

# Xiaomi turned out to be more money than you thought, just investing \$ 400 million in the electric vehicle sector

The electric car company, dubbed a competitor to Tesla and once backed by Alibaba, has just completed a new fundraising round with capital contribution from phone maker Xiaomi.

Chinese electric car maker XPeng, once backed by Alibaba Group, said on Wednesday it had raised \$ 400 million from new investors, including Xiaomi.

This fundraising was immediately surprising, as electric vehicles are becoming increasingly difficult because of fierce competition. Electric vehicle startup companies often have problems persuading investors about the future, as well as how to make a profit in a new context where the Chinese government is starting to cut subsidies for the business. this joint.



An introduction to new products of XPeng.

He Xiaopeng, a 42-year-old technology entrepreneur, the founder of the company, said in a statement that his brand has a valuation of about \$ 4 billion, and plans to list shares on the New York Stock Exchange in next time. And with the new support from Xiaomi, XPeng will have the opportunity to explore and integrate more smartphone technology applications on its vehicles.

"The new fundraising signing, which not only attracts new strategic investors like Xiaomi Group but also receives strong support from many of our current shareholders, is a new testament to the battle. long-term

corporate strategy, "CEO XPeng stated.

The proceeds will be primarily used in the research and development of software related to autonomous driving, as well as the mass production of G3 and P7 multipurpose sports cars, branding and expand retail network.

Another report said XPeng was also backed by a series of well-known banks, including China Merchants Bank, China CITIC Bank and HSBC.



China is getting more electric cars than you might imagine.

China's market for new energy vehicles is considered the largest in the world, with explosive growth recently. But fewer vehicles are sold this year than in 2018. An official from the country's auto association has also issued a warning that sales of new energy-efficient vehicles will continue to decline in the future. near future.

Along with the gradual reduction of subsidies for the country's electric vehicle sector, startups are facing many difficulties, especially in seeking profits, making investors wary.

XPeng, sold about 13,000 cars in the first 9 months of this year. It is one of several Chinese startups looking to accelerate development of battery-powered vehicle technology and embrace the dream of competing with Tesla, the world's leading electric vehicle company.

Refer to *Abacus News*

You finished reading the article "**Xiaomi turned out to be more money than you thought, just investing \$ 400 million in the electric vehicle sector**" edited by the [TipsMake](#) team. We hope this article has provided you with many useful tech tips and tricks. You can search for similar articles on tips and guides. Thank you for reading and for following us regularly.