

The Internationalisation of Chinese Multinationals: Do Cross-border M&As Create Shareholder Value?

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Abstract:

The rapid international expansion of firms from emerging economies has caught media attention worldwide and attracted considerable academic interest over the last decade. Previous research has emphasised emerging market firms' motivations and strategies for internationalisation. Understanding of whether their internationalisation through cross-border mergers and acquisitions (CM&As) has created value for shareholders is still relatively limited. There is also little empirical evidence on the value implications of good corporate governance for emerging market CM&As. Using a unique and manually collected firm-level dataset, this paper examines the CM&As made by Chinese multinationals from 1991 to 2011. The findings support our hypotheses that CM&As by EMNEs create shareholder value, which is positively related to good corporate governance.