

Didi shares plunge in wake of Beijing crackdown

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Shares of Didi Chuxing plunged after Beijing widened its crackdown on its embattled technology.

Shares of Didi Chuxing plunged in pre-market trading Tuesday after Beijing required app stores to pull the Chinese ride-hailing program as part of a widening crackdown on technology companies.

The Cyberspace Administration of China on Sunday ordered the removal of the Didi app after investigations found its user data collection in "serious violation" of regulations.

The authorities also cited national security concerns in the probe, an unusual move against a domestic tech firm. However, there were few details on the probe or specifics of Didi's alleged violations.

Didi has pledged to rectify any problems, but said the takedown "may have an adverse impact on its revenue in China".

The app, which went public only last week after raising \$4.4 billion in an [initial public offering](#), claims to have more than 15 million drivers and nearly 500 million users.

Dubbed China's Uber, Didi was founded just nine years ago by former Alibaba executive Cheng Wei. It has gone on to dominate the country's ride-hailing market after winning a costly turf war against the US titan in 2016 and taking over Uber's local unit

But the company has endured a series of blows in recent days.

The Wall Street Journal reported that the Chinese watchdog agency attempted weeks before the bumper IPO to dissuade Didi from going ahead the [share](#) sale and urged the firm to launch an internal security probe.

Didi shares dove 24 percent to \$11.79 just after the opening bell.

Two other US-listed Chinese tech firms targeted by Beijing—Kanzhun and Full Truck Alliance—were also sharply lower.

And the order against Didi came as China moved Tuesday to tighten rules on companies seeking to sell shares overseas, saying there needs to be more extensive cooperation between international regulators on data security, The Wall Street Journal reported.

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