

Acorn International, Inc.  
Form 20-F  
April 17, 2014  
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**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: 001-33429

# Acorn International, Inc.

(Exact name of Registrant as specified in its charter)

**Not applicable**

(Translation of Registrant's name into English)

**Cayman Islands**

(Jurisdiction of incorporation or organization)

**18/F, 20th Building, 487 Tianlin Road, Shanghai 200233**

(Address of principal executive offices)

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

Title of each class	Name of each exchange on which registered
American Depositary Shares, each representing three	New York Stock Exchange

ordinary shares, par value \$0.01 per share

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

**None**

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

**None**

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:  
82,749,791

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 transaction 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

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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:

US 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

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**INTRODUCTION**

Except where the context otherwise requires and for purposes of this annual report only, references to:

ordinary shares are to our ordinary shares, par value \$0.01 per share;

ADSs are to our American depositary shares, each of which represents three ordinary shares;

ADRs are to American depositary receipts, which, if issued, evidence our ADSs;

\$ , US\$ , USD and U.S. dollars are to the legal currency of the United States;

China and the PRC are to the People's Republic of China, excluding Taiwan and the special administrative regions of Hong Kong and Macau;

RMB and Renminbi are to the legal currency of China; and

we , us , our , our company and our Group refer to Acorn International, Inc., its predecessor entities, subsidiaries and affiliated entities. This annual report on Form 20-F includes our audited consolidated statements of operation data for the years ended December 31, 2011, 2012 and 2013, and audited consolidated balance sheet data as of December 31, 2012 and 2013.

We and certain of our shareholders completed the initial public offering of 8,855,000 ADSs in May 2007. Our ADSs are listed on the New York Stock Exchange under the symbol `ATV` .

**FORWARD-LOOKING STATEMENTS**

This annual report on Form 20-F contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts are forward-looking statements based on our current expectations, assumptions, estimates and projections about us and our industry. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. In some cases, these forward-looking statements can be identified by words or phrases such as `aim` , `anticipate` , `believe` , `continue` , `estimate` , `expect` , `intend` , `to` , `may` , `plan` , `potential` , `will` or other similar expressions. The forward-looking statements included in this annual report relate to, among other

our goals and strategies;

expected trends in our direct sales platform and our distribution network, and in our margins and certain cost or expense items as a percentage of our net revenues;

our future business development, financial condition and results of operations;

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our ability to introduce successful new products and attract new customers;

our ability to manage our featured product lines;

competition in the TV direct sales market and retail market in China for our consumer products;

our ability to effectively control our cost of sales and efficiently access media channels and manage our media time; and

PRC governmental policies and regulations relating to our businesses.

The forward-looking statements made in this annual report relate only to events or information as of the date on which the statements are made 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 as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events.

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**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**

**A. Selected Financial Data**

The following selected consolidated statements of operations data for the three years ended December 31, 2011, 2012 and 2013, and the selected consolidated balance sheet data as of December 31, 2012 and 2013, have been derived from our audited consolidated financial statements for the years ended December 31, 2011, 2012 and 2013, and are included elsewhere in this annual report. Our selected consolidated statements of operations data for the years ended December 31, 2009 and 2010, and our consolidated balance sheet data as of December 31, 2009, 2010 and 2011, have been derived from our audited consolidated financial statements that are not included in this annual report. The selected consolidated financial data should be read in conjunction with those consolidated financial statements and related notes and Item 5, Operating and Financial Review and Prospects in this annual report. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP.

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	For the years ended December 31,				
	2009	2010	2011	2012	2013
(in thousands, except share and per share data)					
<b>Condensed Consolidated Statements of Operations Data</b>					
Revenues:					
Direct sales, net	\$ 160,358	\$ 195,821	\$ 291,525	\$ 193,615	\$ 136,416
Distribution sales, net	127,228	97,420	70,533	48,959	48,295
<b>Total revenues, net</b>	<b>287,586</b>	<b>293,241</b>	<b>362,058</b>	<b>242,574</b>	<b>184,711</b>
Cost of revenues:					
Direct sales	67,531	106,990	160,360	96,472	57,445
Distribution sales	83,097	74,732	45,584	35,475	35,046
<b>Total cost of revenues</b>	<b>150,628</b>	<b>181,722</b>	<b>205,944</b>	<b>131,947</b>	<b>92,491</b>
<b>Gross profit</b>	<b>136,958</b>	<b>111,519</b>	<b>156,114</b>	<b>110,627</b>	<b>92,220</b>
Operating (expenses) income:					
Advertising expenses	(61,048)	(58,470)	(68,563)	(58,338)	(51,731)
Other selling and marketing expenses <sup>(1)</sup>	(42,956)	(43,377)	(59,854)	(50,346)	(54,874)
General and administrative expenses <sup>(1)</sup>	(31,196)	(25,434)	(31,681)	(27,071)	(30,681)
Impairment of goodwill and intangible assets	(15,248)				
Other operating income, net	6,004	2,977	5,084	3,277	2,615
<b>Total operating (expenses) income</b>	<b>(144,444)</b>	<b>(124,304)</b>	<b>(155,014)</b>	<b>(132,478)</b>	<b>(134,671)</b>
Income (loss) from operations	(7,486)	(12,785)	1,100	(21,851)	(42,451)
Other income	2,068	4,826	7,822	5,755	3,394
Income tax (expense) benefit	2,539	1,539	(3,111)	(1,822)	(646)
Equity in losses of affiliates	(417)	(797)	(772)		(205)
<b>Income (loss) from continuing operations</b>	<b>(3,296)</b>	<b>(7,217)</b>	<b>5,039</b>	<b>(17,918)</b>	<b>(39,908)</b>
Income from discontinued operations, net of taxes	15,363				
Income from extraordinary items, net of tax		827			
<b>Net income (loss)<sup>(2)(3)</sup></b>	<b>12,067</b>	<b>(6,390)</b>	<b>5,039</b>	<b>(17,918)</b>	<b>(39,908)</b>
Net income (loss) attributable to non-controlling interests	184	19	(84)	8	(12)
<b>Net income (loss) attributable to Acorn International, Inc</b>	<b>11,883</b>	<b>(6,409)</b>	<b>5,123</b>	<b>(17,926)</b>	<b>(39,896)</b>
Net income (loss) attributable to holders of ordinary shares	\$ 11,883	\$ (6,409)	\$ 5,123	\$ (17,926)	\$ (39,896)
Income (loss) per ordinary share:					
Basic	\$ 0.13	\$ (0.07)	\$ 0.06	\$ (0.20)	\$ (0.47)
Diluted	\$ 0.13	\$ (0.07)	\$ 0.06	\$ (0.20)	\$ (0.47)



Weighted average number of shares used in  
calculating income (loss) per ordinary share