

# China's bike-share app Ofo raises \$850 mn to expand overseas

March 13 2018

---



Ofo's lemon-yellow bicycles are ubiquitous in Chinese cities

Chinese bike-sharing start-up Ofo announced Tuesday that it has raised around \$850 million from investors including e-commerce giant Alibaba, to finance its overseas expansion while it battles rivals in China.

Ofo, whose lemon-yellow bicycles are ubiquitous in Chinese cities, said on the social network Weibo that it had raised \$866 million dollars.

The consortium of investors was led by Alibaba, China's top online shopping conglomerate which also contributed to the 700 million dollars raised by Ofo in July 2017.

The latest cash injection will allow Ofo to expand its overseas presence. The company has already made inroads into France, Japan and the US, and says it is operational in around 20 countries.

It is also fighting to increase its market share in China, where it is competing against its local rival Mobike—backed by another Chinese internet giant, Tencent.

The bulk of China's vast and rapidly growing bike-sharing market is shared between the two companies, which compete with each other by offering subsidies and extremely low fares.

Mobike, Ofo and others are tapping into the sharing economy ethic behind Airbnb and ride-hailing apps such as Uber, and targeting China's 700 million [mobile phone users](#), who increasingly use their smartphone for transactions.

The bikes are unlocked using an app and cost as little as one yuan (15 cents) an hour.

Not everyone is happy with the service, though, which allows bikes to be left anywhere. Careless users often park the bicycles haphazardly on footpaths and roads.

© 2018 AFP

Citation: China's bike-share app Ofo raises \$850 mn to expand overseas (2018, March 13)  
retrieved 11 May 2024 from <https://phys.org/news/2018-03-china-bike-share-app-ofo-mn.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.