Baoshinn Corp. (OTCBB: BHNN)

Positive

Volatility Risk: High
Analyst: Waheed Hassan, CFA

Date: February 18, 2014
24-month target price: $2.6/share

Investment Summary
Outstanding, highly sought-after content brings with it great marketing opportunity and profit potential. With Syndicore Asia Limited’s (“SAL” or “Syndicore”) – a wholly owned subsidiary of Baoshinn (“Baoshinn” or “Company”) – ownership of transferrable rights for the use, reproduction, storage, display, and transmission of premium SendToNews.com (“STN”) sports content, the Company is in possession of an incredibly valuable conduit for advertising, marketing, merchandising, sponsorship, and syndication traffic. SAL has uniquely position itself to profit from the growing trends toward:

- Online video content consumption,
- The rise of sports popularity in Asia,
- The rapid migration to mobile consumption technology platforms, and
- The exploding demographics in the Asia Pacific region.

We believe Asia’s developing media landscape presents the next big opportunity for content owners and distributors. Finding the right balance of content type, sport market growth, video delivery system, and Ad & Sponsorship development is the key to riches in this new media age. Syndicore is aligning all of these variables in a perfected business model that could be the envy of the sports advertising world for years to come.

Through its exclusive licensing partnership with cloud-based multi-media leader, SendToNews.com, Syndicore is now the owner of transferable rights and the sole distributor of highly coveted North American and European based sports video content into the entire Asia Pacific marketplace, which includes nations like China, India, Japan, Indonesia, South Korea, and the Philippines.

Over next 12-months, Syndicore plans to license exclusive third party rights to tier one sports leagues such as the NBA, MLB, PGA & LPGA, NASCAR, and others, and begin acquiring its own rights directly with international and local content partners seeking exposure through SAL’s growing digital network of sought after publishers.

Creation of content from China and the Asia Pacific region; availability of local and international previously unavailable content should drive Syndicore’s growth. Syndicore would also benefit by leveraging SendtoNews tremendous relationships and distribution partnerships, to access major....
Chinese sporting syndication content for distribution across the globe using SendtoNews proprietary platform and marketing media.

We believe, the Company has positioned itself to become a leading player in the aggregation of Asian sports content for distribution to tens of thousands of news organizations throughout the Asia region.

PLEASE SEE RISK FACTORS ON PAGE 18 & DISCLOSURES AT THE END OF THIS PAID FOR REPORT
Baoshinn Corporation (BHNN)

**Company Background**

Baoshinn Corporation (“Baoshinn” or “Company”) was incorporated under the laws of the State of Nevada on September 9, 2005, under the name of JML Holdings, Inc. The Company was formed as a “blind pool” or “blank check” company whose business plan was to seek to acquire a business opportunity through completion of a merger, exchange of stock, or other similar type of transaction. In March 2006, Baoshinn consummated a merger transaction with Bao Shinn International Express (“BSIE”) - a privately held Hong Kong corporation. BSIE was established in 2002 to offer extended travel services primarily focused on wholesale businesses and corporate clients. It operated as ticket consolidator for several airlines, including Thai Airways, Eva Airways, Dragon Air, Air China, China Southern Airlines, China Eastern Airlines, HongKong Airlines & HongKong Express. The BSIE business has since been divested.

On March 4, 2013 Baoshinn acquired all the outstanding stock of Olive Oils Direct International, Inc. (“OODI”), a corporation formed under the laws of the State of Wyoming. OODI, a wholly-owned subsidiary of Baoshinn, is a development-stage company that plans to develop and operate a retail internet website specializing in gourmet Italian food products. OODI is currently developing an e-commerce website by the name of www.OliveOilsDirect.com that will sell products inventoried by OliveOilsDirect.com and other products offered by other large well-established retailers.

**Business Transformation**

On April 23, 2013, Baoshinn incorporated a subsidiary company in Hong Kong under the name Syndicore Asia Limited (“SAL”). On December 15, 2013, the Company through SAL entered into a Distribution Agreement (the “Distribution Agreement”) with SendtoNews Video, Inc. (“STN”). STN is the content provider for various worldwide sporting events.

Under the terms of the Distribution Agreement, SAL was granted an exclusive license to use, modify, edit, reproduce, distribute, feed, store, communicate, display, and transmit STN’s content in the Asia Pacific Territory (the “Content”). This includes all content that is available for distribution in the region through STN’s feeds, and also includes STN’s global rights to video highlights for online distribution for both the National Association for Stock Car Auto Racing (“NASCAR”) and the Ladies Professional Golf Association (“LPGA”).

STN will also provide ongoing assistance to SAL with regard to technical, administrative, and service-orientated issues relating to the delivery, utilization, transmission, storage and maintenance of the Content. As part of the Distribution Agreement, the parties will share advertising revenue earned from the display of the Content.

The Asia Pacific Region covered under the agreement includes 60 different territories, with some of the major countries being Japan, South Korea, People’s Republic of China, Taiwan, and India.

Subsequent to the original agreement, on January 20, 2014, the parties entered into a revised Distribution Agreement whereby STN has agreed to provide SAL transferrable rights for the use, reproduction, storage, display, and transmission of certain content subject to pre-approval in writing from STN. In addition, the revised Distribution Agreement includes changes to the revenue sharing terms, and adds a share of advertising revenue directly resulting from aggregated content by SAL within the territory.
Investment Highlights

- **Promising demographics leading to increased ad spending:** The Asia Pacific region, with 3.94 Billion people (55% of total world population) is massive in size, and is a market starving for fresh sports content and entertainment. The region’s large population base coupled with comparatively higher economic growth rate makes it one of the fastest growing markets for ad spending. McKinsey & Company estimate ad spend to grow at a CAGR of 9.4% for the Asia Pacific region during 2012-2017 as compared to 4.8% for North America and an even slower 2.8% for Western Europe.

  *Through exclusive licenses and media partnerships, we believe SAL is uniquely positioned to leverage its' unique and valuable portfolio of digital video content, and a world-renowned network of aggregators and distributors of digital video material.*

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<td>Middle East/Africa</td>
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<td>8,765</td>
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<td>8,904</td>
<td>9,538</td>
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<td>123,641</td>
<td>109,523</td>
<td>117,468</td>
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<td>121,022</td>
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<td>127,904</td>
<td>133,475</td>
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<td>21,300</td>
<td>38,664</td>
<td>43,733</td>
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<td>Total</td>
<td>420,096</td>
<td>416,054</td>
<td>376,475</td>
<td>408,052</td>
<td>427,273</td>
<td>450,701</td>
<td>473,168</td>
<td>508,837</td>
<td>538,026</td>
<td>560,530</td>
<td>616,684</td>
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- **Focus on growing Asia Pacific ad market:** Asian markets are just beginning to catch up with the Western world in terms of online media consumption. The region hosts 1.2 billion internet users (up 108% from 583 million in 2008). China alone is adding a new web user every 1.6 seconds. This area of the world is enormously promising in terms of content delivery, and thus advertising consumption.

According to McKinsey Quarterly (dated June 2013)\(^1\), China already is the world’s third-largest advertising market, and it is poised nearly to double, reaching more than $70 billion by 2016. In China—as in the world’s two biggest ad markets, the United States and Japan—television remains the largest single category (roughly 40 percent) of ad spending. More importantly, China’s share of internet based advertisement spend is expected to grow much faster than other mediums. **Considering SAL is primarily focused on online media, we believe the Company should benefit from future growth in online/mobile device advertisements.**

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Moreover, the Asia Pacific region is estimated to have nearly 740 million smart phone operators, up from a mere 86 million in 2008, and nearly 5x the 152 million being used in North America. A majority of new internet users in the region have their first online experience on a mobile device—skipping layers of technology history of the West.

China alone sports 460 million mobile internet users, and mobile web access actually passed desktop access for the first time in 2013. Mobile platforms are clearly the new paradigm and all future content distribution and accompanying advertising will need to be tailored accordingly. Not surprisingly, mobile internet Ad spending in the Asia Pacific territory has exploded in the past few years to $4.14 Billion, up 53% from 2012, and an incredible 450% since 2008. More specifically, according to Enfodesk, online video advertising revenue in China alone reached 3.25 billion Yuan (USD 530 million) in Q3 2013, 13% more than Q2 2013, and 23.1% greater than year ago figures.

**Syndicore is engineering its proprietary interactive Mobile App for smart phone and tablet use. This showcase platform will be available in FY14, and will be the Company’s pipeline into the mobile content world.**
Sports advertisement is likely to maintain growth: SAL is likely to not only benefit from favorable demographics in the Asia Pacific market, but also from its focus on the sports segment. PWC estimates global sports market revenue to grow to approx. $145 Billion by 2015. The Asia Pacific market, which accounted for approx. 19% of global sports revenue in 2010, is expected to grow at a CAGR of 3.9% during 2011-2015.

PWC estimates the sports market in China and India to exceed $5 Billion by 2015. We believe SAL would benefit from having exclusive distribution rights in both these markets.

Global sports market by region* (US$ Millions)

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<tr>
<td>Global revenues</td>
<td>107,516</td>
<td>111,934</td>
<td>120,760</td>
<td>112,489</td>
<td>121,381</td>
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<td>129,629</td>
<td>130,164</td>
<td>146,468</td>
<td>145,341</td>
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<tr>
<td>% Change</td>
<td>12.1</td>
<td>4.1</td>
<td>7.9</td>
<td>(6.8)</td>
<td>7.9</td>
<td>(2.2)</td>
<td>9.5</td>
<td>0.2</td>
<td>12.5</td>
<td>(0.8)</td>
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* At 2010 average exchange rates
* PwC estimates
Source: PricewaterhouseCoopers LLP, Wilchinsky Gruen Associates

Global revenues split by region 2010

- Latin America: 5%
- Asia Pacific: 15%
- North America: 41%
- EMEA: 34%

Considering the strong expected growth in sports marketing, SAL’s access to widening array of global sports content, and the delivery of it to a growing, captive, content hungry audience, brings with it enormous opportunity for targeted sponsorship, syndication, merchandising, and advertising dollars.

Partnership with SAL provides leagues and teams with an opportunity to leverage their sports highlights and other video content into a new secondary revenue streams - reaching new audiences and increasing viewership, whether through television, online or mobile.

- **Video content consumption promises massive growth potential:** Video is rapidly becoming the most popular means of consuming sports coverage and media content. Video promotion is over 6 times more effective than print and online advertising in generating lasting memories, and actionable ad responsiveness.

The migration from print to video can be seen on almost every news and sporting site on the web. An astonishing 370 million Chinese citizens, for instance, viewed video content in 2013. Much of this is Sports media content, which lends itself well to the medium of Video.

Moreover, the average Asian consumer spends four hours a week watching online video content such as movies, TV, and increasingly - live sports. Astonishing, this is double the time spent by US users. When you factor that China alone has a population over 4x the size of the US – the math is clear. Syndicore’s target audience is much more obsessed with mobile devices and online content consumption than their peers throughout the world.

**SAL is well positioned to capitalize from increasing demand for video content, especially online content. By providing access to vast content resources to viewers’ desktop, tablet, or mobile smart phone, Syndicore’s end consumers can browse any content of interest and in many cases view material before it even hits traditional and online news outlets.**

**The Advantages of Video as a Delivery System**
Syndicore’s core business model is video content delivery, and the melding of targeted advertising, merchandising, and sponsorship programs with their proprietary sports content. The power of Video is undeniable. Consider these statistics:

- 80% of global Internet users recall watching a video advertisement on a website they visited in the past 30 days; 46% indicate they took some action after viewing the ad.
90% of information transmitted to the brain is visual, and visual images are processed 60,000x faster in the brain than text.

Tech giant Cisco expects video to account for 57% of consumer Internet traffic by 2015, nearly four times as much as regular web browsing and email usage.

Dr. James McQuivey of renowned Forrester Research believes a minute of video is worth up to 1.8 million words.

Online video consumption continues to surge, and has recently outpaced TV consumption according to Nielsen.

Mobile Delivery Platform
The use of mobile devices to access online content has been growing at an exponential rate since the middle of the last decade. The number of Internet users worldwide topped 2.4 Billion in 2013, with 1.2 Billion in the Asia Pacific region alone. A growing number of those are accessing the web via mobile devices.

Take China for example - a core market for SAL.

The number of Internet users in China increased 10% year-over-year just in 2013, to reach an astonishing 590 million. That number is up from only 22.5 million in 2000. A 20% rise in the number of individuals accessing the web on smart-phones is the primary driver of recent growth, and should continue to be so for at least the next decade. By 2015, more than 700 million Internet users in China are expected to watch video content online – a significant portion of those via mobile browsing devices.

Growing mobile internet penetration throughout SAL’s Asia Pacific marketplace will greatly assist advertisers, and marketers in targeting very specific consumer groups- the ultimate goal of efficient advertising.

Sports Viewership is migrating to Digital Platforms
Sports leagues and broadcasters are streaming an ever-larger portion of their content on broadband and mobile channels, and consumers are responding by tuning in on multiple screens.

According to a report from Sporting News Media, Kantar Media Sports and TV Sports Markets - In 2013, 63% of all sports fans went online to consume sports content, 35% used mobile devices to do it, and 25% used social network platforms. This content included live game streams, archived streams, highlight clips, scores, news, interviews, fantasy league updates, and various other content – exactly the sort of content that Syndicore is in possession of through their exclusive rights and licensing agreements.

Hence, partnership with Syndicore, and distribution of its content help web sites, social media platforms, and digital distributors increase ‘Stickiness’ – the holy grail of the internet.

By utilizing the Company's in-program advertising infrastructure, brands are provided the opportunity to generate thousands, if not, millions of new views, hit, or impressions - while sharing in secondary marketing revenue streams.

Syndicore’s synergies with a growing mobile device ecosystem, aligns well with video content distribution and consumption – making Syndicore all the more attractive as a content partner.
Sponsorship & Content Licensing – There are undeniable signs of globalization in the sports market emerging every day. For example, the NFL and NBA host regular games in London. The Brazilian soccer team plays many of its matches in Europe. Asia and Middle Eastern markets now account for 7 of the 19 races on the Formula One Racing calendar, compared to just 2 in Asia and none in the Middle East a mere decade ago.

Sponsors are parceling up the world by signing up deals focused on specific overseas markets, such as Telekom Malaysia’s recently announced licensing agreement with the English FA (soccer). The NBA, PGA, LPGA, FIFA, all perform exhibition games throughout Asia, and are consistently playing to sold out stadiums. Syndicore now controls this type of valuable, sought after content, and with it the pipeline to huge licensing and sponsorship dollars.

The marketing pendulum swings both ways - For the first time in history, a Chinese company has waded into the sport of NASCAR, a wildly popular, yet uniquely American sport. Sany Heavy Industry Co, which has designs on displacing Illinois-based Caterpillar Inc. as the world leader in manufacturing of industrial equipment, is now the major sponsor of the famed #7 Chevrolet SS car in the NASCAR Sprint Cup Series. This serves as a high-profile example of the worldwide sponsorship Chinese companies are now seeking in overseas markets.

Syndicore is uniquely positioned to assist such Asian corporate enterprises in their pursuit of Branding, and name recognition.

Sponsorship in Western nations

Asian sports syndication will equate to big dollars
As noted above, the sports marketing industry in the Pacific Rim is beginning to boom, and the market for syndication of significant sporting events is expanding exponentially. Syndicore – with its sports video content driven advertising network now firmly established - is in a unique position to capitalize. Their platform is an excellent one for sports organizations and corporate brands to partner with.

In particular, China is a sports-obsessed nation. An astonishing 80% (source?) of the Chinese population currently watches sports on television. However, the trend toward online consumption is undeniable and gaining momentum. Increasingly, more individuals are
watching over the Internet and on their mobile devices. *This plays directly into Syndicore’s core competency - Mobile, streaming on-line video content – and the advertising that accompanies it.*

Additionally, China is now the number one country in the world for hosting major world sporting events. In fact, China has recently captured the number one position in Sportcal's Global Sports Nations Index for 2013.

**Asian Athletes Drive Exposure**
The rise of Sports prominence in the Asia Pacific region has been accompanied by a significant increase in the number of Asian superstars. Outstanding athletes draw the attention of the populous to their sport, providing inspiration to millions to either take up the chosen sport in youth, or simply become an avid fan.

Recent examples of great success on the world stage include:

- Tennis superstar Li Na is currently ranked number 4 in the world, and has won 8 WTA and 19 ITF singles titles.

- Young golfing sensation Guan Tianlang, recently became the youngest player in history to make the cut on the PGA Tour, and followed by playing in the 2013 Masters.
Asian soccer is rapidly catching up with the rest of the world. Viewership of Asian Football Conference (AFC) Champions League experienced a year-over-year increase of 53 percent in 2012. Increases in sponsorship dollars, and enhanced branding are sure to follow.

Chinese basketball superstar Yao Ming became extremely popular in the NBA. In doing so, he helped elevate the status of the sport in his home country.

Basketball might, in fact, be the most ripe for explosive growth in the coming few years in China. With an estimated fan base of over 450 million, China’s basketball market has shown huge potential to become the biggest in the world.

Today, the CBA is the most popular domestic sports program in China. Its ratings outstrip all other indigenous sports programs, including football (soccer.)

The number of sponsors for the CBA and its newly launched All-Star game has more than tripled from five to 17 in just three short years. Sponsors include international brands like Nike, UPS, and Tissot, as well as Chinese companies like China Mobile, Anta and TCL.

International Track and field Superstar Liu Xiang, one of the faces of the Beijing Olympics, garnered an estimate $2 million per endorsement fee from the likes of Nike, Coke, Cadillac, China Mobile and Visa. His success has helped elevate the sport of Track & Field on the continent.

International sporting events are coming to the continent at a more frequent clip - following the lead of the 2008 Beijing Olympics.
China’s Feng Shanshan eagled the par-five 18th hole for a one-stroke victory in the 2013 Reignwood Classic, the first LPGA’s event ever held in Beijing.
Disruptive Business Model - Altering the Landscape of the New Media Paradigm

Content Aggregators & Creators
Syndicore facilitates the aggregation of top quality video sporting content – through its own networks and 3rd party collectors. Its proprietary architecture allows content creators to distribute HD material more efficiently and cost-effectively to news outlets around the globe, bringing more high quality content to a greater audience.

News Organizations
Syndicore helps news outlets in a number of important ways. The company provides an intuitive, easy-to-use, state-of-the-art SAAS (software as a service) platform that is constantly being updated with new features, system functions and performance improvements. With it, news partners gain access to broadcast quality, professionally-produced sporting content and game highlights for both professional and amateur sports teams and leagues, coverage of world-class sporting events, fan interest stories and 3rd party content with viral potential.

Syndicore has the advertising platform and technical resources to maximize news distributor’s sports video content coverage, and distribution, helping reshape the content landscape in the process.
Adverting Customers
Making a media buy with Syndicore gets a company’s brand in front of potentially millions of traditional broadcast, as well as into digital sports news segments in broadcast, print, and radio web properties. The company’s platform and distribution network help organizations reach mass audiences on a national, local & hyper-local level.

Equitable Sharing Among Partners
Syndicore’s payout format is structured so that all parties win. On average 20% of revenues are returned to the sport organization, team or league that has produced or provided content, 40% is retained by Syndicore, while the remaining 40% is obtained by SAL’s news partners.
Business Strategy – for next 12 months

Syndicore’s primary focus for the coming year will be:

1. expansion of the Company’s Advertising and Sponsorship,
2. monetization of their proprietary media content, and
3. content rights acquisition.

Management would likely continue to build out its distribution network to digital newsrooms, and other content distributors. Viewership of SAL’s proprietary content is key to driving advertising sales, and facilitating merchandising, and syndication business - In short, driving revenues.

Financial/Revenue Model

Syndicore generates revenues from a number of different avenues. All are content driven, all are high margin, all are targeted in nature, and all have significant upside potential in an economic region with 3.9 Billion people, and increasing economic stature and buying power.

The Revenue Model

1. SAL sells targeted Advertising space:
   a. to companies whose products align with sports entertainment demographics.
   b. to companies looking to grow the user bases of their online platforms.
   c. to fellow Media firms such as Facebook – companies interested in growing their participation bases.
2. The Company earns revenue from the sale of content to News distributors and online media outlets.
3. ‘Free’ content is paid for by ‘click through’ traffic.
4. Branding and Merchandising revenues from sports organizations, teams, and players.
5. Marketing relationships generate revenue by securing licensing contracts with corporations and sports organizations.
6. From Syndication of valued sports content to News organizations and On-line outlets throughout the Asia Pacific region.
7. Sponsorship revenues from sports related enterprises.

SAL’s agreement with STN stipulates the following 2014 year-end run rate target:

- Minimum Monthly Digital Impressions – 20,000,000
- Obtain an Average Digital CPM - $25.00
- Obtain an Average Broadcast CPM - $12.50
- Achieve Advertisement Sales ramp up run rate - $300,000

SAL plans to have a network with a minimum 10 million monthly video views within the next 12 months of operation, while generating an average CPM of $16 through its advertising network.

As forecasted by SAL’s leading licensing partner, each $1-2 million in Content Deals equates to approximately $10 million in revenue.

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Baoshinn Corporation (BHNN)

The expected revenue stream could begin to materialize by 4Q 2014, and account for a sizable portion of revenue growth in the coming 8-12 quarters.

These projections do not account for:

- The sizable potential revenues derived from Asian content delivered through the company’s network back into the Americas and other Western nations,
- The potentially enormous value in the proprietary technology platform and Network of content experts.

**Valuation Model**

Considering Syndicore is in startup stage, we used comparable Price/Sales multiple metric to estimate target price. Our comparable universe comprises of mainstream media and content aggregators. That said, given SAL’s focus on rapidly growing Asia Pacific mobile/online growth market, we believe that it should trade at a valuation premium to the traditional media peers. As such, for valuation purpose we used the Price/Sales multiple for select content aggregators.

Additionally, our valuation analysis is premised on the following assumptions:

- Monthly digital impressions as per STN agreement will increase at the same rate as the internet growth for China over next two years (please see Share of annual advertising spending by channel chart on page 4).
- Average digital CPM per STN agreement will remain unchanged over next two years.
- BHNN will trade at the current median Price/Sales multiple for its peers by end FY16.

**Valuation Analysis**

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<th>China’s share of annual advertising spending by channel</th>
<th>2012</th>
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<td>Total advertising spend</td>
<td>39</td>
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<tr>
<td>Share of internet</td>
<td>24%</td>
<td>29%</td>
<td>33%</td>
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<td>Total internet spend</td>
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<td>% growth in internet ad spend</td>
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**Valuation Analysis**

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<th>(average)</th>
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<td>20,000,000</td>
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<td>Avg. digital CPM (per’000) per STN agreement</td>
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<td>$750,000</td>
<td>$562,500</td>
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<td>$6,750,000</td>
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<td>Comparable Price/Sales multiple - Content aggregator peers only (median)</td>
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<td>6.0x</td>
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<td>Expected Enterprise Value</td>
<td>$27,115,337</td>
<td>$54,230,674</td>
<td>$40,673,005</td>
<td>$56,605,232</td>
</tr>
<tr>
<td>Estimated Target Price per Share</td>
<td>$1.27 per share</td>
<td>$2.54 per share</td>
<td>$1.90 per share</td>
<td>$2.65 per share</td>
</tr>
</tbody>
</table>
### Comparable Peer Multiples

<table>
<thead>
<tr>
<th>Name</th>
<th>Ticker</th>
<th>Price/Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yahoo! Inc.</td>
<td>YHOO-US</td>
<td>8.15x</td>
</tr>
<tr>
<td>Netflix, Inc.</td>
<td>NFLX-US</td>
<td>6.03x</td>
</tr>
<tr>
<td>Angie’s List, Inc.</td>
<td>ANGI-US</td>
<td>4.57x</td>
</tr>
<tr>
<td>AMC Networks Inc. Class A</td>
<td>AMCX-US</td>
<td>3.04x</td>
</tr>
<tr>
<td>CBS Corporation Class B</td>
<td>CBS-US</td>
<td>2.48x</td>
</tr>
<tr>
<td>Walt Disney Company</td>
<td>DIS-US</td>
<td>3.05x</td>
</tr>
<tr>
<td>Twenty-First Century Fox, Inc. Class A</td>
<td>FOXA-US</td>
<td>2.24x</td>
</tr>
<tr>
<td>Madison Square Garden Company Class A</td>
<td>MSG-US</td>
<td>3.04x</td>
</tr>
<tr>
<td>News Corporation Class A</td>
<td>NWSA-US</td>
<td>1.14x</td>
</tr>
<tr>
<td>Scripps Networks Interactive, Inc. Class A</td>
<td>SNI-US</td>
<td>4.55x</td>
</tr>
<tr>
<td>Time Warner Inc.</td>
<td>TWX-US</td>
<td>2.04x</td>
</tr>
<tr>
<td>Viacom Inc. Class B</td>
<td>VIAB-US</td>
<td>2.72x</td>
</tr>
<tr>
<td>Perform Group PLC</td>
<td>PER-GB</td>
<td>3.21x</td>
</tr>
<tr>
<td>Pandora Media, Inc.</td>
<td>P-US</td>
<td>10.78x</td>
</tr>
</tbody>
</table>

**All peers (content aggregators + media)**

- Average: 4.07x
- Median: 3.04x

**Select Content aggregator peers only (Pandora, Angie's List, Netflix, Peform Group and Yahoo)**

- Average: 6.55x
- Median: 6.03x

Source: Factset
Management
The executive team at Syndicore is well qualified to promote and manage the Company’s growth in the Asia Pacific region. With core competencies in the media, technology, and financial arenas, the management structure of the company is equipped to drive the Syndicore’s future success. Every member of the executive staff has experience and roots in the Asian region, and therefore possesses the vast knowledge and understanding of the business and marketing climate within what will be the focal point of the company’s growth for years to come.

Risk: Baoshinn is a high-risk investment. The Company has limited operating history and has not generated material level of revenue or profit since its inception. The Company has limited working capital which may be insufficient to execute the current business plan. The company may need equity or debt injection to sustain operations and undertake operations, which could be potentially dilutive for shareholders. Investors need to be careful about the liquidity risk in Baoshinn’s shares. Baoshinn share price is also subject to high volatility. Investors should read all the risk factors mentioned in Baoshinn’s SEC filings prior to making investment decision.

Going Concern Risk: According to the latest available 10Q (for period ending 30 Sept. 2013), the Company incurred a loss of $126,286 for the period from April 15, 2011 (date of inception), to September 30, 2013. It has not generated any revenues and no revenues are anticipated until we begin selling inventoried products. These conditions raise substantial doubt as to the Company’s ability to continue as a going concern.

Disclaimer
Waheed Hassan is a Chartered Financial Analyst®
Mr. Hassan has worked as a Senior Research analyst with Indosuez W.I. Carr Securities, UBS Warburg, and an affiliate of Merrill Lynch. He was rated amongst #1 Financial Sector research analysts in The Reuters Survey of Global Emerging Markets 1998. Similarly, he was a member of the #1 rated research team according to The Reuters Survey of Global Emerging Markets 1999 and Euromoney Awards for Excellence 2000. He is a member of AIMR, and got his MBA with Beta Gamma Sigma honor membership from Vanderbilt University.

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Advent Financial received $11,000 from an unaffiliated third party to write this report on Baoshinn Corp.

The analyst hereby certifies that he does not own any share in Baoshinn Corp.

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