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Game on ... and on

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We're taking profits on four golden oldies and lifting our holding in the Chinese gambling company as it awaits vital government permits.

The sharemarket ran to a new peak last week and with it several of our portfolio stocks touched new highs. As I've counselled previously, it was an opportunity for followers of the Speculator to cash in and at least take partial profits.

I did so on four of my favourites this week, although I couldn't resist an increased punt on the Chinese gaming stock, **Sino Strategic International** (SSI), where our holding has been lifted to 3500 shares worth almost \$10,000. I believe the company is biting its corporate fingernails as it awaits confirmation of the granting of a parcel of gaming permits in Shanghai.

Readers will recall (*B*, Feb 27) that we bought into Sino Strategic after the company was last year granted 600 out of 1000 permits to operate keno and lottery agencies in Shanghai. The new permits now awaited will cover sports lotto including soccer betting.

According to director Richard Li, the Melbourne-based chief operating officer, until recent times soccer betting has been illegal in China. But official estimates suggest that the illegal soccer betting market turnover runs to \$US10bn (\$12.02bn). So far the emerging legal market has captured less than 0.5% of that, so the growth prospects are enormous.

Sino's 66 million shares fell from a high of \$5.60 last year to a December low of \$1.85 after a former director quit the company and aggressively sold down his holding. The stock has since recovered to a recent high of \$3 and it will go further north as expansionary plans bear fruit.

Among stock sales last week was a reluctant reduction of our 100,000 shareholding in **Orient Resources Holdings**, after the shares shot to a year's high of 19.5c. The company has an 80% interest in a joint venture (*B*, March 6) to provide corrosion control for steel infrastructure in a giant new port development east of Beijing. As tipped (*B*, April 10), the company was close to closing a joint venture deal over a major harbour dredging project in northern China.

Orient has now confirmed it will hold 72.5% equity and provide 90% of the capital for the \$110m joint venture to build and equip four Dutch-designed dredges.

The company will provide \$30m equity plus debt funding from a Chinese bank. A placement of 11.4 million shares at 10c last week takes issued capital to 100.9 million shares. Watch for a further equity raising by mid-year.

Meanwhile, we cut our odd-lot holdings with part sales of **Andean Resources** and **Magnetic Resources**.