

# ***"The Chinese Government Just Blocked This China Stock's Competition..."***

***Great news for investors and how you can profit...***



Dear Investor,

This is the kind of news I love giving investors:

*"The Chinese government has blocked further competition from entering the booming gaming industry in Macau. (Macau brings in the most gambling revenue in the world – even more than Las Vegas.) No new licenses are being issued and the allocation for the construction of new casinos has been frozen."*

That's obviously unbelievably good news for the companies that have an existing license. One of these companies owns the busiest casino in world, located in the heart of Macau.

Net revenue for this jewel, during the first quarter of 2008 was \$482.9 million, up from \$179.8 million in the fourth quarter of 2007.

**That's a 267% jump!**

Research from our analysis team showed this revenue increase was driven almost entirely by the substantial improvement in the operating performance of their casino and resort complex.

And now that the path is clear of competition, they are expanding their successful model. Phase one of the project will open in March 2009.

Reports predict a "must-see integrated urban entertainment resort that will combine entertainment, stylish nightclubs, an array of accommodation options (2200 guest rooms), top-notch dining, world-class shopping as well as a spacious and contemporary casino."

The company also has ambitious plans for a yet-to-be-named hotel-casino complex on the prime real estate of the Macau peninsula.

The financial ramifications of this stock are colossal. After exhaustive research by my independent team of analysts stationed in China, and careful measurement of verifiable

metrics...I am currently recommending this stock as a “BUY”.

I'll give you some more details on this stock in a moment. First, let me tell you who I am.

My name is Jim Trippon.

I'm the editor of *China Stock Digest* – the #1 rated and most successful China stock advisory newsletter in the U.S. and the #2 investment newsletter among *all* categories (rated by Dow Jones and the authoritative Hulbert Financial Digest).

I've also been a CPA at Price Waterhouse; appear frequently on major media such as CNN, CNBC, FOX News, First Business, Women's World, and CBS Market Watch. I serve as a personal investment advisor to some of America's wealthiest families, private trusts, and charitable foundations.

My latest book, “*Becoming Your Own China Stock Guru – The Ultimate Investor’s Guide to Profiting from China’s Economic Boom,*” is currently on shelves at major bookstores.

For the past 15 years I have been building solid relationships with senior executives, university researchers, and government officials all over China.

I maintain a permanent staff of financial analysts (the largest independent equity research team in China) stationed 24/7 in Hong Kong and Shanghai.

I am constantly in possession of information regarding government policy and economic opportunity long before it becomes public knowledge in the West.

This information has made many of my subscriber’s gains as high as 200% (numerous times!) since *China Stock Digest* was first published.

Last year, *China Stock Digest* delivered 58% overall gains for our readers.

This is **safe** and **profitable** investment in the most significant financial opportunity since the emergence of the U.S. as an industrial power

There is nothing mysterious about investing in China. But you are right to be cautious. China has a chaotic and tragic past. Just 30 years ago China was a poor and destitute nation.

The year was 1978. The leader of China’s Marxist Leninist communist economy, Deng Xiaoping announced that the powers in Beijing had decided to scrap communism and instead embrace U.S. style capitalism. His words: “To get rich is glorious!”

Result: a capitalistic revolution unlike anything world has ever seen. More wealth to more people in all of human history.

**In just 30 years, China has created 300,000 millionaires and 108 billionaires.**

China's goal is to become the leading economic power of the world. And by all accounts, they are on track. There's no debate on whether they will snatch the leading economic position...the only speculation is *when*. Is it five years from now? Or ten?

**Who's on board to get rich from China?**

Just about everybody.

By the end of 2006, there were more than half a million firms from around the world that had staked their claim in China. In fact, the U.S. has the largest total number of regional headquarters and offices in Hong Kong, with 889 companies. Shanghai is home to 500 multinational companies. Branch operations of American companies inside China top 51,000.

But is all this investment causing a bubble? Will it burst and destroy investor's fortunes?

Read on and judge for yourself.

We've seen the ill effects of unchecked growth here in the U.S.

However, China is unique because their growth is anything but 'unchecked'. This is an authoritarian government. They have no opposition – alas, no democracy – so they are free to carry out their objectives with lightning efficiency.

If one sector of business is growing too fast – the powers in Beijing will simply *order* the changes necessary to fix the problem. This could entail limiting competition (as in the Macau stock above), canceling projects, or regulation. They have the power and authority to do so at their command with zero opposition.

Beijing wants real growth – not a bubble caused by speculation that will burst and set them back from their objectives.

So, in a large sense, an authoritarian / non-democratic government with the goal of genuine growth

**...is the best thing for foreign investors like you and me could ever hope for.**

Beijing is acutely aware of the need for stability and will use its power to maintain it wherever

and whenever it deems necessary.

But it gets better than that.

The powers in Beijing not only govern the country and the business world - they are also players within it. Indeed, they are business *owners*...yet they possess the broad governmental powers to ensure their profits.

It's no secret that that Beijing will give their own companies a leg up in order to boost their own profits.

### ***They have the power to guarantee their profits!***

Now, imagine if you could buy stock in such a company?

Well, you can. The Chinese government's "champions" are available on the New York and Hong Kong Stock Exchanges.

Indeed, this is where the "big gains" in China stocks are presently found. These are modernized enterprises that were once entirely state owned: energy, telecommunications, and resource sectors. Some are among the largest companies in the world.

So is investing in China stocks as simple as buying these champions?

Yes and no.

I'd never sit here and tell you to buy one stock – no matter how great it is. And I certainly wouldn't tell you to buy 10 stocks in one business sector.

A solid and safe portfolio is one that is diversified. Those same powers in Beijing could turn the tables overnight and you could lose everything!

Play it smart – always diversify across multiple sectors and be sure to act on reliable information.

### **How much more growth can China handle?**

A lot.

It is estimated that only 8% of the population are members of the consuming class. Just like Americans, they buy houses, cars, electronics, perfumes, nice clothing etc.

Goldman Sachs predicts that this number will grow to a staggering 50% by 2015. That boils down to a demand of nearly \$3 trillion worth of retail goods (annually? in the next 6 years?).

Here's a telling stat of the growing consumer class: China signs up 5 million new cell phone

subscribers every *month*. Every month!

## **What sector is seeing the most growth?**

### **CHINA – THE FUTURE OF HIGH-TECH IN THE WORLD**

352,000 engineering graduates pour out of China's universities every year. And engineers make up the bulk of Beijing's administration...they are the ones driving the train toward China's economic future.

In its effort to encourage high-technology companies to establish a base in China, the government has offered tax breaks, incentives, and access to the domestic market.

The result has been over \$70 billion of foreign investment in China's high-tech sector in (amount of time).

No fewer than 750 R&D centers have been set up in mainland China by companies such as Oracle, Nokia, Panasonic, Nortel, Hewlett-Packard, and Microsoft (an investment upwards of \$100 million).

The big daddy is the construction of a \$2.5 billion Intel (INTC) chipset plant in Dalian.

### **Intel says it's making the investment because China will be the biggest information technology market by 2010.**

2010! The future is on your doorstep!

Helping to fuel this high-tech effort are Hong Kong and Taiwan. Hong Kong is a powerful base of capitalist savvy with the financials to back it. And Taiwan - the source of advanced technical innovation and manufacturing for the past x years - is a major investor in the development of Chinese technology.

### **You are perfectly positioned to profit from China...what's your move?**

I can understand why you might think I'm exaggerating the investment opportunities in China. You may have never heard anyone talk about China in such positive (and profitable) terms.

After all, the media, as well as members of congress and other U.S. government officials have complained quite a lot about China, their economics, the value of the their currency, and their trade policies.

It may be hard for Americans to watch China take the #1 economic position but they are not looking to put the U.S. down. ABSOLUTELY NOT! China *needs* the U.S. economy to be as

strong as ever because the U.S. is China's biggest trading partner.

And the rapidly growing consumer class in China is in fact one of the keys that could help the U.S. out of the current slump.

The U.S. and China are wholly dependent on each other for success! Following negative myths about China will simply take money out of your pockets.

The truth is, China's continued growth is a foregone conclusion. You can either profit or lose from it – the choice is yours.

As we have seen, the world of business has decided to profit by it. If it's good enough for them – it's good enough for you and me.

As a subscriber to *China Stock Digest*, you'll be able to capitalize on China's rocket ride to #1. The best part is, you don't have to be wealthy to get started. And, as you'll see, you'll be able to **test run my recommendations for three months without risking a penny.**

### **Your China stock portfolio will blow away the same type of portfolio in the U.S.**

Perhaps you think I'm about to try and convince you to buy stock on the Shanghai or Shenzhen stock exchanges in mainland China. Not a chance! It's extremely difficult for foreigners to buy stock on these exchanges and if you did, I hope you have an appetite for high risk investing.

All of my recommendations in *China Stock Digest* are available on the NASDAQ and New York Stock Exchanges, listed as ADRs – including the Macau recommendation I described earlier.

Many investors continue to look at China with a “wait and see” attitude. I'm the first one to say ‘be cautious’ when investing but there is no need to speculate on China's trajectory.

We need only focus on particular companies.

When it comes to recommendations, I am a value investor – not a speculator in any way. As a former Price Waterhouse CPA, I like to look at the company books. The foundation of my analysis is the measurement of a company's Price to Earnings Ratio, the Price to Book Ratio, and the Price to Sales Ratio.

However, this is not enough information to make reliable recommendations. My team of analysts - **the largest independent equity research team in China** - keeps me informed on information that may not show up in the numbers: consumer trends, government policies, and economic changes. Local knowledge is not only advantageous in an economy that is