

China Networks International Holdings Ltd
Form 20-F
April 25, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

For the transition period from _____ to _____.

Commission file number: 001-34395

CHINA NETWORKS INTERNATIONAL HOLDINGS LTD.

(Exact name of Registrant as specified in its charter)

Not Applicable
(Translation of Registrant's name into English)

British Virgin Islands
(Jurisdiction of incorporation or organization)

801, 29F Block C,
Central International Trade Center,
6A Jian Guo Men Wai Avenue,
Chao Yang District
Beijing, PRC

(Address of principal executive offices)

Li Shuangqing
801, 29F Block C,
Central International Trade Center,
6A Jian Guo Men Wai Avenue,
Chao Yang District
Beijing, PRC

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

None

Securities registered or to be registered pursuant to Section 12(g) of the Act.

Ordinary Shares, par value \$0.0001 per share
Warrants to Purchase Ordinary Shares

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report (December 31, 2013): 83,109,978 ordinary shares.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP
International Financial Reporting Standards as issued by the International Accounting Standards Board
Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

CHINA NETWORKS INTERNATIONAL HOLDINGS, LTD.

Annual Report on Form 20-F
For the Fiscal Year Ended December 31, 2013

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USE OF CERTAIN DEFINED TERMS

Except as otherwise indicated by the context, references in this annual report to:

- “CNIH,” “we,” “us,” or “our,” and the “Company” are references to the combined business of China Networks International Holdings Ltd., a BVI company, and its consolidated subsidiaries and variable interest entities, including: China Networks, ANT, WFOE and Hetong;
- “China Networks” are references to our wholly-owned subsidiary China Networks Media Ltd., a BVI company;
- “ANT” are references to China Network’s wholly-owned subsidiary Advertising Networks Ltd., a Hong Kong company;
- “WFOE” are references to ANT’s wholly-owned subsidiary Guangwang Tonghe Technology Consulting (Beijing) Co. Ltd., a PRC company;
- “Hetong” are references to our variable interest entity, Beijing Guangwang Hetong Advertising & Media Co., Ltd., a PRC company;
 - “China” and “PRC,” are references to the People’s Republic of China;
 - “BVI,” are references to the British Virgin Islands;
 - “Hong Kong,” are references to the Hong Kong Special Administrative Region of China;
 - “RMB,” are references to Renminbi, the legal currency of China;
 - “U.S. dollars,” “\$” and “US\$,” are references to the legal currency of the United States; and
- “Securities Act,” are references to the Securities Act of 1933, as amended, and references to “Exchange Act” are references to the Securities Exchange Act of 1934, as amended.

FORWARD-LOOKING INFORMATION

This annual report contains forward-looking statements and information relating to us that are based on the current beliefs, expectations, assumptions, estimates and projections of our management regarding our company and industry. When used in this annual report, the words “may”, “will”, “anticipate”, “believe”, “estimate”, “expect”, “intend”, “similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. These statements reflect management’s current view concerning future events and are subject to certain risks, uncertainties and assumptions, including among many others: our potential inability to achieve similar growth in future periods as we did historically, the emergence of additional competing technologies, changes in domestic and foreign laws, regulations and taxes, changes in economic conditions, uncertainties related to China’s legal system and economic, political and social events in China, a general economic downturn, a downturn in the securities markets, and other risks and uncertainties which are generally set forth under Item 3, “Key information — Risk Factors” and elsewhere in this annual report. Should any of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described as anticipated, estimated or expected in this annual report.

All forward-looking statements included herein attributable to us or other parties or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable laws and regulations, we undertake no obligations to update these forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

Selected Consolidated Financial Data

The following table presents selected financial data regarding our business. It should be read in conjunction with our consolidated financial statements and related notes contained elsewhere in this annual report and the information under Item 5, "Operating and Financial Review and Prospects." The selected consolidated statement of income data for the Company's fiscal years ended December 31, 2013, 2012 and 2011, and the selected consolidated balance sheet data as of December 31, 2013 and 2012, have been derived from our audited restated consolidated financial statements that are included in this annual report beginning on page F-1. The selected statement of income data for the fiscal year ended December 31, 2010 and 2009 and the balance sheet data as of December 31, 2010 and 2009 have been derived from our combined financial statements of the Company's operating entities - Kunming Television Station-Advertising Centre and Yellow River Television Station-Advertising Centre that are not included in this annual report.

The consolidated financial statements for the years ended December 31, 2013 and 2012 are prepared and presented in accordance with generally accepted accounting principles in the United States, or U.S. GAAP. The selected financial data information is only a summary and should be read in conjunction with the historical consolidated financial statements and related notes contained elsewhere herein. The financial statements contained elsewhere fully represent our financial condition and operations; however, they are not indicative of our future performance.

(In thousands of U.S. Dollars, except number of shares and per share data)

	Fiscal Year Ended December 31,				
	2009	2010	2011	2012	2013
Statement of Income Data:					
Net Revenue	\$ 19,010,661	\$ 22,289,808	\$-	\$-	\$-
Operating income (loss)	9,756,277	3,237,054	(1,100,101)	(909,729)	(530,998)
Net income (loss) before non-controlling interest	2,448,433	(670,527)	(13,554,510)	(4,141,618)	(528,468)
Net income (loss)	(1,672,454)	(3,070,783)	(13,534,445)	(4,120,829)	(514,431)
Weighted average ordinary shares	7,519,691	32,826,462	65,940,384	83,109,978	83,109,978
Weighted average number of diluted ordinary shares	7,519,691	32,826,462	65,940,384	83,109,978	83,109,978
Basic income (loss) per share	\$(0.22)	\$(0.09)	\$(0.21)	\$(0.05)	(0.01)
Diluted income (loss) per share	\$(0.22)	\$(0.09)	\$(0.21)	\$(0.05)	(0.01)
Balance Sheet Data:					
Total current assets	\$ 20,869,835	\$ 42,649,676	\$ 8,170,617	\$ 2,624,873	\$ 1,115,548

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Total assets	52,019,042	48,923,840	8,182,561	2,632,224	1,118,429
Total current liabilities	53,110,643	23,631,483	1,825,013	2,252,146	