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## Strategic motivations and performances of cross-border mergers and acquisitions: evidence from Chinese acquiring firms

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### Keywords

Cross-Border, Mergers and Acquisitions, Motivations and Performances.

### Abstract

*We investigate the strategic motivations of Chinese Cross-Border Mergers and Acquisitions (CBM&As) and examine the acquiring firm performance and the determinants of performances across the deals with different motivations, different target industries and different target regions, based on the study of a sample of 121 Chinese CBM&As from 1st January 2005 to 31st December 2014. We find that resource seeking and market seeking are two most important motivations; Central Asia, North America and West Europe are among top three target regions; and high technology, industrials and financial Industry are among top three target industries in Chinese CBM&As. Our regression results show that prior CBM&A experiences have positive impact on acquiring firm performances, suggesting that experiences could help the acquirers to adapt to foreign environments and facilitate the integration process. More interestingly, we find that the post-acquisition performances (ROEs) proved to be around 20% in both Asian and Europe regions double that of in America region, showing that performance outcomes vary significantly across the major world regions. We also find that the determinants of firm performances differ across the deals with different motivations and with different target regions. This finding highlights the importance of considering the motivation differences and geographic differences in evaluating the associations between deal characteristics and performances in CBM&As.*

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