

MINISTRY OF EDUCATION OF THE REPUBLIC OF BELARUS
STATE EDUCATIONAL INSTITUTION
"SCHOOL OF BUSINESS OF BELARUSIAN STATE UNIVERSITY"

Chair of Innovative Management

Wang Yuhan

**FINANCIAL MANAGEMENT OF MERGERS AND AQUISITIONS OF
INTERNET COMPANIES IN MODERN CONDITIONS**

Master`s thesis

specialty 1-26 80 04 "Management"

(profile "Financial Management")

Supervisor:
George Shnitko

Admitted to Master`s thesis defense on
"___" _____ 2021

Head of Chair
of Innovative Management
Ph.D., Associate professor
_____ Alena A. Poddubskaya

Minsk, 2021

GENERAL CHARACTERISTICS OF THE WORK

Keywords: financial management; Internet company; Xiaomi phone; M&A; ecological chain; enterprise value; Xiaomi Technology; financial behavior; performance analysis; financial impact

Background of the study: Although, due to some historical reasons, the development of traditional industries in China started later than in the West. China thanks to the joint efforts of the whole country, has grown from a backward state to the second largest economy in the world, and, under the guidance of the Chinese government, has gradually changed from the original rough development to a refined development.

Theoretical significance of the study: Since China's economic development started relatively late, the theoretical research on financial management related to eco-chain M&A also started relatively late, and there are many blind spots in the research on value creation in the process of eco-chain M&A, especially the link between value creation and market environment in eco-chain M&A. Therefore, this research can contribute to the theoretical system of financial management related to business ecosystem mergers and acquisitions in China by deep studying of the creation of corporate value in business ecosystem mergers and acquisitions. This research takes financial management as the starting point, combines relevant economic theories with the market environment and the enterprises' own situation, analyzes the link between the whole ecosystem M&A and enterprise value creation and provides quantitative and qualitative analyses of the effects and value-added results to provide optimal financial management tools, optimal value creation methods and theoretical guidance for the M&A process of enterprises.

Relevance of the research: With the rapid development of China's economy in recent years, the gap between enterprises in various industries in the market has been increasing and competition has become more intense. This was followed by many M&A cases. However, only a few of these M&A cases belong to eco-chain M&A, and it is even more rarer that the eco-chain M&A solution achieves the expected synergy effect.

Research methodology: According to the purpose of the thesis, the relevant research on business model theory and financial management methods at home and abroad were sorted out and summarized, and the business model was determined on this basis. At the same time, the value network, business ecological chain and co-evolution theory were summarized, which laid the theoretical foundation for the subsequent research of domestic cell phone business model innovation.

This research takes Xiaomi Technology Company as an example to study the value creation mechanism and financial management methods of its business ecological chain management. In the data collection, this research uses various channels and methods flexibly to improve its the reliability and validity by verifying the data from each channel.

Innovation of the research content and object: In this article, I start from Xiaomi Technology Company, one of the leading enterprises of Chinese mobile Internet industry, analyze its development motives and path of its financial management behavior at the process of ecosystem creation through other entities acquisitions, analyze revenue model and potential risks and study its future development direction from a micro perspective. I hope to give readers a basic understanding of the ecological chain at the level of mobile Internet enterprises through a point-by-point approach.

Currently, most of the researches analyze the enterprise value increase in case of production chain mergers and acquisitions. However, in this article, by reviewing the relevant literature and available empirical data I analyze the motivation of ecosystem M&A, the way of M&A implementation and the excess benefits obtained from M&A, discuss the financial management risk response of enterprise ecological chain M&A, so as to obtain an innovative perspective.

The research is divided into six major parts.

First part is the introduction.

Second part is the relevant theoretical basis and literature review, which summarizes and analyzes the relevant literature on the topic and systematically analyzes the relevant theories mentioned in the article.

Third part is the theoretical analysis of business ecosystem mergers and acquisitions and enterprise value enhancement.

Fourth part is the analysis of Xiaomi Technology and its ecological chain.

Fifth part provides an in-depth analysis of Xiaomi Technology's ecological chain of mergers and acquisitions and enterprise value enhancement.

Finally, there is a conclusion and outlook, which summarizes the analysis of the article and provides an outlook for future work.

This paper is 81 pages in total, 1 page for the cover, 1 page for the table of contents, 1 page for the appendix, 63 references (5 pages in total in REFERENCIES), 1 table (Table1) and 5 figures (Figure4.1, Figure4.2, Figure4.3, Figure4.4, Figure 4.5). The tables and pictures take up a total of 3 pages.