**COVER LETTER**

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**iii. Novelty and importance of the findings**

This paper analyzes the impact of the controlling shareholder's equity pledge behavior on corporate value from the perspectives of separation of powers, company performance issues and balance of equity, based on A-share listed companies’ equity pledge of China in 2014-2017.

**Novelty**

Existing researches on the impact of equity pledge on corporate value are mostly based on the perspective of ownership and control, focusing on the separation of the two powers to study the cross-impact effect of equity pledge on ownership, control and corporate value. From the perspective of China's current capital market, its practicality is not enough. Based on traditional researches, this article combines the perspective of corporate performance and balance of equity, comprehensively studies the impact of controlling shareholder equity pledge on corporate value. Second, as for the model used in the study, this paper uses the equity multiplier as a measure of financial leverage, replacing most of the existing research practices which use the asset-liability ratio. Third, in terms of the research data, this paper uses the latest data, and distinguishes the equity pledge sample and the controlling shareholder equity pledge sample.

**Importance of the findings**

The findings of this research are practical for investors. First of all, in recent years, equity pledges have grown rapidly, which has had a great impact on the market and investors. Therefore, based on information asymmetry theory, principal-agent theory, etc., this paper combines the status quo of equity pledge to conduct empirical analysis, and helps investors to better understand the financing method.

Secondly, although the development of equity pledge is fast, the development of relevant laws and systems has not kept pace with the equity pledge, which has brought certain challenges to the regulatory authorities. This paper proposes corresponding governance opinions through empirical analysis, and then promotes the regulation of equity pledge.

**iv. Declaration**

We  wish  to  confirm  that  there  are  no  known  conflicts  of  interest  associated  with  this publication and there has been no significant financial support for this work that could have influenced its outcome.

**v. Conflict of Interest**

NONE

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**vi. Informed Consent**

We confirms that written consent was obtained prior to the study.

**viii. Trial Registration**

**Eg. Name of Trial Registry: Trial Registration Number**

**vii. Ethical Approval**

**ix. Contributorship**

Haifeng Li: Literature collection, modelling and result analysis

Haiyi He: data collection and data processing

Yuanyuan Zhang: writing up