Great Wall Motors' "Iron Lady" Wang Fengying (王凤英) as president, and personally took over supply chain management.

Ten months later, on July 26, 2023, Volkswagen invested $700 million for 4.99% of XPeng and licensed its autonomous driving platform. Europe's largest carmaker was validating a Chinese startup's technology—at the lowest point in XPeng's commercial history.

He Xiaopeng's reflection on the G9 disaster: "G9 是一辆好车，被我们自己给耽搁了"—"The G9 is a good car. We got in its way." By H1 2025, XPeng had delivered 197,189 vehicles, exceeding all of 2024 in six months.

The other survivors faced crucibles of their own.

Li Xiang (李想) dropped out of high school, built Autohome into China's largest automotive website, and founded Li Auto in 2015. His first three years were wasted on a small electric vehicle strategy that went nowhere. When he pivoted to range-extender technology—a hybrid approach that pairs a battery with a small petrol generator—the industry mocked him. Pure battery was orthodoxy; range-extenders were dismissed as backward, a crutch for drivers afraid to go fully electric. Li Xiang ignored the consensus. His bet on family-oriented SUVs with 1,000-kilometre combined range addressed the anxiety that pure electric vehicles could not: long-distance travel in a country where charging infrastructure outside major cities remained sparse. Li Auto became the first profitable Chinese EV startup. In 2024 it delivered 500,000 vehicles and generated ¥144.5 billion in revenue. The MEGA minivan launch in early 2024—a design that leaked online and drew ridicule—humbled him briefly, but his range-extender thesis had already been validated by the market.

Zhu Jiangming (朱江明) came from an entirely different industry. He had co-founded Dahua Technology, one of the world's largest surveillance camera manufacturers, before pivoting to electric vehicles with Leapmotor in 2015. His manufacturing DNA—cost discipline, supply chain control, factory efficiency—transferred directly. Where other startups burned cash on showrooms and marketing, Zhu focused on vertical integration and value-for-money engineering. The breakthrough came when Stellantis invested €1.5 billion for 21% of the company, giving Leapmotor access to Stellantis's Polish and Spanish factories. A Chinese startup building cars in European plants owned by a Western automaker would have been inconceivable three years earlier. By 2025, Leapmotor had nearly doubled to 596,000 deliveries, making it the highest-volume startup in China.

Lei Jun (雷军) needed no introduction. He had built Xiaomi into one of the world's largest consumer electronics companies. In 2021, at 52, he announced Xiaomi Auto as his "last major entrepreneurial project"—a phrase that carried weight precisely because Lei Jun had nothing left to prove. The SU7 sedan drew 88,000 orders within hours of its launch. Lei Jun's Nürburgring lap in the SU7 Ultra—setting an EV record at the most demanding circuit in motorsport—was part performance validation, part founder mythology. By its second year, Xiaomi Auto had delivered 410,000 vehicles with a gross margin of 26.4%, above Tesla's. Lei Jun's celebrity persona—

Douyin livestreams drawing 39 million viewers—represented something new: the tech-nationalist founder as rockstar.

But the clearest window into what separates survivors from casualties lies in the graveyard.

Those who fled, those who stayed

Freeman Shen (沈晖) had the résumé. He had led Geely's $1.8 billion acquisition of Volvo in 2010—one of China's most celebrated automotive deals. When he founded WM Motor in 2015, raising ¥35 billion came easily. The company attracted CATL, Baidu, and Tencent as investors.

By October 2023, Shen had fled to the United States, leaving 817 employees with unpaid wages and ¥44.2 billion in creditor claims. Before disappearing, he posted a quote on social media from "Hibiscus Town," a Cultural Revolution film: "活下去，像牲口一样的活下去"—"Survive—survive like livestock."

Then he stopped answering his phone.

Ding Lei (丁磊) chose differently. The former CEO of GM Shanghai, Ding had launched HiPhi in 2017 targeting ultra-luxury: vehicles priced at ¥570,000–800,000 during a price war that pushed industry margins below 5%. By February 2024, HiPhi could not pay wages. Production halted with ¥12 billion in debts.

Ding stayed in China. He appeared at his Shanghai headquarters. He apologised publicly to employees and creditors. He negotiated a restructuring with EV Electra for $100 million, attempting to salvage something from the wreckage.

The Chinese internet coined a bitter joke: "贾跃亭再加上威马沈晖都快能在美国组牌局了"—"Jia Yueting plus WM's Shen Hui could almost form a card game in America." Jia Yueting (贾跃亭) had fled in July 2017 after raising $3 billion and delivering sixteen vehicles in a decade. His "下周回国" promise—"I'll return next week"—became internet folklore. He still has not returned.

The pattern recurred. Zhang Yong's (张勇) NETA was the best-selling startup in 2022 with 150,000 units. By January 2025, domestic deliveries had fallen to 110. Zhang reportedly fled to the UK. Jiyue's CFO allegedly fled to Singapore with financial records as the Baidu-Geely joint venture collapsed with ¥7 billion in losses.

The top seven failures collectively raised more than $18 billion. Credentials could not save them—BMW executives (Byton), Volvo dealmakers (WM Motor), internet billionaires (Faraday Future), even real estate tycoons (Evergrande's Xu Jiayin (许家印) committed ¥47.4 billion). What separated them from the survivors was not talent or capital. It was what happened when the money ran out and reality arrived.

In a business culture where entrepreneurial failure carries profound shame, the founders who fled and those who stayed revealed character in ways no résumé could.

The cities that bet

Hefei's gamble on NIO created a model. After 18 cities rejected him, Hefei saw what others missed: not a failing company but a founder who had invested $150 million of personal wealth and refused to quit. The investment was not charity—it was venture capital deployed from a government balance sheet. Patient capital, operational support, no interference in product decisions.

BYD subsequently built its largest factory there: 1.32 million units of capacity. More than 305 above-scale NEV enterprises followed. Hefei's estimated return: five times its investment. Other cities tried to replicate the model. Most failed—they had the capital but not the discipline to stay out of operational decisions.

Shenzhen did not need government venture capital. It had BYD's headquarters and three decades of accumulated battery expertise. The city produces 22% of China's EVs, built around a supply chain that makes

vertical integration possible. With Huawei and Tencent's software talent clusters nearby, advantages compound in ways competitors elsewhere cannot replicate.

Shanghai bet differently. It gave Tesla ten months and favourable land terms to build a gigafactory producing 1.1 million cars annually. The gamble paid off: Tesla's presence forced every Chinese startup to match world-class manufacturing efficiency or perish. Those that survived emerged stronger.

The other power centres—Guangzhou (XPeng, GAC Aion), Hangzhou (Leapmotor, Geely), Chongqing (Changan's Deepal, Seres/AITO), Wuhan (Dongfeng's Voyah)—each developed distinct ecosystems. But Hefei proved something new: that a government could act as a venture capitalist and earn returns while building an industry cluster. The model worked because Hefei, like Wang Chuanfu's brother decades earlier, understood that quitting guarantees failure—and staying in guarantees nothing except a chance.

What crisis reveals

The difference between those who survived and those who fled was not credentials or capital. Every failed founder had impressive qualifications. Freeman Shen led the Volvo acquisition. Byton's founders came from BMW and Nissan. Jia Yueting had built LeEco into a multi-billion dollar empire. All raised staggering sums.

What mattered was what happened at the precise moment when money could no longer solve the problem.

William Li made eighteen phone calls before the nineteenth worked. Wang Chuanfu held R&D spending steady through shareholder pressure to cut it. He Xiaopeng fired ten of twelve executives and rebuilt from scratch. Each chose a different survival mechanism, but they shared one quality: when the crisis came, they did not run.

The transformation arcs are documented with unusual precision. NIO: cattle herder → internet wealth → $1.32 stock → 18 city rejections → Hefei rescue → $62 peak. BYD: orphan at 15 → battery scientist → "darkest moment" → ¥8.4B bet → world's largest. XPeng: UCWeb exit → gilded cage → G9 disaster → 10/12 executives replaced → VW validation. These are not business pivots. They are personal reinventions, documented with specific dates, amounts, and quotes from the moments of doubt.

The next filter

In August 2024, the United States imposed 100% tariffs on Chinese EVs. In October, the European Union finalised anti-subsidy duties of 17–35.3%. China's automakers, having survived subsidy cuts and price wars, now face a new existential question: can they build overseas what they built at home?

BYD's answer is aggressive localisation. Its Thai factory—150,000 units of capacity, operational since July 2024—was the first. Hungary followed: a billion-dollar investment that will be the first Chinese passenger car factory in the European Union. Brazil acquired Ford's former plant for $620 million. Factories in Indonesia, Turkey, and Uzbekistan bring the total to 820,000 units of planned capacity outside China. When Western markets close their doors, build inside them instead.

Leapmotor found a shortcut. Stellantis's €1.5 billion investment bought 21% of the company and access to its Polish and Spanish factories. A Chinese startup now builds cars in European plants owned by a Western automaker—inconceivable three years ago.

XPeng chose validation over volume. Its Volkswagen partnership licenses autonomous driving technology to Europe's largest automaker. Rather than selling cars into European tariffs, XPeng sells software. Volkswagen gets Chinese ADAS capabilities; XPeng gets credibility.

Meanwhile, the domestic market consolidates. NETA, HiPhi, and Jiyue bankruptcies cleared weak players in 2024–2025. Survivors scale: Leapmotor nearly doubled to 596,000 units; Xiaomi matched that pace in only its second year. Competition shifts from manufacturing efficiency to autonomous driving capability. Huawei's

technology-partner model—427,000 AITO vehicles sold in 2024 through 800 retail stores, without owning a factory—proves that software companies can win in automotive.

For investors and partners, the opportunity is no longer subsidised growth—that era ended. It is crisis-forged moats. BYD's vertical integration across batteries, chips, and software took three decades to build and cannot be replicated quickly. CATL's battery dominance, Huawei's DriveONE platform, Stellantis's Leapmotor bet—these are strategic assets forged by surviving what killed 400 others.

The window closes

William Li's eighteenth call ended in rejection. The nineteenth led to Hefei, which led to survival, which led to three brands and 221,000 vehicles in 2024. Wang Chuanfu's sister-in-law sold her dowry jewellery for textbooks; fifty years later, BYD became the world's largest automaker. He Xiaopeng left a gilded cage for hell mode and built technology that Europe's biggest carmaker paid to license.

These stories exist because the founders survived long enough to tell them. Freeman Shen's story ends with an unanswered phone in America. Jia Yueting's "I'll return next week" is seven years old. The failures teach as much as the successes — perhaps more. The companion spotlight to this article — Eight Dead EVs: China's ¥190 Billion Bonfire — anatomises the eight brands that raised ¥190 billion ($26B USD) and collapsed.

But the window for documenting these transformations is narrowing. Corporate narratives are hardening. Founders who once spoke freely about near-death experiences now give carefully managed interviews. The vulnerability that makes these stories extraordinary—Li's "most unfortunate person in China," Wang's "darkest moment," He's G9 confession—becomes less accessible as companies mature and go public.

China's EV sector produced the most concentrated lesson in founder resilience in modern business history: 500 companies entered, 400 died, six emerged stronger. The crisis phase is over. The consolidation phase has begun. And what remains is the essential question: what exactly separated those who made the nineteenth call from those who stopped at eighteen?

KEY TAKEAWAY

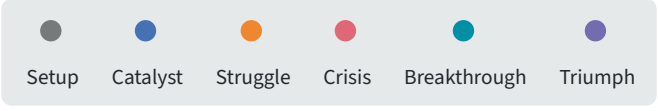
The six survivors shared one quality: when crisis arrived, each made a counterintuitive decision that looked irrational in the moment and proved decisive in retrospect. Crisis revealed what no due diligence could measure.

* * *

SECTOR TIMELINE

The price of the gold rush

The decisive moments behind China's EV shakeout — from the founders' early bets to the consolidation that left six survivors without a safety net.



SETUP 2014

EV subsidy era begins

Government subsidies up to ¥60,000 per vehicle plus local top-ups launch the EV startup wave. Over 500 companies register between 2014 and 2019.

CATALYST 2019-03

Subsidies halved

Ministry of Finance announces subsidy cuts by June. Local top-ups eliminated entirely. Economics shift from marginally viable to structurally unprofitable.

CRISIS 2019

NIO near-death experience

NIO burns $120M/month. Stock collapses to $1.32. William Li makes 18 rejection calls before Hefei responds on the 19th.

CATALYST 2020-01

Tesla Shanghai Gigafactory opens

Built in 10 months for 65% less than US plant. Model 3 at ¥299,050 sets benchmark that makes excuses impossible.

BREAKTHROUGH 2020-04

Hefei rescues NIO

Hefei wires ¥7B for 24.1% of NIO China. Patient capital model validates government-founder partnership.

TRIUMPH 2022-04

BYD exits combustion entirely

First major automaker in the world to cease all ICE production. Blade Battery and DM-i technology validated.

CATALYST 2023

Price war erupts

Tesla slashes Model 3/Y prices up to 9% in January, triggering industry-wide cuts. Over 200 models reduce prices through 2024. Industry margins fall to 4.3%. Only BYD, Tesla China, and Li Auto remain profitable.

TRIUMPH 2024

12.87M NEVs sold

40.9% of all new cars sold in China are NEVs. BYD sells 4.27M units, surpassing Tesla as world largest EV producer.

TRIUMPH 2025

Overseas expansion accelerates

US 100% tariffs and EU 17–35% duties force localization. BYD building 820K units of overseas factory capacity across six countries.

About this research

This report draws on 42 verified sources across 2 languages — primary documents, founder interviews, and trade press. Every figure and claim is cross-validated against independent references.

Full methodology at brandmine.ai.

Currency conversions use approximate rates as of March 2026. Verify current rates for financial decisions.

Set in Source Serif 4 and Source Sans 3. Composed in Typst. CMYK color throughout.
Published simultaneously in English, Russian, and Chinese.
Researched in English, Chinese sources.
First Edition · March 2026

Exceptional founder-owned brands. Proven resilient. Ready now.

Exceptional founder-owned brands.
250+ verified across emerging markets.

Brand Resilience Profiles · Founder Resilience Profiles
Market Maps · Sector Intelligence Reports

Structured research on founder-owned consumer brands in emerging markets.
English, Russian, and Chinese editions.

brandmine.ai/intelligence/

hello@brandmine.ai

www.brandmine.ai

v1.4.2