

UPDATE NOTE

CANGO INC.

From China Exit to Crypto Core: Revaluing Cango

KEY POINTS

Market is Reassessing Cango as a Global Bitcoin-Focused Company. Since May 27, 2025, Cango Inc. (NYSE: CANG) has rolled out a series of updates that make one thing clear: it's no longer the same company. With the sale of its China operations now behind it, a refreshed leadership team in place, and a firm push into Bitcoin mining—including 18 EH/s mining machines acquisition—the company is making a bold pivot to become a global crypto infrastructure player. Since that announcement, shares have climbed 5% and are up 15% year-to-date, suggesting the market is beginning to take notice.

A New Chapter for Cango: Exit from China and New Leadership. On May 27, Cango officially closed its US\$352 million sale of all China-based operations to Ursalpa Digital Limited. That marks a clean break from the company's legacy business. As part of the move, four directors and the CFO stepped down, and the board brought in fresh expertise. Mr. Jiayuan Lin took over as interim CFO, and two new independent directors—Mr. Yanjun Lin and Prof. Haitian Lu—joined the board, bringing experience in fintech, AI, and sustainability. Cango is also filing to terminate its "China Concept Stock" status with Chinese regulators, a voluntary move that reinforces its intent to reposition globally and improve governance transparency.

Change of Control Signals Strategic Shift. On June 2, 2025, Cango announced a definitive agreement under which its co-founders will sell 10 million Class B ordinary shares to Enduring Wealth Capital Limited (EWCL) for up to US\$70 million. That values the shares at US\$7.00 each, or US\$14.00 per ADS—a 176% premium to the current share price of US\$5.08. While some of that premium reflects control rights, it's still a strong signal of what a financial buyer thinks the business could be worth. As part of the deal, EWCL will retain enhanced voting rights (20 votes per share), while remaining founder-held Class B shares will convert to regular Class A shares (one vote per share). Depending on how things play out with a previously announced mining acquisition, EWCL could end up with as much as 50% of total voting power. The deal still needs shareholder approval, but has already been cleared by Cango's board and audit committee. Figure 2 lays out the post-deal shareholding breakdown.

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Gelonghui Research
Chujie (Jack) Sun, CFA
Senior Research Analyst
sunchujie@guruhk.com

Yuecong (Marco) Zhang
Senior Research Analyst
zhangyuecong@guruhk.com

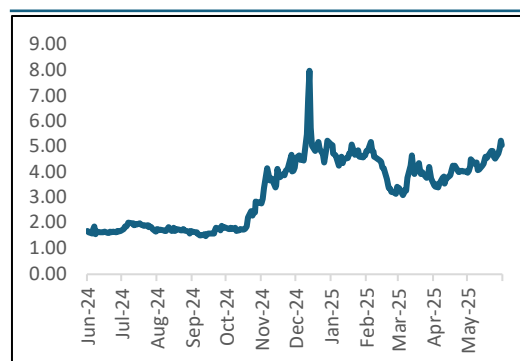
KEY DATA

Exchange: NYSE
Ticker: CANG
Current Price: \$5.08
52-Week Range: \$1.40-\$9.66
Average Volume (3M): 6.49M
Shares Outstanding (MM): 104
Market Capitalization (\$MM): 528
Fiscal Year-End: December

FINANCIALS

In US\$M	FY23A	FY24	FY25E	FY26E
Revenue	235	111	952	1,053
EBIT	-10	25	129	220
Non GAAP Net Income	0	44	134	234

PRICE PERFORMANCE



18 EH/s Acquisition on Track, with Slightly Faster Delivery Expected. Cango first announced its plan to acquire 32 EH/s of mining power in cash from Bitmain and another 18 EH/s in shares from Golden TechGen Limited (GT) and others back in November 2024. The cash deal has closed; the 18 EH/s equity deal is scheduled for deployment by the end of July 2025. The price tag for the 18 EH/s portion is US\$144 million, to be paid via 145.7 million Class A shares (~US\$1.00/share or US\$2.00/ADS). Sellers are subject to a 6-month lock-up and are eligible for 97.1 million bonus shares if Cango's market cap exceeds US\$1.8 billion (~US\$10.00/ADS) for 30 consecutive trading days. On June 4, Cango announced a third amendment to this agreement to adjust the share count (now 146.7 million and 97.8 million bonus shares) and align terms with its China exit and the EWCL transaction. GT will hold 18.79% of total shares once this closes, and all sellers will own 41.38% collectively. Importantly, the US\$144 million valuation and incentive structure remain unchanged. Additional shares tied to additional PRC-related costs are still in place, though we view the risk of further dilution from that clause as low. Based on internal progress and commentary, we now expect the 18 EH/s deployment to complete slightly ahead of schedule.

Valuation Remains Attractive as Cango Transitions into a Crypto Play. In our May 15 report, "All in on Bitcoin," we noted that Cango's clean break from China removes a major regulatory risk and sets the stage for a fresh valuation story. With the mining infrastructure build-out progressing and crypto markets showing renewed momentum—highlighted by Circle's blockbuster IPO (US\$1B raised, +168% on Day 1)—investors appear to be warming up. EWCL's offer, valuing Cango at US\$14.00 per ADS, stands in stark contrast to its current market price of US\$5.08. As of June 5, 2025, Cango held 3,504.1 BTC worth roughly US\$350 million. Its total market cap is US\$528 million. With our forecasted revenues of US\$952 million in CY2025 and US\$1,053 million in CY2026, the stock is trading at just 0.6x and 0.5x P/S—well below peers like Marathon Digital (MARA), Riot Platforms (RIOT), and Core Scientific (CORZ), which trade at 6.3x and 4.5x, respectively. With execution improving and visibility rising, we believe Cango has significant room for multiple re-rating.

Figure 1: Mr. Yanjun Lin and Prof. Haitian Lu joined the board as independent directors.

Name	Introduction
Yanjun Lin	Mr. Yanjun Lin is a FinTech pioneer in digital banking and virtual asset wealth management, as well as a seasoned investment banker and investor. As a founding partner of I.N Capital, a blockchain and AI investment and consulting company, Mr. Lin focuses on financial market investments and services, particularly in AI and Web 3.0 technologies. Mr. Lin was also a senior investment banker at Credit Suisse and Barclays Capital. From 2015 to 2021, the executive director and chief financial officer at 9F Inc. (NASDAQ: JFU), a FinTech company offering digital financial services.
Haitian Lu	Prof. Haitian Lu is a professor in accounting and finance and the co-director of the Center for Economic Sustainability and Entrepreneurial Finance at the Hong Kong Polytechnic University, with abundant expertise in FinTech, RegTech and SustainTech. Prof. Lu also serves as a director at Wiselaw Digital Technology Ltd., Wise International Development Ltd, Chinese FI Finance & Treasury Association of Hong Kong Limited, China Life Trustees Limited, Bosera Asset Management Co., Ltd. and Vitalink Technology Co., Ltd.

Source: GLH Research; Company filings.

Figure 2: CANG's Ownership Table (Unit: in Ordinary Share).

Cango Ordinary Shareholders	2025 20-F	After Resale	%	Voting	After 18EH	%	Voting
18EH Miners	0	0	0.0%	0.0%	146,670,925	41.4%	26.9%
EWCL	0	10,000,000	4.8%	50.3%	10,000,000	2.8%	36.7%
Zhang Holdco (Founders)	38,275,787	33,275,787	16.0%	8.4%	33,275,787	9.4%	6.1%
Lin Holdco(Founders)	34,702,890	29,702,890	14.3%	7.5%	29,702,890	8.4%	5.5%
Lin's Trust (Founders)	2,730,370	2,736,370	1.3%	0.7%	2,736,370	0.8%	0.5%
Others	132,035,041	132,029,041	63.6%	33.2%	132,029,041	37.3%	24.3%

Source: GLH Research; Company filings.

Figure 3: CANG's Monthly BTC Production.

	Number of Bitcoins produced
Nov-24	363.9
Dec-24	569.9
Jan-25	538.2
Feb-25	472.7
Mar-25	530.1
Apr-25	470.0
May-25	484.5
June-25 as of 06/05	74.8
Total	3504.1

Source: GLH Research; Company filings.

Figure 4: CANG's Financials 2024 – 2026E.

Unit: Million USD	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25E	3Q25E	4Q25E	2025E	2026E
Revenues	9	6	4	92	111	145	270	269	268	952	1,053
Operating cost and expenses											
Cost of revenue	4	4	3	76	87	132	221	220	220	793	843
Sales and marketing	0	1	0	0	2	0	1	1	1	2	3
General and administrative	5	5	6	18	34	0	8	8	8	23	26
Research and development	0	0	0	0	1	0	0	0	0	1	1
Net loss (gain) on contingent risk assurance liabilities	-2	-1	-1	1	-4	-1	-2	-2	-2	-7	-11
Net recovery on provision for credit losses	-9	-9	-10	-9	-37	-4	-8	-8	-8	-29	-29
Impairment loss from goodwill	0	0	0	0	0	0	0	0	0	0	0
Loss from change in fair value of receivable for bitcoin collateral	0	0	0	3	3	27	0	0	0	0	0
Total operation cost and expense	-1	0	-1	89	86	167	220	218	218	823	833
(Loss) income from operations	10	6	5	3	25	-21	50	50	50	129	220
Interest income	2	5	4	4	15	0	4	3	3	11	14
Net gain on equity securities	2	-1	0	0	1	0	2	2	2	5	11
Interest expense	0	0	0	0	0	-1	0	0	0	-1	0
Foreign exchange (loss) gain, net	0	0	0	0	0	0	0	0	0	0	0
Other income	0	1	0	0	1	2	0	0	0	3	2
Other expenses	0	0	0	0	0	-7	0	0	0	-8	0
Net (loss) income before income taxes	14	11	9	8	41	-28	55	56	56	139	246
Income tax (expenses) benefits	-2	1	0	0	0	0	-4	-4	-4	-12	-17
Net (loss) income	12	12	9	8	41	-29	52	52	52	127	229
Net income attributable to non-controlling interests	0	0	0	0	0	0	0	0	0	0	0
Net (loss) income attributable to Cango Inc.'s shareholders	12	12	9.4	7.7	41	-29	52	52	52	127	229
Non-GAAP Adjustment Items	1	1	0	0	2	4	1	1	1	7	5
Adjusted Net (loss) income attributable to Cango Inc.'s shareholders	13	13	9.8	8.2	44	-25	53	53	53	134	234

Source: GLH Research; Company filings.

Figure 5: Peer Valuation Analysis.

Company	Ticker	Market Cap	Revenue			P/S			Category
			2024A	2025E	2026E	2024A	2025E	2026E	
MARA Holdings, Inc.	NASDAQ:MARA	5,515	656	909	1,080	8.4x	6.1x	5.1x	BTC Mining Companies
CleanSpark, Inc.	NASDAQ:CLSK	2,677	379	769	1,142	7.1x	3.5x	2.3x	BTC Mining Companies
Riot Platforms, Inc.	NASDAQ:RIOT	3,394	377	644	756	9.0x	5.3x	4.5x	BTC Mining Companies
Core Scientific, Inc.	NasdaqGS:CORZ	3,741	511	427	866	7.3x	8.8x	4.3x	BTC Mining Companies
Coinbase Global, Inc.	NASDAQ:COIN	65,205	6,293	7,460	8,102	10.4x	8.7x	8.0x	Crypto Exchange Companies
Bitdeer Technologies Group	NASDAQ:BTDR	2,607	350	494	1,023	7.5x	5.3x	2.5x	Shared Mining Platform
Median						7.2x	7.1x	4.2x	
Mean						8.6x	6.3x	4.5x	
Cango Inc.	NYSE:CANG	528	111	952	1,053	4.8x	0.6x	0.5x	

Notes:
 1. Data as of 6/6/2025.
 2. Market Caps and Revenues are in US\$ Million.
 3. Revenues are in calendar year and estimates are provided by analyst consensus on Capital IQ.

Source: GLH Research; Company filings.

Appendix

Cango's recent related press releases

June 4, 2025: [Cango Inc. Announces Third Amendment to Share-Settled Crypto Mining Assets Acquisitions](#)

June 3, 2025: [Cango Inc. Announces May 2025 Production Update for Crypto Mining Business](#)

June 2, 2025: [Cango Inc. Announces Definitive Agreement with Founders and EWCL](#)

May 29, 2025: [Cango Inc. Completes PRC Business Sale, Strengthens Board to Drive Global Bitcoin Focus](#)

May 27, 2025: [Cango Inc. Announces Closing of PRC Business Disposal and Certain Changes to Board of Directors and Senior Management](#)

March 14, 2025: [Cango Inc. Announces Receipt of a Preliminary Non-Binding Letter of Intent and Formation of Special Committee](#)

November 6, 2024: [Cango Inc. Announces Agreements to Acquire Crypto Mining Assets](#)

ABOUT THE ANALYSTS

Chujie (Jack) Sun, CFA

Senior Research Analyst

Chujie (Jack) Sun is a Senior Research Analyst at Gelonghui Research. Since 2017, Jack has served as the Investment Analyst in China Alpha Fund Management (Hong Kong) Limited, TMT Analyst in First Shanghai Group, and TMT Analyst at Gelonghui Research. Focusing on TMT sector, Chinese companies listed in the US, Hong Kong, and etc., and he specializes in both buy-side and sell-side equity research. Jack holds a B.A. in Economics from Ohio State University (Columbus) and an M.S. in Finance from City University of Hong Kong.

Yuecong (Marco) Zhang

Senior Research Analyst

Yuecong (Marco) Zhang is a Senior Research Analyst at Gelonghui Research. Marco previously held the position of Senior Research Analyst at Watertower Research, Executive Director at Valuable Capital Group's Investment Banking Department, Vice President at Guosen Securities (HK), and Senior Associate at Roth Capital Partners, where he completed more than 35 transactions, including IPOs, follow-on offerings, and M&A, with a total transaction value of more than US\$3.5 Billion+ for mid-cap companies from China and the US. During his time at Roth, he led six NASDAQ and NYSE IPOs for Chinese clients, with a total transaction value of more than US\$260 Million. Marco holds a B.S. in Financial Management from North China Electric Power University and an M.S. in Applied Finance from Pepperdine University.

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