

# Demand For International Collaboration With China's Film And Video Industry



With over **20%** of the global market, china has the fastest growing film industry in the world and is set to overtake the united states as the country with the world's largest film industry.



By the end of 2016, **683 million** people were consuming online video content in China. These tended to be from a younger demographic than traditional television viewers, seeking out a wider variety of programming including more international programs not offered by traditional TV.

# Demand For International Collaboration With China's Film And Video Industry



## UNTAPPED LICENCING AND MERCHANDISING MARKET IN THE WORLD'S 5TH LARGEST CONSUMER MARKET

Economic reform and a growing urban middle class in China are driving the growth in the culture and creative industries (CCI) and the consumption of creative goods and services across the country. However, there remains a massive untapped market for L&M with the fifth largest consumer market accounting for only 3% of the global share in the licensing market.



# Demand For International Collaboration With China's Film And Video Industry

**Increasing demand for high-quality animation, and a lack of local supply, provides opportunities for international suppliers in China**



Internationalizing and exporting Chinese film is part of the government's 'Going Out' strategy, which became part of national policy in 2011. Success of Chinese film in the international market is important for the development of the industry.



However, Chinese films have had limited success in the international market. This can be explained by differences in cultural styles and tastes, as well as by production quality that is below international standards.



**International Collaborations And Co-productions Are Considered Critical To Help Chinese Films To Compete Internationally**

They encourage knowledge exchange to develop and internationalize the domestic industry and consequently help Chinese films succeed internationally. Co-productions have advantages in reaching the Chinese market as well as markets abroad.



# Difficulties In Entering The Chinese Market



01. Cultural and language barriers
02. Different ways that business operates in relation to the government and government policies
03. Different practices in the way that business is conducted and different ways of communication and building partnerships
04. Understanding the Chinese legal system and ever changing government policies
05. Understanding the rapidly changing Chinese animation industry and China's rapidly changing consumers
06. Knowing how to operate in China's developing industries where standard practices can be different
07. Carrying out operations in a system that has many unique ways of doing things and many unwritten rules



# Difficulties In Entering The Chinese Market

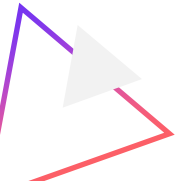
Our team can help to bridge the gap, avoid pitfalls and create and carry out effect strategies for entering the Chinese market and getting the most benefit from it by utilizing our strong network, knowledge and experience.



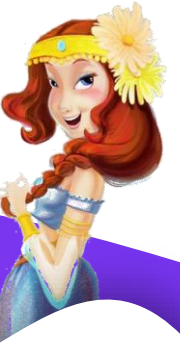
Haikun Animation has a professional knowledge of industry policy covering China animation and also have extensive experience of local and regional operations. The company has developed high sensitivity towards shifts in the industry and the ever-changing government policy landscape. It's really important for foreign companies like Huhu when entering the Chinese market to solicit the assistance of a company such as Haikun Animation on multiple policy issues, government communication, company registration and operation



- Trevor Huxley, Founder/ CEO of Huhu Studios -



# Services



## Represent Animation Companies In China

A very effect way to find and take advantage of opportunities in China is to become known in the Chinese industry, build and maintain relationships and have a presence there. By doing this Chinese companies know where to find you, how to get in touch and understand your company's philosophy and what you have to offer. This will put your company in the best position to build fruitful partnerships and take advantage of opportunities



# Services

We accelerate access to the China market for animators and producers through the development of strong and trusted relationships with government agencies and businesses. Our work enables businesses to access the following opportunities

**01.**

## **Distribution and L&M**

With commercial and governmental partners across China, we support animation and character IP in preparing for the Chinese market, grow audiences and secure L&M opportunities

**02.**

## **Animation and post-production opportunities**

Through our strategic partners in China, we support businesses source high-value production opportunities to service original productions from China

**03.**

## **Investment**

We can help to find suitable investors and partners

**04.**

## **Find co-production partners and financing**

We analyze coproduction opportunities and sourcing and structuring finance through our network of financing partners. We also help to build relationships leading to coproductions and help to assess which partners would be most suitable and beneficial

**05.**

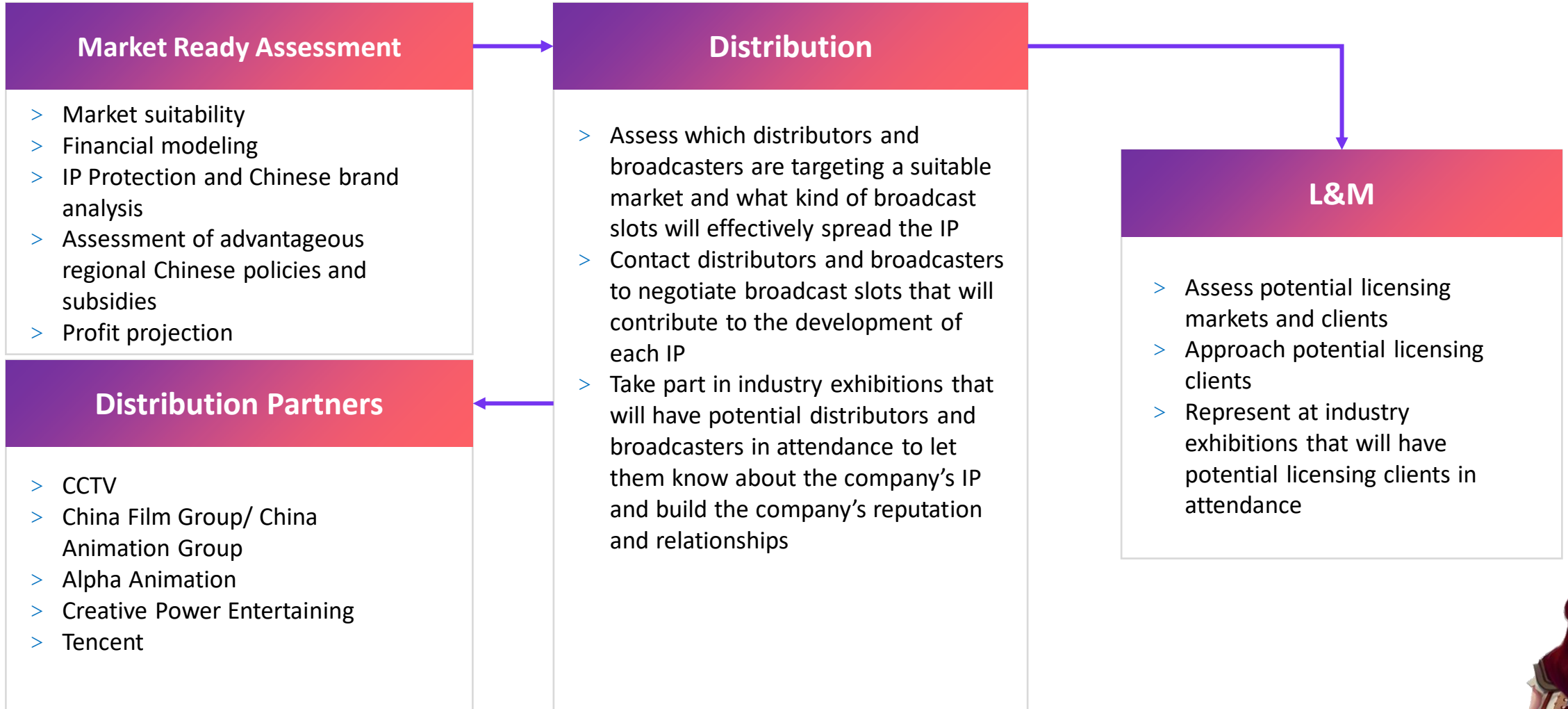
## **Strategy and brand development**

We help to create strategy for development in China through our knowledge of the Chinese market and strategic partners and help to choose and take advantage of favorable government policies



# Our Process

## Distribution And L&M





# Our Process

## Distribution And L&M

### L&M

- > Build IP's reputation to increase value of licensing to potential clients through attendance at industry exhibitions, approaching potential clients, signing broadcast deals that give the IP good exposure, strategic advertising, displays at events related to the animation industry or industries with potential licensing clients
- > Assess potential merchandise items to create for each IP based on what is suitable to the IP and demand in the Chinese market
- > Assess strategy for distribution of merchandise and potential distributors (wholesale, chain stores etc.)
- > Design and produce merchandise
- > Approach potential distributors
- > Build IP's reputation to increase demand for merchandise through attendance at industry exhibitions, approaching potential distributors, signing broadcast deals that give the IP good exposure, strategic advertising, displays at events related to animation industry or industries with potential distributors



# Our Process

Distribution And L&M

## L&M Partners



### Theme Parks

- > China Animation and Games Industry Investment Management Company Ltd.  
中国动漫游戏产业股权投资管理有限公司
- > Guangzhou Animation City Culture Travel Science and Technology Development Company Ltd.  
广州漫城文旅科技发展有限公司



### Live Performance

- > Beijing Chinese Culture Development Company Ltd. (Subsidiary of China Animation Group)  
北京中文发文化发展有限公司 (中国动漫集团二级子公司)
- > Guangzhou Performance and Film Company  
广州演出电影有限公司



### Comic Books

- > Guangzhou Publishing Company Ltd. (Subsidiary of Guangzhou Xin Hua Publishing Corporation)  
广州出版社有限公司 (广州新华出版发行集团的全资子公司)



# Our Process

Distribution And L&M

## L&M Partners



### Toys And Gifts

- > Hao Dong Toy (Shenzhen) Company Ltd.  
浩东玩具（深圳）有限公司
- > Foshan Huo Zhi Yan Animation Merchandise Company Ltd.  
佛山市火之焰动漫产品有限公司
- > Foshan Nan Hai District Die Yi Toy Company Ltd.  
佛山市南海区蝶逸玩具有限公司



### Action Figures

- > Qiu Yuan (Guangzhou) Studio  
秋缘（广州）工作室



# Haikun

- › Over 20 years' experience in the Chinese animation industry, providing services for companies on every level of the supply chain in the animation industry.
- › Clients include Alpha Animation, Disney, Warner Brothers, DreamWorks, Hasbro, Mattel, Lego, Chicco, Silverlit Toys, among others

## Track Record

- › China Film Group: Haikun are co-producing an original Chinese feature with China Film Group and New Zealand company Digi Post.
- › Disney: Design and development of merchandise and marketing strategy for animation merchandise
- › DreamWorks Pictures: Design and development of merchandise for the movie "Kong Fu Panda 1"
- › BIP Candy and Toy Company: Design and development of merchandise
- › Tencent: Developed Tencent's Game licensing handbook
- › The 16th Asian Games Organisation Committee: Leader of the design team for the 16th Asian Games mascot "Le Yangyang" and a member of the organisation committee's specialist marketing team



# Haikun Work Testimony With Huhu Studios

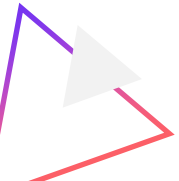


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China has become New Zealand's second largest trading partner with two-way trade reaching a record high of \$23 billion last year. Huhu has become a major stakeholder in the digital media industry and now has two studios in Beijing; Huhu China Studios and Huhu PF, with partners in Singapore and Canada. Huhu China is developing a creative media centre which includes an animation studio, an IP development hub, retail stores, a pre-press and design facility and a future training academy

- Mychristianissue.com -

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# Haikun Work Testimony With Huhu Studios



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In addition to the above, Haikun Animation also introduced a number of possible resources/ possible partners, such as Alpha Entertainment which is the most famous listed animation group in China, China Central New Film Group, part of CCTV, Guangdong Creative Power Entertaining which produced the very popular animation series Pleasant Goat (Xi Yang Yang) and Big Big Wolf, Guangzhou Academy of Fine Arts etc... Haikun Animation are a professional consultancy company who are well connected in the IP development market with high-quality industry resources attached

- Trevor Yaxley - Founder/ CEO of Huhu Studios -

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