A STUDY ON THE DUAL-CLASS SHARE STRUCTURES OF OVERSEAS LISTED COMPANIES-- TAKING ALIBABA GROUP AS AN EXAMPLE

WANG XI & LIU YANG
Institute of Business
Henan University, Kaifeng
CHINA

ABSTRACT

At present, more and more Internet technology companies in China have chosen to go public overseas. Most of them have adopted the Dual-Class Share Structure, while Chinese mainland and Hong Kong laws temporarily do not allow companies to adopt such equity structure arrangements. Compared with the "one share one vote" structure, the dual-class share structure can guarantee the founder and his team's control over the company, which is beneficial to the company's continuous operation and long-term development, but it also brings some problems to corporate governance. Alibaba has successfully listed in the United States with the help of the atypical dual-class share structure ownership "partner system", which has aroused people's thinking about the dual-class share structure. This article takes Alibaba as an example to analyze the advantages and risks of the dual-equity structure in corporate governance, and put forward corresponding suggestions for the "landing" of dual-class share structure in China.

Keywords: Dual-Class Share Structure; Partner System; Suggestions.