

Alibaba gives more business details ahead of IPO (Update)

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In this March 17, 2014 file photo, people walk past a company logo at the headquarters of Alibaba Group in Hangzhou, in eastern China's Zhejiang province. Alibaba is pulling back the curtain a little bit more Monday, June 16, 2014, providing more information about its partnership structure and financials ahead of its planned initial public offering. (AP Photo)

Alibaba is pulling back the curtain a little bit, providing more information about its partnership structure and financials ahead of its planned initial public offering of stock.

China's biggest e-commerce company filed in May for an initial public offering in the U.S. that could top the \$16 billion that Facebook and its early investors raised in the social networking company's IPO two years ago.

Alibaba's latest disclosure filed Monday is in part meant to squash criticism that it didn't provide enough details on its business in its initial filing. Most of Alibaba is currently owned by four shareholders: Japan's SoftBank Corp., Yahoo, former CEO, executive chairman and co-founder Jack Ma and executive vice chairman and co-founder Joseph Tsai.

Alibaba Group Holding Ltd. said in the filing that its partnership currently has 27 members, including 22 people from its management ranks such as CEO Jonathan Zhaoxi Lu, Ma and Tsai. The partnership has the exclusive right to nominate a simple majority of the board's members.

The company also said that after its IPO is completed it expects its initial board will have nine members, with four designated as partnership nominees. It anticipates striking a voting agreement with SoftBank and Yahoo in which the two companies will agree to vote their shares in favor of partnership director nominees at each annual shareholders meeting.

The board is expected to include Ma, Tsai, Lu, Chief Operating Officer Daniel Yong Zhang, SoftBank founder, Chairman and CEO Masayoshi Son, Chee Hwa Tung, Walter Teh Ming Kwauk, former Goldman Sachs vice chairman J. Michael Evans and Yahoo co-founder Jerry Yang. Tung is vice chairman of the Twelfth National Committee of the Chinese People's Political Consultative Conference. Kwauk is a senior consultant at Motorola Solutions (China) Co.

Yahoo Chief Development Officer Jacqueline Reses, a director since 2012, will resign, according to the filing.

Alibaba said net income for the quarter ended March 31 increased 31 percent to \$883.4 million. Revenue rose 39 percent to \$1.93 billion.

Although not well-known in the United States, Alibaba is an e-commerce powerhouse that makes more money than Amazon.com Inc. and eBay Inc. combined. It has helped drive the rise of e-commerce in China, a transformation that has given millions of households greater access to clothes, books and consumer electronics in a society that in the 1980s still required ration tickets for some supermarket items.

Its network of online services includes Taobao, Tmall and online payment system Alipay. Taobao is an online shopping bazaar similar to eBay while Tmall serves as an online outlet for brands sold by major retailers.

Alibaba still has not disclosed how many shares it expects in the IPO or the anticipated price range.

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