
Date: June 15, July 8, Aug8-10, 2011

Company: Emedia (EMM)

Buy/Sell: Buy

Price: 0.06

Industry: music

Shares OS: 21 million

Reason: Waiting for the acquisition to be finalized in the next couple of weeks. Even if the acquisition doesn't go through the company is trading at an excellent valuation and the announced acquisition shows a fundamental shift of management towards growing by acquisition. This is significant and fits nicely with EMM extremely high gross profit margins that currently pay all fixed expenses and still leave \$200,000 in profit for shareholders. If they can add another million to their top line revenue with an acquisition I think the company profits will increase to around \$500,000. Not bad for a company with a market cap of less than 1.5 million.

Date: June 20, 2011

Company: Zungui Haixi (ZUN)

Buy/Sell: Buy

Price: 1.90

Industry: retailer

Shares OS: 62 million

Reason: Hoping that continued weakness will push the price down a bit further. Great value at this level.

Date: June 9, 2011

Company: Zungui Haixi (ZUN)

Buy/Sell: Buy

Price: 2.11

Industry: retailer

Shares OS: 62 million

Reason: Valuation is getting too low to ignore. Recent negative reaction to TRE has brought many of the junior china players down. Take advantage while the market is weak.

Date: May 17-18, 2011

Company: Emedia (EMM)

Buy/Sell: Buy

Price: 0.065

Industry: music

Shares OS: 21 million

Reason: It is the largest holding in my own portfolio. I bought it last year during the contest and I think it is one of the best valued companies given the current fundamentals. The company should post at least 2 cents per share in earnings over the next 12 months. Given a conservative multiple of 6-8 times and we could see 12-18 cents per share by year end. At 6 cents the company is worth only 1.3 million and they have cash in the bank of another \$200,000. There should be enough cash in the bank over the next 3 years to buy the entire company with it's own money. The revenue stream is all recurring revenue since it's main business is selling background music at a cost of 40-50 per month - mostly to retail chains. It is unlikely that a tough economy will lead to any kind of cutbacks in services since it's only 40-50 per month. The company was a chronic loser for the first 5 years with much of the seed capital raised at around 25 cents per share. Given the subscription fee for service it shouldn't b...

Date: Jan 18-27, Feb 4, 2011

Company: Emedia (EMM)

Buy/Sell: Buy

Price: 0.045

Industry: music

Shares OS: 20 million

Reason: The price on this company has begun to firm up and the company is continuing to expand. Essentially the company is trading at around 4-5 times trailing earnings in a part of the market that just isn't followed by most of the public. The company is a steal at these prices with the potential of doubling income in the next 12 months. At this level and with the current corporate structure the company could be considered a good take over target since it could easily be taken over by a competitor at double the price and payback on the entire transaction would likely take about 4 years. Or the company may go private since it doesn't really make a lot of sense for a company like this to be public - they don't need money for expansion and the company has a nice recurring revenue stream to build on.