
HISTORY, REORGANISATION AND CORPORATE STRUCTURE

HISTORY AND DEVELOPMENT

Our development

The business and operations of our Group are carried mainly through two segments, namely our (i) Media Content Distribution Business; and (ii) Brand Licensing Business.

Our Group was founded by Ms. Lovinia Chiu. Prior to founding our Group in 2000, Ms. Lovinia Chiu started her career in 1988 in media program distribution as a marketing assistant at a private Hong Kong company engaged in content distribution. Subsequently, Ms. Lovinia Chiu started to conduct media content distribution and its related licensing business in 1994 through a predecessor of our Group, namely Medialink International Limited, a private Hong Kong company, the incorporation and the initial operation of which were funded by her personal resources. In 2000, Ms. Lovinia Chiu repositioned her business to cater for business expansion in media content distribution arm and brand licensing arm. Since then, she had set up a number of new companies, each of which has a clear focus in either Media Content Distribution Business or Brand Licensing Business. For details of these new companies, please refer to “Our subsidiaries” in this section below. To streamline the corporate structure, the aforesaid predecessor of our Group was dissolved by members’ voluntary winding up in 2009 and was excluded from our Group. As part of the aforesaid business expansion strategy, MPL and MEL which formed part of our Group and conducted Media Content Distribution Business had acquired and distributed media content not only relating to animation series, but also variety shows, drama series and feature films. MFE and a few other subsidiaries were also set up as part of our Group which focused on character and brand licensing in the Asian region. In August 2000, MAIL (which was not part of our Group back then) was incorporated and jointly held by Ms. Lovinia Chiu and her sister, namely Ms. Noletta Chiu to engage in brand licensing business. In order to gain complete control over MAIL, in August 2018, Ms. Lovinia Chiu acquired the remaining 50% shareholding interest in MAIL from Ms. Noletta Chiu and MAIL has become our wholly owned subsidiary. In addition to the “Garfield”, “Peppa Pig” and “ROBOCAR POLI” which were licensed through the some of our other subsidiaries, our Group, through MAIL, has licensed various internationally renowned brands such as “Le Petit Prince”, “MONOPOLY”, “Moomin”, “Mr. Men Little Miss”, “PJ Masks” and “TRANSFORMERS” since the completion of the MAIL Acquisition.

Riding on the success of our Media Content Distribution Business, our Group started to co-invest in the first drama with a Taiwanese company in 2010. Over the last few years, we further expanded our business to co-invest with other media companies in various media content production.

Ms. Lovinia Chiu, our founder, chairman of our Board, an executive Director and chief executive officer of our Company, is an entrepreneur and has almost 30 years of experience in the content distribution industry, see “Directors and senior management” in this document for more details.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Milestones

The following table summarises various key milestones in our development:

Year	Event
September 2000	Our Group was established in Hong Kong.
April 2001	We expanded our business into theatrical releases in cinemas in Hong Kong, such as “INITIAL D Third Stage”.
June 2005 – September 2007	Our Group obtained certain licensing rights of Korean and Taiwanese TV drama series and expanded into home video release business to distribute “Coffee Prince”, “Meteor Garden”, “My Girl” and “The Prince Who Turns Into a Frog” in certain territories.
March 2007	Our first overseas office started operations in Singapore.
August 2010	Our Group entered into an agreement with Paws Incorporated, the owner of a US brand – “Garfield”, to act as its agent in the PRC, Hong Kong, Macau and Taiwan.
October 2010	Our Group first co-invested in the live-action TV drama with a Taiwanese company.
October 2012	Our Group first obtained new rights to exhibit the media content, such as VOD rights, live streaming and catch up rights and IPTV rights.
December 2014	Our Group entered into an agreement with Entertainment One UK Limited, the owner of a UK brand – “Peppa Pig”, to act as its agent in Southeast Asia markets.
January 2015	Our Group first co-invested in the Japanese animation series “Seisen CERBERUS”.
September 2015	Our Group first entered into the inflight entertainment media content business.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Year	Event
July 2016	Our Group started cooperation with TVB Group to licence to TVB Group VOD rights to use our licensed animation content under our proprietary “Ani-One” brand in Hong Kong on the OTT platform of “myTV SUPER”, an online media platform operated by TVB Group.
November 2016	Our Group entered into an agreement with ROI VISUAL Co., Ltd., the owner of a South Korean brand, “ROBOCAR POLI”, to act as its agent in the Southeast Asia market.
April 2018	We extended our proprietary “Ani-One” brand to Malaysia and Brunei by cooperating with SMG Entertainment Sdn Bhd, (a subsidiary of the Star Media Group Berhad (MYX: 6084)) which operates a VOD service known as “dimsum”.
August 2018	Upon completion of the MAIL Acquisition, we were involved in the licensing of renowned brands such as “Le Petit Prince”, “MONOPOLY”, “Moomin”, “Mr. Men Little Miss”, “PJ Masks” and “TRANSFORMERS”.

OUR COMPANY

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on 29 October 2018 with an authorised share capital of HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each. On its incorporation, our Company allotted and issued one subscriber share, fully paid, to the initial subscriber, and such one Share was subsequently transferred to RLA, a company wholly owned by Ms. Lovinia Chiu at par value, fully paid on the same day.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

OUR SUBSIDIARIES

During the Track Record Period, we conducted our business mainly through our subsidiaries and branches, corporate information of which is shown below:

Name of the entity	Place of incorporation/ establishment	Date of incorporation/ establishment	Date of commencement of business	Percentage of shareholding interests held by our Company as at the Latest Practicable Date	Principal business activities
MAIL ^(Note 1)	Hong Kong	11 August 2000	11 August 2000	100%	Brand Licensing Business
MPL	BVI	27 September 2000	27 September 2000	100%	Media Content Distribution Business (Inactive)
MEL	Hong Kong	13 October 2000	13 October 2000	100%	Media Content Distribution Business
MFE	Hong Kong	11 July 2001	11 July 2001	100%	Brand Licensing Business
MSG	Singapore	21 August 2006	21 August 2006	100%	Brand Licensing Business
MAL ^(Note 2)	Samoa	2 October 2009	2 October 2009	100%	Investment holding
MSH ^(Note 3)	Shanghai, The PRC	14 September 2012	14 September 2012	100%	Brand Licensing Business with support service to members of the Group
WSH	Hong Kong	4 December 2015	4 December 2015	100%	Investment holding
MHL	Hong Kong	29 July 2016	29 July 2016	100%	Investment holding
WSJ	Japan	3 April 2017	3 April 2017	100%	Investment in animation and movie projects

Notes:

- MAIL has become our wholly owned subsidiary after the completion of the MAIL Acquisition.
- MAL conducted its Brand Licensing Business through MALTW, a branch which was established in Taiwan on 4 June 2010. MALTW was not a separate legal entity and its liabilities were assumed by its parent company, MAL.
- MSH conducted its Brand Licensing Business through MSHBJ, a branch which was established in Beijing of the PRC on 11 March 2014. MSHBJ was not a separate legal entity and its liabilities were assumed by its parent company, MSH.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

CHANGES IN THE SHAREHOLDING STRUCTURE OF OUR SUBSIDIARIES

We describe below the changes in the shareholding structure of our subsidiaries, from the commencement of the Track Record Period and up to the date immediately prior to the Reorganisation.

Our subsidiaries which engage in Media Content Distribution Business

MEL

MEL was incorporated in Hong Kong on 13 October 2000 as a limited liability company with an issued share capital of HK\$10,000. Upon incorporation, one share in MEL was allotted and issued to each of Silvermax Development Limited and Super Pacific Capital Limited.

On 28 November 2000, Ms. Lovinia Chiu acquired the entire interest in Silvermax Development Limited and Ms. Noletta Chiu (as nominee of Ms. Lovinia Chiu) acquired the entire interest in Super Pacific Capital Limited and held the entire interest in Super Pacific Capital Limited on trust for Ms. Lovinia Chiu. The nominee shareholding arrangement was in place as a result of the then statutory requirement for a minimum of two shareholders under the Companies Ordinance.

On 30 November 2000, eight additional shares in MEL were issued to Ms. Lovinia Chiu. As a result, since 30 November 2000 and up to the date immediately prior to the Reorganisation, Ms. Lovinia Chiu held 90% of the beneficial interest in MEL and through Ms. Noletta Chiu as a nominee shareholder, held the remaining 10% of the beneficial interest in MEL.

MPL

MPL was incorporated in the BVI as an international business company with limited liability on 27 September 2000 with an authorised share capital of US\$50,000 divided into 50,000 shares with a par value of US\$1.00 each. Since the date of its incorporation and up to the date immediately prior to the Reorganisation, MPL was wholly owned by Ms. Lovinia Chiu. MPL was inactive during the Track Record Period.

Our subsidiaries which engage in Brand Licensing Business

MFE

MFE was incorporated in Hong Kong on 11 July 2001, a limited liability company with an issued share capital of HK\$10,000. It was known as Smartlink Trading Limited at the time of its incorporation until it changed its name to MFE on 5 November 2001. At the time of its incorporation, it was held as to 50% by Team Victoria Limited and 50% by Gold Regal Development Limited.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

On 26 March 2004, Ms. Lovinia Chiu acquired the entire interest in Team Victoria Limited while Ms. Wong Wai Han (the mother of Ms. Lovinia Chiu) as nominee of Ms. Lovinia Chiu acquired the entire interest in Gold Regal Development Limited and held the entire interest in Gold Regal Development Limited on trust for Ms. Lovinia Chiu. The nominee shareholding arrangement was in place as a result of the then statutory requirement for a minimum of two shareholders under the Companies Ordinance. Since then and up to the date prior to the Reorganisation, Ms Lovinia Chiu held 50% of the beneficial interest in MFE and through Ms. Wong Wai Han as a nominee shareholder, held the remaining 50% of the beneficial interest in MFE.

MSG

MSG was incorporated in Singapore as an exempt private company limited by shares on 21 August 2006 with an issued share capital of SGD10.00. Since March 2007 and up to the date immediately prior to the Reorganisation, MSG was wholly owned by Ms. Lovinia Chiu.

MAL

MAL was incorporated in Samoa as an international company on 2 October 2009 for investment holding with an initial authorised share capital of US\$1,000,000 divided into 1,000,000 shares of US\$1.00 each. MAL conducted its Brand Licensing Business through MALTW, a branch which was established in Taiwan on 4 June 2010.

One share of US\$1.00 was issued and allotted to Offshore Incorporations (Samoa) Limited, the initial subscriber, at par on the date of its incorporation, which then transferred that one share to Ms. Lovinia Chiu on 3 October 2009. Upon completion of the transfer and up to the date immediately prior to the Reorganisation, MAL was wholly owned by Ms. Lovinia Chiu.

MSH

MSH was established in the PRC on 14 September 2012 with a registered capital of US\$100,000, which was subsequently increased to US\$850,000 in August 2013. From the date of its establishment and up to the date immediately prior to the Reorganisation, MSH was wholly owned by MFE. MSH conducted its Brand Licensing Business through MSHBJ, a branch which was established in Beijing of the PRC on 11 March 2014.

Our subsidiaries which engage in investment business

WSH

WSH was incorporated in Hong Kong on 4 December 2015 as a limited liability company with an issued share capital of HK\$100. Since the date of its incorporation and up to the date immediately prior to the Reorganisation, WSH was held as to 85% by Ms. Lovinia Chiu and 15% by Ms. Noletta Chiu.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

MHL

MHL was incorporated in Hong Kong on 29 July 2016 as a limited liability company with an issued share capital of HK\$1,000. Since the date of its incorporation and up to the date immediately prior to the Reorganisation, MHL was wholly owned by Ms. Lovinia Chiu.

WSJ

WSJ was incorporated in Japan as a joint stock company on 3 April 2017 with a stated share capital of JPY5,000,000. Since the date of its incorporation and up to the date immediately prior to the Reorganisation, WSJ was wholly owned by WSH.

Major acquisitions and disposals

Acquisition of 15% shareholding interest in WSH

For details, please see “Reorganisation – Acquisition of 15% shareholding interest in WSH by Ms. Lovinia Chiu” in this section.

Acquisition of the entire shareholding interest in MAIL

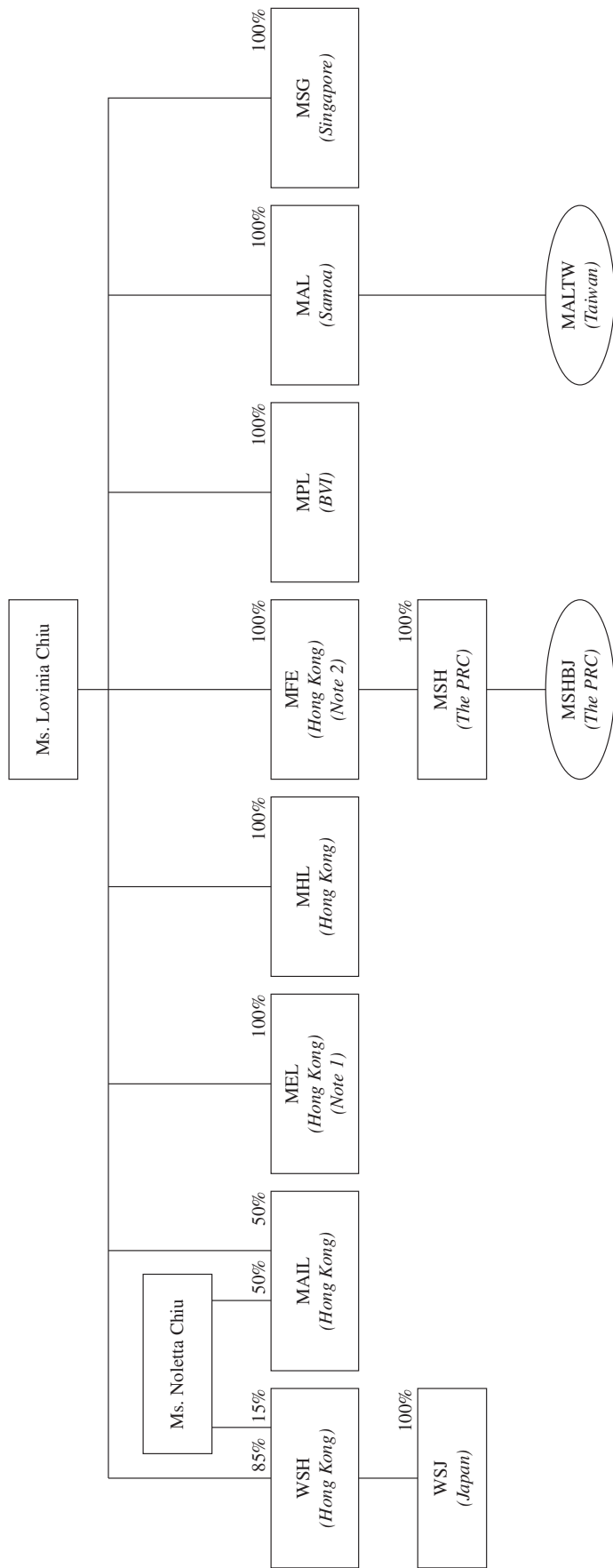
MAIL was incorporated in Hong Kong on 11 August 2000 as a limited liability company with an issued share capital of HK\$10,000. Since the date of its incorporation and up to the date immediately prior to the Reorganisation, MAIL was held as to 50% by Ms. Lovinia Chiu and 50% by Ms. Noletta Chiu. For details of the acquisition of MAIL, please see “Reorganisation – Acquisition of the entire shareholding interest in MAIL” in this section.

Save as disclosed, throughout the Track Record Period and up to the date immediately prior to the Reorganisation, we did not conduct any major acquisitions, disposals or mergers during or after the Track Record Period.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE REORGANISATION

The following chart sets out the corporate and shareholding structure of our Group immediately prior to the Reorganisation:



HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Notes:

1. Pursuant to a declaration of trust, Ms. Noletta Chiu held 10% shareholding interest in MEL as a nominee shareholder of such shareholding interest in trust for Ms. Lovinia Chiu. Ms. Lovinia Chiu is therefore the beneficial owner of 100% shareholding interest in MEL. The nominee shareholding arrangement was in place as a result of the then statutory requirement for a minimum of two shareholders under the Companies Ordinance.
2. Pursuant to a declaration of trust, Ms. Wong Wai Han held 50% shareholding interest in MFE as a nominee shareholder of such shareholding interest in trust for Ms. Lovinia Chiu. Ms. Lovinia Chiu is therefore the beneficial owner of 100% shareholding interest in MFE. The nominee shareholding arrangement was in place as a result of the then statutory requirement for a minimum of two shareholders under the Companies Ordinance.

Reorganisation

In preparation for the [REDACTED], we underwent the following major steps for the Reorganisation:

Acquisition of 15% shareholding interest in WSH by Ms. Lovinia Chiu

On 27 June 2018, Ms. Lovinia Chiu entered into a sale and purchase agreement with Ms. Noletta Chiu, pursuant to which Ms. Lovinia Chiu acquired the 15% shareholding interest in WSH from Ms. Noletta Chiu at a consideration of HK\$15 based on the share capital of WSH. After the share transfer, Ms. Lovinia Chiu held 100% shareholding interest in WSH.

Acquisition of the entire shareholding interest in MAIL by Ms. Lovinia Chiu

On 27 August 2018, Ms. Lovinia Chiu entered into a sale and purchase agreement with Ms. Noletta Chiu, pursuant to which Ms. Noletta Chiu transferred her 50% shareholding interest in MAIL to Ms. Lovinia Chiu for a consideration of HK\$20,000,000 based on a valuation report as at 31 July 2018 as appraised by an independent valuer. Upon completion of the MAIL Acquisition, Ms. Lovinia Chiu held 100% shareholding interest in MAIL.

Incorporation of RLA by Ms. Lovinia Chiu

On 23 October 2018, RLA was incorporated in the BVI with limited liability as an investment holding and is authorised to issue a maximum of 50,000 shares of a single class with a par value of US\$1.00 each. On the same day, one share of RLA was allotted and issued at par, fully paid to Ms. Lovinia Chiu. Accordingly, RLA has been owned as to 100% by Ms. Lovinia Chiu since incorporation.

Incorporation of our Company

On 29 October 2018, our Company was incorporated as an exempted company with limited liability in the Cayman Islands with an authorised share capital of HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each. Upon incorporation of our Company, one Share was

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

allotted, issued at par and credited as fully paid to our Company's initial subscriber and was subsequently transferred to RLA at par, fully paid, on the same day. Upon completion of such transfer, our Company became indirectly wholly owned by Ms. Lovinia Chiu through RLA.

Our Company [has been] registered as a non-Hong Kong company under Part 16 of the Companies Ordinance of Hong Kong.

Incorporation of offshore holding companies in the BVI

On 13 November 2018, MLHL, each of MEHL and MIHL was incorporated with limited liability in the BVI. Each of them is authorised to issue a maximum of 50,000 shares with a par value of US\$1.00 each. One share of each of MLHL, MEHL and MIHL was allotted and issued at par, fully paid to our Company on the same day. Since the date of incorporation, each of them has been owned as to 100% by our Company. MLHL, MEHL and MIHL serve as an immediate holding company for Brand Licensing Business, Media Content Distribution Business, as well as investment business in our Group, respectively.

Transfer of the shareholding interests in other group companies to our Group

MLHL acquired the shareholding interests in the group companies as follows:

- (a) On 26 November 2018, MLHL acquired from Ms. Lovinia Chiu the entire issued share capital of MAIL for a consideration of HK\$2.00 based on the then issued share capital, which was fully paid.
- (b) On 26 November 2018, MLHL acquired from each of Ms. Lovinia Chiu and Ms. Wong Wai Han (who acted as a nominee shareholder of such shareholding interest in trust for Ms. Lovinia Chiu) 50% of the issued share capital of MFE for a consideration of HK\$1.00 and HK\$1.00 based on the then issued share capital, which was fully paid. After the share transfer, Ms. Wong Wai Han ceased to hold any shares in MFE for the benefit of Ms. Lovinia Chiu and the nominee shareholding arrangement was therefore terminated.
- (c) On 26 November 2018, MLHL acquired from Ms. Lovinia Chiu the entire issued share capital of MSG for a consideration of SGD10.00 based on the then issued share capital, which was fully paid.
- (d) On 26 November 2018, MLHL acquired from Ms. Lovinia Chiu the entire issued share capital of MAL for a consideration of US\$1.00 based on the then issued share capital, which was fully paid.

Upon completion of the above acquisitions, MAIL, MFE, MSG and MAL became direct wholly owned subsidiaries of MLHL.

MEHL acquired the shareholding interests in the group companies as follows:

- (a) On 26 November 2018, MEHL acquired from Ms. Lovinia Chiu and Ms. Noletta Chiu (who acted as a nominee shareholder of such shareholding interest in trust for Ms. Lovinia Chiu) 90% and 10% of the issued share capital of MEL, respectively

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

for a consideration of HK\$9 and HK\$1 based on the then issued share capital, both of which were fully paid. After the share transfer, Ms. Noletta Chiu ceased to hold any shares in MEL for the benefit of Ms. Lovinia Chiu and the nominee arrangement was therefore terminated.

- (b) On 26 November 2018, MEHL acquired from Ms. Lovinia Chiu the entire issued share capital of MPL for a consideration of US\$1.00 based on the then issued share capital, which was fully paid.

Upon completion of the above acquisitions, MEL and MPL became direct wholly owned subsidiaries of MEHL.

MIHL acquired the shareholding interests in the group companies as follows:

- (a) On 26 November 2018, MIHL acquired from Ms. Lovinia Chiu the entire issued share capital of MHL for a consideration of HK\$1,000 based on the then issued share capital, which was fully paid.
- (b) On 26 November 2018, MIHL through MHL acquired from Ms. Lovinia Chiu the entire issued share capital of WSH for a consideration of HK\$100 based on the then issued share capital, which was fully paid.

Upon completion of the above acquisitions, MHL became a direct wholly owned subsidiary of MIHL and WSH became a direct wholly owned subsidiary of MHL.

Upon completion of the Reorganisation but prior to the [REDACTED] and the [REDACTED], RLA shall hold the entire issued shares in the Company.

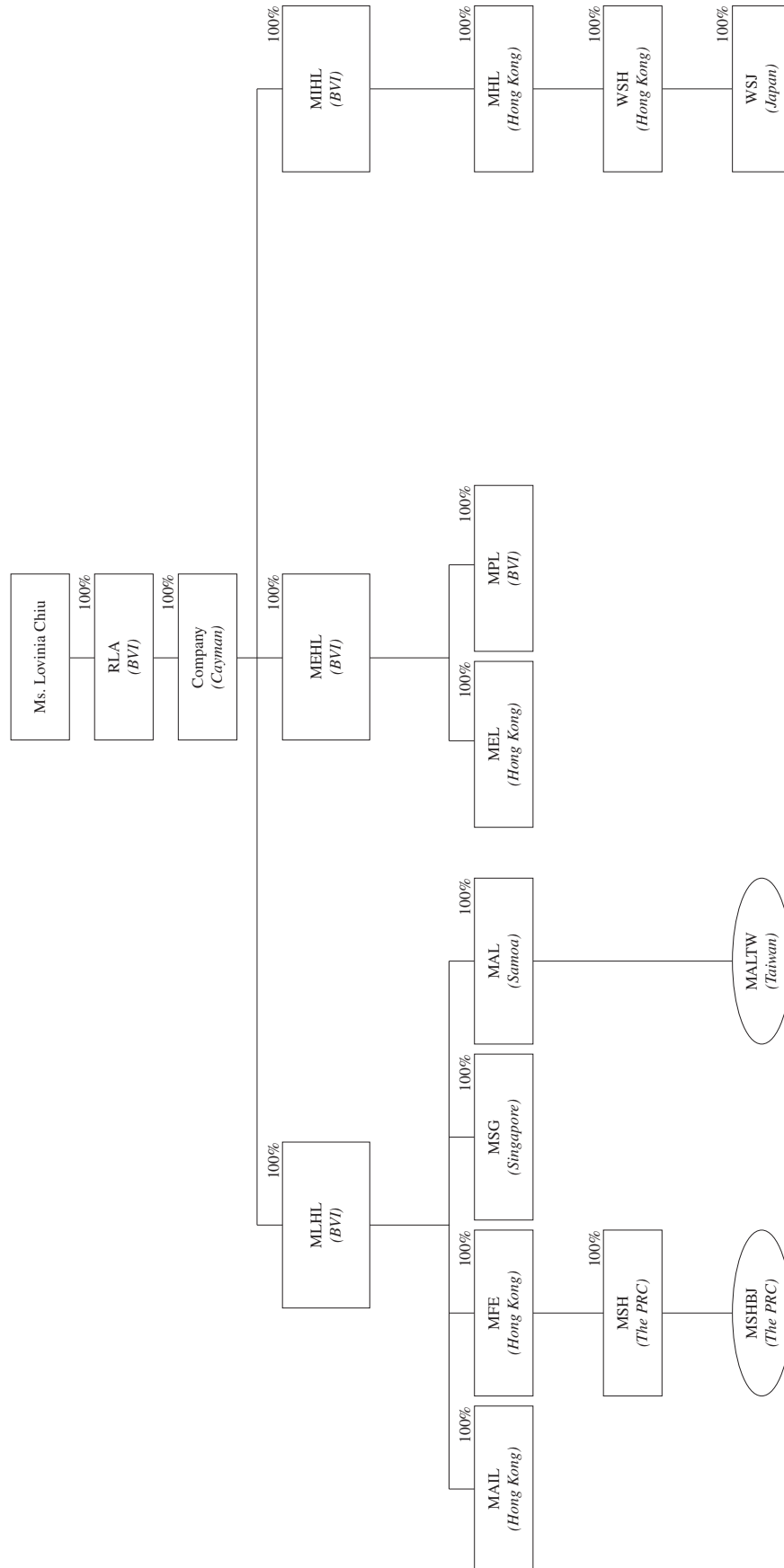
Our Company will offer an aggregate of not less than 25% of the total number of issued Shares for subscription by the public and placing to professional, institutional or other investors in Hong Kong and other places (except for the United States).

The transfers to the companies in the respective jurisdictions described above for the purposes of effecting the Reorganisation have been properly and legally completed and all approvals from the relevant authorities, if any, have been obtained.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

CORPORATE AND SHAREHOLDING STRUCTURE IMMEDIATELY FOLLOWING COMPLETION OF THE REORGANISATION

The following chart sets out the corporate and shareholding structure of our Group immediately following completion of the Reorganisation:



HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Increase in authorised share capital

In contemplation of the [REDACTED], the authorised share capital of our Company will be increased from HK\$380,000 divided into 38,000,000 Shares of a par value of HK\$0.01 each to HK\$[50,000,000] divided into [5,000,000,000] Shares of a par value of HK\$0.01 each, by the creation of an additional [4,962,000,000] Shares with a par value of HK\$0.01 each. The [REDACTED] shall rank pari passu in all respects with the existing issued Shares.

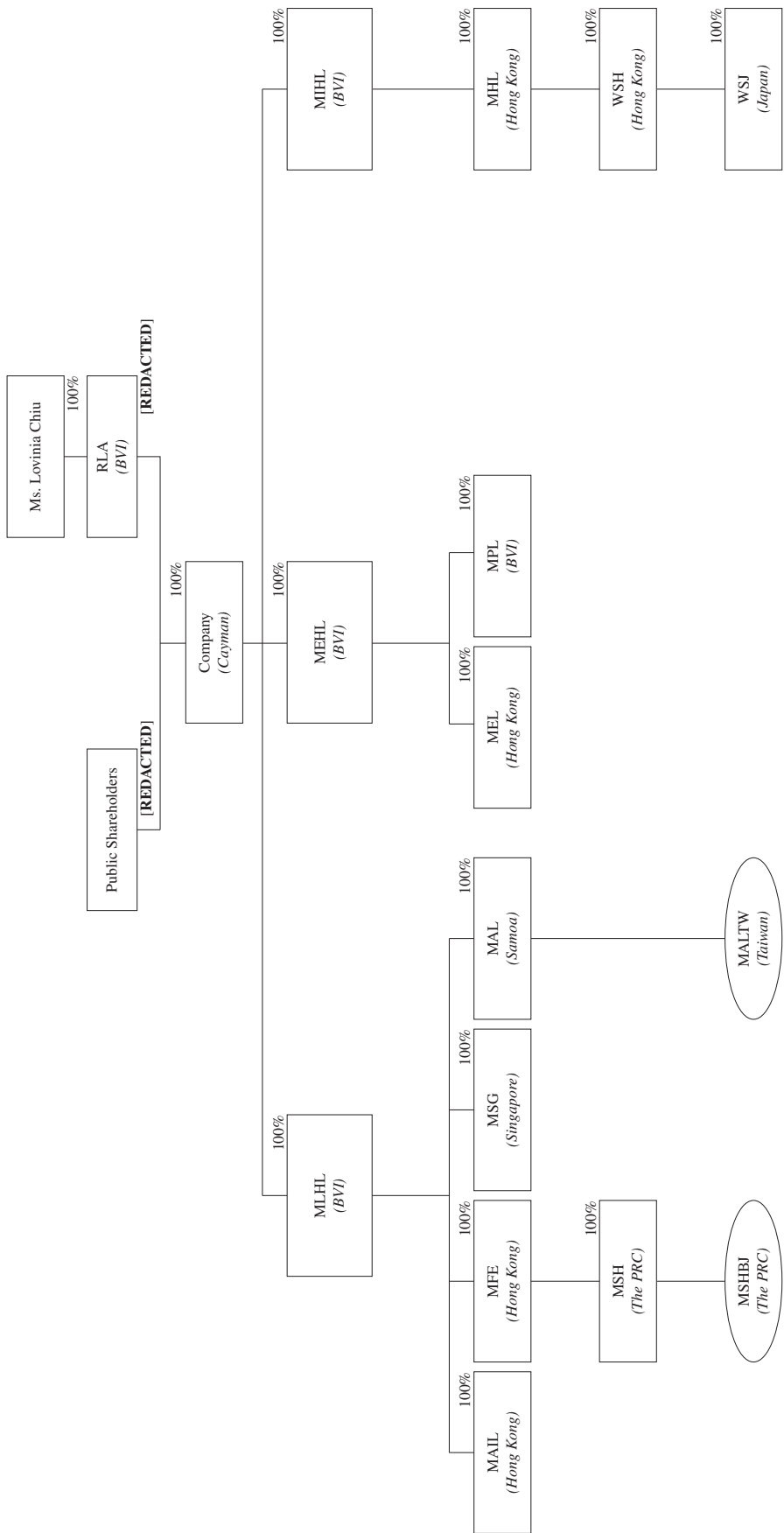
Capitalisation Issue

Subject to the share premium account of our Company having sufficient balance or otherwise being credited with the proceeds from the [REDACTED], our Directors shall be authorised to allot and issue a total of [REDACTED] Shares credited as fully paid at par value to the Shareholders on the register of members of our Company at the close of business on the date immediately preceding the date on which the [REDACTED] becomes unconditional (or as it/they may direct) in proportion to the respective shareholding in our Company by way of capitalisation of the sum of [REDACTED] standing to the credit of the share premium account of our Company, and the Shares to be allotted and issued shall rank pari passu in all respects with the then existing issued Shares.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

CORPORATE AND SHAREHOLDING STRUCTURE IMMEDIATELY AFTER COMPLETION OF THE [REDACTED]

The following chart sets out the corporate and shareholding structure of our Group immediately after completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised):



HISTORY, REORGANISATION AND CORPORATE STRUCTURE

THE PRC REGULATORY REQUIREMENTS

As advised by our PRC Legal Advisers, since our Company was incorporated outside the PRC and the shareholders and ultimate beneficial owners of our Company are not PRC domestic persons, the Provisions on Merger and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) are not applicable to the Reorganisation.

In addition, as advised by our PRC Legal Advisers, since our Company was incorporated outside the PRC and the shareholder and the ultimate beneficial owner, namely Ms. Lovinia Chiu, is not a PRC domestic person, a holder of the PRC identity documents nor an individual who resides in the PRC habitually for the purpose of economic benefit, she is not subject to the registration requirements under the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents’ Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過境外特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》).