
Premises and Effects of Mergers and Acquisitions Concluded by Chinese Companies in the High-Tech Sector

Submitted 03/10/21, 1st revision 25/10/21, 2nd revision 13/11/21, accepted 30/11/21

Karolina Łopacińska¹

Abstract:

Purpose: The article aims to identify the reasons for M&A in the high-tech sector as well as the market and economic effects of this form of agreements.

Design/Methodology/Approach: The basis for the implementation of the research goal was the case study analysis of five M&As that were conducted in 2016/2017 by Chinese companies on the European market in the high-tech sector. The course of these forms of integration in the context of shaping the companies' economic strength, position, and directions of strategic development on the market were analyzed.

Findings: The analysis shows the following main reasons for Chinese companies to conclude M&As in the high-tech sector. The need to acquire modern and environmentally friendly production technologies, companies striving to strengthen their competitive position on the market and increase their development prospects in the long term, as well as implementation of China's government policy aimed at the innovative economy development. The main effects achieved by these companies are access to valuable know-how, strategic technological solutions, new markets, and new customers, as well as growth of the companies' potential and strengthening of their market position. In turn, the benefits for European companies include the possibility of access and expansion to the Chinese market, in particular access to suppliers and rich resource bases. Moreover, thanks to agreements with Chinese partners, European companies improve and stabilize their financial situation, which is a key factor in the implementation of the adopted development strategies.

Practical implications: The research results are an important source of information and inspiration for companies that are considering Mergers or Acquisitions in the high-tech sector. Companies should adapt their management model to the requirements imposed by the specificity of this type of transaction and to their conditions. Moreover, it is worth paying attention to the necessity to prepare managerial staff and increase employees' awareness of M&As and their effects on strategic development, organizational culture, and operational processes in companies.

Originality/Value: The article allows to reduce the research gap regarding the role of M&A in achieving the goals of strategic development of Chinese companies, as well as European companies operating in the high-tech sector.

Keywords: Mergers and Acquisitions, China, high technologies.

JEL codes: F21, F23, F63, G34, O32, O43, Q55.

Paper Type: Research paper.

¹PhD, Assistant Professor, Faculty of Economics and Finance, Department of International Business, Wrocław University of Economics and Business, Poland, ORCID: 0000-0003-0933-9863, e-mail: karolina.lopacinska@ue.wroc.pl ;

1. Introduction

Over the past decade, China has observed continuous increase in foreign direct investment in the high technology sector, driven by strong government support, growing interest from foreign companies, opportunities of domestic sales, and also an improving domestic innovation ecosystem. At the same time, mergers and acquisitions are approached in the next five-year economic development plans of China as important tools for gaining access to strategic technologies and, consequently, increasing the country's trade opportunities.

This paper aims to answer the following research questions:

- Q1. What are the reasons for mergers and acquisitions in the high technology sector?*
- Q2. What are the market and economic effects of mergers and acquisitions in the high technology sector?*

The basis for answering the research questions is the analysis of case studies of selected five mergers and acquisitions that were conducted in 2016/2017 by Chinese companies on the European market, in the high technology sector. The reasons, the process, and the effects of establishing these forms of integration were analyzed in the context of shaping the economic strength, position, and directions of strategic development of companies on the market.

2. Case Study Method - Essence, Goals and Application

The case study research method is one of the basic methods used in performance of qualitative research. It allows for the most in-depth and comprehensive analysis of the surveyed community in terms of selected variables. This is because the case study is a research method of empirical character defined in the literature as "*a detailed description, of a usually real economic phenomenon, e.g., organization, management process, its elements or the organization's environment, in order to formulate conclusions about the causes and results of its course*". The case study method is mainly used to analyze phenomena of a descriptive nature. It allows the researcher to obtain answers to such basic questions as: What happened? Where did a given event take place? What were the circumstances and the course of the analyzed event? Answering these questions often requires the use of appropriate tools of data collection and analysis. Based on these data and information, the case study allows for performance of an in-depth analysis of the studied phenomenon, as well as for the presentation of its specificity and correlation with other entities in its environment (Kostera, 2011).

The choice of a case study as a method to study the reasons and effects of selected cases of mergers and acquisitions conducted by Chinese companies on the European market in the high technology sector is justified by the nature of the problem undertaken, which requires a descriptive study. The analyzes of selected cases are based on secondary sources with the use of statistical measures providing information on the level of

production, achieved revenues, incurred costs, market shares, profitability, and the general financial situation of the surveyed companies. The data were obtained from annual reports on the activities of selected Chinese and European companies.

Five companies with Chinese capital which in 2016/2017 concluded agreements in the high technology sector, such as mergers and acquisitions with a European partner were analyzed. The scale of the undertaking, expressed by the value of implemented investments was adopted as the criterion for the selection of companies. It should be emphasized that these are agreements from the high technology sector, which in recent years has been the subject of the highest interest on the part of Chinese companies.

The cases of agreements such as mergers and acquisitions, analyzed in this paper focused the attention on the presentation and analysis of the process of concluding agreements between the parties, starting from the reasons that prompted the companies to establish them, through the course of the entire transaction, and ending with the effects of the agreement. Then, the effects of the merger and acquisition agreements, i.e., their impact on the financial results and development of the surveyed Chinese companies, as well as the effects on the acquired European companies was made were assessed.

Therefore, it can be concluded that the case study conducted in this paper is exploratory, descriptive, and explanatory in nature. This is because relevant data concerning the completed transactions were collected and selected, and then the data were analyzed according to the previously adopted criteria, significant from the point of view of the research questions formulated in the article.

Both quantitative and qualitative data were used in the conducted analysis, and most of the data and information used were obtained from foreign sources. The case study method used in the article allowed for evaluating the analyzed agreements and obtaining answers to the formulated research questions.

At the same time, it is important to remember about the difficulties of research into agreements such as mergers and acquisitions, as detailed information concerning the process of mergers and acquisitions and their effects are often deliberately concealed by companies wishing to protect themselves from competitors in this way. Therefore, the only information about the transaction is often the one that is selected and admitted to the public by the companies themselves, which limits the possibility of assessing the actual situation, and due to the confidentiality of financial data, it also distorts the assessment of the nature of the transaction.

3. Literature Review

The subject of international mergers and acquisitions in the high technology sector has been discussed in Polish and foreign literature for over three decades. This is because a growing need to acquire new skills as well as new technical and technological knowledge by companies has contributed to a significant development of M&A

expansion in high-tech sectors. The literature shows great diversity in this area, both in terms of methodology and the obtained results.

Korpus and Banach (2017) attempted to systematize knowledge about the sources of gaining technology in high-tech enterprises in the context of their strategic choices. Moreover, they presented the essence of technological acquisitions targeted at taking control over new products or gaining access to new technologies and skills related to them. Special attention was also paid to the sources of knowledge and technology, while showing a significant role of mergers and acquisitions in this area. According to the research conducted by Valentini and Dawson (2010) on the impact of mergers and acquisitions on the technological performance of companies in the high-tech sector, mergers and acquisitions have become a strategic tool for companies allowing them to maintain their competitive advantages on the market, an appropriate rate of return, and profitability. This is because the desire to acquire new technologies and knowledge that will generate more value in the innovation process is the greatest impulse for acquisitions in this area.

Based on the analysis of 206 Chinese corporations that implemented international mergers and acquisitions, Park and Roh (2018) showed that multinational corporations of emerging markets often conclude cross-industry mergers and acquisitions to obtain advanced technologies from multinational corporations of developed markets. This thesis is also confirmed by Krakówka (2015), who emphasizes that technological progress is a priority in the development of the Chinese economy, which is emphasized in subsequent plans for the country's socio-economic development. China is actively seeking opportunities to gain access to modern technologies; hence, transactions of merger and acquisition type are an important element in the investment policy of Chinese companies. Companies with a rich scientific background and a broad portfolio of patents are currently an attractive target of acquisition.

The key players on the market of new technologies gain an advantage over the competition through acquisitions, not only through the acquired intellectual property, but also thanks to the use of extensive sales channels in promoting and selling new, more innovative products. The variety of companies that have become targets of acquisitions in recent years confirms that innovation and having unique knowledge and technology is an indispensable determinant of development, allowing to achieve a competitive advantage, and often provide the basis for further business growth in the coming years.

However, for this purpose, appropriate strategic and organizational alignment between the companies involved in the process is vital. This is because according to the analysis conducted by Hagedoorn and Duysters (2002), strategic alignment between companies on related product markets increases the innovative potential of mergers and acquisitions. However, it is important to remember that the full technological efficiency of mergers and acquisitions can only be achieved with long-term commitment to the process of relationship building within a specific transaction. This is also confirmed by the research conducted by Birkinshaw, Bresman and Hakanson (2000) on the integration of management in knowledge-intensive acquisitions.

These studies and analyzes of mergers and acquisitions in various high-tech sectors show that, due to the specific characteristics of this type of transaction, a slower integration process contributes to a better integration of human resources. Managing white collar workers (scientists and engineers) requires time and a high level of trust. Therefore, the integration process after merger and acquisition should be spread over time and proceed with a high level of caution.

Lee and Lee (2021) analyzed 136 merger and acquisition transactions in high-tech industries, in terms of the impact of such factors as, geographical proximity, technological similarity and integration of organizational identity on the probability of joint knowledge creation between the acquired and the acquiring company as a result of concluded merger or acquisition. The results of the analysis showed that although geographical proximity and technological similarity are positively associated, the integration of organizational identity is negatively associated with the creation of shared knowledge after the merger and acquisition are concluded. That is why it is so important in the process of selecting a partner for a merger and acquisition to consider such factors as location, possessed knowledge base and strategies for integrating companies after concluding the transaction.

4. The Role of New Technologies in the Economic Development of China

Until recently, the competitiveness of Chinese enterprises was based on the production of labor-intensive goods with low added value. Today, however, this competitiveness is not limited to traditionally applied methods and areas. China successfully absorbs new foreign technologies, becoming a strong competitor for companies from developed countries. In addition, the Chinese government strives to use its innovative capabilities, which is reflected in the implementation of the goals set in the next five-year plans that focus on the need to promote domestic innovations and taking bolder actions towards reforming and modernizing economy (Center for Strategic and International Studies, 2015).

The currently implemented - Fourteenth Five-Year Economic Development Plan of China sets the strategy and path of the country's development for the years 2021-2025 and thus emphasizes a serious strategic change in China's approach to economic and social development. Four areas of change are particularly important: the autonomy of technology, a new way of urbanization, equal delivery of public goods and greener production. According to the provisions of the 14th Five-Year Plan, China will strive to move from pure economic growth to broadly perceived social and climate-friendly development. The new urbanization strategy, more balanced distribution of public goods and increased investment in environmental technologies will in turn provide new sources of sustainable growth, not only by increasing domestic demand but also by improving China's economic efficiency (Yang, 2020).

The transformation of China into a technological power is also to be fostered / supported by the *Made in China 2025* government policy implemented since 2015, which aims to achieve a dominant position by China in the global production of

advanced technologies. In line with this assumption, Chinese companies have now directed their efforts to implement modern solutions in the economy and thus to deepen the technological progress of the country. This is because innovation is the most important factor determining the competitive position and development of modern enterprises, and technology is necessary for the emergence of innovation (Lazowska, 2016).

Experts expect the R&D activity of foreign investment enterprises in China to increase in the coming years, and that the Chinese government will promote and support innovation and improve intellectual property protection to drive high-quality economic growth (Fitch Ratings, 2021). In addition, according to the provisions of the 14th Five-Year Plan (2021-2025) for the economic and social development of the country and the achievement of long-term goals by 2035, China is to encourage greater foreign investment not only in high-tech industries, but also in manufacturing industries of medium and high class, as well as in the progress of transformation and modernization of traditional branches of manufacturing industry and modern services (Xinhuanet.com, 2021).

Experts also expect that the Chinese strategy of *Dual Circulation* will strengthen the declared government's desire to attract FDI in advanced technologies. This is because China's massive dependence on high-added-value imports has become a potential source of vulnerability in the face of increasing geopolitical tensions and emphasizes the need for further domestic innovation in technology. Moreover, FDI in high-tech services, which are currently largely supported by Chinese companies, can generate large revenues if the licensing barrier, i.e., the main obstacle to foreign investors entering the Chinese telecommunications sector, is reduced.

However, the distrust and restraint of foreign governments concerning the export of sensitive technologies to China and controls related to them, as well as the concerns of foreign enterprises regarding political risk caused by China's evolving regulatory environment, are still an obstacle to significant FDI growth in more advanced technology areas (Fitch Ratings, 2021).

5. China's High-Tech Sector

China's technology sector has been growing so rapidly over the past two decades that it pushes the United States out of its position of a digital leader. The progress of such companies as: Huawei, WeChat, Baidu or Tencent helps the Chinese economy to grow at an unprecedented pace, and thus affects the global economy. China and the United States are fighting for a leadership position in 5G technology. Chinese technological companies seem to be winning now. It has a lot to do with China's entrepreneurial culture, which has impact on implementation of innovation at a very fast pace.

Experts expect a reduction in China-American rivalry in political dimension in 2021. On the other hand, the level of market competition and the struggle for technological dominance will continue. This poses challenges for the technology industry, which is expected to support digitization in every sector of the Chinese economy. Cloud and

intelligent edge computing will become critical infrastructure, and the development of virtual reality in enterprises and education will accelerate. The pandemic has become an additional factor significantly accelerating the use of cloud technology in all economic entities, i.e., in companies, online offices, healthcare, education and e-commerce.

In 2020, China's high-tech industry experienced rapid growth, exceeding 20% for the next nine months of the year. Sales revenues increased by 14.7% compared to 2019, and the industry growth rate was 8.7 percentage points higher than the national average. High-tech services such as the internet, big data and artificial intelligence have further integrated with the country's manufacturing industry. In addition, it is estimated that the number of high-tech enterprises in China last year was 275,000, which is over three times more than in 2015 (ChinaDaily.com.cn, 2021).

Furthermore, for some time now, China has been gradually introducing national and local principles concerning 8K television, which has an advantage over 4K television in terms of high image resolution. The development of the ultra-high-definition video industry and its application in related fields are promoted based on "*4K first but 8K also*". From a technical point of view, the rapid construction of a 5G network provides greater bandwidth and higher data transmission to support 8K TV video transmission. Growing income and consumption in China allow for concluding that higher prices of 8K TVs will be accepted by consumers (Deloitte, 2021).

It should be noted here that China is also the world's most important manufacturer of VR headsets. The VR consumer market, in turn, has enormous product options in the field of games, entertainment and film, and its business model is constantly expanding. Furthermore, in 2021, 5G is to enable the use of VR technology in a wider range of sectors.

6. Mergers and Acquisitions in the High Technology Sector

The subject of the analysis undertaken in the paper are selected cases of the largest, in terms of value, investments of this type made in 2016/2017 by Chinese companies on the European market, in the high technology sector. They include agreements concluded by Supercell and Tencent Holdings Ltd., Kuka and Midea, EEW Energy from Waste and Beijing Enterprises, China National Chemical Corp and Syngenta, as well as Skyscanner and Trip.com Group Limited (Table 1). The merger and acquisition agreements have been analyzed considering the specific nature of the sector in which they are implemented.

Table 1. *Mergers and acquisitions conducted by Chinese companies in the European high technology market (covered by the case study)*

Chinese enterprise	European enterprise	Country	Sector	Value	Chinese enterprise share in European	Year
--------------------	---------------------	---------	--------	-------	--------------------------------------	------

					enterprise (%)	
China National Chemical Corp	Syngenta	Switzerland	high-tech	USD 43bn	94,7%	2017
Tencent Holdings Ltd.	Supercell	Finland	high-tech	USD 8,6 bn	81,4%	2016
Midea	Kuka	Germany	high-tech	USD 5 bn	74,55%	2016
Trip.com Group Limited	Skyscanner	Scotland	high-tech	USD 1,74 bn	100%	2016
Beijing Enterprises	EEW Energy from Waste	Germany	high-tech	USD 1,6 bn	100%	2016

Source: Own elaboration based on Hansakul and Levinger, 2014 and analysis of case studies.

6.1 Tencent Holdings Ltd. and Supercell

In 2016, the Finnish company Supercell operating in mobile game development was bought by the Halti SA consortium, 50% of which was owned by Tencent Holdings, a Chinese international technology holding, the world's largest video game provider, and one of the most valuable companies in financial terms (Chen and Nakamura, 2018). Halti S.A., and thus Tencent took over 81.4% of Supercell shares. In this period, the company was valued at USD 10.2 billion, and Tencent bought it for USD 8.6 billion (Osawa and Needleman, 2016). In October 2019, Tencent increased its stake to 51.2% by purchasing convertible bonds of the value of USD 40 million. This contributed to the strengthening of its influence in the consortium (Tencent Holding Limited, 2019; Taylor, 2019).

The acquisition of the majority stake in Supercell by Tencent is seen as a very good move by the Chinese computer game manufacturer seeking to expand its business activity abroad and increase its influence on the gambling markets around the world. This is because at the time of the acquisition, the Chinese group of video games and social networks still mainly relied on its home market, despite having stakes in various overseas studios such as Epic Games and Riot Games (Perez, 2019). In turn, the Finnish manufacturer of mobile games, Supercell, sought the support of Tencent in its expansion into the Chinese online gaming market (Carsten, Rosendahl and Ando, 2016).

The acquisition is one of the largest such agreements in the online gaming space in the world. Supercell, with 100 million active users daily, offers the Chinese company the opportunity to reach mobile players both in Europe and the United States. On the other hand, maintaining a certain level of independence of operation and access to the Chinese market allows the Finnish manufacturer to further develop its technological potential, which automatically generates an advantage also for the Chinese partner.

It should be emphasized that the Finnish developer and publisher of mobile games generated approximately USD 1.56 billion in revenue in 2019. Tencent Holdings, in turn, one year after the acquisition (2017), was included in the Fortune Global 500 ranking, which evaluates companies in terms of their sales volume, revenues, assets held and their market value. Currently (2020), the company is ranked 197 (Fortune, 2021).

6.2 Midea and Kuka

In June 2016, the Chinese manufacturer of electrical devices - Midea Group announced its intention to purchase the German company Kuka (Kuka, 2021), the world's largest producer of industrial robots (used in cars) and smart solutions for factory automation for USD 5 billion. The tender for Kuka, a manufacturer of high-tech robotics, caused controversy in Germany over concerns that key technologies will be acquired by another company at a time when China protects its own companies from foreign acquisitions. Resistance was also encountered from government bodies, including Foreign Investment Committee in the USA.

However, the agreement was approved in January 2017, and Midea became the owner of 74.55% of the company's shares. At the same time, the Chinese home appliance manufacturer attempted to reassure Kuka staff by signing a long-term contract to maintain the existing headquarters and management. They also promised to refrain from layoffs, as well as stressed that Kuka would maintain its independence of operation and declared to help the company's expansion into the Chinese market (Reuters, 2016).

It should be emphasized here that the increase in the number of robots for all industries other than automotive increased by over 10% in 2017, compared to only 3-5% in the automotive industry. Even though in 2009 Kuka obtained 80% of revenues from automotive robots, in 2017 this value dropped to approximately 50%. For this reason, the company decided to make a major transformation to maintain its leading position in the automotive industry, while recognizing that the higher growth comes from other industries, such as the mobile phone, mobile device, and iPad market.

China, as the largest and fastest growing automation market in the world, is expected to play a key role in the implementation of Kuka's diversification strategy, which aims to become a leader in the Chinese market. This is because the sales of robots in China, which used to account for around a third of global demand, grew by 27% in 2016, compared with just 12% in Europe and 8% in the Americas. Kuka also intends to use Midea's sales networks to start producing robots that are more customer oriented.

In turn, Midea's decision to acquire a German robot manufacturer was part of the company's two-pronged strategy. Midea aggressively automated its own factories producing household appliances, including rice cookers and microwaves, reducing its workforce by half, from 200,000 in 2011 to around 100,000 in 2017. At the same time, the company demonstrated its commitment to ensure that its robot sales accounted for

a fifth of its total revenues in 2020 (compared to 12% in 2017). Midea's decision to take over Kuka was also influenced by the government's plan to modernize and automate the *Made in China 2025* production, which set specific goals, focused, among others, on the increase in the share of robots manufactured in China, the purchases of which are subsidized throughout the country.

The two companies are jointly establishing a large industrial park near Guangzhou, which will include research and development activity, technology development, as well as development of a robotics training center and, most importantly, a manufacturing facility (Bloomberg, 2017).

The acquisition of the German manufacturer of industrial robots - the Kuka company, by the Chinese manufacturer of electrical devices - the Midea company, not only diversified the profile of the Chinese company, enriching it with the industrial robotics and automation segment that is dynamically developing in China, but also accelerated the expansion of the German company on the Chinese market. It is best proved by the fact that despite clear limitation of the global robot market in 2019 due to a high level of economic uncertainty in the world (expressed by a decrease in turnover in the world market by 12%, and in the Chinese market by 9%), China was the only business segment served by the company, which saw an increase in the number of received orders. This is because in 2020, China placed orders with KUKA that were worth EUR 490.4 million. This represented an increase of 7.4% compared to the previous year (EUR 456.4 million) (Kuka, 2020).

6.3 China National Chemical Corp and Syngenta

In 2015, the Chinese state-owned chemical giant ChemChina finally acquired Syngenta, the world's leading provider of agricultural sciences and technology for USD 43 billion. Although this largest acquisition of the Chinese company so far brought criticism, after a positive assessment by the Board of Directors, most of Syngenta's shareholders accepted ChemChina's offer, and by July 2017, the Chinese chemical company acquired 98% of the Swiss company's shares, enabling ChemChina to buy out the remaining shareholders and withdraw Syngenta from the stock exchange.

The Chinese company has thus come closer to achieving its goal of transforming China into an agrochemical power. It is very difficult because China has a fifth of the world's population and it only holds 7% of the world's agricultural land. Thus, to feed its population, it must consume around one third of agricultural chemicals. This significantly affects the state of the natural environment, approaching a dangerous point. At the same time, faced with difficulties in shaping diplomatic relations with major food exporters such as the United States, Australia and Brazil, China needs to improve its knowledge of genetically modified crop and seed technology to reduce its dependence on imported grain. In this way, it can create conditions for maintaining food security. Thus, the amount that ChemChina paid to buy Syngenta appears to be a small price to pay for controlling one of the four companies that dominate the global market of seed and agricultural chemicals.

Under the leadership of ChemChina, Syngenta performed a significant role in the reorganization and consolidation of the industry (Manager Magazin, 2016; Hofmann and Fröndhoff, 2017). In November 2017, Syngenta purchased the seed production of its Dutch subsidiary Nidera BV from the Chinese cereal company Cofco International (Reuters, 2017). Other forms of expansion include the acquisition, in 2018, of a Brazilian agri-tech company - Strider (Seaman, 2018), and Syngenta's purchase of Floranova, i.e., a British grower of flower and vegetable seeds in the same year (R. Ayers, 2018). In addition, in September 2019, the company took over all the assets of another agri-tech company - The Cropio Group.

ChemChina's cooperation with Syngenta has been successful, which is proved by the fact that in June 2020, the Chinese company transferred all its agricultural activities to the Syngenta Group. The group is now headed by Erik Fyrwald, who previously headed Syngenta, while Chen Lichtenstein, that previously headed the Israeli plant protection company Adama, is the financial director of the Syngenta group (Business Wire, 2020; Syngenta Group, 2021). In October 2020, Syngenta additionally acquired Valagro, a market-leading manufacturer of innovative biological agents based in Atessa, Italy (BioSpace, 2020; Syngenta Global, 2020).

Today, the Syngenta Group operates as a holding company, employs approximately 49,000 people, and generates annual sales of USD 23 billion (2020). The Syngenta Group has offices in Chicago, Tel Aviv and Shanghai, which also run the company's research and development departments (Syngenta Global, 2021).

It should be emphasized, however, that some experts view the ChemChina acquisition of Syngenta and its related ventures as a mistake and a waste of time, energy, and resources. In their view, it is time for ChemChina to be more realistic about the situation and sell the Swiss company, which will reduce losses and debt, especially as state-owned enterprises in China are currently facing a wave of insolvency and rising debt. ChemChina's net debt in December 2019 was Yuan 584 billion (i.e., USD 89 billion) and was 9.5 times the EBITDA's debt.

The repayment date of USD 12.6 billion of this amount is due in 2021, four-fifths of which are in foreign currencies. It should be emphasized that Syngenta's annual operating cash flow of USD 838 million in 2019 accounted for almost half of the total cash flows generated by ChemChina and Sinochem (which consolidated their agricultural assets into a new holding company in 2020 (M. Shields, 2020)).

Additionally, in 2018 the Swiss company issued bonds worth USD 4.75 billion and transferred the proceeds in the form of dividends directly to ChemChina. Hence, experts are concerned that staying on the current path of cooperation may result in Syngenta being treated as a "cash cow" for the indebted ChemChina, which calls into question its future development prospects. Currently, Syngenta is incurring more debt, the company's research and development spending is falling and leverage is increasing.

In summary, after five years of cooperation with ChemChina, Syngenta still has a negligible share in the Chinese market. In 2019, only USD 300 million of the USD 10.6 billion generated from the company's total sale of crop protection products came from China. On the other hand, in the case of seeds, China's sales of these raw materials generated only USD 35 million of the company's USD 3.1 billion of total sales in the area.

Moreover, after years of scandals related to non-compliance with food security rules, China remains deeply skeptical about genetically modified crops, which are dominant in Syngenta's business profile. One of the studies conducted in 2018 found that 47% of people have a negative opinion of such products, and around 14% even consider them to be a form of bioterrorism. While the country imports significant amounts of GMO food from abroad, commercialization in domestic farms is still in its initial phase of development and is generating extremely strong public opposition.

As for China's desire to use Syngenta's technology capital, most of its intellectual property remains in Switzerland, so a partnership with a Swiss company has not reduced the technology gap between China and the developed West. In addition, at the beginning of 2020, ChemChina and SinoChem were added to the government's list of "communist Chinese military companies", which could undoubtedly expose them to severe sanctions (Fickling, 2020).

6.4 Beijing Enterprise and EEW Energy from Waste

The purchase by the Chinese holding company Beijing Enterprises of 100% of the shares of the German waste disposal company EEW for USD 1.6 billion (EUR 1.4 billion) took place after Beijing Enterprises outbid both the China Tianying consortium and Ping An, the Beijing consortium Capital, the German company Steag and the Finnish Fortum FUM1V.HE. This is a very good example of China's aspiration to meet the demand for top-class technology that should solve the national problem of pollution and waste recycling. This is because China declared that in the period 2013-2016 it would spend USD 16 billion on improving sewage disposal and waste treatment systems, while the government is constantly trying to find ways to deal with the huge amounts of garbage generated by the world's most populated country.

In 2016, government scientists estimated that around 7 billion tons of waste was buried around major Chinese cities, and the capital, Beijing, was surrounded by a strip of landfills known as the "Seventh Ring Road." To alleviate this problem, China intends to convert 30% of its waste into electricity by 2030 (today it is only 5%). The plans to build plants converting waste into energy have so far been rejected by city residents who are afraid of bearing the risk associated with launching the planned procedures and activities.

Hence the interest in the indicated German company, which not only has the most modern emission control technology and an effective waste management system, but also generates stable profits, making it an attractive partner for companies dealing with waste management (Schuetze, 2016). It is the intention of Beijing Enterprises to use

EEW's rich experience of advanced solid waste treatment and environmental protection to raise China's overall national standard in the solid waste industry and environmental protection. This should support the Chinese company in increasing its participation in the process of sustainable development of China.

German economy is a leader in the field of safety, reduction, and recycling of waste. It implements the most advanced waste management standards in the world. The acquisition of EEW by Beijing Enterprises was the largest such venture in mergers and acquisitions by a Chinese company in Germany. Active promotion of the vision of green development, as a manifestation of the company's desire to develop the environmental protection industry and active expansion of foreign markets was also an important move of the Chinese company.

At the same time, it should be emphasized that the analyzed acquisition was also in line with the *One Belt One Road* development strategy implemented by the Chinese government, and thus it was to further increase the business opportunities and position of Beijing Enterprises in the solid waste disposal sector in China. The takeover transaction obtained the full approval of the German government, which was an expression of its direct support for the development of this Chinese-German cooperation (Market Screener, 2017).

The cooperation of the companies seems to have been successful so far. This is because at the end of the first half of 2020, despite the challenges of the COVID-19 pandemic, Beijing Enterprises activity segment related to the solid waste disposal achieved an integrated combustion and electricity generation capacity of 29,932 tons/day. During the indicated period, the activity of Beijing Enterprises related to domestic solid waste processing recorded a capacity of 2.12 million tons, which means a decline by 0.7% compared to 2019. In addition, the company produced 665 million KWH of energy, which is in turn, an increase of 11.6% compared to 2019.

In the same period, EEW Energy from Waste GmbH achieved a waste processing volume of 2.36 million tons, an increase of 3.1% compared to 2019. Electricity sales amounted to 901 million KWH (an increase of 6,8% compared to 2019), generating revenues of HKD 2.64 billion (increase by 1.2%).

As the amount of input waste during the epidemic period is relatively lower, attempts are being made to use the opportunity to expand the possibilities of repair and maintenance of the equipment to be prepared to restore the normal production load and long-life cycle in the future. In addition, national projects focused on researching potential sources of solid waste, which in the future will translate into an expansion of revenue streams from this waste. In the first half of 2020, investment expenditure for the solid waste related business (both domestically and abroad) amounted to approximately HKD 1.062 billion.

It should be emphasized that the increase in the amount of processed commercial waste counterbalanced the negative impact of the reduction of the amount of imported waste

on EEW during the epidemic. In addition, at the peak of the pandemic, despite the impact of fluctuations in energy prices in Europe, Beijing Enterprises made every effort to overcome the adversity while ensuring that electricity sales and prices (as well as the company's overall business) were stable (Wonderful Sky Financial Group Holdings Limited, 2020).

6.5 Trip.com Group Limited and Skyscanner

In November 2016, the Chinese international travel company - Ctrip (now Trip.com Group) purchased the metasearch search engine and travel agency - Skyscanner for USD 1.75 billion (Russell, 2016), which was acclaimed by Skyscanner's largest shareholder, i.e., Scottish Equity Partners that recognized the company's great development prospects in this transaction (Lobel, 2016).

In accordance with the adopted strategy, Ctrip purchased the Trip.com domain in 2017 and launched the Trip.com website, while the original platform became a subsidiary of Skyscanner (Bort, 2017). Skyscanner's presentation of global brand change took place in September 2019 (Marketing, 2019).

In the acquisition year, Ctrip's third quarter 2016 revenue was RMB 5.6 billion (USD 810 million), i.e., 75% more than in the year before (including USD 4 million net profit). Ctrip also gained nearly USD 1 billion from the sale of convertible bonds, which seems to be correlated with the Skyscanner agreement. In turn, Skyscanner raised USD 192 million in 2016 to expand its global reach. The company's investors included Khazanah Nasional Berhad, an investment fund of the Malaysian government, Yahoo Japan, manager of the Artemis fund, investment firm Baillie Gifford and PE Vitruvian Partners. Sequoia is an existing sponsor.

The acquisition of Skyscanner by Ctrip was the largest travel technology acquisition in Europe so far and expressed the aspiration to achieve synergies from combining the expertise, technology, and potential of both companies. Skyscanner's partnership with Yahoo Japan, as well as the acquisition of Chinese travel search company Youbibi, aims to expand its business in Asia. On the other hand, the purpose of the agreement with Ctrip is to enable Skyscanner to have access to more resources that facilitate travelling. For Ctrip, in turn, this is a great opportunity to expand its operations to international markets, strengthen its position on a global scale and gain access to the experience, technology and capabilities of a Scottish tourism company (Russell, 2016).

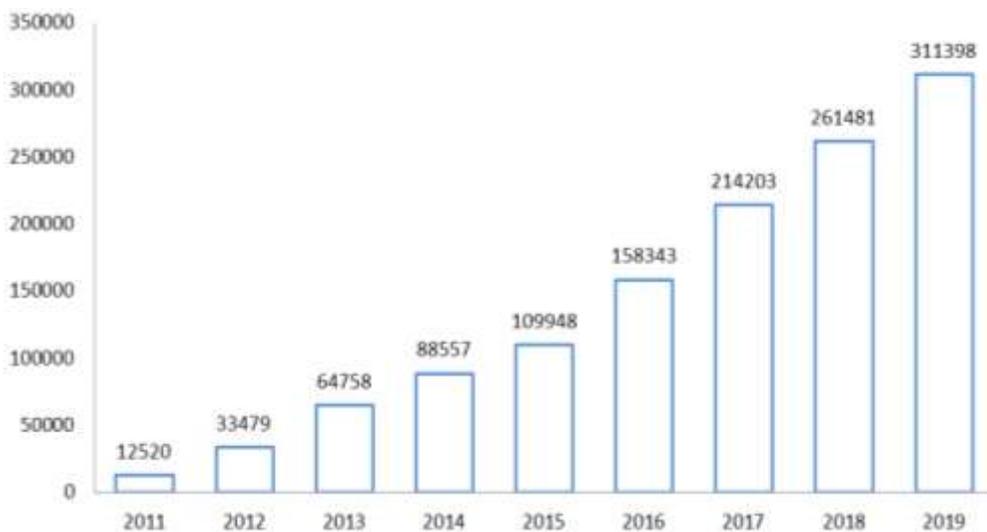
The analysis of the previous effects shows that the partnership between Ctrip and Skyscanner brings positive results. This is because Skyscanner's revenues are growing, and the Chinese company Trip.com Group Limited is demonstrating its ability to integrate and manage foreign companies. Since the acquisition of the company by Ctrip, sales on Skyscanner have increased by more than 30% per year and sales revenue by approximately 20% per year (Figure 1). In addition, the fact that Ctrip has provided this Scottish company with access to the huge and growing Chinese market, as well as the possibility to book flights directly through the Skyscanner website, means that the Scottish company has huge growth potential. This is in line with the philosophy of the

Ctrip group, based on the purchase of well-managed and complementary businesses, while maintaining their independence in the areas of the implemented strategy, personnel policy, and day-to-day operations.

Following the success of the first years of the partnership, Ctrip has planned to double the scale of its international activity by 2021 by integrating foreign acquisitions with a focus on the fast-growing Asian market and the growing segment of Chinese tourists. According to Ctrip estimates, Chinese tourists made as many as 130.5 million trips abroad in 2017, which means an increase of 7% compared to 2016, while their total expenses increased by 5%, to USD 115.3 billion. The service of such many tourists increased the competitive power of Ctrip in relations with tourist service providers, i.e., hotels, airlines, car rental companies, etc.

Moreover, many companies perceive the activity of Ctrip&Skyscanner as a strategic opportunity for their development, which supports the adoption of the forms of cooperation proposed by this corporation. The merger with Skyscanner proved to be very beneficial for Ctrip, as the Scottish company is very profitable, and its margin is over 30%. The introduction of direct flight booking operated by Ctrip in applications and on the Skyscanner website was the source of increased revenues after the integration of the companies. This allowed for a much smoother customer service and increased the percentage of searches that resulted in bookings. It also contributed to the strengthening of Skyscanner's position against the main competitors in searching for tourist destinations, i.e., Kayak, Priceline, Expedia and Google.

Figure 1. Skyscanner Limited annual revenue 2011-2019 (in thousand GBP)



Source: Own study based on: Statista, 2021, Annual revenue of Skyscanner Limited from 2011 to 2019, <https://www.statista.com/statistics/954844/skyscanner-turnover/>, (as of 03/11/2021).

The conclusion of strategic merger/acquisition also allowed Ctrip to open the first Trip.com call center outside of China in 2018. The capital of Scotland (Edinburgh) was selected as a center that offers services in several languages, as it attracts multicultural talents and provides the possibility of using Skyscanner's legal and human resources support. The Scottish government is also trying to expand tourism and other connections with China, which was encouraged by introduction in June 2018 of the first direct flights between the two countries.

More direct flights would help attract visitors and make Edinburgh their first stop in the UK. To achieve this goal, however, the UK would need to be competitive in making it easier for the Chinese to obtain and extend visas. This is an important factor in the "last minute booking" culture popular with many Chinese tourists. The United Kingdom changed its visa regulations in 2016 to allow Chinese people to visit multiple times based on a two-year visa, but the plans to extend this period to 10 years have not yet been implemented (Dickie and Kynge, 2018).

7. Conclusions

The analysis conducted in the paper allowed to answer the research questions formulated by the author regarding the reasons for concluding mergers and acquisitions in the high technology sector, as well as the market and economic effects of this form of agreements.

The mergers and acquisitions analyzed in the paper are a form of implementation of China's plans to increase foreign investments in technologically advanced industries, as well as to stimulate the transformation and modernization of traditional branches of the manufacturing industry and modern services. This is consistent with China's government development plans until 2035, which focus on the strategic role of the high technology sector.

The acquisition of Syngenta, one of the four companies that dominate the global market of seeds and crop chemicals, is strategically important not only for ChemChina, but for the whole of China. It was executed for the purpose of transforming China into an agrochemical power. Its goal was to expand the knowledge in the field of cultivation technology and genetically modified seeds, to reduce the country's dependence on imported grain. Only in this way will China be able to maintain food security. In addition, under the leadership of ChemChina, Syngenta played a significant role in the reorganization and consolidation of the industry. However, some experts' skepticism concerning the merger of these companies is largely justified due to the excessive costs incurred by Syngenta because of working with indebted ChemChina.

When assessing the effects of another undertaking, started under the influence of the government's "Made in China 2025" production modernization and automation plan, i.e., the takeover of the German robot manufacturer Kuka by the Chinese company Midea Group, it is necessary to emphasize the achievement of the goals set by both companies to a high degree. On the one hand, the merger of these companies contributed to the diversification of the profile of the Chinese company, while

expanding it of the industrial robotics and automation segment, and on the other hand, it accelerated the expansion of the German company on the Chinese market. The merger in question brings the German company Kuki closer to becoming a leader on the Chinese market, which is the largest and fastest growing automation market in the world. The automation of Midea factories of household appliances has become a significant factor in increasing the share of robots manufactured in China.

For the evaluation of another merger/acquisition consisting in the purchase of the German waste disposal company EEW Energy from Waste by the Beijing Enterprises holding company, it is important to emphasize the sustainability goals expressed in China's pursuit of meeting the demand on high technology to solve the domestic problem of pollution and waste recycling. Thanks to this merger, Beijing Enterprises has greater opportunities to use the extensive experience of German EEW in the field of development and management of the construction of power plants, while increasing the chances of processing large amounts of waste produced in the country into electricity.

At the same time, it allows the Chinese company to use the European achievements of science, modern concepts, technologies, and experience to raise the general national standards of China in the sector of advanced solid waste processing and environmental protection. As a result of the acquisition, the solid waste disposal segment of Beijing Enterprises achieved integrated combustion and electricity generation efficiency, and EEW Energy from Waste GmbH achieved an increase in waste recycling volume. The role of the German company as a motivated advocate and leader in the field of safety, reduction and recycling of waste should be emphasized at this point. The indicated effects will undoubtedly translate into the sustainable development of China.

Thanks to the mergers, Chinese companies are implementing important strategic goals expressed in the bilateral expansion of activity to foreign markets. The purchase of Supercell, allowing the Chinese corporation to increase its influence on the gambling markets around the world was such an opportunity for the Chinese Tencent Holdings conglomerate. As a result of the acquisition, the Finnish company Supercell offers the Chinese company the opportunity to reach mobile players both in Europe and in the United States. On the other hand, Tencent has enabled the Finnish manufacturer to access the Chinese online gaming market, which stimulates the further development of Supercell's technological potential, and this automatically generates an advantage also for the Chinese partner.

Finally, the effects of the merger in the travel services sector should also be emphasized. The acquisition of Skyscanner by the Chinese company Trip.com Group Limited (Ctrip) has been so far the largest acquisition of travel technology in Europe and expressed the aspirations to achieve synergy from combining the experience, technology, and potential of both companies. The effects of the indicated merger are promising as Skyscanner's revenues are growing, and the Chinese company Trip.com Group Limited demonstrates its ability to integrate and manage foreign companies. Therefore, these are both economic and image effects. In addition, following the

success of the first years of the partnership, Ctrip plans to double the size of its international business by 2021 by integrating foreign acquisitions through focusing on the fast-growing Asian market and providing services to the growing segment of Chinese travelers.

As shown in the analysis of cases of agreements such as mergers and acquisitions, Chinese companies, as initiators of mergers and acquisitions, mainly expect the acquisition of modern technologies as well as new concepts and management models. Thanks to this, they can modernize the company's management system and production processes. It should also support rationalizing these processes and strengthening the competitive market position of companies.

The development of social responsibility attitudes of Chinese companies that require the use of pro-ecological solutions is also a positive effect of the concluded mergers and acquisitions. This is consistent with their goals related to achievement of sustainable development.

On the other hand, the evident benefits of the concluded agreements for European companies which are the participants of mergers and acquisitions, represent the possibility of access and expansion to the Chinese market, especially the access to suppliers and rich resource bases. Moreover, thanks to the agreements concluded with Chinese partners, European companies achieve the improvement and stabilization of their financial situation, which is a key determinant for the implementation of the adopted development strategies (Yang, 2020).

The ongoing mergers and acquisitions are an expression of changes in the strategy of China's socio-economic development in the investors' approach to the directions of capital investments and forms of investing in foreign markets. This is because the interest in investing in the mining sector, which until recently was one of the main directions of investment by Chinese companies, is declining. On the other hand, there is a growing interest in investing in the markets of developed countries of Europe and North America that are rich in know-how and new technologies. It is necessary for transforming China into a producer of advanced technological solutions (The American Enterprise Institute and The Heritage Foundation, 2021).

According to the latest report developed by Grant Thornton, 58% of the surveyed investors considered the Chinese market to be the most attractive market in Asia. This was mainly a result of implementation by Chinese government of a policy of opening the country to attract foreign capital. This made the world's second largest economy increasingly accessible (Grant Thornton Hong Kong Limited, 2021; CIA.gov, 2021).

Chinese market is a huge source of untapped potential for European investors. It is particularly important in the modern era when there is an urgent need to find new stimuli activating the development of the European market in the face of the impact of such factors as: economic slowdown, economic maturity, aging societies, the lack of a uniform fiscal policy and cohesion of the European Union, and finally social tensions

caused by the policy towards immigrants from the Middle East and the outbreak of the COVID-19 pandemic among others (HSBC, 2016).

References:

- Ayers, R. 2018. Syngenta acquires U.K.-based seeds breeder Floranova. *Triad Business Journal*, <https://www.bizjournals.com/triad/news/2018/07/27/syngenta-acquires-u-k-based-seeds-breeder.html>.
- BioSpace, 2020. Syngenta Group Acquires Leading Biologicals Company, Valagro. <https://www.biospace.com/article/syngenta-group-acquires-leading-biologicals-company-valagro/>.
- Birkinshaw, J., Bresman, H., Hakanson, L. 2000. Managing the post-acquisition integration process: how the human integration and task integration processes interact to foster value creation. *Journal of Management Studies*, 37(3), 395-425.
- Bloomberg, 2017. Kuka's CEO plans for robot domination in China and your garage. *The Business Times*. <https://www.businesstimes.com.sg/consumer/kukas-ceo-plans-for-robot-domination-in-china-and-your-garage>.
- Bort, J. 2017. Tiny startup Trip.com has been acquired by Chinese travel giant Ctrip—a move that could shake up the travel industry. *Insider*. <https://www.businessinsider.com/travel-app-tripcom-acquired-by-china-ctrip-2017-11?IR=T>.
- Business Wire. 2020. Chen Lichtenstein will be nominated CFO of Syngenta Group. <https://www.businesswire.com/news/home/20200105005065/en/Chen-Lichtenstein-will-be-nominated-CFO-of-Syngenta-Group>.
- Capital.com. 2021. Instrumenty finansowe. Czym jest IPO? <https://capital.com/pl/ipo-pierwsza-oferta-publiczna>.
- Carsten, P., Rosendahl, J., Ando R. 2016. China's Tencent buys 'Clash of Clans' maker Supercell for \$8.6 billion. *Reuters*. <https://www.reuters.com/article/us-supercell-m-a-tencent-holdings-idUSKCN0Z716E>.
- Center for Strategic & International Studies. 2015. www.csis.org.
- Chen, L.Y., Nakamura, Y. 2018. Inside Tencent's Struggle to Bring World's Hottest Game to China. *Bloomberg*. <https://www.bloomberg.com/news/articles/2018-08-23/fortnite-tencent-and-the-fate-of-world-s-biggest-game-market>.
- ChinaDaily.com.cn. 2021. China's high-tech industry sees rapid growth in 2020. <http://global.chinadaily.com.cn/a/202101/25/WS600e5b3ba31024ad0baa4ddf.html>.
- Deloitte, 2021. 2021 China Outlook. *Deloitte Research Monthly Outlook and Perspectives Issue 61*. <https://www2.deloitte.com/cn/en/pages/about-deloitte/articles/deloitte-research-issue-61.html>.
- Dickie, M., Kyngé, J. 2018. Synergies on display as Ctrip purchase of Skyscanner pays off. *Financial Times*. <https://www.ft.com/content/c3fc9e80-8353-11e8-96dd-fa565ec55929>.
- Fickling, D. 2020. China's Giant Crop Takeover Has Failed. Time to Admit It. *Bloomberg*. <https://www.bloomberg.com/opinion/articles/2020-12-10/chemchina-s-syngenta-takeover-is-a-failure-time-to-admit-it>.
- Fitch Ratings. 2021. China's High-Tech FDI Has Ample Room for Improvement. <https://www.fitchratings.com/research/corporate-finance/china-high-tech-fdi-has-ample-room-for-improvement-09-03-2021>.
- Fortune. 2021. Fortune Global 500 Ranking - Tencent Holdings. <https://fortune.com/company/tencent-holdings/global500/>.
- French, S. 2018. China has 9 of the world's 20 biggest tech companies. *Market Watch*. <https://www.marketwatch.com/story/china-has-9-of-the-worlds-20-biggest-tech-companies-2018-05-31>.

- Grant Thornton Hong Kong Limited. 2021. Asia Private Equity Insights 2021 - Navigating through the turbulence.
- CIA.gov. 2021. The World Factbook – China. <https://www.cia.gov/the-world-factbook/countries/china/>.
- Hagedoorn, J., Duysters, G. 2002. The effects of mergers and acquisitions on the technological performance of companies in a high-tech environment. *Technology Analysis & Strategic Management*, 14(1), 67-85.
- Hansakul, S., Levinger, H. 2014. China-EU relations: Gearing up for growth. Deutsche Bank Research Report Current Issues Emerging markets. Frankfurt am Main.
- Hofmann, S., Fröndhoff, B. 2017. Syngenta Attackiert Bayer in Agrochemie. *Der China-Faktor, Handelsblatt*. <https://www.handelsblatt.com/unternehmen/industrie/syngenta-attackiert-bayer-in-agrochemie-der-china-faktor/20045488.html?ticket=ST-13837650-Z2WFzKMVssgoNT9i44fB-ap4>.
- Korpus, J., Banach, Ł. 2017. Fuzje i przejęcia przedsiębiorstw technologicznych. *Ekonomika i Organizacja Przedsiębiorstwa*, 3(806), 94-104.
- Kostera, M. 2011. Organizacje w praktyce. Studia przypadku dla studentów zarządzania. Poltext, Warszawa.
- Krakówka, A. 2015. Postęp technologiczny priorytetem w rozwoju chińskiej gospodarki. *WPHI Szanghaj*.
- Kuka, 2020. KUKA Annual Report 2020. https://www.kuka.com/-/media/kuka-corporate/documents/ir/reports-and-presentations/en/annual-report/annual-report_2020.pdf?rev=eb7cd3e5634b444fbb3d8cfb00613237&hash=681FD39374F80E5E1E79E9375F82365A.
- Kuka, 2021. O firmie Kuka. <https://www.kuka.com/pl-pl/o-firmie-kuka>.
- Lazowska, E. 2016. Is technology crucial for innovation? University of Washington. <https://www.washington.edu/innovation/2016/06/02/is-technology-crucial-for-innovation/>.
- Lee, J., Lee, J. 2021. Enablers of post-acquisition joint knowledge creation: evidence from joint patenting in high-tech mergers and acquisitions. *Journal of Knowledge Management*.
- Lobel, B. 2016. Scottish Equity Partners exits Skyscanner, Growth Business.co.uk. <https://www.growthbusiness.co.uk/scottis-equity-partners-exits-skyscanner-2549053/>.
- Manager Magazin. 2016. Hungrige Chinesen bringen BASF und Bayer in Bedrängnis. <https://www.manager-magazin.de/unternehmen/industrie/syngenta-chemchina-bietet-fuer-uebernahme-43-milliarden-in-bar-a-1075367.html>.
- Market Screener. 2017. Beijing Enterprises: BEHL Completes Acquisition of EEW Successfully. <https://www.marketscreener.com/quote/stock/BEIJING-ENTERPRISES-HOLDI-1412733/news/Beijing-Enterprises-nbsp-BEHL-Completes-Acquisition-of-EEW-Successfully-23982391/>.
- Marketing. 2019. Skyscanner takes off with global brand refresh, reflects 'optimism' and 'clarity'. <https://www.marketing-interactive.com/skyscanner-takes-off-with-global-brand-refresh-reflects-optimism-and-clarity>.
- Osawa, J., Needleman, S.E. 2016. Tencent Seals Deal to Buy 'Clash of Clans' Developer Supercell for \$8.6 Billion. *The Wall Street Journal*, <https://www.wsj.com/articles/tencent-agrees-to-acquire-clash-of-clans-maker-supercell-1466493612>.
- Park, B.I., Roh, T. 2018. Chinese multinationals' FDI motivations: suggestion for a new theory. Emerald Publishing Limited.
- Perez, M. 2019. Tencent Buys Majority Stake in 'Clash of Clans' Developer Supercell. *Forbes*. <https://www.forbes.com/sites/mattperetz/2019/10/23/tencent-buys-majority-stake-in-clash-of-clans-developer-supercell/?sh=33ac06031c39>.

- Reuters. 2017. China's COFCO International sells Nidera seeds business to Syngenta. <https://www.reuters.com/article/china-cofco-syngenta-idUSL3N1NC2U2>.
- Reuters. 2016. China's Midea receives U.S. green light for Kuka takeover.
- Russell, J. 2016. China's Ctrip is buying flight search company Skyscanner for \$1.74 billion, TechCrunch. <https://techcrunch.com/2016/11/23/ctrip-skyscanner/>.
- SBC, Grant Thornton. 2016. Raport Chiński smok nadal potężny. Globalne inspiracje: Chiny (II edycja).
- Schuetze, A. 2016. Beijing Enterprise buys Germany's Energy from Waste. Reuters. <https://www.reuters.com/article/us-energyfromwaste-m-a-beijing-ent-idUSKCN0VD1NM>.
- Seaman, J. 2018. Syngenta acquires Brazilian agri-tech company. Triad Business Journal. <https://www.bizjournals.com/triad/news/2018/03/29/syngenta-acquires-brazilian-agtech-company.html>.
- Shields, M. 2020. ChemChina, Sinochem merge agricultural assets: Syngenta. Reuters. <https://www.reuters.com/article/us-chemchina-sinochem-syngenta-idUSKBN1Z40FZ>.
- Statista. 2021. Annual revenue of Skyscanner Limited from 2011 to 2019. <https://www.statista.com/statistics/954844/skyscanner-turnover/>.
- Syngenta Global. 2020. Biologicals company, Valagro. <https://www.syngenta.com/en/company/media/syngenta-news/year/2020/syngenta-group-acquires-leading-biologicals-company-valagro>.
- Syngenta Global. 2021. Syngenta Group is a leading, sustainable agricultural innovation and technology company with 48,000 employees in more than 100 countries and annual sales of \$23 billion. <https://www.syngenta.com/es/node/2478>.
- Syngenta Group. 2021. Group leadership team. <https://www.syngentagroup.com/en/governance/group-leadership-team>.
- Taylor, H. 2019. Tencent takes majority control over Supercell, gamesindustry.bi.
- Tencent Holding Limited. 2019. Disclosable Translation, Acquisition of additional equity voting interest in the consortium holding a majority interest in Supercell OY. <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/1021/ltn20191021161.pdf>.
- The American Enterprise Institute and The Heritage Foundation. 2021. China Global Investment Tracker. Worldwide Chinese Investments & Construction (2005 - 2020). <https://www.aei.org/china-global-investment-tracker/>.
- Valentini, G., Dawson, A. 2010. Beyond knowledge bases: Towards a better understanding of the effects of M&A on technological performance. *Advances in Mergers and Acquisitions*. Emerald Group Publishing Limited.
- Wonderful Sky Financial Group Holdings Limited. 2020. Beijing Enterprises Holdings Limited Announces 2020 Interim Results Practiced the Responsibilities of State-owned Enterprises Delivered Best Services in Urban Operation Service Guarantee. <https://doc.irasia.com/listco/hk/behl/interim/2020/intpress.pdf>.
- Xinhuanet.com, 2021. China to encourage more foreign investment in high-tech, modern services industrie. http://www.xinhuanet.com/english/2021-03/05/c_139787338.htm.
- Yang, Y. 2020. China's bold new Five-Year Plan, East Asia Forum. <https://www.eastasiaforum.org/2020/12/13/chinas-bold-new-five-year-plan/>.