

**RESEARCH ON RESOURCE ORCHESTRATION AND ITS IMPACT ON  
INNOVATION PERFORMANCE IN OVERSEAS M&A OF CHINESE  
PHARMACEUTICAL ENTERPRISES--TAKE FOSUN AS AN EXAMPLE**

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**ABSTRACT**

The traditional internal R&D is no longer the only way for enterprises to improve their innovation ability in the era of the merger and acquisition being popular. M&A has become the choice of more and more enterprises. After M&A, the effective utilization of resources will be transformed into the innovation ability of the enterprise, and then further reflected in the performance of the enterprise. This process is the key after M&A. Based on the resource orchestration theory, it takes FosunPharma's acquisition of India Grand pharmaceutical as an example to analyze the three stages of resource orchestration: resource organization, resource bundling and resource utilization. This article analyzes the results of M&A, which is the innovation performance of enterprises after M&A, and uses the specific index method to measure it. Finally, the experience and lessons of Fosun Pharma's M&A case are summarized and suggestions for pharmaceutical enterprises' M&A are put forward.

**Keywords:** Resource Orchestration Theory, pharmaceutical M&A, innovation performance, case study.

**Introduction**

With the gradual improvement of people's living standards and medical care awareness, the demand for medicine and health care is also increasing. The improvement of public health concept has promoted the development of China's pharmaceutical industry. Chinese pharmaceutical enterprises are actively going abroad to find suitable merger targets, in order to expand their own corporate strength through mergers and acquisitions of overseas companies. By integrating the R&D capabilities of the merged companies and absorbing management

experience, we can not only meet the domestic demand for high-end drugs, but also cooperate to expand the overseas markets. Therefore, Chinese pharmaceutical enterprises have taken the road of mergers and acquisitions, and overseas mergers and acquisitions have become a trend for a time. In this context, FosunPharma's acquisition of India GrandPharma has become the largest acquisition of China's investment in India in 2017, and is regarded as a model of Sino Indian Pharmaceutical cooperation. An in-depth analysis of this case can provide reference for cross-border mergers and acquisitions of Chinese pharmaceutical enterprises. In addition, most scholars' research on this M&A case is only limited to the study of post-merger integration methods or the analysis of post-merger performance. This paper studies the arrangement of post-merger resources based on the resource orchestration theory, and then further analyzes the impact on enterprise innovation performance, which is more targeted, and can provide reference experience for other domestic pharmaceutical enterprises' overseas mergers and acquisitions.

Resource orchestration theory originates from the resource management model Sirmon et al.(2007) and the asset orchestration model Hlfat et al.(2007). Both models focus on the actions of managers focusing on resources and emphasize the synergy between the processes of resource management. On this basis, sirmon et al. (2011) further discussed the characteristics of resource arrangement in different situations such as company level, business level strategy and dynamic competitive environment, and put forward the resource orchestration theory. The core idea of resource orchestration theory is embodied in four aspects: first, it defines the source of lasting competitive advantage and clarifies the dynamic interaction mechanism between resources and functions. Second, it has resource management thinking with synergy, flexibility and dynamics. Third, it provides a general, systematic and operable resource management process. Fourth, it gives full play to the ability of resource management at the organizational level.

Most scholars did not combine the resource orchestration theory when studying the innovation performance after mergers and acquisitions, but in the process of research, they mentioned the management of resources and the integration after mergers and acquisitions. XianmingWuet al. (2014) selected several typical cases of cross-border mergers and acquisitions of domestic enterprises and found that after the completion of overseas mergers and acquisitions, enterprises' organizational learning, absorption and integration of acquired resources have a significant positive impact on the innovation performance after mergers and acquisitions. Hong Lianget al. (2019) conducted research based on resource-based view, institutional theory and high-order theory, and believed that only through effective learning and integration process can the innovation performance after mergers and acquisitions be reflected. Yan Yanet al. (2020) believe that the ability of enterprises to absorb external knowledge is the key for enterprises to identify

and evaluate, integrate and utilize external resources, and has a positive relationship with the innovation performance of overseas mergers and acquisitions. In general, scholars have the same view on the use of resources after mergers and acquisitions. They all believe that effective integration and absorption can promote the innovation performance of enterprises. This paper will make a more in-depth exploration of the process of enterprise resource integration after cross-border mergers and acquisitions in combination with the resource orchestration theory, and enrich the theoretical research on the innovation performance of enterprises after mergers and acquisitions under the resource orchestration theory.

### **1 Introduction to FosunPharma, Grandpharma and M&A process**

In 1994, FosunPharma was established in Shanghai. After more than ten years of development experience, FosunPharma established a number of drug R&D companies, quickly realized the integration of the industry, and was listed on the stock exchange of Hong Kong in 2012. After listing, FosunPharma acquired many hospitals to explore a new mode of combining medical care with nursing care. In the process of development, FosunPharma has gradually acquired foreign pharmaceutical companies, drug distribution companies, medical device companies, etc., and its business scope has been expanded to the world. Nowadays, FosunPharma's business development is based on the Chinese market, and strives to distribute the industry globally and form a worldwide industrial chain. FosunPharma Group regards pharmaceutical manufacturing and R&D as the core industry of its business. In addition, it also involves peripheral industries such as medical devices, medical services and pharmaceutical sales. FosunPharma adheres to the strategic guidance of "4IN" (innovation, internationalization, integration and intelligence), adheres to the development mode of combining endogenous and external development of the enterprise, improves the globalization ability of the enterprise, and maintains efficient operation.

GrandPharma, headquartered in Hyderabad, India, was established in 1978. GrandPharma has a relatively mature production capacity in drug research and preparation research and development. The R&D and manufacturing of generic pharmaceutical injections is a leader in the industry, and its products are mainly exported to the United States and Europe. Grand is the first Indian manufacturer of injectable drugs approved by FDA. Its production line has obtained GMP certification in major regulatory markets around the world and has a certain reputation in the world.

On July 28, 2016, FosunPharma industrial, a holding subsidiary of FosunPharma, Fosun industry and its holding subsidiaries signed an equity acquisition agreement and a subscription agreement with Founder shareholders, KKR private equity family, Vetter family trust, BRR family, Dr.Sagi

N and GrandPharma, agreeing that the acquirer would invest no more than \$126.137 million to acquire about 86.08% of the equity of Grandpharma. On September 15, 2017, the relevant parties further signed the revised version of the equity acquisition agreement and other agreements on this transaction, and agreed to adjust this transaction to: the acquirer invested no more than \$109.13 million to acquire about 74% of the equity of Grandpharma. The settlement of this transaction was completed on October 3, 2017; As shown in Table 1, the proportion of equity sold by the ultimate founder, KKR private equity family, Vetter family trust, BRR family and Dr.SagiN is 19.48%, 38.41%, 10.03% and 6.08% respectively. FosunPharma Group holds about 74% equity of GrandPharma in total. The investment period of this investment is long-term.

**Tab.1. Transaction structure of FosunPharma's acquisition of GrandPharma**

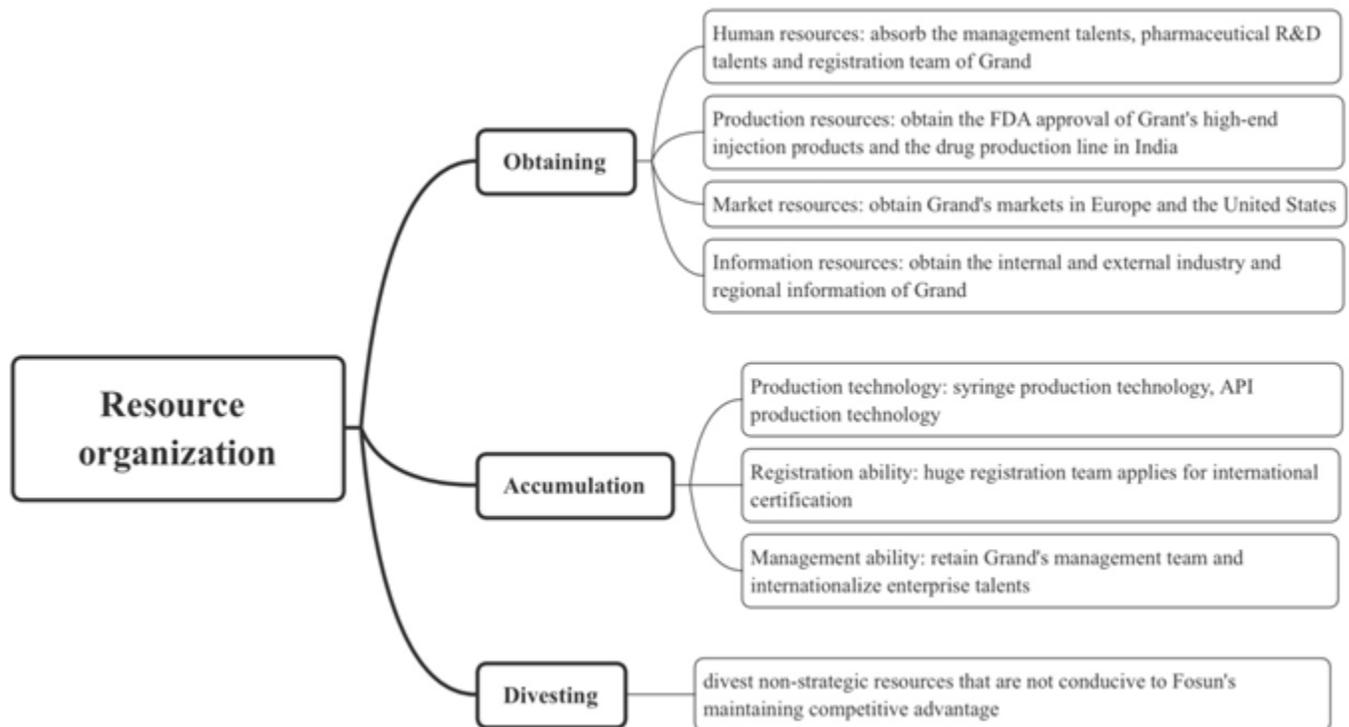
shareholders	Shareholding ratio before delivery	Shareholding ratio after delivery
founders	19.48%	22.08%
KKR private equity family	38.41%	-
Vetter family trust	10.03%	-
BRR family &Dr.Sagi N	6.08%	3.92%
FosunPharma	-	74%

## **2 Resource orchestration process of FosunPharma'sM&A of GrandPharma**

### **2.1 Resource organization mode of enterprise merger and acquisition**

Resource organization belongs to the first stage of resource orchestration. Resource organization purchases resources from the strategic factor market through acquisition, then develops the purchased resources through accumulation, and finally divests those resources that are unlikely to create value for the enterprise or are unlikely to develop or maintain competitive advantage. At this stage, the main task of the enterprise is to actively obtain resources in the factor market,

analyze resources, develop and utilize resources that may create value for the enterprise, and divest the other non-strategic resources from the factor market. The resource organization strategy is divided into horizontal and vertical aspects. Fosun Pharmaceutical's merger and acquisition of GrandPharma adopts the horizontal resource organization strategy. The horizontal resource organization strategy refers to the resources obtained by the merger and acquisition enterprise, which are in the region outside its company scope, but the same resources as the industry of the merger and acquisition enterprise. FosunPharma acquired a series of resources, including information resources, production resources, organizational resources and market resources. Information resources are mainly reflected in the fact that FosunPharma learned about the business operation of GrandPharma through its acquisition of GrandPharma, including industrial and regional information resources. After the merger, the 3581 employees of Grand have become Fosun's overseas employees. Grand has many top talents in the pharmaceutical field. There are more than 250 scientists in the two laboratories in Hyderabad alone. In addition to doctors, chemists and pharmaceutical graduate students, Grand has a registration team of more than 300 people to carry out international drug registration and declaration. These are the talent resources obtained by Fosun after the merger. In terms of production resources, Fosun has obtained the FDA approval of Grand high-end injection products, four injection production workshops with international CGMP qualifications and other drug production lines. In addition, the products of Grand are mostly sold to Europe and the United States, which enables Fosun to obtain customer resources in Europe and the United States. After obtaining these resources, Fosun has accumulated and developed resources, so that it has some capabilities: production technology, registration ability and management ability. The specific contents include: injection production technology includes pre filled syringe manufacturing technology, and API production technology includes gradually grafting heparin technology into domestic heparin products. Based on these technologies, FosunPharma has accumulated technical capabilities that it did not originally have, and laid a good foundation for resource bundling and resource utilization in the later M&A process. In addition, the registration ability and management ability of enterprises have also been accumulated. Grand's registration team has won a number of domestic and foreign certification qualifications for Fosun, which is an indispensable procedure for drug production and sales. After the merger, Fosun retained the original management team of Grand, which made Grand operate better and added diversity to the management methods of FosunPharma.

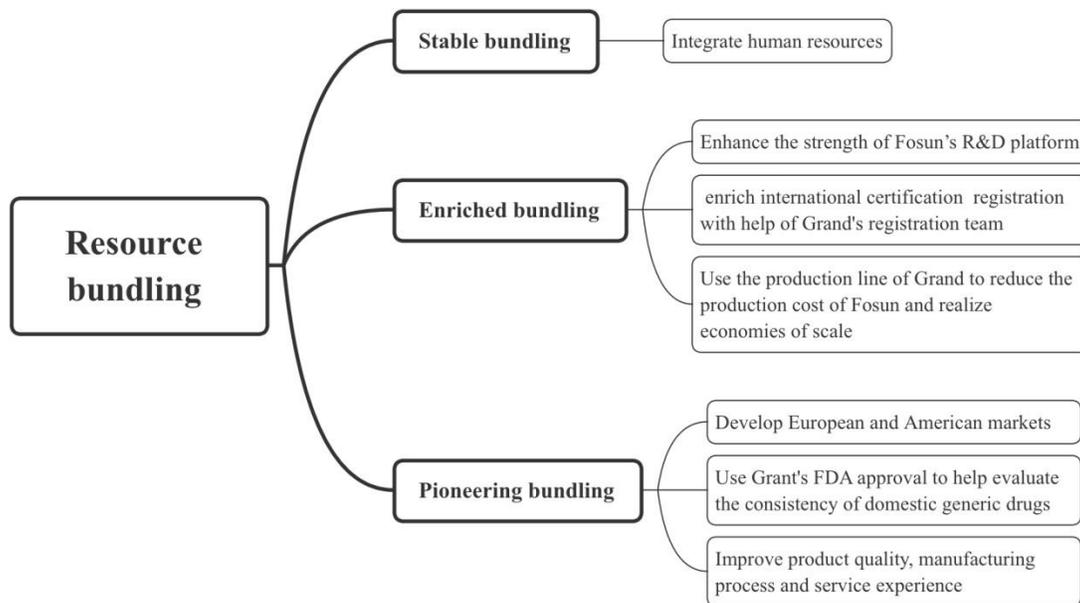


**Fig.1. Resource organization mode of Fosun’s M&A of Grand**

**2.2 Resource bundling mode of enterprise mergers and acquisitions**

Resource Bundling refers to the adjustment of the existing capabilities of enterprises through stable bundling, and then the expansion and combination of existing capabilities through enriched bundling. This process is more from the imitation of others, and finally the pioneering bundling, that is, the integration of new resources obtained by mergers and acquisitions and existing resources of enterprises, and based on this, the ability to innovate to adapt to the existing competitive environment. Among the three stages of resource orchestration, Resource Bundling belongs to the intermediate stage. This stage plays a vital role in the external resources obtained by resource organizations and the performance improvement achieved by resource utilization. It is a key stage for entering the medium-term integration after mergers and acquisitions, and it is also an important step to determine whether the synergy effect of post-merger integration can produce the desired effect. In terms of Resource Bundling Strategy, first is stable bundling. FosunPharma adjusted the information, human resources, market and other resources accumulated by the resource organization, the most important of which is the integration of talents. FosunPharma's acquisition attracted many excellent R&D personnel and management

personnel from Grandpharma. For the human resources of GrandPharma, FosunPharma did not achieve it overnight, making it fully and quickly accept and practice Fosun's culture, but gradually, attracting and influencing Grand's employees' recognition of Fosun's culture. Fosun also retained Grand's management team, allowing familiar people to manage the whole team in a familiar way, which can stabilize people's hearts and make the merged enterprise still operate normally. Second is enriched bundling. Grand is engaged in analytical method development, formula development, stability research and API process development in Hyderabad's laboratory, and is good at studying synthetic composite drug molecules, such as corticosteroids. After the merger, Fosun transferred Grand's large-scale R&D drug projects to its own R&D platform for research, which enhanced the strength of its own R&D platform. Grand has obtained the production and sales rights of more than 70 products from other countries. Fosun has enriched the international certification and registration of drugs, such as biological drugs, insulin, monoclonal antibodies, etc., with the experience of Grand's registration team. In addition, due to India's unique generic drug policy and low labor costs, grafting domestic products to the production line of Grand will greatly reduce the production cost of Fosun and realize economies of scale. Finally, Fosun will carry out pioneering bundling. Under the relatively stable competition pattern of the pharmaceutical industry in the United States, the sales of "made in China" drugs in the United States is not optimistic. Grand has 17 products being sold in the United States, which has a certain market foundation. With the help of Grand's production line, it can skillfully avoid "made in China" and expand the U.S. market. Since many injection varieties and several tumor drug production lines under Grand have been approved by FDA, FosunPharma can be regarded as passing the generic drug conformity evaluation after introducing Grand's drugs into China, and effectively use the priority approval policy of domestic conformity evaluation. In addition, Fosun introduced the production technology of Grand into the domestic production line, improved the production technology of domestic workshops, continuously improved the manufacturing process, optimized the service experience, and provided high-quality products and services, thus helping Fosun to carry out industrial upgrading.

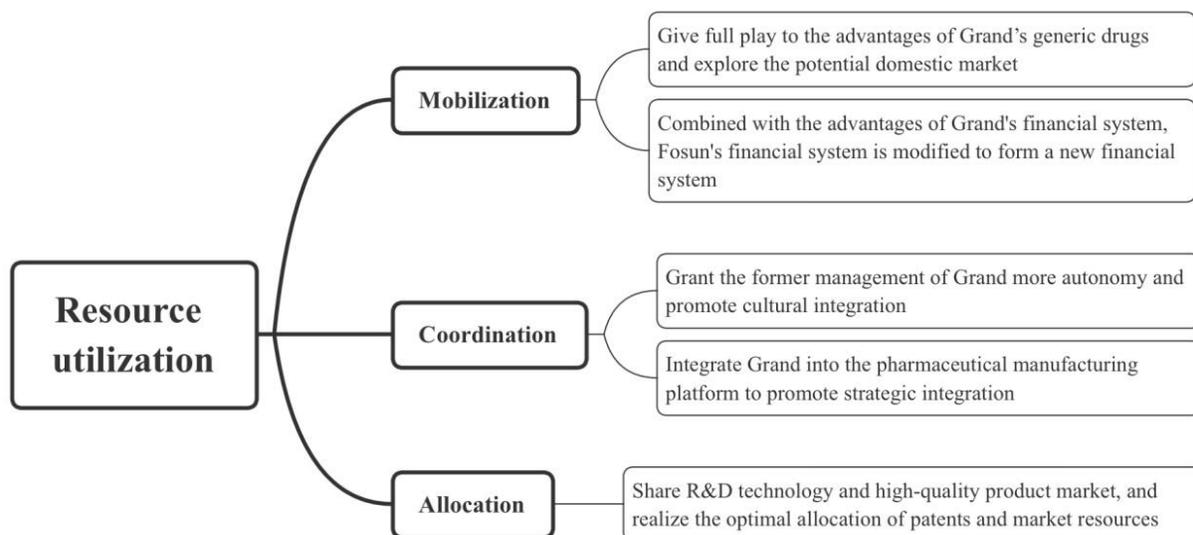


**Fig.2. Resource bundling mode of Fosun’s M&A of Grand**

**2.3 Resource utilization mode of enterprise mergers and acquisitions**

Resource utilization determines the required capabilities through mobilization, and plans the necessary capabilities to seize market opportunities and gain competitive advantage, then coordinates and integrates the mobilized capabilities to make it difficult for competitors to observe and copy, and finally supports the selected strategy through configuration. Among the three stages of resource orchestration, resource utilization is in the final stage. In this stage, enterprises will reorganize and allocate the resources obtained in the first two stages, and leverage the market opportunities with their capabilities. It is the later stage of enterprise mergers and acquisitions, and it is also the stage of value creation and real improvement of enterprise performance through mergers and acquisitions. In the mobilization stage of resource utilization, due to the high price of imported drugs and the monopoly of overseas advanced technology, there is still a lot of room for the development of the domestic imported drug market, and there is little entry of generic drugs in the domestic market. Therefore, FosunPharma's adjustment strategy gives full play to Grand's unique advantages of generic drugs and fully explores the potential domestic market. In addition, Fosun learned from the more advanced part of the Grand financial system and integrated its own financial system into a new one after modification, so as to better serve Fosun's business. In the coordination stage, Fosun incorporated Grand into the pharmaceutical manufacturing platform, contributing to Fosun's operating revenue in the

pharmaceutical industry, enhancing Fosun's "pharmaceutical attribute" and promoting strategic integration. After the merger and acquisition of Grand, Fosun maintained its original management team. While giving more autonomy to the management, the management of both companies communicated with each other to promote the cultural integration of both companies. In the stage of resource allocation, Fosun and Grand share each other's technology and high-quality product market. Their companies complement each other's advantages, realize the optimal allocation of patent and market resources, realize economies of scale, and enhance the synergy of operation.



**Fig.3. Resource utilization mode of Fosun’s M&A of Grand**

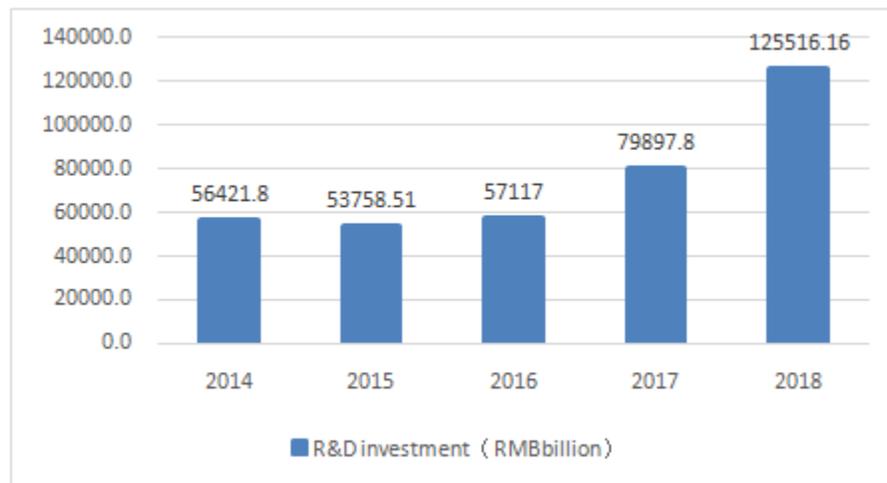
### **3 The impact of M&A resource integration on innovation performance**

Previous research on innovation performance involves many measurement methods, such as macro and micro, but more is the use of specific indicators. This paper uses the specific index measurement method for reference. Considering that this paper studies the mergers and acquisitions of pharmaceutical enterprises, the research and development of drugs and the number of patents play a vital role in the innovation of pharmaceutical enterprises, this paper uses three indicators: R&D investment, the revenue from pharmaceutical manufacturing and R&D business, and the number of drug projects and patents to measure the innovation performance after Fosun's merger and acquisition of Grand, which is more relevant and typical.

### **3.1 R&D investment**

In the analysis of resource orchestration in the previous section, Fosun acquired the information resources, human resources and production resources of Grand after the implementation of M&A, accumulated syringe production technology and API production technology, enhanced the strength of Fosun R&D platform when Bundling sources, improved product quality and manufacturing process. In order to complete the plan of resource orchestration, Fosun increased R&D investment, especially in pharmaceutical R&D.

During the reporting period of 2018, Fosun increased its R&D investment a lot compared with last year. The annual R&D investment reached RMB25billion, an increase of nearlyRMB1 billion compared with 2017, with an increase of about 64%. After the merger and acquisition of Grand Pharma, it will continue to promote the construction of innovation system and improve the drug R&D system of "combination of imitation and innovation". The R&D investment in pharmaceutical business accounted for 90% of the total R&D investment, about RMB22.5 billion, an increase of more than RMB9.7 billion compared with the R&D investment in pharmaceutical business in 2017, with a growth rate of about 76%. Among the R&D investment, the R&D expenditure was more than RMB12.5 billion, an increase of more than RMB4.5 billion over 2017, with a growth rate of 57%, accounting for 6.7% of the pharmaceutical business revenue. The R&D expenses of Fosun in the pharmaceutical manufacturing and R&D sector from 2014 to 2018 are shown in Figure 4. From a small increase in 2014-2016 to a rapid increase in 2016-2017, it can be seen that Fosun attaches importance to the research and development of innovative drugs. Especially after the acquisition of Grand Pharma, Fosun increased its investment in pharmaceutical research and development compared with previous years, more than double the growth percentage in 2017.



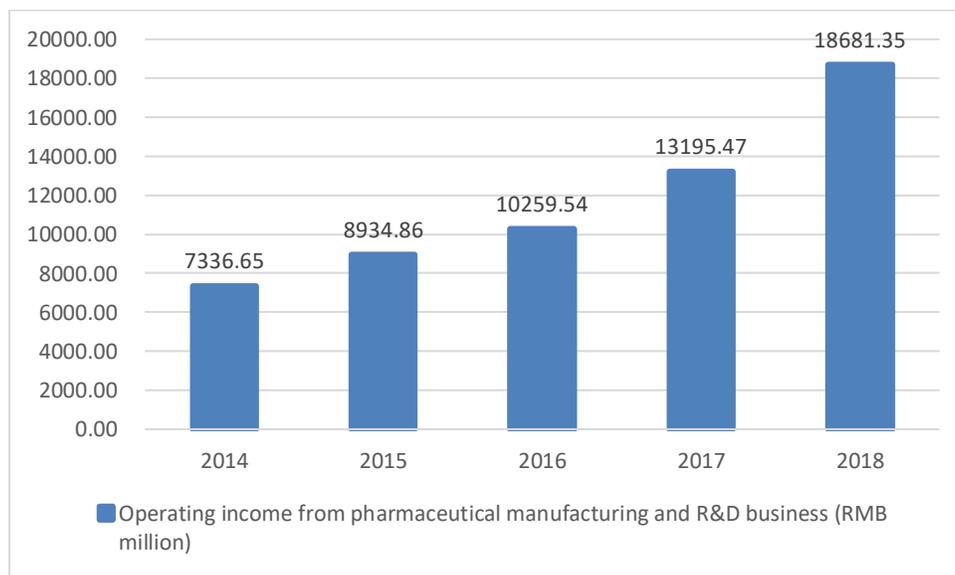
**Fig.4.Fosun Pharmaceutical 2014-2018 R&D investment of pharmaceutical manufacturing and R&D sector**

### 3.2 Revenue from pharmaceutical manufacturing and R&D business

In the process of resource orchestration, Fosun achieved economies of scale by using the production line of Grand. At the same time, with the market foundation of Grand, Fosun explored the European and American markets, and leveraged Grand's unique advantages to tap the potential domestic market. The series of plans have had a huge impact on the revenue achieved by FosunPharma in the pharmaceutical manufacturing and R&D business segments.

Figure 5 shows the operating income of FosunPharma in the pharmaceutical manufacturing and R&D business segment from 2014 to 2018 four years before and one year after the acquisition of Grand Pharma. From 2014 to 2016, the operating income showed a steady growth pattern, and from 2016 to 2018, it grew rapidly. During the reporting period of 2018, the operating income of the pharmaceutical and R&D business segment reached more than RMB 180 billion, an increase of nearly 42% compared with 2017. After excluding the impact of Grande Pharma acquired in 2017 on Fosun's operating income, the revenue from pharmaceutical manufacturing and R&D business increased by 25% in the reporting period compared with 2017. It means that the acquisition of Grand contributed 16.7% of the operating income growth to the revenue of the pharmaceutical manufacturing and R&D business. The drugs with the fastest sales growth are febuxostat tablets, pitavastatin, pyrimidine fumarate tablets, anti-tuberculosis series, vancomycin, enoxaparin injection, etc., among which vancomycin and enoxaparin injection is the core product of Grand Pharma. In 2017, the pharmaceutical manufacturing and R&D

business of FosunPharma achieved an operating income of over RMB 130 billion, an increase of approximately 29% over 2016 and an increase of 22.35% over the same caliber. Comparing the two-year growth rate, the growth rate in 2018 was more than double the rate in 2017. It can be seen that after the acquisition of Grand Pharma, the operating income of FosunPharma in the pharmaceutical manufacturing and R&D business has grown rapidly.



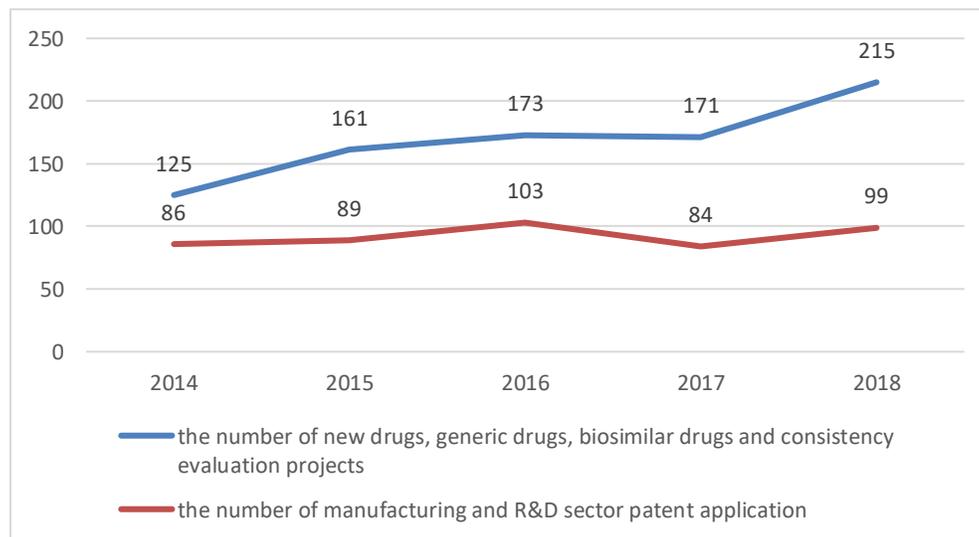
**Fig.5.Fosun Pharmaceutical 2014-2018 operating income from Pharmaceutical manufacturing and R&D business**

### 3.3 Number of drug projects and patents

Fosun not only recruited some management talents, but also gained a lot of pharmaceutical R&D talents and experienced registration teams to help Fosun apply for international certification, which contributed to the increase in the number of patents. Grand's products approved by the US FDA and the domestic consistency evaluation policy have increased Fosun's consistency evaluation projects.

As shown in Figure 6, during 2014-2018, the number of patent applications for various medicines and consistency evaluation projects, as well as the manufacturing and R&D sectors of FosunPharma decreased slightly in 2017, and increased after the acquisition of Grand in 2018. During the reporting period of 2017, excluding the impact of the acquisition of Grand, Fosun has accumulated 171 items of various drugs and consistency evaluation, including innovative drugs, similar drugs, and generic drugs of international standards. There are 39 consistency evaluation

items related to Chinese drug application policy. It should be noted that the total number of various drugs and consistency evaluation projects decreased slightly compared with 2016, but consistency evaluation projects were only included in Fosun's project library in 2017, which was benefited from the acquisition of Grand. During the reporting period, in addition to the impact of the acquisition of Grand Pharma, the number of patent applications in the pharmaceutical manufacturing and R&D sector of FosunPharma Group was 84, of which nearly 20 were foreign patents, involving Japan, Europe, and the United States. After the acquisition of GrandPharma, during the reporting period of 2018, FosunPharma's various drugs and consistency evaluation projects increased to 215, of which the consistency evaluation projects related to the acquisition of Grand increased to 54. The growth of this item is of great help to FosunPharma's application for registration of pharmaceutical products. During the reporting period, a total of 5 generic drug products of Grand Pharma were approved by the US FDA for marketing. Compared with 2017, the number of patent applications of Fosun in the pharmaceutical manufacturing and R&D sectors has increased significantly, with a total of 99, an increase of about 18%, and the number of patent applications in foreign countries has also exceeded 20. In addition, after the acquisition of Grand Pharma, FosunPharma has acquired 4 formulation production sites in India. According to the above data, after the acquisition of Grand, Fosun has enriched the variety of drugs and increased the number of patents, which will help FosunPharma achieve the goal of expanding sales scale and broadening the sales market.



**Fig.6. The number of new drugs, generic drugs, biosimilars, consistency evaluation and patent applications in the manufacturing and R&D sectors**

The orchestration of resources acquired by Fosun after the acquisition of Grand has greatly increased the investment in R&D, the income of pharmaceutical manufacturing and R&D business and the number of drug projects and patents. According to the provisions of accounting standards, a part of R&D investment will be capitalized, and after capitalization, it can be used as a resource of the enterprise for subsequent resource allocation. The income realized from pharmaceutical manufacturing and R&D business after deducting the cost can also be invested in the follow-up operation of the enterprise. As the intangible assets of the enterprise, drug projects and patent applications are also the resources of the enterprise. They can be invested in the enterprise's resource pool for secondary arrangement to achieve the improvement of innovation performance. This is a process of a virtuous circle.

#### **4 Research Conclusions and Enlightenments**

##### **4.1 Research conclusions**

Through the case analysis, we can clearly understand the specific method of arranging the acquired resources after FosunPharma acquired Grand Pharma. Resource organization has improved the management efficiency of FosunPharma by managing the company's resources and capabilities. Through the horizontal resource organization, FosunPharma has obtained Grand's information resources, human resources, production resources and market resources. Fosun's management of these resources has enhanced its R&D capabilities. Resource bundling builds capabilities in line with enterprise development strategies by utilizing the resources acquired by the resource organization. FosunPharma has expanded the group's R&D team, enriched the market for product sales, and enhanced the success rate of drug registration with the help of the domestic generic drug consistency evaluation policy. Resource utilization leverages market opportunities through built capabilities, creating value and wealth for owners. Fosun has used the resources obtained from the acquisition of Grand to carry out coordinated development, promote the integration of the cultures and strategies of the two companies, and help Grand's business development while realizing its own development. After a series of resource arrangements, FosunPharma's innovation performance has also improved significantly: the percentage of R&D investment has increased, the growth of manufacturing and R&D business income has also increased significantly compared with the previous years, and the production-to-investment ratio of new drugs has increased. In addition, the number of patents and various drug projects also increased significantly. The impact of Fosun's acquisition of Grand on innovation performance is positively correlated. After resource orchestration, the innovation performance achieved by Grand can once again become the resource of the enterprise for subsequent orchestration, which eventually becomes a virtuous circle.

## **4.2 Enlightenments**

### **(1) Pay attention to the resource orchestration theory**

In the process of cross-border mergers and acquisitions, pharmaceutical companies should pay attention to the application of the resource orchestration theory. When conducting cross-border mergers and acquisitions, it is necessary to pay attention to the three processes of resource orchestration, so as to help enterprises to better carry out post-merger integration activities, and to effectively improve the innovation performance of pharmaceutical enterprises. The resource orchestration of pharmaceutical companies after M&A focuses on the synergy of resource organization, resource bundling and resource utilization. The three stages are equally important and affect each other. Synchronization of each stage is required to optimize innovation performance.

### **(2) Correctly understand the strengths and weaknesses of both parties in M&A, and learn from each other to develop together**

There are advantages and disadvantages on both sides of M&A, and the synergistic effect of M&A can make both sides learn from each other's strengths and complement their weaknesses. Both Fosun and Grand had some advantages and disadvantages before M&A. Through the acquisition of Grand, Fosun could improve product supply strength and market share, so as to expand the international market and make up for the shortage of domestic injection drug in a timely manner. At the same time, Fosun also helped Grand operate better and facilitated its listing. Chinese pharmaceutical companies can fully consider their own advantages and disadvantages when conducting overseas M&A, find the acquired companies that are suitable for their own companies and learn from each other's strengths and weaknesses to develop together.

### **(3) Grasp the opportunity of domestic consistency evaluation policy to find suitable M&A targets**

At present, the overall situation of Chinese drug research and development is still in the stage of "mainly imitation and combining imitation and innovation". Due to the limitations of R&D conditions and capabilities, generic drugs have become an effective way for the Chinese pharmaceutical industry to "save the country from the curve". Although the country vigorously advocates the policy of consistency evaluation, the number of varieties of drugs under consistency evaluation in China is still far below the expected number. Chinese pharmaceutical companies can use the national consistency evaluation policy as an opportunity to improve the success rate of drug registration through mergers and acquisitions of overseas companies.

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