Alyst Acquisition Corp.
Form PREM14A
January 30, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant x
Filed by a Party other than the Registrant ¨
Check the appropriate box:

x Preliminary Proxy Statement
¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
¨ Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to §240.14a-12

ALYST ACQUISITION CORP.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

¨ No fee required.

x Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(a) Title of each class of securities to which transaction applies:

Ordinary Shares, par value $0.0001 per share
Warrants, each exercisable for one Ordinary Share
Ordinary Shares underlying the Warrants
Units, consisting of one Ordinary Share and one Warrant
Ordinary Shares included as part of the Units
Warrants included as part of the Units
Representative's Unit Purchase Option ("UPO")
Units underlying the UPO, consisting of one Ordinary Share and one Warrant
Ordinary Shares included in the UPO Units
Warrants included in the UPO Units
Ordinary Shares underlying the UPO Warrants

(b) Aggregate number of securities to which transaction applies:

7,871,971 Ordinary Shares
7,871,971 Warrants, each exercisable for one Ordinary Share

8,044,400 Ordinary Shares underlying the Warrants
172,429 Units
172,429 Ordinary Shares included as part of the Units
172,429 Warrants included as part of the Units
1 UPO
300,000 Units underlying the UPO
300,000 Ordinary Shares included in the UPO Units
300,000 Warrants included in the UPO Units
300,000 Ordinary Shares underlying the UPO Warrants

(c) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): Pursuant to Rule 0-11(c)(1) and 0-11(c)(4) under the Exchange Act as follows:

$7.59 per Ordinary Shares – based upon the average of the high and low sales price of the Ordinary Shares, as quoted on the NYSE Alternext on January 27, 2009
$5.00 per Ordinary Share underlying the Warrants – based upon the exercise price of the Warrants
$7.50 per Unit -- based upon the average of the high and low sales price of the Units, as quoted on the NYSE Alternext on January 23, 2009 (the most recent trading date for the Units prior to the date of filing)
$100.00 per UPO – based upon the purchase price of the UPO
$10.00 per UPO Unit – based upon the exercise price of the Units
$7.50 per Ordinary Share underlying the UPO Warrants -- based upon the exercise price of the UPO Warrants

(d) Proposed maximum aggregate value of transaction:

$106,513,478.00

(e) Total fee paid:

$4,187.00

¨ Fee paid previously with preliminary materials.

x Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(a) Amount Previously Paid:

$4,187.00

(b) Form, Schedule or Registration Statement No.:

Form S-4, Filed January 30, 2009; File No. 333-157026

(c) Filing Party:

China Networks International Holdings, Ltd.

(d) Date Filed:

January 30, 2009

The information contained in this proxy statement/prospectus is not complete and may be changed. We may not sell these securities until the Registration Statement we filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state or jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROXY STATEMENT/PROSPECTUS

SUBJECT TO COMPLETION, DATED JANUARY 30, 2009

PROXY STATEMENT FOR SPECIAL MEETING OF STOCKHOLDERS
OF ALYST ACQUISITION CORP.

AND PROSPECTUS FOR ORDINARY SHARES, WARRANTS AND UNITS,
OF CHINA NETWORKS INTERNATIONAL HOLDINGS LTD.

Proxy Statement/Prospectus, dated •, 2009
and first mailed to stockholders on or about Ÿ, 2009

To the Stockholders of Alyst Acquisition Corp.:

You are invited to attend a special meeting (the “Special Meeting”) of the stockholders of Alyst Acquisition Corp. (“Alyst”) relating to the agreement and plan of merger, dated August 13, 2008 (the “Merger Agreement”), by and among Alyst, China Networks Media Co., Ltd. (“China Networks Media”), China Networks International Holdings, Ltd. (“CN Holdings”), China Networks Merger Co., Ltd. (“China Networks Merger Co.”), Mr. Li Shuangqing, Kerry Propper and MediaInv. This document is both a proxy statement containing information about Alyst’s Special Meeting of stockholders and a prospectus of Alyst’s wholly-owned subsidiary, CN Holdings, a British Virgin Islands company, with respect to the securities to be issued to Alyst’s public stockholders in the proposed redomestication of Alyst to the British Virgin Islands.

Pursuant to the Merger Agreement and subject to stockholder approval, (a) Alyst will merge with and into CN Holdings, thereby redomesticating to the British Virgin Islands (the “Redomestication Merger”), and then (b) China Networks Merger Co., a wholly-owned subsidiary of CN Holdings, will merge with and into China Networks Media, a British Virgin Islands company (the “Business Combination”). China Networks Media will be the surviving entity of that merger. In the Business Combination, CN Holdings will issue to China Networks Media’s shareholders aggregate merger consideration of (i) 2,880,000 CN Holdings ordinary shares, (ii) an aggregate of $17,000,000 in cash, (iii) deferred cash payments of up to $6,000,000 and deferred share payments of up to 9,000,000 ordinary shares of CN Holdings, in each case subject to the achievement of specified financial milestones set forth in the Merger Agreement, and (iv) $21,910,000 of proceeds from the exercise of CN Holdings warrants.

China Networks Media is a joint-venture provider of broadcast television services in the People’s Republic of China (“PRC”), operating in partnership with two local state-owned enterprises in the cities of Kunming and Yellow River which have been authorized by the PRC government to control the distribution of broadcast TV services. China Networks Media owns 100% of Advertising Networks Ltd., a Hong Kong holding company that owns PRC joint-venture advertising companies which provide services to the television stations. Alyst is a blank check company formed for the purpose of acquiring, through a merger, stock exchange, asset acquisition, reorganization or similar business combination, one or more operating businesses.

In addition to the proposals to approve the Redomestication Merger and the Business Combination, stockholders are being asked to approve (i) a proposal to adopt and approve the 2008 Omnibus Securities and Incentive Plan (the “Share Incentive Plan”) for the surviving corporation, CN Holdings, and (ii) a proposal to adjourn or postpone the Special

Meeting in the event Alyst does not receive the requisite vote by the stockholders to approve the Redomestication Merger and the Business Combination. Each of these four proposals has been unanimously approved by the Alyst Board of Directors.

CN Holdings is applying to have its ordinary shares, warrants and units listed on the Nasdaq Stock Market ("Nasdaq") under the symbols CHTV, CHTV.W and CHTV.U, respectively, effective upon consummation of the transactions contemplated by the Merger Agreement. Alyst's common stock, warrants and units are currently listed on the NYSE Alternext under the symbols AYA, AYA.WS and AYA.U, respectively. On Janaury 22, 2009, the last reported sale price of Alyst's common stock on the NYSE Alternext was $7.54.

Holders of a majority of shares of Alyst's common stock must vote in favor of the Redomestication Merger and the Business Combination in order for the transactions contemplated by the Merger Agreement to be consummated. All of Alyst's initial stockholders, including its directors and officers, have agreed to vote the shares of common stock acquired by them prior to Alyst's initial public offering, or IPO, in accordance with the majority of the shares of common stock voted by the public stockholders. Each Alyst stockholder who holds shares of common stock issued as part of the units issued in the IPO (including shares purchased in the public market following the IPO) has the right to vote against the Redomestication Merger and Business Combination and demand that such shares be converted into cash equal to a pro rata portion of the trust account in which the net proceeds of Alyst's IPO and private placement are deposited. As of December 31, 2008, there was approximately $63,229,004 in the Alyst trust account (inclusive of deferred underwriting compensation) plus accrued interest on the funds in the trust account and less accrued taxes, or approximately $7.86 per share issued in the IPO. Alyst will not be permitted to consummate the Business Combination if public stockholders of 2,413,320 (which number represents 30% of the shares sold in Alyst's IPO) or more shares vote against the Business Combination and demand conversion of their shares. Prior to exercising their conversion rights, stockholders should verify the market price of Alyst's common stock, as they may receive higher proceeds from the sale of such stock in the public market than from exercising their conversion rights.

In the Redomestication Merger, CN Holdings will issue registered securities to the public stockholders of Alyst in exchange for their outstanding securities. Holders of Alyst units will receive one CN Holdings unit for every Alyst unit. Holders of Alyst's common stock will receive one ordinary share of CN Holdings for every share of Alyst common stock. Holders of Alyst warrants will receive one CN Holdings warrant for every Alyst warrant. Of the securities of CN Holdings covered by this prospectus, up to 172,429 units, each consisting of one ordinary share and one warrant exercisable for the purchase of one ordinary share, 7,871,971 ordinary shares, and 7,871,971 warrants, each exercisable for the purchase of one ordinary share, will be issued to the existing public stockholders of Alyst in the Redomestication Merger. The holders of the unit purchase option issued by Alyst to the representatives of the underwriters in Alyst's IPO will receive an equivalent option from CN Holdings to purchase 300,000 units, each consisting of one ordinary share and one warrant, and exercisable for the purchase of one ordinary share, each of which are also covered by this prospectus. In addition, 1,750,000 ordinary shares and 1,820,000 warrants, each exercisable for the purchase of one ordinary share, will be issued to the existing initial stockholders and warrant holders of Alyst who acquired their securities in a private placement. CN Holdings will issue its securities on the same terms as the outstanding corresponding securities of Alyst.

Holders of Alyst securities will not be entitled to any appraisal rights under the Delaware General Corporation Law in connection with the Business Combination or the Redomestication Merger.

This proxy statement/prospectus provides you with detailed information about the Special Meeting and the proposals to approve the Redomestication Merger, the Business Combination, the Share Incentive Plan, and any adjournment or postponement of the Special Meeting if the Redomestication Merger and the Business Combination are not approved. Each stockholder's vote is very important. Please submit your proxy card without delay even if you plan to attend the Alyst Special Meeting in person. You may revoke your proxy at any time before it is voted at the meeting. Voting by proxy will not prevent you from voting your shares in person if you subsequently choose to attend the Alyst Special Meeting.

HOW TO OBTAIN ADDITIONAL INFORMATION

If you would like to receive additional information or if you want additional copies of this document, agreements contained in the appendices or any other documents filed by Alyst with the Securities and Exchange Commission, or "SEC", such information is available without charge upon written or oral request to:

Alyst Acquisition Corp.
233 East 69th Street, Suite 6J
New York, New York 10021
Attention: Michael E. Weksel
Tel: 646-290-6104

If you would like to request documents, please do so no later than [ ], 2009, to receive them before Alyst's Special Meeting. Please be sure to include your complete name and address in your request. Please see "Where You Can Find Additional Information" to find out where you can find more information about Alyst and CN Holdings. You should rely only on the information contained in this proxy statement/prospectus in deciding how to vote on the Business Combination and related proposals. Neither Alyst nor CN Holdings has authorized anyone to give any information or to make any representations other than those contained in this proxy statement/prospectus. Do not rely upon any information or representations made outside of this proxy statement/prospectus. The information contained in this proxy statement/prospectus may change after the date of this proxy statement/prospectus. Do not assume after the date of this proxy statement/prospectus that the information contained in this proxy statement/prospectus is still correct.

The place, date and time of the Alyst Special Meeting is as follows: 340 Madison Avenue, 2nd Floor, New York, New York, on [ ], 2009 at 10:00 a.m., Eastern time.

We encourage you to read this proxy statement/prospectus carefully. In particular, you should review the matters discussed under the caption "RISK FACTORS" beginning on page 11.

Alyst's board of directors unanimously recommends that Alyst stockholders vote "FOR" approval of each of the proposals.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in the Redomestication Merger or otherwise, or passed upon the adequacy or accuracy of this proxy statement/prospectus. Any representation to the contrary is a criminal offense.

/s/ Robert A. Schriesheim
Robert A. Schriesheim
Chairman of the Board of Directors of
Alyst Acquisition Corp.

•, 2009

ALYST ACQUISITION CORP.
233 East 69th Street, #6J
New York, NY 10021

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS OF ALYST ACQUISITION CORP. TO BE HELD [ ] •, 2009:

A Special Meeting of stockholders of Alyst Acquisition Corp. (‘‘Alyst’’), a Delaware corporation, will be held at 10:00 a.m., Eastern time, on [ ], 2009, at 340 Madison Avenue, 2nd Floor, New York, New York 10173, to consider and vote upon proposals to approve:

(a) The redomestication of Alyst from the State of Delaware to the British Virgin Islands by merging Alyst with and into China Networks International Holdings Ltd. (‘‘CN Holdings’’), its wholly-owned British Virgin Islands subsidiary (the ‘‘Redomestication Merger’’), in conjunction with the acquisition of China Networks Media, Ltd. (“China Networks Media”), a private British Virgin Islands company with limited liability, as set out in paragraph (b) below. In connection with the Redomestication Merger, Alyst will change its name to China Networks International Holdings Ltd. and adopt the Amended and Restated Memorandum and Articles of Association of CN Holdings, which will contain provisions substantially equivalent to Alyst’s amended and restated certificate of incorporation and by-laws, respectively. However, the CN Holdings Amended and Restated Memorandum and Articles of Association will provide for a perpetual existence. This proposal is called the ‘‘Redomestication Proposal” and is conditioned upon approval of the Business Combination Proposal discussed in paragraph (b) below.

(b) The proposed merger of China Networks Merger Co., Ltd., a wholly-owned British Virgin Islands subsidiary of CN Holdings (“China Networks Merger Co.”), with and into China Networks Media, resulting in China Networks Media becoming a wholly-owned subsidiary of CN Holdings (the ‘‘Business Combination’’), and the related transactions contemplated by the Agreement and Plan of Merger, dated August 13, 2008, by and among Alyst, China Networks Media, CN Holdings, China Networks Merger Co., Ltd., Mr. Li Shuangqing, Kerry Propper and MediaInv Ltd. (the ‘‘Merger Agreement’’). Pursuant to the Merger Agreement, CN Holdings will pay China Networks Media’s shareholders an aggregate merger consideration of (i) 2,880,000 CN Holdings ordinary shares, (ii) an aggregate of $17,000,000 cash, (iii) deferred cash payments of up to $6,000,000 and deferred share payments of up to 9,000,000 ordinary shares of CN Holdings, in each case subject to the achievement of specified financial milestones set forth in the Merger Agreement, and (iv) approximately $21,910,000 of proceeds from the exercise of CN Holdings warrants. This proposal is called the ‘‘Business Combination Proposal” and is conditional upon approval of the Redomestication Proposal discussed in paragraph (a) above.

(c) The proposed 2008 Omnibus Securities and Incentive Plan pursuant to which directors, officers, employees and consultants of CN Holdings or its subsidiaries may be granted options to purchase up to 2,500,000 million ordinary shares of CN Holdings. This proposal is called the “Share Incentive Plan Proposal.”

(d) Any adjournment or postponement of the Special Meeting for the purpose of soliciting additional proxies in the event Alyst does not receive the requisite stockholder vote for approval of the Redomestication Proposal and the Business Combination Proposal. This proposal is called the ‘‘Adjournment and Postponement.’’

Pursuant to Alyst’s amended and restated certificate of incorporation and the Merger Agreement, Alyst is required to obtain stockholder approval of the Business Combination with China Networks Media. Pursuant to the Merger Agreement, the Redomestication Merger will not be consummated unless the Business Combination is approved. Similarly, the Business Combination will not take place if the Redomestication Merger is not approved. If China Networks Media’s Board of Directors chooses to waive those conditions to the Business Combination, Alyst will still not be able to go forward with the Business Combination. Consequently, each of the Redomestication Proposal and the Business Combination Proposal must be approved for either transaction to be completed.

As of January 20, 2009, there were 9,794,400 shares of Alyst common stock issued and outstanding and entitled to vote. The Board of Directors has fixed the record date as the close of business on [ ], 2009, as the date for determining Alyst stockholders entitled to receive notice of and to vote at the Special Meeting and any adjournment or postponement thereof. Only holders of record of Alyst common stock on that date are entitled to have their votes counted at the Special Meeting or any adjournment or postponement. In order for the Business Combination Proposal to be approved, holders of a majority of the votes cast of the shares issued in Alyst's public offering must be voted in favor of such proposal. In addition, regardless of the number of votes cast in favor of the Business Combination Proposal, we cannot proceed with the Business Combination if holders of 2,413,320 (representing 30% of the shares sold in the IPO) or more shares of Alyst common stock, vote against the Business Combination Proposal and exercise their conversion rights to have their shares converted for cash.

Your vote is important. Whether or not you plan to attend the Special Meeting, please sign, date and return your proxy card as soon as possible to make sure that your shares are represented and your vote counted. You may also vote by telephone, as described on the proxy card. If you are a stockholder of record, you may also cast your vote in person at the Special Meeting. If your shares are held in an account at a brokerage firm or bank, you must instruct your broker or bank how to vote your shares, or you may cast your vote in person at the Special Meeting by obtaining a proxy from your brokerage firm or bank. If you fail to return your proxy card or instruct your broker or bank how to vote, your shares will not be counted for purposes of determining whether a quorum is present at the Special Meeting. An abstention or failure to vote will have the effect of voting against the Redomestication Proposal and the Share Incentive Plan Proposal.

After careful consideration of all relevant factors, Alyst's Board of Directors has determined that all four proposals are fair to and in the best interests of Alyst and its stockholders, and has recommended that you vote or give instruction to vote ''FOR'' adoption of each of them.

Dated: [ ], 2009

By Order of the Board of Directors,
/s/ Robert A. Schriesheim
Robert A. Schriesheim
Chairman

TABLE OF CONTENTS

ANNEXES

SUMMARY

This section summarizes information related to the proposals to be voted on at the Special Meeting. These items are described in greater detail elsewhere in this proxy statement/prospectus. You should carefully read this entire proxy statement/prospectus and the other documents to which it refers you.

MATERIAL TERMS OF THE TRANSACTION

- The parties to the Merger Agreement are Alyst, China Networks Media, CN Holdings, China Networks Merger Co., Mr. Li Shuangqing , MediaInv Ltd., and Kerry Propper. See the section entitled "The Business Combination Proposal."

- Alyst will merge with and into CN Holdings, Alyst's wholly-owned subsidiary incorporated in the British Virgin Islands, or BVI, resulting in CN Holdings as the surviving corporation, for the purpose of redomesticating Alyst from the State of Delaware to the BVI as part of the acquisition of China Networks Media in the Business Combination. See the section entitled "The Redomestication Proposal."

- In connection with the Redomestication Merger, all of Alyst's issued and outstanding securities immediately prior to the Redomestication Merger will be converted into securities of CN Holdings as set forth in the Merger Agreement. See the section entitled "The Business Combination Proposal – Terms of the Merger Agreement – Basic Deal Terms."

- China Networks Merger Co., a company incorporated in the BVI and a wholly-owned subsidiary of CN Holdings, will merge with and into China Networks Media, whereupon China Networks Media will be the surviving entity and the wholly-owned subsidiary of CN Holdings. See the section entitled "The Business Combination Proposal."

- In connection with the Business Combination, each ordinary share of China Networks Media issued and outstanding prior to the business combination will be converted automatically into one ordinary share of CN Holdings and each class A preferred share of China Networks Media outstanding immediately prior to the business combination will be converted into one ordinary share of CN Holdings. See the section entitled "The Business Combination Proposal – Terms of the Merger Agreement – Basic Deal Terms."

- China Networks Media is a venture provider of broadcast television services in the People's Republic of China, or PRC, operating in partnership with a local state-owned enterprise authorized by the PRC government to control the distribution of broadcast TV services. See the section entitled "Information about China Networks Media."

- The closing of the acquisition of China Networks Media is subject to the satisfaction by each party of various conditions prior to closing. See the section entitled "Proposal to Acquire China Networks Media – Terms of the Merger Agreement – Closing Conditions."

- The Business Combination will not be consummated unless the Redomestication Proposal is approved, and the Redomestication Merger will not be consummated unless the Business Combination Proposal is approved. See the section entitled "The Alyst Special Meeting – Vote Required."

- Stockholders are also being asked to approve the 2008 Omnibus Securities and Incentive Plan pursuant to which directors, officers, employees and consultants of the surviving corporation, CN Holdings, or its subsidiaries may be granted options to purchase up to 2,500,000 ordinary shares of CN Holdings. See the section entitled "The Share Incentive Plan Proposal."

1

QUESTIONS AND ANSWERS ABOUT THE PROPOSALS TO BE CONSIDERED AT THE ALYST SPECIAL MEETING

These Questions and Answers are only summaries of the matters they discuss.
Please read this entire proxy statement/prospectus.

Q. What is being voted on?

A.You are being asked to vote on four proposals:

- The merger of Alyst with and into its wholly-owned British Virgin Islands ("BVI") subsidiary, CN Holdings, for the purpose of redomesticating Alyst to the BVI. This proposal is called the ''Redomestication Merger Proposal.''
- The proposed merger of CN Holdings' wholly-owned subsidiary, China Networks Merger Co., with and into China Networks Media, resulting in China Networks Media becoming a wholly-owned subsidiary of CN Holdings. This proposal is called the ''Business Combination Proposal.''
- The approval of the 2008 Omnibus Securities and Incentive Plan pursuant to which directors, officers, employees and consultants of the surviving corporation, CN Holdings, or its subsidiaries may be granted up to 2.5 million ordinary shares of CN Holdings. This proposal is called the "Share Incentive Plan Proposal."
- The approval of any adjournment or postponement of the Special Meeting for the purpose of soliciting additional proxies. This proposal is called the ''Adjournment and Postponement Proposal.''

Q. Why are stockholders of Alyst being asked to approve actions that will be taken by CN Holdings?

Alyst stockholders are being asked to approve the entry into of the Business Combination by CN Holdings. The Memorandum and Articles of Association of CN Holdings will be amended prior to the Special Meeting to include protective provisions identical in substance to those contained in Alyst's amended and restated certificate of incorporation at the time of its IPO, although CN Holdings will have a perpetual, rather than limited, existence. As a result, immediately following the completion of the Redomestication Merger, the constitutional documents of CN Holdings will require that the majority of the shares issued in Alyst's IPO approve its Business Combination with China Networks Media, as well as the Share Incentive Plan Proposal. Since the laws of the BVI also require the affirmative vote of a majority of the shares of China Networks Media and China Network Merger Co., the shareholders of each such corporation will be approving such actions by written consent, effective upon receipt of corresponding approval of Alyst's stockholders. Such action by written consent, together with the approval by Alyst's stockholders at the Special Meeting, will be effective under BVI law and CN Holding's amended constitutional documents.

Q. Who is entitled to vote?	Holders of Alyst's outstanding common stock as of the close of business on ·, 2009, (the "Record Date") are entitled to vote on all proposals at the Special Meeting by proxy or in person.
Q. What vote is required to approve the Redomestication Merger Proposal?	A. Approval of the Redomestication Merger Proposal will require the affirmative vote of a majority of the outstanding shares of Alyst's common stock as of the Record Date, provided there is a quorum and that the Business Combination is also approved.
Q. What vote is required to approve the Business Combination Proposal?	A. Under Alyst's amended and restated certificate of incorporation, approval of the Business Combination requires the affirmative vote of a majority of the shares of common stock issued in the IPO present, in person or by proxy and entitled to vote at the Special Meeting, provided that there is a quorum. Alyst's initial stockholders have agreed to vote their 1,750,000 shares acquired prior to the IPO and as part of the insider units sold simultaneously with the consummation of the IPO in accordance with the holders of a majority of the public shares voting in person or by proxy at the meeting. Any other shares that may be acquired by Alyst's initial stockholders prior to the record date may be voted in any manner that they choose. If the stockholders approve the Business Combination, the Business Combination will only proceed if holders of less than 30% of the shares of common stock sold in Alyst's IPO exercise their conversion rights and vote against the Business Combination. If the holders of 2,413,320 or more shares purchased in Alyst's IPO vote against the Business Combination and demand that Alyst convert their shares into their pro rata portion of the trust account established at the time of the IPO (as described below), Alyst will not be permitted to consummate the Business Combination pursuant to its amended and restated certificate of incorporation.

Q. What vote is required to approve the Share Incentive Plan Proposal?	A. Approval of the Share Incentive Plan Proposal will require the affirmative vote of a majority of the outstanding shares of Alyst's common stock represented in person or by proxy and entitled to vote at the Special Meeting, provided there is a quorum.
Q. What vote is required to adopt the proposal to adjourn or postpone the Special Meeting for the purpose of soliciting additional proxies?	A. Approval of the Adjournment and Postponement Proposal will require the affirmative vote of holders of a majority of the shares of Alyst's common stock represented in person or by proxy and entitled to vote at the Special Meeting, provided there is a quorum.
Q. Do Alyst stockholders have appraisal rights under Delaware law?	A. The Alyst stockholders do not have appraisal rights under Delaware corporate law in connection with either the Redomestication Merger or the Business Combination.
Q. How will the Redomestication Merger be accomplished?	A. Alyst will merge into CN Holdings, Alyst's wholly - owned subsidiary that is incorporated as a BVI company. As a result of the Redomestication Merger, each currently issued outstanding security of Alyst will automatically convert into one corresponding security of CN Holdings. This procedure will result in your becoming a securityholder in CN Holdings instead of Alyst.
Q. What happens post-Business Combination to the funds deposited in the trust account?	A. Alyst stockholders exercising conversion rights will receive their pro rata portion of the trust account. The balance of the funds in the trust account will be released to CN Holdings and will be utilized to pay to the former shareholders of China Networks Media the cash portion of the merger consideration in the amount of $17 million, repay approximately $[ ] million of outstanding indebtedness of China Networks Media and any remaining funds will be retained by CN Holdings to make payments aggregating $[ ] million to the PRC TV Stations (as defined below under "The Companies") and for operating capital subsequent to the closing of the Business Combination.
Q. What happens if the Business Combination and Redomestication Merger are not consummated?	A. If Alyst does not redomesticate and acquire China Networks Media in the Business Combination, Alyst may seek an alternative business combination. Under its amended and restated certificate of incorporation as currently in effect, if Alyst does not acquire at least majority control of a target business by June 29, 2009, Alyst will dissolve and distribute to its public stockholders the amount in the trust account plus any remaining net assets. Following dissolution, Alyst would no longer exist as a corporation. In any liquidation, the funds held in the trust account, plus any interest earned thereon (net of taxes payable), together with any remaining out-of-trust net assets, will be distributed pro rata to Alyst's common stockholders who hold shares issued in Alyst's IPO (other than the initial stockholders, each of whom has waived any right to any

liquidation distribution with respect to them). See the risk factor on page 26 of this proxy statement/prospectus relating to risks associated with the dissolution of Alyst.

3

Q. Do Alyst stockholders have conversion rights?

A. If you hold shares of common stock issued in Alyst's IPO, then you have the right to vote against the Business Combination Proposal and demand that Alyst convert these shares into a pro rata portion of the trust account in which a substantial portion of the net proceeds of Alyst's IPO are held. These rights to vote against the Business Combination and demand conversion of the shares into a pro rata portion of the trust account are sometimes referred to herein as conversion rights. Holders of warrants issued by Alyst do not have any conversion rights.

SIMPLY VOTING AGAINST THE BUSINESS COMBINATION OR CHECKING THE ''EXERCISE CONVERSION RIGHTS'' BOX ON A PROXY CARD DOES NOT PERFECT YOUR CONVERSION RIGHTS – YOU MUST ALSO SEND ALYST THE WRITTEN DEMAND LETTER DESCRIBED BELOW.

Pursuant to the arrangements established at the time of Alyst's IPO, shareholders of Alyst representing 30% less one share of the outstanding shares issued in Alyst's IPO may exercise conversion rights in the event they vote against the Business Combination and send a written demand letter to Alyst as described in the section entitled ''The Alyst Special Meeting.''

Q. Will the Alyst stockholders be taxed as a result of the Redomestication Merger?

A. It is anticipated that Alyst stockholders or warrant holders generally should not recognize gain or loss as a result of the Redomestication Merger for U.S. federal income tax purposes. We urge you to consult your own tax advisors with regard to the particular tax consequences to you of the Redomestication Merger.

Q. Will Alyst be taxed on the Redomestication Merger?

A. It is anticipated that for U.S. federal income tax purposes, as to each of its assets, Alyst should recognize gain (but not loss) realized as a result of the Redomestication Merger in an amount equal to the excess (if any) of the fair market value of such asset over such asset's adjusted tax basis at the effective time of the Redomestication Merger. Any U.S. federal income tax liability incurred by Alyst as a result of the recognition of such gain should become a liability of CN Holdings by reason of the Redomestication Merger.

Q. If I am not going to attend the Special Meeting in person, should I return my proxy card instead?

A. Yes. After carefully reading and considering the information in this proxy statement/prospectus, please fill out and sign your proxy card. Then return it in the return envelope as soon as possible, so that your shares may be represented at the Special Meeting. You may also vote by telephone, as explained on the proxy card. A properly executed proxy will be counted for the purpose of determining the existence of a quorum.

Q. If I have conversion rights, how do I exercise them?	A. If you wish to exercise your conversion rights, you must vote against the Business Combination Proposal and at the same time demand that Alyst convert your shares for cash. If, notwithstanding your vote, the Business Combination is completed, then you will be entitled to receive a pro rata portion of the trust account, including any interest earned thereon through the record date. You will be entitled to convert each share of common stock that you hold for approximately \$7.86. If you exercise your conversion rights, then you will be converting your shares of Alyst common stock for cash and will no longer own these shares. You will be entitled to receive cash for these shares only if you tender your stock certificate to our transfer agent, Continental Stock Transfer & Trust Company, at any time prior to the conclusion of the vote on the Business Combination. Alternatively, you may deliver your shares to the transfer agent electronically, at a nominal cost, using the Depository Trust Company's DWAC System. If you do not make a demand to exercise your conversion rights at the time you vote against the Business Combination Proposal (or if you do not vote against the Business Combination Proposal and tender your share to the transfer agent prior to the vote), you will lose your conversion rights, and that loss cannot be remedied.

Q. How do I withdraw my request for conversion?	A. You may withdraw a request for conversion of your shares any time prior to the date of the Special Meeting by requesting that the transfer agent return your share certificate(s) either physically or electronically.
Q. What will happen if I abstain from voting or fail to instruct my broker to vote?	A. An abstention or the failure to instruct your broker how to vote (also known as a broker non-vote) is not considered a vote cast at the meeting with respect to the Business Combination Proposal. Therefore your vote will have no effect on the vote relating to the Business Combination, and you will not be able to convert your shares into a pro rata portion of the trust account. An abstention or failure to vote will have the effect of voting against the Redomestication Merger Proposal and the Share Incentive Plan Proposal.
Q. If my shares are held in "street name," will my broker automatically vote them for me?	A. No. Your broker can vote your shares only if you provide instructions on how to vote. You should instruct your broker to vote your shares. Your broker can tell you how to provide these instructions.
Q. How do I change my vote?	A. You may send a later-dated, signed proxy card to Alyst's secretary no later than [ ], 2009, prior to the date of the Special Meeting, or attend the Special Meeting in person and vote. You also may revoke your proxy no later than [ ], 2009 by sending a notice of revocation to Michael Weksel, Alyst Acquisition Corp., 233 E. 69th Street, #6J, New York, New York 10021.
Q. Do I need to turn in my old certificates?	A. If you wish to exercise your conversion rights, you must tender your shares to the transfer agent prior to the Special Meeting. If the Business Combination Proposal is approved and you hold your securities in Alyst in certificate form, as opposed to holding them through your broker, you do not need to exchange them for certificates issued by CN Holdings. Your current certificates will represent your rights in CN Holdings. You may exchange them by contacting the transfer agent, Continental Stock Transfer & Trust Company, Reorganization Department, and following their requirements for reissuance.
Q. Who can help answer my questions?	A. If you have questions, you may write or call Alyst Acquisition Corp., at 233 E. 69th Street, #6J, New York, New York 10021, (646) 290-6104, Attention: Michael Weksel.
Q. When and where will the Special Meeting be held?	A. The meeting will be held at 10:00 a.m. Eastern time on ·, 2009 at 340 Madison Avenue, 2nd Floor, New York, New York.

The Companies

Alyst is a Delaware corporation incorporated on August 16, 2006 in order to serve as a vehicle for the acquisition of an operating business in any industry, with a focus on the telecommunications industry, through a merger, capital stock exchange, asset acquisition or other similar business combination. The initial stockholders purchased 1,750,000 shares of common stock, par value $0.0001 per share (“Common Stock”), in a private placement for $25,000. On July 5, 2007, Alyst consummated its IPO of 8,044,400 of its units (“Units”). Each Unit consists of one share of Common Stock and one warrant to purchase one share of Common Stock at an exercise price of $5.00 per share. The Units were sold at an offering price of $8.00 per Unit, generating gross proceeds of $64,355,200. Simultaneously with the consummation of the IPO, Alyst consummated a private placement of 1,820,000 warrants at a price of $1.00 per warrant, generating total proceeds of $1,820,000. After deducting the underwriting discounts and commissions and offering expenses, an amount of $63,154,286 was placed in an interest-bearing trust account and the remaining proceeds of approximately $50,000, plus interest of up to $1,680,000 earned on the amount held in trust became available to be used to provide for business, legal, accounting, due diligence on prospective business combinations and continuing operating expenses. Alyst’s management has broad discretion with respect to the specific application of the net proceeds of the private placement and the public offering, although substantially all of the net proceeds of the offerings are intended to be generally applied toward consummating a business combination. As of December 31, 2008, approximately $63,154,286 (plus accrued interest of $74,718) was held in the trust account.

The warrants issued in Alyst's private placement were purchased by Robert A. Schriesheim, Alyst's Non-Executive Chairman of the Board, Dr. William Weksel, Alyst's Chief Executive Officer, Robert H. Davies, Alyst's Chief Strategist, Michael E. Weksel, one of Alyst's directors, Paul Levy, one of Alyst's former directors, and Ira Hollenberg IRA, Silverman Realty Group, Inc. Profit Sharing Plan (LCPSP), Norbert W. Strauss, David Strauss and Jonathan Strauss, each a stockholder of Alyst. The warrants are identical to the warrants included in the Units sold in the IPO except that they are exercisable on a cashless basis if Alyst calls the warrants for redemption so long as they are held by these purchasers or their affiliates. The purchasers of the warrants issued in the private placement have agreed that the warrants issued in the private placement will not be sold or transferred by them until Alyst has completed a business combination. The mailing address of Alyst's principal executive office is 233 E. 69th Street, #6J, New York, NY 10021 and its telephone number is (646) 290-6104. Alyst's home page on the internet is at http://www.alyst.net, but the information on Alyst's website is not a part of this proxy statement/prospectus.

CN Holdings is a wholly-owned subsidiary of Alyst, incorporated in the British Virgin Islands on April 17, 2008. CN Holdings was formed to facilitate the proposed Business Combination and, assuming the Business Combination Proposal and Redomestication Proposal are approved at the Special Meeting, will become the surviving corporation of Alyst and ultimate parent of China Networks Media.

China Networks Media is a joint-venture provider of broadcast television services in the People's Republic of China (''PRC''), operating in partnership with two local state-owned enterprises (''SOE'') in the cities of Kunming and Yellow River which have been authorized by the PRC government to control the distribution of broadcast TV services (collectively, "PRC TV Stations"). China Networks Media owns 100% of Advertising Networks Ltd., a Hong Kong holding company (''ANT''), that: (i) owns 50% of each of Shanxi Yellow River and Advertising Networks Cartoon Technology Co., Ltd. and Kunming Taishi Information Cartoon Co., Ltd., (collectively "JV Tech Cos"), PRC joint venture companies formed with PRC TV Stations, and (ii) controls Beijing Guangwang Hetong Advertising & Media Co., Ltd., a PRC company (''Hetong''), which in turn, owns (a) 50% of Kunming Kaishi Advertising Co. Ltd., and (b) 50% of Taiyuan Advertising Networks Advertising Co., Ltd. (collectively "JV Ad Cos") with PRC TV Stations. JV Ad Cos collects 100% of advertising revenue earned by JV Tech Cos, joint ventures holding assets of PRC TV Stations, through a series of asset purchase and services agreements. In each locale, these companies form a group comprising of one JV Tech Co and one JV Ad Co (collectively referred to as the "Local JV Cos"). PRC TV Stations are owned directly or indirectly by local branches of the State Administration of Radio, Film and Television (''SARFT''). Due to restrictions on foreign ownership of PRC media and broadcasting entities, China Networks Media's 50% joint venture interest is held through a series of contractual arrangements intended to result in the risks and benefits of JV Ad Cos' operations being primarily borne by China Networks Media, rather than through a direct ownership of equity securities. In addition to seeking to avoid a violation of PRC law, these arrangements provide, under relevant principles of US generally accepted accounting principles ("U.S. GAAP"), for the consolidation of 50% of the results of operations, financial position and cash flows of JV Ad Cos by China Networks Media. In view of these PRC legal restrictions and prevailing industry practice with regard to structuring foreign direct investment in China, Alyst has determined that the Business Combination with China Networks Media satisfies the requirement contained in its amended and restated certificate of incorporation that it effect a business combination with an operating business.

Rationale for the Business Combination

After careful consideration of the terms and conditions of each proposal, the board of directors of Alyst has determined that the Redomestication Merger, the Business Combination and the related transactions and each proposal made in this proxy statement/prospectus are fair to and in the best interests of Alyst and its stockholders. In reaching its decision with respect to the Redomestication Merger, the Business Combination and the related transactions, the board of directors of Alyst reviewed various industry and financial data and considered the due diligence and evaluation materials provided by China Networks Media and due diligence regarding the PRC television advertising market in order to determine that the consideration to be paid in connection with the Business Combination is reasonable. Based on such materials and information and on its own financial and business expertise the board of directors of Alyst also has concluded that the fair market value of China Networks Media was at least equal to 80% of the balance of the trust account. Accordingly, Alyst's board of directors concluded that the Business Combination meets the requirements for a business combination set forth in Alyst's IPO prospectus and amended and restated certificate of incorporation and recommends that Alyst stockholders vote "FOR" the Redomestication Proposal, the Business Combination Proposal, the Share Incentive Plan Proposal and the Adjournment and Postponement Proposal.

The Merger Agreement

Pursuant to the Merger Agreement and subject to stockholder approval, (a) Alyst will merge with and into CN Holdings, thereby redomesticating to the British Virgin Islands (the "Redomestication Merger"), and then (b) China Networks Merger Co., a wholly-owned subsidiary of CN Holdings, will merge with and into China Networks Media, a British Virgin Islands company (the "Business Combination"). China Networks Media will be the surviving entity of that merger. In the Business Combination, CN Holdings will issue to China Networks Media shareholders aggregate merger consideration of (i) 2,880,000 CN Holdings ordinary shares, (ii) an aggregate of $17,000,000 cash, (iii) deferred cash payments of up to $6,000,000 and deferred share payments of up to 9,000,000 ordinary shares of CN Holdings, in each case subject to the achievement of specified financial milestones set forth in the Merger Agreement, and (iv) $21,910,000 of proceeds from the exercise of CN Holdings warrants.

The Redomestication Merger will result in all of Alyst's issued and outstanding shares of common stock immediately prior to the Redomestication Merger converting into ordinary shares of CN Holdings, and all units, warrants and other rights to purchase Alyst's common stock immediately prior to the Redomestication Merger being exchanged for substantially equivalent securities of CN Holdings at the rate set forth in the Merger Agreement. The shares of CN Holdings shall continue to be quoted on Nasdaq, or such other public trading market on which its shares may be trading at such time, Alyst will cease to exist and CN Holdings will be the surviving corporation.

The Business Combination will be effected immediately after the Redomestication Merger. Each ordinary share of China Networks Media issued and outstanding prior to the business Combination will be converted automatically into one ordinary share of CN Holdings, and each class A preferred share of China Networks Media outstanding immediately prior to the Business Combination will convert into one share of CN Holdings. The stockholders of China Networks Media will also receive the cash and other consideration described above. China Networks Merger Co. will cease to exist and China Networks Media will be the surviving corporation.

Upon the consummation of the Redomestication Merger and the Business Combination, CN Holdings will own 100% of the issued and outstanding shares of China Networks Media. As of the closing, the shares of CN Holdings will be owned 77% by the previous stockholders of Alyst, 15% by the previous holders of ordinary shares of China Networks Media and 8% by the previous holders of class A preferred shares of China Networks Media.

If Alyst does not consummate the Business Combination with China Networks Media and it is unable to complete another acquisition by June 29, 2009, it will be required to liquidate and dissolve pursuant to its amended and restated certificate of incorporation. Under its amended and restated certificate of incorporation as currently in effect, if Alyst does not acquire at least majority control of a target business by June 29, 2009, Alyst will dissolve and distribute to its public stockholders the amount in the trust account plus any remaining net assets. Following dissolution, Alyst would no longer exist as a corporation. See the risk factor on page 26 of this proxy statement/prospectus relating to risks associated with the dissolution of Alyst.

Management. The current management of China Networks Media and its subsidiaries is led by Mr. Li Shuangqing. After consummation of the Redomestication Merger and the Business Combination, Mr. Li will be the Chief Executive Officer and Co-Chairman of China Networks Media and Zhou Chuansheng will be the Vice President of Sales and Marketing. CN Holdings' board of directors after the Redomestication Merger and the Business Combination is expected to consist of Li Shuangqing, Kerry Propper, Michael Weksel and four other individuals that will be appointed prior to Alyst's Special Meeting, of which three may be selected by Alyst. As a condition to the consummation of the Business Combination, Mr. Li Shuangqing will enter into an employment agreement with CN Holdings, pursuant to which he will serve as the Chief Executive Officer of CN Holdings. Michael Weksel is the Chief Financial Officer of China Networks Media and he will serve as the Chief Financial Officer of CN Holdings after the consummation of the Business Combination.

Alyst's Recommendation; Interests of Alyst's Management

After careful consideration, Alyst's board of directors has determined that the Redomestication Merger, the Business Combination and the other proposals to be presented at this Special Meeting are fair to, and in the best interests of, Alyst and its stockholders. The board of directors has approved and declared advisable the proposals, and recommends that you vote or direct that your vote to be cast ''FOR'' the adoption of each proposal.

When you consider the recommendation of the board of directors, you should keep in mind that the members of the board of directors have interests in the Business Combination that are different from, or in addition to, yours. These interests include the following:

- If the proposed Business Combination is not completed, and Alyst is unable to complete another acquisition by June 29, 2009, Alyst will subsequently be required to liquidate. Upon liquidation, the shares of common stock owned by Alyst's directors will be worthless because the shares will no longer have any value and the directors are not entitled to liquidation distributions from Alyst. In addition, the possibility that Alyst's officers and directors will be required to perform their obligations under the indemnity agreements referred to below will be substantially increased.

- In connection with Alyst's IPO, Alyst's current officers and directors agreed to indemnify Alyst for debts and obligations to vendors that are owed money by Alyst for services rendered or products sold to Alyst, but only to the extent necessary to ensure that certain liabilities do not reduce funds in the trust account. If the Business Combination is consummated, Alyst's officers and directors will not have to perform such obligations. If the Business Combination is not consummated, however, Alyst's officers and directors could potentially be liable for any claims against the trust account by vendors who did not sign waivers.

- All rights of Alyst's officers and directors to be indemnified by Alyst, and of Alyst's directors to be exculpated from monetary liability with respect to prior acts or omissions, will continue after the Business Combination pursuant to provisions in CN Holdings' Amended and Restated Memorandum and Articles of Association, forms of which are attached hereto as Annexes C and D, respectively. However, if the Business Combination is not approved and Alyst subsequently liquidates, its ability to perform its obligations under those provisions will be substantially impaired since it will cease to exist. If the Business Combination is ultimately completed, CN Holdings' ability to perform such obligations will be substantially enhanced.

- It is anticipated that China Networks Media's current Chief Executive Officer, Li Shuangqing, will enter into an employment agreement with CN Holdings as a condition to the consummation of the Merger Agreement. The employment agreement must be approved by a majority of the independent directors of CN Holdings' Board of

Directors.

- Under the Share Incentive Plan, as proposed, directors of CN Holdings' Board of Directors may be granted options to purchase shares of CN Holdings. Under the Merger Agreement, Alyst is entitled to appoint three directors to the post-merger CN Holdings' Board of Directors, who will be entitled to receive shares or option grants under the Plan.

- It is expected that three of the current directors of Alyst, including Michael Weksel, will serve as directors of CN Holdings if the Business Combination is consummated.

Certain U.S. Federal Income Tax Consequences

As described below under the heading ‘‘Material United States Federal Income Tax Considerations,’’ subject to the qualifications included in that discussion, the Redomestication Merger should qualify as a “reorganization” under applicable U.S. federal income tax principles. In such case no gain or loss should be recognized by Alyst stockholders or warrant holders for U.S. federal income tax purposes as a result of their exchange of Alyst common stock or warrants for the ordinary shares or warrants of CN Holdings, but it is anticipated that for U.S. federal income tax purposes, as to each of its assets, Alyst should recognize gain (but not loss) realized as a result of the Redomestication Merger in an amount equal to the excess (if any) of the fair market value of such asset over such asset’s adjusted tax basis at the effective time of the Redomestication Merger. CN Holdings should not recognize any gain or loss for U.S. federal income tax purposes as a result of the Business Combination. Although it is anticipated that the ‘‘anti-inversion’’ provisions in the Internal Revenue Code of 1986, as amended, should not apply to treat CN Holdings as a U.S. corporation after the Redomestication Merger and Business Combination, this matter is not free from doubt. It is expected that these anti-inversion rules will apply, however, to restrict Alyst from using any net operating loss that might otherwise be available to it to offset any gain it will recognize as a result of the Redomestication Merger.

Listing

Alyst’s common stock (AYA), warrants (AYA.WS) and units (AYA.U) are currently listed on the NYSE Alternext.

CN Holdings is applying to have its ordinary shares, warrants and units listed on the Nasdaq under the symbols CHTV, CHTV.W, and CHTV.U, respectively.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This proxy statement/prospectus contains or incorporates by reference certain forward-looking statements and information relating to Alyst, CN Holdings and China Networks Media that are based on the beliefs of their respective board of directors and officers, as well as certain assumptions and information currently available to them. Forward-looking statements include statements concerning projected financial data, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements which are other than statements of historical fact. When used in this proxy statement/prospectus, the words “anticipate,” “believe,” “estimate,” “expect,” “plan,” “intend,” “project,” “predict,” “may,” and “should” and similar expressions are intended to identify forward-l statements. These statements are based on the parties’ current expectations and are naturally subject to uncertainty of and change in circumstances. Actual results may vary materially from the expectations contained in this document. The following factors, among others, could cause results to differ materially from those described in this proxy statement/prospectus: any economic, business, competitive and/or regulatory factors affecting China Networks Media’s business generally. Unless required by law, none of Alyst, CN Holdings or China Networks Media undertakes any obligation to update publicly any forward-looking statements set forth in this proxy statement/prospectus, whether as a result of new information, future events or otherwise.

RISK FACTORS

You should carefully consider the following risk factors, together with all of the other information included in this proxy statement/prospectus, before you decide whether to vote or direct your vote to be cast to approve the Redomestication Merger, the Business Combination and the other proposals described in this proxy statement/prospectus.

China Networks Media's business substantially depends on the PRC TV Stations it partners with.

China Networks Media relies heavily on its access to advertising time slots on the PRC TV Stations to broadcast clients' advertisements. Any unfavorable change in the PRC TV Stations' advertising model, any changes that adversely affect their market position or any limitation on China Networks Media's access to desired television advertising time slots would materially adversely affect its results of operations and financial position.

The PRC TV Stations are the sole television networks for which China Networks Media currently sells advertising time and are owned by the Chinese government. As a result, the PRC TV Stations enjoy certain favorable governmental support that might not be available to privately owned networks. For example, the government mandates that the PRC TV Stations be broadcast in their local regions. The PRC TV Stations also face increasing competition from other regional and national television networks that strive to offer more attractive television programs to compete with the PRC TV Stations for television audiences. If the PRC TV Stations fail to compete successfully against these other networks, they may lose market share. Any changes that could potentially erode the PRC TV Stations' market position, such as relaxation of media control by the government or inadequate response to competition from other networks by the PRC TV Stations, could in turn reduce the attractiveness of China Networks Media's advertising offerings and materially adversely affect its results of operations and financial position.

Television advertising in China faces significant competition from existing and new competitors, and if China Networks Media does not compete successfully against them, it may lose market share and its profitability may be materially harmed.

The advertising industry in China is intensely competitive and highly fragmented. China Networks Media competes with other industry participants mainly on the basis of service quality, available advertising time slots, price, reputation and relationships with television networks. China Networks Media also faces significant competition in selling advertising space to advertisers and their advertising agencies mainly from other media sales companies that have dedicated relationships to particular PRC TV Stations and/or companies that broker timeslots from those stations. At the national level these include such companies as SinoMedia Holding Limited, Walk-on Advertising Co. Ltd., China Mass Media International Advertising Corporation and Charm Communication Group. At the local level, China Networks Media competes with other local television stations in the region on the basis of desirability of time slots offered, television network coverage, service quality, brand name and pricing.

In addition, in securing further media resources through JV or other contractual relationships, China Networks Media faces competition from other media sales companies and/or advertising agencies who could become its competitors for media resources on other stations. China Networks Media also faces competition from new entrants in the television advertising sector, including the wholly foreign-owned advertising companies that have been allowed to operate in China since December 2005, which exposes it to increased competition from advertising media companies that have greater financial and other resources than it does.

Television advertising in China competes against other forms of advertising media and advancing technology, and if China Networks Media does not adapt successfully, it may lose market share and its profitability may be materially harmed.

Television advertising, upon which China Networks Media depends for its business, competes with other forms of advertising media for overall advertising spending, such as

- radio,

11

- newspapers,
- magazines,
- the Internet,
- indoor or outdoor flat panel displays,
- billboards and
- public transport advertising.

According to ZenithOptimedia, advertising spending in media other than television collectively accounted for approximately 60.7% of total advertising spending in China in 2007. In particular, the Internet is becoming increasingly popular as an alternative advertising medium among advertisers.

In addition, technology in television, video, data services and other media used in the entertainment industry is changing rapidly, and advances in technology have led to alternative methods of content delivery and storage, including in the case of cable television, a significantly expanded menu of channel offerings. Certain changes in the behavior of television viewers driven by these methods of delivery and storage could have a negative effect on television advertising revenues. For example, devices that enable users to view television programs on a time-delayed basis or allow them to fast-forward or skip advertisements may cause changes in consumer behavior that could adversely affect the advertising revenues of television networks and China Networks Media's results of operations.

China Networks Media has a very limited operating history, which may make it difficult for you to evaluate its business and prospects.

In 2008, China Networks Media established certain equity joint ventures with PRC TV Stations through its Hong Kong wholly-owned subsidiary, ANT. ANT established an equity joint venture under the name of Shanxi Yellow River and Advertising Networks Cartoon Technology Co., Ltd. ("Taiyuan JV") with China Yellow River TV Station in Shanxi Province in June 2008; and ANT established an equity joint venture under the name Kunming Taishi Information Cartoon Co., Ltd. ("Kunming JV") with Kunming TV Station in Yunnan Province in July 2008 (Taiyuan JV and Kunming JV are collectively referred to as the "JV Tech Cos"). The respective historical operating results of the Kunming and Taiyuan TV stations' advertising operations may not provide a meaningful basis for evaluating China Networks Media's business, financial performance and prospects, particularly in view of the fact that the networks comprising the operations of China Networks have historically been operated independently.

China Networks Media also faces numerous risks, uncertainties, expenses and difficulties frequently encountered by companies at an early stage of development. Some of these risks and uncertainties relate to its ability to:

- develop new customers or new business from existing customers;
- expand the technical sophistication of the products it offers;
- respond effectively to competitive pressures; and
- attract and retain qualified management and employees.

China Networks Media cannot predict whether it will meet internal or external expectations regarding future performance. If China Networks Media is not successful in addressing these risks and uncertainties, its business, operating results and financial condition may be materially adversely affected.

China Networks Media may encounter difficulties in expanding into other regional television networks, which may materially and adversely affect its business, financial condition and results of operations.

One important element of China Networks Media's strategy is to expand its presence into other regional television networks. Implementation of this strategy will be subject to many risks, including, but not limited to, the following:

- China Networks Media has no track record in obtaining advertisement resources from other regional television networks;
- There is expected to be intense competition from advertising companies that are already well-established in those markets;
- China Networks Media may not be able to accurately assess and adjust to the consumer tastes, preferences and demands in the relevant regional markets; and
- It may not be possible to generate enough revenue to offset costs.

These and other risks may make China Networks Media's expansion into other regional television networks unsuccessful. In addition, implementing this strategy may require it to devote significant resources to promoting advertising time slots on such regional television networks, which may divert management's attention from its existing business. If China Networks Media is not successful in expanding into other regional television networks, its business, financial condition and results of operations may be materially and adversely affected.

CN Holdings may need additional capital to fund the growth of China Networks Media's business, which may not be available on acceptable terms or at all, and which, if available, could dilute your interest in CN Holdings.

Capital requirements are difficult to plan in the rapidly changing advertising industry. China Networks Media expects that its current cash and cash equivalents, cash flow from operations and the proceeds from the Business Combination with Alyst will be sufficient to meet its anticipated cash needs, for both working capital and capital expenditures, for the foreseeable future. If, however, there are unforeseen changes in general business conditions or unexpected developments in its business or expansion, CN Holdings may require additional cash resources. For example, CN Holdings may seek to sell additional equity or debt securities or obtain a credit facility. The sale of convertible debt securities or additional equity securities could result in additional dilution to the shareholders of CN Holdings. Furthermore, if CN Holdings incurs more debt, it will be liable for increased debt service costs and might have to agree to operating and financing covenants that would restrict its operations and liquidity.

CN Holdings' ability to obtain additional capital on commercially acceptable terms is subject to significant risks and uncertainties, including:

- investors' perception of, and demand for, its securities;
- prevailing conditions in the global financial and capital markets in which it will seek to raise funds;
- the future results of operations, financial condition and cash flows of China Networks Media;
- PRC governmental regulation of foreign investment in advertising companies in China;
- PRC governmental policies relating to foreign exchange; and

- economic, political and other conditions in China.

Any failure to raise additional funds when needed could limit CN Holdings' ability to expand or develop its operations to respond to market demand or competitive challenges.

The Chinese government could change its policies toward, or even nationalize, private enterprise, which could reduce or eliminate the interests held in China Networks Media.

Over the past several years, the Chinese government has pursued economic reform policies, including the encouragement of private economic activities and decentralization of economic regulation. The Chinese government may not continue to pursue these policies or may significantly alter them to China Networks Media's detriment from time to time without notice. Changes in policies by the Chinese government that result in a change of laws, regulations, their interpretation, or the imposition of high levels of taxation, restrictions on currency conversion or imports and sources of supply could materially and adversely affect China Networks Media's business and operating results. The nationalization or other expropriation of private enterprises by the Chinese government could result in the total loss of China Networks Media's investment in China.

China Networks Media's business may be adversely affected by unforeseen events or natural disasters that are beyond its control, such as the 2008 earthquake in Sichuan Province, or the global financial crisis.

China Networks Media's business may be adversely affected by certain events, natural disasters beyond its control, such as the magnitude 8.0 earthquake that struck Sichuan Province in May 2008, or the global financial crisis. Many television stations in China significantly changed their programming after the earthquake to broadcast developments and rescue operations relating to the earthquake. All television channels in China ceased to broadcast any advertisements during a three-day national mourning period from May 19, 2008 to May 21, 2008. Certain television advertisements with content that was deemed to be inappropriate for broadcast during coverage of this tragic event were suspended in May and June 2008. Such unforeseen events, natural disasters or the global financial crisis may adversely affect advertisement spending of its clients which in turn may adversely affect its sales and results of operations. Furthermore, if other events occur in the future or the global financial crisis is prolonged or deepens, its business, financial condition and results of operations may be adversely affected.

China Networks Media may become subject to government actions due to its advertising content, which may have a material adverse effect on its financial condition and results of operations.

PRC advertising laws and regulations require advertisers, advertising distributors and advertising service providers, such as China Networks Media, to ensure that the content of the advertisements prepared or distributed are fair, accurate and in full compliance with applicable laws. Violation of these laws or regulations may result in penalties, including

- fines,
- confiscation of advertising fees,
- orders to cease disseminating the advertisements and
- orders to publish public announcements to correct the misleading information.

In circumstances involving serious violations, the PRC government may revoke a license to operate an advertising business. In addition, such noncompliance can constitute a violation of criminal law and criminal proceedings could be brought as a result.

Under the relevant PRC regulations, China Networks Media is required to independently review and verify the content of a client's advertisement for compliance and to confirm that any required government review has been performed and that all necessary approvals have been obtained. In addition, for advertising content related to certain types of products, such as tobacco, alcohol, cosmetics, pharmaceuticals and medical instruments, China Networks Media is required to confirm that the advertisers have obtained requisite government approvals relating to their operations, including the advertisers' operating qualifications and proofs of quality inspection. Under contracts with advertising clients, advertisers are responsible for obtaining any PRC government approvals or licenses required for their advertisements and providing China Networks Media with proof of such approvals or licenses prior to it placing its clients' advertisements. While China Networks Media ensures advertising content is reviewed for compliance with relevant PRC laws and regulations, there can be no assurance that each advertisement placed is in compliance with the relevant PRC laws and regulations or that the supporting documentation and government approvals provided by advertising clients are true and complete. Any failure to conduct such review may subject China Networks Media to governmental inspections or actions.

Governmental proceedings may harm China Networks Media's reputation and may divert significant amounts of management's time and other resources. It may be difficult and expensive to defend against such proceedings. There can be no assurance that China Networks Media would successfully defend such claims, and if it fails to do so it would have to bear the costs of all such actions as well as any fines imposed. In addition, some of its existing contracts with advertising clients do not provide China Networks Media with any indemnity from its clients for claims relating to advertising content. As a result of the foregoing, any governmental proceedings brought could have a material adverse effect on its business, financial condition and results of operations.

China Networks Media may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt its business and operations.

China Networks Media places advertisements provided by advertising clients on television. In doing so, it may employ information, software programs, technology or equipment supplied by other parties, to which such parties may not have intellectual property rights. Some of its existing contracts with advertising clients do not provide indemnity for any intellectual property infringement claims relating to the advertisements provided. China Networks Media cannot be certain that its operations or any aspects of its business do not or will not infringe upon patents, copyrights or other intellectual property rights held by third parties. Although China Networks Media is not aware of any such claims, it may become subject to legal proceedings and claims from time to time relating to the intellectual property rights of others. If China Networks Media is found to have violated the intellectual property rights of others, it:

- may be subject to liability for infringement activities or may be prohibited from using such intellectual property,
- may incur licensing fees or be forced to develop alternatives.
- may incur significant expenses, and
- may be forced to divert management's time and other resources from its business and operations to defend against these third-party infringement claims, regardless of their merits.

Successful infringement or licensing claims may result in significant monetary liabilities and may materially disrupt China Networks Media's business and operations by restricting or prohibiting the use of the intellectual property in question.

Foreign exchange regulations in the PRC may affect China Networks Media's ability to pay dividends in foreign currency or conduct other foreign exchange business.

Renminbi, or RMB, is not presently a freely convertible currency, and the restrictions on currency exchanges may limit China Networks Media's ability to use revenues generated in RMB or to make dividends or other payments in U.S. dollars. The PRC government, through the State Administration for Foreign Exchange (''SAFE''), regulates conversion of RMB into foreign currencies. Currently, foreign invested enterprises are required to apply for ''Foreign Exchange Registration Certificates'' and to renew those certificates annually. In addition, SAFE recently issued a new regulation, under which RMB converted from the registered capital shall only be utilized in accordance with the purposes approved by the relevant government authority (including the local SAFE). The local SAFE has the right to

- take appropriate remedial action,
- confiscate any illegal income and
- impose a fine in the event of a contravention of the new regulation.

In the event that China Networks Media is unable to convert the registered capital conveniently, this would restrict its ability to operate its foreign exchange business.

China Networks Media may have difficulty establishing adequate management, legal and financial controls in the PRC, which could result in misconduct and difficulty in complying with applicable laws and requirements.

As quasi-governmental businesses in the PRC, the networks comprising China Networks Media have not historically focused on establishing Western-style management and financial reporting concepts and practices, as well as modern banking, computer and other internal control systems. China Networks Media may have difficulty in hiring and retaining a sufficient number of qualified internal control employees to work in the PRC. As a result of these factors, China Networks Media may experience difficulty in establishing management, legal and financial controls, collecting financial data and preparing financial statements, books of account and corporate records and instituting business practices that meet Western standards, especially on the operation level of China Networks Media's joint ventures with municipal broadcast TV network operators.

Advertising clients periodically review and change their advertising or marketing models and strategies, and if China Networks Media fails to adapt quickly to such changes, it may be unable to attract advertisers and increase the demand for its services.

Advertising service contracts with clients are generally entered into on a short-term and non-exclusive basis. A client's decision to place its advertisements with China Networks Media is affected by a number of factors, including

- the desirability of time slots it offers on the relevant PRC TV Stations,
- the extent of television network coverage provided,
- the service packages and pricing structure offered and
- the client's perception of the effectiveness and quality of its services.

If China Networks Media fails to retain its existing clients or increase advertisers' awareness and utilization of its services, or to formulate attractive service packages and pricing structures to attract new clients, demand for its services will not grow and may even decrease. Advertisers might be unwilling to seek time slots from China Networks Media or to pay the levels of advertising fees it requires to generate profits, which could materially and adversely affect its ability to increase revenues and profitability.

China Networks Media depends on the services of key personnel, including Mr. Li Shuangqing, chairman and chief executive officer, and its business and growth prospects may be severely disrupted if it loses his services.

Mr. Li Shuangqing, chairman and chief executive officer of China Networks Media, has led the company since its establishment. The business and operations of China Networks Media depend to a significant extent on his business vision, industry expertise, experience with its business operations and management skills, as well as his relationships with television stations, many key clients and employees. China Networks Media does not maintain key-man life insurance for Mr. Li Shuangqing. If he becomes unable or unwilling to continue in his present position, it may not be possible to replace him in a timely manner or at all, which would have a material adverse effect on business and growth prospects of China Networks Media.

If China Networks Media fails to maintain an effective and adequate sales and marketing team, its sales and revenues could materially decrease.

China Networks Media depends on its sales personnel to increase advertisers' awareness, acceptance and utilization of its services, which are crucial to its revenues, business and growth. China Networks Media currently has 17 employees directly engaged in sales. Consistent with the industry norm, China Networks Media typically experiences a high turnover rate among sales personnel, and there can be no assurance that its current sales personnel will remain effective or loyal. China Networks Media faces intense competition for experienced sales personnel both from direct competitors and other advertising and media companies. Furthermore, China Networks Media will need to continue expanding its sales force if its business continues to grow. It may not be able to hire, retain, integrate or motivate an adequate number of qualified new sales personnel as it grows its business, which could disrupt its business and cause revenues to materially decrease.

Risks Relating to China Networks Media's Corporate Structure

China Networks Media exercises voting and economic control over Hetong pursuant to contractual agreements among the Hetong shareholders, the JV Tech Cos and ANT that may not be as effective as direct ownership.

As a result of the contractual agreements entered into between ANT and the shareholders of Hetong, ANT controls and is considered the primary beneficiary of Hetong, and is entitled to consolidate the financial results of Hetong, which includes Hetong's 50% economic interest in the financial results of Kunming Kaishi Advertising Co., Ltd. and Taiyuan Guangwang Hetong Advertising Co., Ltd. (collectively, the "JV Ad Cos"). While the terms of these contractual agreements are designed to minimize the operational impact of governmental regulation of the media, cultural and telecommunications industries in the PRC, and provide ANT with voting control and the economic interests associated with the stockholders' equity interest in Hetong, they are not accorded the same status at law as direct ownership of Hetong and may not be as effective in providing and maintaining control over Hetong as direct ownership. For example:

- ANT may not be able to take control of Hetong upon the occurrence of certain events, such as the imposition of statutory liens, judgments, court orders, death or incapacity.

- If the PRC government proposes new laws or amends current laws that are detrimental to the contractual agreements with Hetong, such changes may effectively eliminate China Networks Media's control over the Hetong and its ability to consolidate the JV Tech Cos and the JV Ad Cos.

- If the shareholders of Hetong fail to perform as required under those contractual agreements, ANT will have to rely on the PRC legal system to enforce those agreements and there is no guarantee that it will be successful in an enforcement action.

Furthermore, if China Networks Media, or ANT, were found to be in violation of any existing PRC laws or regulations, the relevant regulatory authorities would have broad discretion to deal with such violation, including, but not limited to the following:

- levying fines;

- confiscating income; and/or

- requiring a restructuring of ownership or operations.

The agreements that establish the structure for operating China Networks Media's business may result in the relevant PRC government regulators revoking or refusing to renew JV Tech Cos respective operating permits.

JV Tech Cos obtained exclusive operating rights by entering into exclusive cooperation agreements with PRC TV Stations who are 100% owned by different levels of branches of SARFT in Kunming and Taiyuan municipality. PRC TV Stations enjoy the right to provide broadcast television services in their territories. Any foreign-invested enterprise incorporated in the PRC is prohibited from conducting a business that involves the transmission of broadcast television or the provision of cable access services. China Networks Media's contractual arrangements with Hetong and its shareholders provide it with the economic benefits of the JV Ad Cos. If SARFT determines that its control over Hetong, or relationship with the JV Ad Cos through those contractual arrangements is contrary to their generally restrictive approach towards foreign participation in the PRC broadcast television industry, there can be no assurance that SARFT will not reconsider JV Ad Cos' eligibility to hold exclusive rights to provide advertising services to PRC TV Stations. If that were to happen, China Networks Media might have to discontinue all or a substantial portion of its business pending the approval of exclusive service and operating rights on the required operating permit held by PRC TV Stations. In addition, if China Networks Media is found to be in violation of any existing or future PRC laws or regulations, the relevant regulatory authorities, including the SARFT, would have broad discretion in dealing with such violation, including:

- levying fines,
- confiscating its income,
- revoking the business licenses or operating licenses of its PRC affiliates and PRC TV Stations,
- requiring China Networks Media to restructure the relevant ownership structure or operations, and
- requiring it to discontinue all or any portion of its operations.

Any of these actions could cause significant disruption to its business operations and may materially and adversely affect its business, financial condition and results of operations.

Risks Relating to the People's Republic of China

Adverse changes in economic policies of the PRC government could have a material adverse effect on the overall economic growth of the PRC, which could reduce the demand for China Networks Media's services and materially adversely affect its business.

All of China Networks Media's assets are located in and all of its revenue is sourced from the PRC. Accordingly, China Networks Media's business, financial condition, results of operations and prospects will be influenced to a significant degree by political, economic and social conditions in the PRC generally and by continued economic growth in the PRC as a whole.

The PRC economy differs from the economies of most developed countries in many respects, including the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the PRC government has implemented measures since the late 1970s emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in the PRC is still owned by the PRC government. In addition, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC government also exercises significant control over the PRC's economic growth through the allocation of resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies.

While the PRC economy has experienced significant growth over the past decade, growth has been uneven, both geographically and among various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy, but may also have a negative effect on China Networks Media. For example, China Networks Media's operating results and financial condition may be adversely affected by government control over capital investments or changes in tax regulations that are applicable to it.

Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to you and China Networks Media.

The PRC legal system is a civil law system based on written statutes. Unlike common law systems, it is a system in which legal decisions have limited value as precedents. In 1979, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past three decades has significantly increased the protections afforded to various forms of foreign or private-sector investment in the PRC. These laws and regulations change frequently, and their interpretation and enforcement involve uncertainties. For example, China Networks Media may have to resort to administrative and court proceedings to enforce the legal protections that it enjoys either by law or contract. However, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection China Networks Media enjoys than in more developed legal systems. These uncertainties may also impede China Networks Media’s ability to enforce the contracts it has entered into. As a result, these uncertainties could materially adversely affect China Networks Media’s business and operations.

Under the PRC’s Enterprise Income Tax Law, it is unclear whether CN Holdings and China Networks Media will be classified as “resident enterprises” or “non-resident enterprises” of China. Depending on the classification, there could be certain unfavorable tax consequences to CN Holdings and China Networks Media and their non-PRC shareholders.

On March 16, 2007, the National People’s Congress approved and promulgated a new tax law, the PRC Enterprise Income Tax Law, or “EIT Law,” which took effect on January 1, 2008. The EIT Law and its implementation rules are relatively recent developments in the PRC and are ambiguous in terms of definitions, requirements and procedures. There is also a dearth of published official guidance with respect to the EIT Law, which makes it difficult at this stage to determine how the PRC tax authorities will interpret the provisions of the law and its implementing rules with respect to certain of the tax matters addressed below.

Pursuant to the EIT Law and its implementation rules, enterprises established outside the PRC whose actual management or control is located in the PRC can be considered “resident enterprises” for purposes of the EIT Law. According to the implementation rules of the EIT Law, “management” generally refers to the person or body of persons that exercises substantial and overall management and control over the manufacturing and business-operations, personnel, accounting and properties of an enterprise. China Networks Media’s management is located in the PRC and is expected to remain located in the PRC in the future. Therefore, it is likely that China Networks Media and potentially CN Holdings could be considered “resident enterprises” by the PRC tax authorities. As indicated above, it is unclear as to how the PRC tax authorities will determine tax residency based on the facts of each case.

If the PRC tax authorities determine that CN Holdings or China Networks Media is a “resident enterprise” for purposes of the EIT Law:

- Such company would be subject to PRC enterprise income tax at a rate of 25 percent (the “EIT”) on its worldwide income;

- Such company would be liable for the EIT on dividends it receives from subsidiaries unless such company is a “qualifying resident enterprise” and the dividend it receives is attributable to direct investment in another “qualifying resident enterprise” that is paying the dividend (it is unclear whether CN Holdings or China Networks Media would qualify as a “qualifying resident enterprise” in light of uncertainties of interpretation and lack of official guidance);

- Such company may be required to withhold a 10 percent PRC withholding tax on dividends it pays to non-resident enterprise shareholders (subject to possible reduction under an applicable income tax treaty); and

- Gains derived by non-resident enterprise shareholders upon disposition of shares of such company may be subject to a 10 percent PRC withholding tax (subject to possible reduction under an applicable income tax treaty).

Non-PRC shareholders may be entitled to a foreign tax credit with respect to the PRC withholding tax referred to above against their domestic income tax liability (subject to applicable conditions and limitations). Because of the lack of clarity and the complexities in interpretation associated with potential PRC tax liabilities, each holder of our securities should consult their own tax advisors regarding the applicability of any such taxes, the effects of any applicable income tax treaties, and any available foreign tax credits.

If CN Holdings or China Networks is classified as a "non-resident enterprise" for purposes of the EIT Law, PRC-source dividends received by them may be subject to a 10 percent PRC withholding tax. Under the EIT Law and its implementing rules, a withholding tax at the rate of 10 percent will normally apply to PRC-source dividends payable to investors who are "non-resident enterprises" — defined as enterprises that do not have an establishment or place of business in the PRC or that have such an establishment or place of business but the relevant income is not effectively connected with such establishment or place of business. Such withholding tax may be exempted or reduced by the State Council of the PRC or pursuant to a tax treaty between the PRC and the jurisdiction in which the non-resident enterprise resides.

Similar PRC tax considerations to those discussed above may pertain to Advertising Networks Ltd., (which also may be subject to local jurisdiction tax obligations).

Risks Relating to the Redomestication Merger

Following consummation of the Redomestication Merger, Alyst will become a BVI company and, because the rights of shareholders under BVI law differ from those under U.S. law, you may have fewer protections as a shareholder.

Following the consummation of the Redomestication Merger, the resulting company's corporate affairs will be governed by its Amended and Restated Memorandum and Articles of Association, the BVI Business Companies Act, 2004 (as amended) of the British Virgin Islands (the ''Act'') and the common law of the British Virgin Islands. Forms of CN Holdings's Amended and Restated Memorandum and Articles of Association are attached hereto as Annexes C and D, respectively. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibility of the directors under BVI law are governed by the Act and the common law of the British Virgin Islands. The common law of the British Virgin Islands is derived in part from comparatively limited judicial precedent in the British Virgin Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the British Virgin Islands. The rights of shareholders and the fiduciary responsibilities of directors under BVI law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the British Virgin Islands has a less prescriptive body of securities laws as compared to the United States, and some states (such as Delaware) have more fully developed and judicially interpreted bodies of corporate law. The rights of minority shareholders are set forth below in the section entitled "The Redomestication Proposal – Rights of Minority Shareholders."

BVI companies may not be able to initiate shareholder derivative actions, thereby depriving shareholders of the ability to protect their interests.

BVI companies may not have standing to initiate a shareholder derivative action in a federal court of the United States. The circumstances in which any such action may be brought, and the procedures and defenses that may be available in respect to any such action, may result in the rights of shareholders of a BVI company being more limited than those of shareholders of a company organized in the United States. Accordingly, shareholders may have fewer alternatives available to them if they believe that corporate wrongdoing has occurred. The BVI courts are also unlikely to recognize or enforce against CN Holdings' judgments of courts in the United States based on certain liability provisions of U.S. securities law and to impose liabilities against it, in original actions brought in the British Virgin Islands, based on certain liability provisions of U.S. securities laws that are penal in nature.

Although there is no statutory enforcement in the British Virgin Islands of judgments obtained in the United States, the courts of the British Virgin Islands will recognize a foreign judgment as the basis for a claim at common law in the British Virgin Islands provided:

- the U.S. court issuing the judgment had jurisdiction in the matter and the company either submitted to such jurisdiction or was resident or carrying on business within such jurisdiction and was duly served with process;
- the judgment given by the U.S. court was not in respect of penalties, taxes, fines or similar fiscal or revenue obligations of the company;
- in obtaining judgment there was no fraud on the part of the person in whose favour judgment was given or on the part of the court;
- recognition or enforcement of the judgment in the BVI would not be contrary to public policy; and
- the proceedings pursuant to which judgment was obtained were not contrary to natural justice.

Under the laws of the British Virgin Islands, there are some statutory provisions for the protection of minority shareholders under the Act. The principal protection under the Act is that shareholders may bring an action to enforce the Amended and Restated Memorandum and Articles of Association of CN Holdings. The Act sets forth the procedure to bring such a claim. Shareholders are entitled to have the affairs of the company conducted in accordance with the general law and the Amended and Restated Memorandum and Articles of Association. Pursuant to CN Holdings' constitutional documents, the company is obliged to hold an annual general meeting and provide for the election of directors. Companies are not obligated to appoint an independent auditor and shareholders are not entitled to receive the audited financial statements of the company.

There are common law rights for the protection of shareholders that may be invoked. Such rights have also now been given a statutory basis under the Act. For further discussion of the rights of minority shareholders, see the section entitled "The Redomestication Proposal — Rights of Minority Shareholders." The Common law rights are largely dependent on English company law, since the common law of the British Virgin Islands for business companies is limited. Under the general rule pursuant to English company law, a court will generally refuse to interfere with the management of a company at the insistence of a minority of its shareholders who express dissatisfaction with the conduct of the company's affairs by the majority or the board of directors. However, every shareholder is entitled to have the affairs of the company conducted properly according to law and the constituent documents of the corporation. As such, if those who control the company have persistently disregarded the requirements of company law or the provisions of the company's memorandum or articles of association, then the courts will grant relief. Generally, the areas in which the courts will intervene are the following:

- an act complained of which is outside the scope of the authorized business or is illegal or not capable of ratification by the majority,
- acts that constitute fraud on the minority where the wrongdoers control the company,
- acts that infringe on the personal rights of the shareholders, such as the right to vote, and
- where the company has not complied with provisions requiring approval of a special or extraordinary majority of shareholders,

which are more limited than the rights afforded minority stockholders under the laws of many states in the United States.

Risks Relating to Tax Matters

There is a risk that CN Holdings could be treated as a U.S. domestic corporation for U.S. federal income tax purposes after the Redomestication Merger and Business Combination, which could result in significantly greater U.S. federal income tax liability to CN Holdings.

Section 7874(b) (‘‘Section 7874(b)’’) of the Internal Revenue Code of 1986, as amended, generally provides that a corporation organized outside the United States which acquires, directly or indirectly, pursuant to a plan or series of related transactions, substantially all of the assets of a corporation organized in the United States will be treated as a domestic corporation for U.S. federal income tax purposes if shareholders of the acquired corporation, by reason of owning shares of the acquired corporation, own at least 80% (of either the voting power or the value) of the stock of the acquiring corporation after the acquisition. If Section 7874(b) were to apply to the Redomestication Merger, then CN Holdings, as the surviving entity, would be subject to U.S. federal income tax on its worldwide taxable income following the Redomestication Merger and Business Combination as if CN Holdings were a domestic corporation.

Although it is anticipated that Section 7874(b) should not apply to treat CN Holdings as a domestic corporation for U.S. federal income tax purposes, due to the absence of complete guidance on how the rules of Section 7874(b) apply to the transactions contemplated by the Redomestication Merger and Business Combination, this result is not free from doubt. As a result, stockholders and warrant holders are urged to consult their own tax advisors on this issue. For a more detailed discussion of the foregoing, see “Material United States Federal Income Tax Considerations–U.S. Federal Income Tax Consequences of the Redomestication Merger–Tax Consequences to Alyst and CN Holdings.”

It is anticipated that Alyst will recognize gain (but not loss) for U.S. federal income tax purposes as a result of the Redomestication Merger, which may result in increased U.S. federal income tax liability to Alyst.

It is anticipated that for U.S. federal income tax purposes, as to each of its assets, Alyst should recognize gain (but not loss) realized as a result of the Redomestication Merger in an amount equal to the excess (if any) of the fair market value of such asset over such asset’s adjusted tax basis at the effective time of the Redomestication Merger. Since any such gain will be determined based on the value of its assets at that time, the amount of such gain (and any U.S. federal income tax liability to Alyst by reason of such gain) cannot be determined at this time. If, as expected, former shareholders of Alyst will, by reason of their ownership of Alyst shares, own at least 60 % (but less than 80 %) of the shares of CN Holdings following the Redomestication Merger and Business Combination, Alyst will not be permitted to use any net operating losses otherwise available to Alyst to offset such gain. Stockholders and warrant holders are urged to consult their own tax advisors on this tax issue and other tax issues in connection with the Redomestication Merger. For a more detailed discussion of the foregoing, see “Material United States Federal Income Tax Considerations–U.S. Federal Income Tax Consequences of the Redomestication Merger–Tax Consequences to Alyst and CN Holdings.”

There is a risk that CN Holdings will be classified as a passive foreign investment company, or ‘‘PFIC,’’ which could result in adverse U.S. federal income tax consequences to U.S. holders of ordinary shares or warrants of CN Holdings.

CN Holdings will be treated as a PFIC for any taxable year in which either (1) at least 75% of its gross income (looking through certain corporate subsidiaries) is passive income or (2) at least 50% of the average value of its assets (looking through certain corporate subsidiaries) produce, or are held for the production of, passive income. Passive income generally includes dividends, interest, rents, royalties, and gains from the disposition of passive assets. If CN Holdings were a PFIC for any taxable year during which a U.S. holder held its ordinary shares or warrants, the U.S. holder may be subject to increased U.S. federal income tax liability and may be subject to additional reporting requirements. The actual PFIC status of CN Holdings for any taxable year, however, will not be determinable until after the end of its taxable year, and accordingly there can be no assurance as to the status of CN Holdings as a PFIC for the current taxable year or any future taxable year. We urge U.S. holders to consult their own tax advisors regarding the possible application of the PFIC rules. For a more detailed discussion of the foregoing, see ‘‘Material United States Federal Income Tax Considerations–U.S. Federal Income Tax Consequences to U.S. Holders of Ordinary Shares and Warrants of CN Holdings–Passive Foreign Investment Company Rules.’’

The tax disclosure included as part of this Registration Statement expresses uncertainty as to certain tax issues and does not address all tax issues, including those that are dependent on future facts or events.

Due to the absence of complete guidance as to how the transactions contemplated by the Redomestication Merger and Business Combination and other transactions discussed in the tax disclosure would be treated for U.S. federal income tax purposes, there is a degree of uncertainty as stated in the tax disclosure with respect to the U.S. federal income tax consequences of certain of the tax matters considered therein. Moreover, certain tax matters that are discussed in the tax disclosure are dependent on future facts or events, such as whether CN Holdings will be classified as a PFIC for U.S. federal income tax purposes following the Redomestication Merger and Business Combination, and as to which no conclusion therefore can be expressed. Finally, no assurance can be given that positions contrary to those discussed in the tax disclosure may not be taken by the Internal Revenue Service (“IRS”) or a court considering the tax issues discussed in the tax disclosure. Accordingly, each stockholder and warrant holder is urged to consult its own tax advisor on the tax issues discussed in the tax disclosure and how they may relate to the holder’s particular circumstances. See “Material United States Federal Income Tax Considerations.”

Risks Relating to the Business Combination

Because CN Holdings is organized under the laws of the British Virgin Islands, it may be difficult to serve CN Holdings with legal process or enforce judgments against it, its directors or its management.

CN Holdings is organized under the laws of the British Virgin Islands. After the Business Combination, substantially all of its assets will be located outside of the United States, its principal executive offices will be located in China, and some of its directors and officers will reside outside the United States. As a result, it may be difficult or impossible for you to bring an action against CN Holdings or against its directors or its management in the United States if you believe that your rights have been infringed under securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the British Virgin Islands and of other jurisdictions, including China, may prevent or restrict you from enforcing, or make it difficult to enforce, a judgment against CN Holdings’ assets or its directors and officers.

The price of CN Holdings' ordinary shares after the Business Combination may be volatile.

The price of CN Holdings' ordinary shares after the Business Combination may be volatile, and may fluctuate due to factors such as:

- actual or anticipated fluctuations in quarterly and annual results;
- limited operating history;
- mergers and strategic alliances in the television industry in China;