
HISTORY, DEVELOPMENT AND REORGANISATION

HISTORY AND DEVELOPMENT

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 10 January 2014. As part of the Reorganisation as more particularly described in the paragraph headed “Reorganisation” below in this section, our Company has become the holding company of our Group for the purpose of [REDACTED].

Business development

Our history can be traced back to 2007, when AdBeyond HK was founded by Mr. Alan Yip, Mr. Jeff Ng, Ms. Karin Wan and Ms. Liza Wang with their personal savings as a marketing consultancy service provider. Shortly after establishing AdBeyond HK, our founders noticed the rapid development of digital media and the increasing demand for digital marketing services, and decided to focus our business on the development of digital marketing services.

Over the years, we have grown from a marketing consultancy service provider in Hong Kong to an integrated digital marketing service provider with business operations in Hong Kong and the PRC, serving local and international brands across various business sectors, NGOs and public bodies, directly or through advertising agencies.

The key milestones in our Group’s development to date are set out below:

Year

| | |
|------|--|
| 2007 | <p>Our Group was founded through the establishment of AdBeyond HK in Hong Kong and initially focused its business on display advertisement placement, signifying the commencement of our digital advertisement placement services</p> <p>We commenced our creative and technology services by providing advertising production services</p> |
| 2008 | <p>We expanded the scope of our digital advertisement placement services to social advertisement placement at a global social media platform</p> <p>We invested in the operator of our partner website, Qooza Interactive</p> <p>We started to establish an advertising network by lining-up partner websites, which later developed into our automated advertising network – Maximizer Ad-Network</p> |
| 2009 | <p>We commenced our social media management services by monitoring activities related to the advertisers at Hong Kong websites</p> <p>Our Maximizer Ad-Network was officially launched</p> <p>We invested in the operator of our partner website, Travellife Co</p> |

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| 2010 | <p>We expanded the scope of our social media management services to the setting up of corporate profile pages for the advertisers at a global social media platform</p> <p>We expanded the scope of our creative and technology services to app development by developing the first app for our client</p> |
| 2011 | <p>We expanded the scope of our social media management services by setting up and maintaining corporate profile pages for the advertisers at a PRC social media platform</p> <p>We further expanded our business to the PRC with the establishment of our representative office in Guangzhou</p> |
| 2012 | <p>We established our first PRC subsidiary, AdBeyond GZ, to replace our representative office in Guangzhou</p> <p>We were engaged by the press bureau of the government of a provincial capital city in Southwest China in relation to promotion of tourism of such city and the agency of the tourism promotion centre of another provincial capital city in Eastern China in relation to promotion of tourism of such city</p> <p>Huayi Brothers, HGI Growth and HGI Finanves invested in our Group as [REDACTED] Investors</p> <p>We invested in the operator of our partner website, bMedia</p> |
| 2013 | <p>We were engaged by the organising committee of an international sporting event for Asian countries in relation to the overseas social media marketing campaign of the international sporting event held in a provincial capital city in Eastern China, targeted at Internet users in Asian countries</p> <p>We established our second PRC subsidiary, AdBeyond BJ</p> |
| 2014 | <p>We moved into our existing office premises in Hong Kong with a gross floor area of approximately 14,280 square feet to provide a better working environment for our employees and enhance our corporate image</p> <p>We were engaged by the organising committee of an international sporting event in relation to the overseas social media marketing campaign of the international sporting event held in a provincial capital city in Eastern China, targeted at Internet users around the world</p> |

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Corporate development

As at the Latest Practicable Date, our Group comprised our Company, AdBeyond BVI, AdBeyond HK, AdBeyond GZ, AdBeyond BJ, iMinds BVI and iMinds HK. The following sets forth the corporate development of each member of our Group since their respective dates of incorporation.

AdBeyond BVI

On 23 August 2012, AdBeyond BVI was incorporated in the BVI with limited liability. It is an investment holding company. It is authorised to issue a maximum of 500,000 shares of a par value of HK\$1.00 each, divided into two classes, 250,000 ordinary shares and 250,000 AdBeyond BVI Preferred Shares.

At the time of its incorporation, Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng, Ms. Liza Wang, Mr. Harry Wong and Mr. Frankie Yu (*Note*) were allotted 4,400, 4,400, 4,400, 4,400, 2,295 and 1,047 ordinary shares, respectively, representing 21.01%, 21.01%, 21.01%, 21.01%, 10.96% and 5.00% of its issued share capital. The shares were fully paid-up. Pursuant to a letter of memorandum (the “**Letter of Memorandum**”) entered into among Mr. Harry Wong, AdBeyond HK, Mr. Alan Yip, Ms. Liza Wang, Ms. Karin Wan, Mr. Jeff Ng and Mr. Frankie Yu dated 15 August 2012, Mr. Harry Wong enjoyed certain anti-dilution rights in respect of his shareholding in AdBeyond BVI. For more information about Mr. Harry Wong, please refer to the paragraph headed “Further Information about Mr. Harry Wong” in this section below.

Pursuant to a sale and purchase agreement dated 11 May 2012 and a letter of memorandum dated 6 August 2012, in contemplation of the proposed restructuring of the share capital of AdBeyond HK whereby all the then existing shareholders of AdBeyond HK shall transfer all their shares in AdBeyond HK to AdBeyond BVI (as described below), Mr. Harry Wong and Mr. Jeff Ng have agreed to acquire 314 and 628 ordinary shares in AdBeyond BVI from Mr. Alan Yip at the considerations of HK\$1,379,929 and HK\$2,758,858, respectively; whereas Mr. Harry Wong and Ms. Liza Wang have agreed to acquire 314 and 628 ordinary shares in AdBeyond BVI from Ms. Karin Wan at the considerations of HK\$1,379,929 and HK\$2,758,858, respectively. The considerations were determined with reference to the estimated value of AdBeyond BVI, being the then proposed holding company of AdBeyond HK, of approximately HK\$92 million as agreed among the parties. The above transfers were properly and legally completed and settled on 8 February 2013.

On 30 November 2012, our [REDACTED] Investors, namely HGI Finanves, HGI Growth and Huayi Brothers were allotted 987, 3,870 and 6,450 AdBeyond BVI Preferred Shares, respectively, at the subscription prices of HK\$987, HK\$16,738,676 and HK\$27,897,794. The consideration of HK\$987 paid by HGI Finanves was at par value to recognise the strategic benefits brought by HGI Finanves to our Group. The considerations of HK\$16,738,676 and HK\$27,897,794 paid by HGI Growth and Huayi Brothers, respectively, were determined with reference to a fully-diluted pre-money estimated value of AdBeyond BVI

Note: On 14 March 2014, Mr. Frankie Yu and Mr. C.H. Chan signed a confirmation of trust arrangement, pursuant to which they confirmed that since the incorporation of AdBeyond BVI, Mr. Frankie Yu held 1,047 ordinary shares in AdBeyond BVI, representing 5% of its issued share capital at incorporation, on trust for Mr. C.H. Chan. Mr. Frankie Yu and Mr. C.H. Chan confirmed that the reason for the trust arrangement was because Mr. Frankie Yu acted as the nominee shareholder to handle the investments of Mr. C.H. Chan and was for the ease of administration since it was more convenient for Mr. Frankie Yu to sign the relevant documents in relation to the shareholding interest in AdBeyond BVI.

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in the amount of approximately HK\$95 million as agreed among the parties after taking into account our prospects and growth. For details, please refer to the paragraph headed “Our [REDACTED] Investors” in this section.

On 7 February 2013, Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng and Ms. Liza Wang each transferred 112 ordinary shares in AdBeyond BVI to Mr. Harry Wong, at the considerations of HK\$154,354, HK\$154,354, HK\$154,354 and HK\$154,354, respectively. Such transaction was properly and legally completed and settled on the same day. The above transfers were due to an exercise of the anti-dilution rights granted to Mr. Harry Wong under the Letter of Memorandum. The considerations for the above transfers were determined with reference to the anti-dilution right mechanism pursuant to the Letter of Memorandum.

Immediately prior to the Reorganisation, the shareholding of AdBeyond BVI was as follows:

| Shareholder | Number and class of shares | Approximate percentage of the issued share capital |
|---------------------------------|-------------------------------------|--|
| Mr. Alan Yip | 3,346 ordinary shares | 10.38% |
| Ms. Karin Wan | 3,346 ordinary shares | 10.38% |
| Mr. Jeff Ng | 4,916 ordinary shares | 15.24% |
| Ms. Liza Wang | 4,916 ordinary shares | 15.24% |
| Mr. Harry Wong | 3,371 ordinary shares | 10.45% |
| Mr. C.H. Chan (<i>Note 1</i>) | 1,047 ordinary shares | 3.25% |
| HGI Finanves | 987 AdBeyond BVI Preferred Shares | 3.06% |
| HGI Growth | 3,870 AdBeyond BVI Preferred Shares | 12.00% |
| Huayi Brothers | 6,450 AdBeyond BVI Preferred Shares | 20.00% |
| Total: | 32,249 shares (<i>Note 2</i>) | 100% |

Notes:

1. Pursuant to a confirmation of trust arrangement dated 14 March 2014, Mr. Frankie Yu and Mr. C.H. Chan confirmed that since the incorporation of AdBeyond BVI, Mr. Frankie Yu held 1,047 ordinary shares in AdBeyond BVI, representing 5% of its issued share capital at incorporation, on trust for Mr. C.H. Chan.
2. Including 20,942 ordinary shares and 11,307 AdBeyond BVI Preferred Shares.

On [18 March 2015], Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng, Ms. Liza Wang, Mr. Harry Wong, Mr. Frankie Yu (at the direction of Mr. C.H. Chan), HGI Finanves, HGI Growth and Huayi Brothers transferred all their shares in AdBeyond BVI to our Company. Such transaction was properly and legally completed and settled on the same day.

[As at the Latest Practicable Date, the entire issued share capital of AdBeyond BVI was held by our Company.]

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AdBeyond HK

On 29 March 2007, AdBeyond HK was incorporated in Hong Kong with limited liability. It principally engages in the provision of digital marketing services in Hong Kong.

At the time of its incorporation, AdBeyond HK had an authorised share capital of HK\$10,000.00 divided into 10,000 ordinary shares of HK\$1.00 each. Mr. Jeff Ng, Ms. Karin Wan, Ms. Liza Wang and Mr. Alan Yip each held 2,500 shares in AdBeyond HK, each representing 25% of its issued share capital.

On 19 March 2008, the registered share capital of AdBeyond HK was increased from HK\$10,000 to HK\$20,000. On the same day, Mr. Jeff Ng, Ms. Karin Wan, Ms. Liza Wang, Mr. Alan Yip and Mr. Yim Kai Ming were allotted 1,900, 1,900, 1,900, 1,900 and 2,400 shares in AdBeyond HK, respectively, at par value per share. Mr. Yim Kai Ming was one of the directors of AdBeyond HK from 19 March 2008 to 14 February 2012.

On 2 August 2010, the registered share capital of AdBeyond HK was further increased from HK\$20,000 to HK\$20,942. On the same day, Mr. Harry Wong was allotted 942 shares in AdBeyond HK at the subscription price of HK\$2,000,000. The subscription price was determined with reference to the estimated value of AdBeyond HK of approximately HK\$44 million as agreed among the parties. For more information about Mr. Harry Wong, please refer to the paragraph headed “Further Information about Mr. Harry Wong” in this section below.

On 14 January 2012, Mr. Harry Wong and Mr. Frankie Yu (*Note*) acquired from Mr. Yim Kai Ming 1,353 and 1,047 shares in AdBeyond HK, respectively, totaling 2,400 shares at the considerations of HK\$2,000,000 and HK\$4,500,000, respectively, totaling HK\$6,500,000. The total consideration of HK\$6,500,000 was determined with reference to the estimated value of AdBeyond HK of approximately HK\$6.7 million as agreed among the parties after taking into account our prospects and growth. Mr. Harry Wong and Mr. Frankie Yu agreed with their respective proportion of the total consideration based on their commercial negotiation.

On 5 September 2012, Mr. Jeff Ng, Ms. Karin Wan, Ms. Liza Wang, Mr. Alan Yip, Mr. Harry Wong and Mr. Frankie Yu transferred all their shares in AdBeyond HK to AdBeyond BVI. Such transaction was properly and legally completed and settled on the same day.

As at the Latest Practicable Date, the entire issued share capital of AdBeyond HK was held by AdBeyond BVI.

Note: On 14 January 2012, Mr. Frankie Yu and Mr. C.H. Chan signed a declaration of trust, pursuant to which they confirmed that Mr. Frankie Yu held 1,047 ordinary shares in AdBeyond HK, representing 5% of the then issued share capital of AdBeyond HK, on trust for Mr. C.H. Chan. Mr. Frankie Yu and Mr. C.H. Chan confirmed that the reason for the trust arrangement was because Mr. Frankie Yu acted as the nominee shareholder to handle the investments of Mr. C.H. Chan and was for the ease of administration since it was more convenient for Mr. Frankie Yu to sign the relevant documents in relation to the shareholding interest in AdBeyond HK. The said trust arrangement was brought to an end when the entire issued share capital of AdBeyond HK was acquired by AdBeyond BVI on 5 September 2012.

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On 7 December 2011, AdBeyond HK established a representative office in Guangzhou as the Guangzhou branch of AdBeyond HK to tap into the PRC market. On 2 April 2013, subsequent to the incorporation of AdBeyond GZ, AdBeyond HK applied to deregister the representative office in Guangzhou. On 8 April 2013, the deregistration was approved by the Guangzhou Industrial & Commercial Administration Bureau.

AdBeyond GZ

On 22 November 2012, AdBeyond GZ was established in the PRC as a limited liability company. It has a registered and paid-up capital of HK\$1,350,000. It principally acts as advertising agent and engages in the design, production and distribution of various types of advertisements domestically and abroad, Internet technology development and services and marketing planning services.

As at the Latest Practicable Date, the entire equity interest in AdBeyond GZ was held by AdBeyond HK.

AdBeyond BJ

On 10 July 2013, AdBeyond BJ was established in the PRC as a limited liability company with a registered and paid-up capital of RMB1,000,000. It principally engages in the provision of technology promotion services and corporate planning.

As at the Latest Practicable Date, the entire equity interest in AdBeyond BJ was held by AdBeyond GZ.

iMinds BVI

On 6 January 2014, iMinds BVI was incorporated in the BVI with limited liability. It is an investment holding company. It is authorised to issue a maximum of 50,000 shares with a par value of US\$1.00 each of a single class.

As at the date of its incorporation, one subscriber share was allotted and issued to Mr. Jeff Ng at a subscription price of US\$1.00.

On 7 March 2014, Mr. Jeff Ng transferred his one subscriber share in iMinds BVI to our Company.

As at the Latest Practicable Date, the entire issued share capital of iMinds BVI was held by our Company.

iMinds HK

On 7 January 2008, iMinds HK was incorporated in Hong Kong with limited liability. It principally engages in the provision of digital advertisement placement services in Hong Kong.

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At the time of its incorporation, iMinds HK had an authorised share capital of HK\$10,000.00 divided into 10,000 ordinary shares of HK\$1.00 each. One subscriber share was allotted and issued to Wilpac Limited at a subscription price of HK\$1.00. The subscriber share was fully paid-up.

On 26 April 2010, Wilpac Limited transferred 1 share in iMinds HK to Mr. Jeff Ng at par value of HK\$1.00 when iMinds HK was acquired by Mr. Jeff Ng. Such transaction was properly and legally completed and settled on the same day.

On 7 May 2010, the registered share capital of iMinds HK was increased from HK\$10,000 to HK\$30,000.

On 28 February 2014, Mr. Jeff Ng transferred his one share in iMinds HK to iMinds BVI at a par value of HK\$1.00. Such transaction was properly and legally completed and settled on 4 March 2014.

As at the Latest Practicable Date, the entire issued share capital of iMinds HK was held by iMinds BVI.

Investment of AdBeyond HK

As at the Latest Practicable Date, we, through AdBeyond HK, hold investment in four companies, namely Travellife Co, bMedia, Qooza Interactive and Unwire. Details of AdBeyond HK’s investment in the four companies are set out below:

| Name of company | Principal business | Number of shares held by AdBeyond HK | Approximate percentage of the issued share capital | AdBeyond HK’s board representation | Whether AdBeyond HK has control over the board of directors | Relationship of other shareholder(s) with our Group |
|-------------------|---|--------------------------------------|--|---|---|---|
| Travellife Co | The provision of internet advertising services | 2,000 ordinary shares | 20.00% | Ms. Karin Wan is one of the two directors | No | Independent Third Party |
| bMedia | The provision of website production services | 2,499 ordinary shares | 19.9936% | Mr. Alan Yip is one of the five directors | No | Independent Third Party |
| Qooza Interactive | The provision of internet advertising services | 1,300 ordinary shares | 13.00% | Mr. Alan Yip is one of the two directors | No | Independent Third Party |
| Unwire | Save for being the registered owner of the domain name, unwire.hk, Unwire is not engaged in other business activities | 1,999 ordinary shares | 19.992% | Mr. Alan Yip is one of the two directors | No | Independent Third Party |

Our investment in Travellife Co, bMedia, Qooza Interactive and Unwire are accounted for as “interests in associates” using the equity method of accounting in the Accountants’ Report in Appendix I to this document.

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Details of the carrying amounts of our investment in the above companies are set out in Note 18 to the Accountants' Report in Appendix I to this document.

FURTHER INFORMATION ABOUT MR. HARRY WONG

Mr. Harry Wong is an angel investor. After he came to know Ms. Liza Wang, our non-executive Director, he became interested in the digital marketing sector and decided to invest in our Group by subscribing for the shares in AdBeyond HK in August 2010. Subsequent to his investment, Mr. Harry Wong was appointed as a director of AdBeyond HK in April 2011. Given that Mr. Harry Wong would like to (i) focus on the operations of AdBeyond HK in Hong Kong instead of the management of the Group; (ii) travel less to the PRC from time to time to develop our Group's business so as to focus on our businesses in Hong Kong; and (iii) spend more time on his other personal investment and interests, he resigned as a director of AdBeyond HK on 30 November 2012 and was then appointed as the project director of AdBeyond HK in April 2013, in which he only focuses on supervising the service team which specialises in the provision of social media management services in Hong Kong and supervising the sales personnel under the sales and proposal team of AdBeyond HK.

Mr. Harry Wong is the brother of Mr. Alfred Wong, who is the chief financial officer of our Group and a member of our senior management. For biographical details of Mr. Alfred Wong, please refer to the section headed "Directors, Senior Management and Employees" in this document. Mr. Harry Wong is also a cousin of Mr. Wong Chi Shing, who is the beneficial owner and director of VDS. VDS is the largest supplier of our Group which accounted for approximately 31.84%, 26.30% and 19.69% of our total cost of services excluding staff costs and amortisation expenses for the years ended 31 March 2013 and 31 March 2014 and the eight months ended 30 November 2014, respectively. Upon the completion of [REDACTED] and [REDACTED] (assuming that [REDACTED] is not exercised and without taking into account the Shares that may be allotted and issued upon exercise of options to be granted under the Share Option Scheme), Mr. Harry Wong will be interested in 7.84% of our entire issued share capital.

ACTING IN CONCERT CONFIRMATION AND UNDERTAKING

On 2 January 2014, Mr. Alan Yip, Mr. Jeff Ng, Ms. Karin Wan and Ms. Liza Wang entered into the Acting in Concert Confirmation and Undertaking, whereby they have undertaken that upon [REDACTED] and during the period they (by themselves or together with their associates) remain in control of our Group until the Acting in Concert Confirmation and Undertaking is terminated by them in writing, they shall actively cooperate with each other, and adopt a consensus building approach to reach decisions on a unanimous basis, and they shall vote as a group (by themselves and/or through companies controlled by them and/or their trustees) in respect of all corporate matters relating to the operations of our Group at the shareholder and board level of each member company within our Group.

By virtue of the Acting in Concert Confirmation and Undertaking, Mr. Alan Yip, Mr. Jeff Ng, Ms. Karin Wan and Ms. Liza Wang will together be entitled to exercise and control approximately 38.43% of our entire issued share capital upon the completion of [REDACTED] and [REDACTED] (assuming that [REDACTED] is not exercised and without taking into account the Shares that may be allotted and issued upon exercise of options to be granted under the Share Option Scheme).

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OUR [REDACTED] INVESTORS

Pursuant to the Subscription and Shareholders Agreement, our [REDACTED] Investors, HGI Finanves, HGI Growth and Huayi Brothers subscribed for [REDACTED], [REDACTED] and [REDACTED] AdBeyond BVI Preferred Shares, respectively. The [REDACTED] from the [REDACTED] investment have been mainly used on the expansion of our PRC business and as our general working capital. The following table sets out details of the investment of our [REDACTED] Investors.

| | | | |
|---|---|---|---|
| [REDACTED] Investors: | HGI Finanves | HGI Growth | Huayi Brothers |
| Date of agreement: | 6 September 2012 | 6 September 2012 | 6 September 2012 |
| Number of shares subscribed for by the [REDACTED] Investors: | [REDACTED] AdBeyond BVI Preferred Shares, representing approximately [REDACTED] of the issued share capital of AdBeyond BVI as enlarged by the issue of the AdBeyond BVI Preferred Shares | [REDACTED] AdBeyond BVI Preferred Shares, representing approximately [REDACTED] of the issued share capital of AdBeyond BVI as enlarged by the issue of the AdBeyond BVI Preferred Shares | [REDACTED] AdBeyond BVI Preferred Shares, representing approximately [REDACTED] of the issued share capital of AdBeyond BVI as enlarged by the issue of the AdBeyond BVI Preferred Shares |
| Consideration: | HK\$[REDACTED] | HK\$[REDACTED] | HK\$[REDACTED] |
| Payment date of the consideration: | 30 November 2012 | 30 November 2012 | 30 November 2012 and 13 December 2012 as to approximately HK\$9.8 million and approximately HK\$18.1 million, respectively |
| Completion of the subscription: | 30 November 2012 | 30 November 2012 | 30 November 2012 |
| Price per AdBeyond BVI Preferred Share subscribed: | HK\$[REDACTED] | HK\$[REDACTED] | HK\$[REDACTED] |
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |

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| Basis of determination of the consideration: | The consideration was determined with reference to the par value of the AdBeyond BVI Preferred Share to recognise the strategic benefits which would be brought by HGI Finanves to our Group, including Mr. Patrick Cheung’s experience and knowledge in the advertising industry. | The consideration was determined with reference to a fully-diluted pre-money estimated value of AdBeyond BVI in the amount of approximately HK\$95 million as agreed among the parties after taking into account our prospects and growth. | The consideration was determined with reference to a fully-diluted pre-money estimated value of AdBeyond BVI in the amount of approximately HK\$95 million as agreed among the parties after taking into account our prospects and growth. |
| Strategic benefits the [REDACTED] Investors brought to our Company: | Our Directors are of the view that our business would be benefited from Mr. Patrick Cheung’s experience and knowledge in the advertising industry. | Our Directors are of the view that our business would be benefited from Mr. Patrick Cheung’s experience and knowledge in the advertising industry. | Our Directors are of the view that we can leverage the extensive business connection of Huayi Brothers in expanding our PRC business. |
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |

Information on the [REDACTED] Investors

HGI Finanves and HGI Growth are companies incorporated under the laws of the BVI with limited liability, which are wholly-owned by Mr. Patrick Cheung, our non-executive Director. Mr. Patrick Cheung is the sole director of HGI Finanves. For details of Mr. Patrick Cheung’s experience, please refer to the section headed “Directors, Senior Management and Employees” in this document.

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Huayi Brothers is an indirectly wholly-owned subsidiary of Huayi Brothers Media, which is a film production company and record label founded in China with its shares listed on the Shenzhen Stock Exchange (stock code: 300027). Ms. Hu Ming, our non-executive Director, is also a director of Huayi Brothers Media. For details of Ms. Hu Ming’s experience, please refer to the section headed “Directors, Senior Management and Employees” in this document.

Prior to the investment in our Group, the [REDACTED] Investors and their ultimate beneficial owners were independent from our Group and independent from the connected persons of our Company. As Mr. Patrick Cheung, being the ultimate shareholder of HGI Finanves and HGI Growth, and Huayi Brothers will be interested in more than [REDACTED]% of the total issued share capital of our Company immediately following the completion of [REDACTED], respectively, Mr. Patrick Cheung and Huayi Brothers will be substantial shareholders of our Company upon [REDACTED] and hence core connected persons of our Company. Accordingly, all Shares held by them shall not be counted as part of the public float for the purposes of Rule 11.23 of the GEM Listing Rules.

AdBeyond BVI Preferred Shares

Prior to the conversion of the AdBeyond BVI Preferred Shares into ordinary shares as mentioned below, the AdBeyond BVI Preferred Shares represent approximately [REDACTED]% of the issued share capital of AdBeyond BVI. The [REDACTED] Investors have the right to receive dividends at the same rate as the holders of ordinary shares of our Company. Each AdBeyond BVI Preferred Share shall carry the same number of votes as each ordinary share. The AdBeyond BVI Preferred Shares are convertible into ordinary shares of AdBeyond BVI on a one-for-one basis. As part of our Reorganisation, the AdBeyond BVI Preferred Shares [had been converted] into ordinary shares of our Company on a one-for-one basis as at the Latest Practicable Date.

Special Rights of our [REDACTED] Investors

Pursuant to the Subscription and Shareholders Agreement, the [REDACTED] Investors enjoyed some preferential rights including (1) information right, (2) anti-dilution and price adjustment rights, (3) pre-emptive right, right of first refusal and co-sale right, (4) director nomination right and (5) veto right.

Mr. Patrick Cheung and Ms. Cheung Laam were appointed as representatives of HGI Finanves and HGI Growth whereas Ms. Hu Ming was appointed as representative of Huayi Brothers on our Board as our non-executive Directors, respectively, with effect from 6 February 2014. As such director nomination right was terminated on [18 March 2015], Mr. Patrick Cheung, Ms. Cheung Laam and Ms. Hu Ming will be subject to the retirement and re-appointment requirements under our Articles after [REDACTED].

Pursuant to the Supplemental Deed, subject to the compliance with the relevant laws and regulations and obtaining the written approval or consent from the Stock Exchange, Huayi Brothers has the right to, but may choose not to, subscribe, in connection with [REDACTED], at [REDACTED], for no more than [REDACTED]% of [REDACTED] (including the additional shares offered by our Company in connection with the exercise of [REDACTED]) subject to the conditions of the Supplemental Deed.

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According to Rule 12.11 of the GEM Listing Rules, there must be no dealing in the Shares by any of our core connected persons from the time of submission of the application for [REDACTED] until [REDACTED], unless otherwise permitted by the Stock Exchange. An application has been made to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with Rule 12.11 of the GEM Listing Rules in relation to the exercise of the Amended Anti-Dilution Right of Huayi Brothers. For details, please refer to the section headed “Waiver from Strict Compliance with the GEM Listing Rules” in this document.

As disclosed in the section headed “History, Development and Reorganisation – Compliance with the relevant PRC laws and regulations – 1997 Red-chip Guidance” in this document, since Huayi Brothers (our one and only Shareholder which is controlled by a PRC entity) is not our controlling Shareholder or our single largest Shareholder, we are not a PRC-funded offshore company and accordingly 1997 Red-chip Guidance does not apply to us. Currently, Huayi Brothers is our second largest Shareholder. Huayi Brothers and Cooper Global (our single largest Shareholder which is held as to 50% by each of Mr. Alan Yip and Ms. Karin Wan) will be interested in [REDACTED]% and [REDACTED]%, respectively, of our entire issued share capital upon the completion of [REDACTED] and [REDACTED] (assuming that [REDACTED] is not exercised and without taking into account the Shares that may be allotted and issued upon exercise of options to be granted under the Share Option Scheme). In order to remain as our second largest Shareholder, Huayi Brothers will only be able to subscribe, in connection with [REDACTED], for Shares representing less than [REDACTED]% of the issued share capital of our Company immediately following [REDACTED] and [REDACTED] (assuming that [REDACTED] is not exercised and without taking into account the Shares that may be allotted and issued upon exercise of options to be granted under the Share Option Scheme) in case it exercises the Amended Anti-Dilution Right of Huayi Brothers.

Other than the Amended Anti-Dilution Right of Huayi Brothers, all special rights of the [REDACTED] Investors were terminated on [18 March 2015].

Upon [REDACTED], the Amended Anti-Dilution Right of Huayi Brothers in connection with [REDACTED] will lapse and cease to have effect. The Amended Anti-Dilution Right of Huayi Brothers in connection with [REDACTED] will lapse and cease to have effect upon the full exercise or lapse of [REDACTED] in connection with [REDACTED] on [8 April] 2015.

Lock-up

The Shares held by Huayi Brothers shall be subject to a lock-up period commencing on the date of this document and ending on the date which is six months from [REDACTED]. The Shares held by HGI Finanves and HGI Growth will not be subject to any lock-up after [REDACTED].

[REDACTED]

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REORGANISATION

Our Group underwent the Reorganisation in preparation for [REDACTED], which involved the following steps:

Incorporation of our Company

On 10 January 2014, our Company was incorporated in the Cayman Islands as an exempted company with limited liability. It has an authorised share capital of HK\$390,000 divided into 39,000,000 shares with a par value of HK\$0.01 each. As at the date of its incorporation, one subscriber Share was allotted and issued at nil-paid to the initial subscriber. On the same date, the said one Share was transferred to Mr. Jeff Ng.

Incorporation of iMinds BVI

On 6 January 2014, iMinds BVI was incorporated in the BVI with limited liability. iMinds BVI is authorised to issue a maximum of 50,000 shares of US\$1.00 each. As at the date of incorporation, one share of US\$1.00 was allotted and issued to Mr. Jeff Ng at a subscription price of US\$1.00.

Incorporation of Cooper Global

On 14 January 2014, Cooper Global was incorporated in the BVI with limited liability. Cooper Global is authorised to issue a maximum of 50,000 shares of US\$1.00 each. As at the date of incorporation, Mr. Alan Yip and Ms. Karin Wan were each allotted and issued with one share of US\$1.00, each representing 50% of the issued share capital of Cooper Global.

Incorporation of Pure Force

On 15 January 2014, Pure Force was incorporated in the BVI with limited liability. Pure Force is authorised to issue a maximum of 50,000 shares of US\$1.00 each. On 21 February 2014, Mr. Harry Wong was allotted and issued with one share of US\$1.00, representing 100% of the issued share capital of Pure Force.

Acquisition of iMinds HK by iMinds BVI

On 28 February 2014, iMinds BVI and Mr. Jeff Ng entered into a memorandum of agreement, pursuant to which iMinds BVI agreed to purchase, and Mr. Jeff Ng agreed to sell one ordinary share in iMinds HK, representing 100% of the issued share capital of iMinds HK. Such transaction was properly and legally completed and settled on 4 March 2014. Subsequent to the acquisition, iMinds BVI held the entire issued share capital of iMinds HK.

Acquisition of iMinds BVI by our Company

On 7 March 2014, our Company and Mr. Jeff Ng entered into a memorandum of agreement, pursuant to which our Company agreed to purchase, and Mr. Jeff Ng agreed to sell one ordinary share in iMinds BVI, representing 100% of the issued share capital of iMinds BVI. Upon settlement and completion of such acquisition on the same day, iMinds BVI became a wholly-owned subsidiary of our Company.

HISTORY, DEVELOPMENT AND REORGANISATION

Conversion of AdBeyond BVI Preferred Shares to ordinary shares

On [18 March 2015], HGI Finanves, HGI Growth and Huayi Brothers served conversion notices on AdBeyond BVI, pursuant to which HGI Finanves, HGI Growth and Huayi Brothers exercised their rights to convert the AdBeyond BVI Preferred Shares held by them into ordinary shares at the conversion ratio of one AdBeyond BVI Preferred Share for one ordinary share. Subsequent to the conversion, AdBeyond BVI had only ordinary shares in issue.

Acquisition of AdBeyond BVI by our Company

On [18 March 2015], our Company entered into a reorganisation agreement with Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng, Ms. Liza Wang, Mr. Harry Wong, Mr. C.H. Chan, HGI Finanves, Huayi Brothers, HGI Growth, Mr. Frankie Yu and AdBeyond BVI. Pursuant to the reorganisation agreement, our Company acquired the entire issued share capital of AdBeyond BVI from Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng, Ms. Liza Wang, Mr. Harry Wong, Mr. Frankie Yu (at the direction of Mr. C.H. Chan), HGI Finanves, Huayi Brothers and HGI Growth. In consideration, our Company allotted and issued the following numbers of Shares in our Company to them, respectively, credited as fully paid at par (including the first subscriber Share held by Mr. Jeff Ng):

| Shareholder | Numbers of shares allotted and issued | Percentage shareholding |
|---|--|----------------------------|
| Cooper Global (as nominee of Mr. Alan Yip and Ms. Karin Wan) | 2,076 | 20.76% |
| Mr. Jeff Ng | 1,524 (<i>Note</i>) | 15.24% |
| Ms. Liza Wang | 1,524 | 15.24% |
| Pure Force (as nominee of Mr. Harry Wong) | 1,045 | 10.45% |
| Mr. C.H. Chan | 325 | 3.25% |
| HGI Finanves | 306 | 3.06% |
| HGI Growth | 1,200 | 12.00% |
| Huayi Brothers | 2,000 | 20.00% |
| Total: | 10,000 | 100.00% |

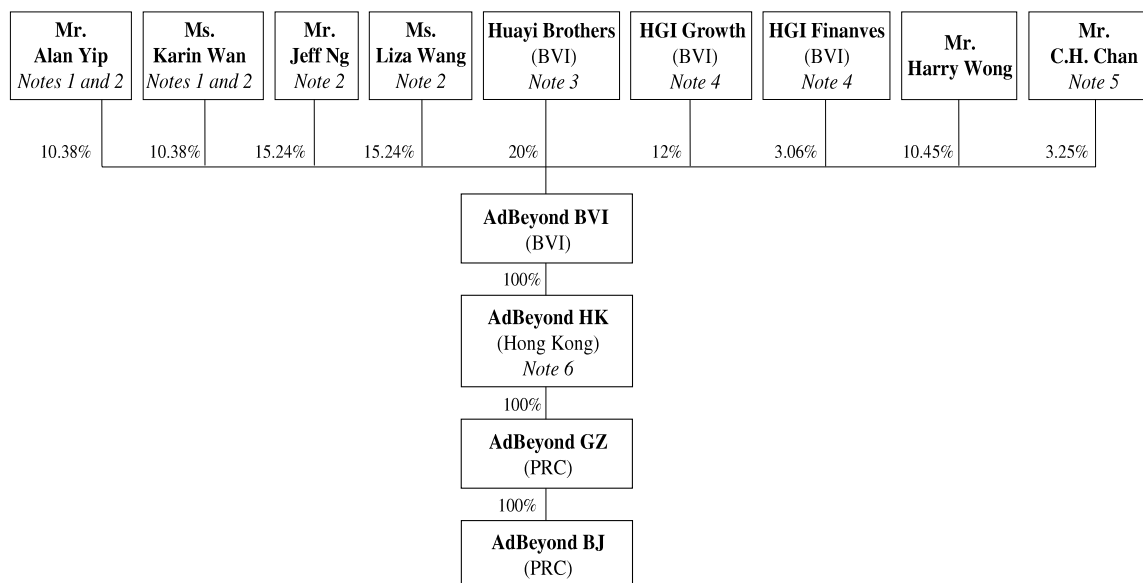
Note: This includes the one ordinary Share in our Company held by Mr. Jeff Ng since its incorporation.

Upon settlement and completion of such subscription and acquisition on the same day, AdBeyond BVI became a wholly-owned subsidiary of our Company.

Upon the completion of the Reorganisation, our Company became the holding company of our Group.

HISTORY, DEVELOPMENT AND REORGANISATION

The following chart sets forth our Group’s corporate and shareholding structure immediately before the Reorganisation:

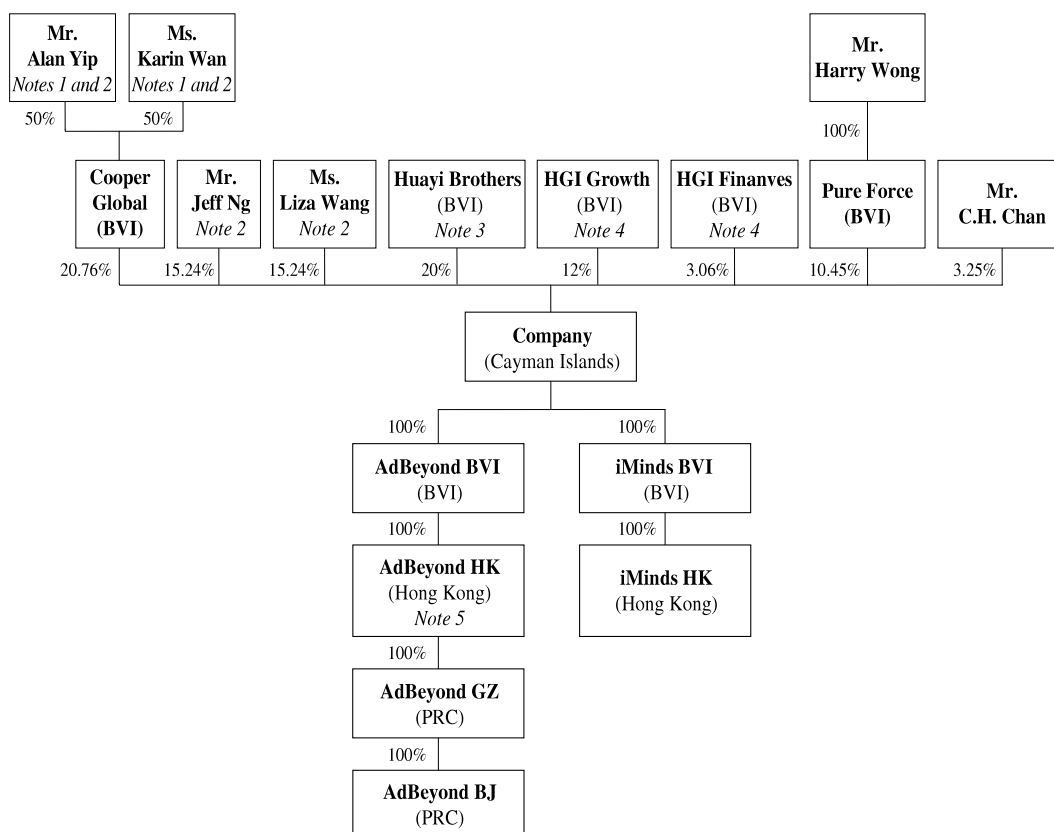


Notes:

1. Mr. Alan Yip and Ms. Karin Wan are spouses.
2. Mr. Alan Yip, Mr. Jeff Ng, Ms. Karin Wan and Ms. Liza Wang are parties acting in concert pursuant to the Acting in Concert Confirmation and Undertaking which affirmed certain voting arrangements in relation to the management of our Group.
3. The entire issued share capital of Huayi Brothers is held by Huayi Brothers International, a wholly-owned subsidiary of Huayi Brothers Media.
4. The entire issued share capital of each of HGI Finanves and HGI Growth is held by Mr. Patrick Cheung.
5. Pursuant to a confirmation of trust arrangement dated 14 March 2014, Mr. Frankie Yu and Mr. C.H. Chan confirmed that since the incorporation of AdBeyond BVI, Mr. Frankie Yu held 1,047 ordinary shares in AdBeyond BVI, representing 5% of its issued share capital at incorporation, on trust for Mr. C.H. Chan.
6. AdBeyond HK holds investment in four companies incorporated under the laws of Hong Kong, namely Travellife Co (as to 20% of its issued share capital), bMedia (as to 19.9936% of its issued share capital), Qooza Interactive (as to 13% of its issued share capital) and Unwire (as to 19.992% of its issued share capital). The other shareholders of Travellife Co, bMedia, Qooza Interactive and Unwire are Independent Third Parties.

HISTORY, DEVELOPMENT AND REORGANISATION

The following chart sets forth our Group’s corporate and shareholding structure immediately after the Reorganisation:



Notes:

1. Mr. Alan Yip and Ms. Karin Wan are spouses.
2. Mr. Alan Yip, Mr. Jeff Ng, Ms. Karin Wan and Ms. Liza Wang are parties acting in concert pursuant to the Acting in Concert Confirmation and Undertaking which affirmed certain voting arrangements in relation to the management of our Group.
3. The entire issued share capital of Huayi Brothers is held by Huayi Brothers International, a wholly-owned subsidiary of Huayi Brothers Media.
4. The entire issued share capital of each of HGI Finanves and HGI Growth is held by Mr. Patrick Cheung.
5. AdBeyond HK holds investment in four companies incorporated under the laws of Hong Kong, namely Travellife Limited (as to 20% of its issued share capital), bMedia Limited (as to 19.9936% of its issued share capital), Qooza Interactive Limited (as to 13% of its issued share capital) and Unwire (as to 19.992% of its issued share capital). The other shareholders of Travellife Co, bMedia, Qooza Interactive and Unwire are Independent Third Parties.

HISTORY, DEVELOPMENT AND REORGANISATION

[REDACTED]

HISTORY, DEVELOPMENT AND REORGANISATION

[REDACTED]

HISTORY, DEVELOPMENT AND REORGANISATION

[REDACTED]

COMPLIANCE WITH THE RELEVANT PRC LAWS AND REGULATIONS

Circular No. 10

Circular No. 10 sets out certain rules on the merger and acquisition of PRC domestic enterprise by foreign investor. As advised by our PRC legal advisers, Jun He Law Offices, since (i) AdBeyond GZ, our PRC subsidiary, was established as a wholly foreign-owned enterprise (as opposed to merger or acquisition of equity interest in existing PRC enterprises) by AdBeyond HK, which was incorporated in Hong Kong; and (ii) AdBeyond BJ was established by AdBeyond GZ, which was established in the PRC, Circular No. 10 is not applicable to the establishment of our PRC subsidiaries and [REDACTED].

Circular No. 37

Circular No. 37 which superseded Circular No. 75 on 4 July 2014, sets out certain foreign exchange registration requirements in relation to the round-trip investment activities conducted in the PRC by PRC residents via overseas special purpose vehicles. As advised by our PRC legal advisers, Jun He Law Offices, as at the Latest Practicable Date, the foreign exchange registration and filing procedures as required by Circular No. 37 and the foreign exchange registration in relation to round-trip investment by AdBeyond GZ had been completed.

HISTORY, DEVELOPMENT AND REORGANISATION

1997 Red-chip Guidance

1997 Red-chip Guidance governs, among other things, the overseas listing of PRC-funded offshore companies. According to 1997 Red-chip Guidance, laws and regulations of the relevant overseas listing venue will be applicable when a non-public PRC-funded offshore company or an offshore listed company controlled by PRC entities applies for the listing and issue of new shares with its overseas assets or domestic assets owned for more than three years through the investment of its overseas assets in the PRC. The PRC entity which controls the PRC-funded offshore company shall obtain the prior consent of the People’s Government of the PRC at the provincial level or the competent authority of the State Council of the PRC for such application of listing and issue of new shares. A non-public PRC-funded offshore company or an offshore listed company controlled by PRC entities with domestic assets owned for less than three years through the investment of overseas asset in the PRC may not apply for overseas listing and issue of new shares except under special circumstances. To apply for overseas listing and issue of new shares under special circumstances, the relevant PRC entity which controls the PRC-funded offshore company shall submit the matter to the CSRC for examination and the State Council Securities Commission for further examination and approval. Upon completion of the listing and issue of new shares, a PRC entity which controls a PRC-funded offshore company shall report to the CSRC for recordation.

As at the Latest Practicable Date, save for Huayi Brothers (a wholly-owned subsidiary of Huayi Brothers Media), which held 20.00% of the issued share capital of our Company, none of our Shareholders was owned or controlled by a PRC entity. Huayi Brothers is not our controlling Shareholder or our single largest Shareholder. Our single largest Shareholder is Cooper Global, which is owned as to 50% by Mr. Alan Yip and 50% by Ms. Karin Wan and held 20.76% of the issued share capital of our Company as at the Latest Practicable Date. In addition, Mr. Alan Yip, Mr. Jeff Ng, Ms. Karin Wan and Ms. Liza Wang entered into the Acting in Concert Confirmation and Undertaking on 2 January 2014, whereby they have undertaken that during the agreed period, they shall actively cooperate with each other, and adopt a consensus building approach to reach decisions on a unanimous basis, and they shall vote as a group in respect of all corporate matters relating to the operations of our Group at the shareholder and board level of each member company within our Group. As advised by our PRC legal advisers, Jun He Law Offices, we do not fall within the definition of PRC-funded offshore company, such that 1997 Red-chip Guidance does not apply to us. Huayi Brothers is currently our second largest Shareholder. 1997 Red-chip Guidance remains not applicable to us if Huayi Brothers continues not to be our controlling Shareholder or single largest Shareholder.

View of our PRC Legal Advisers

As advised by our PRC legal advisers, Jun He Law Offices, the establishment of all members of our Group in the PRC has obtained necessary approval and registration and has complied with the relevant PRC legal requirements.