

# ECONOMIC ADVICE

## The “MySpace of the Far East”...

MySpace recently sold to Rupert Murdoch for over *half a billion dollars* ... and it was launched in the United States, which has a population of just 300 million people.

**But the “next MySpace” is based in the world’s fastest growing economy – China – with a population of 1.3 billion ... 4X greater than America’s!**

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By James Rapholz, Editor

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The bursting of the first dot.com bubble happened over 7 years ago.

But now, many tech stocks are staging a comeback ... and fortunes are once again being made in the new 21st century dot.com boom:

Media mogul Rupert Murdoch paid \$580 million to buy the well-trafficked Myspace.com online community from its founders.

The creators of Google, the world’s largest search engine, became instant billionaires when they took the company public in 2004.

Google recently acquired YouTube, a consumer Web site for sharing original videos

online, for \$1.65 billion.

Most of these big Internet success stories all have one thing in common: they are part of a broader phenomenon called “Web 2.0.”

In Web 2.0, much of the content on Web sites is created not by the Web site owners – as in the original Web 1.0 – but by site users.

### **The next dot.com fortunes will be made on Web 2.0**

User-driven, community-based Web 2.0 sites openly invite users not only to download music, videos, and other content...

But also to interact and share *user-created content* – from watching home-made videos and TV and movie

clips, to online chats and posting personal pictures and bios.

Now, another team of Internet-savvy high-tech entrepreneurs — led by CEO Guy Peckham — has just launched a new Web 2.0 site – called “Eworld” after the company that owns it....

### **Eworld Interactive, Inc. (symbol: EWIN)**

EWorld is based in ... and caters to ... Internet users in a single nation with the world’s fastest-growing economy and

*(continues...)*

**Company:** Eworld Interactive, Inc.

**Stock symbol:** EWIN

**Current share price:** \$0.80

**Shares outstanding:** 47,930,000

**Web site:** www.eworldchina.cn

# Eworld is poised to become the MySpace of the Far East

Eworld is China's version of MySpace — and therefore it's logical to assume Eworld will follow a similar growth pattern.

And when you compare Eworld with MySpace and YouTube feature for feature, Eworld leaves those two social networking "leaders" in the dust...

Feature comparison chart: MySpace, YouTube, Eworld	MySpace and similar sites in China	YouTube and similar sites in China	Eworld
Personal Profiles	✓		✓
Photos ✓			✓
Comment and blogs ✓ ✓	✓		✓
Clubs and interest groups ✓ ✓	✓	✓	✓
In-site search	✓	✓	✓
Video streaming ✓ ✓	✓	✓	✓
Music ✓ ✓	✓		✓
Interactive TV shows ✓			✓
Vote, Rank and reward ✓ ✓		✓	✓
Casual games ✓			✓
Avatar ✓			✓
Lottery ✓			✓
Online Snapshot ✓			✓
Online audio video recording			✓
Online photo processing ✓			✓

largest population: China.

Management has stacked the deck in their favor – by loading Eworld with a host of in-demand social networking and Web 2.0 interactive features and content that today's young Chinese Internet users absolutely love:

- Hot, sexy women — we all know that online, as offline, sex sells. Eworld has signed a license agreement to do its

own version, both online and on TV, of *America's Top Model* – which will be called, of course, *China's Top Model*. But with 4 times the potential viewers, it could be 4 times as big as the American version. Tyra Banks may even do a guest appearance on the Chinese version.

- Social networking – on Eworld, young people in China can chat, meet, hang

out, share photos, make connections, and even shop, date, or own property in a virtual world.

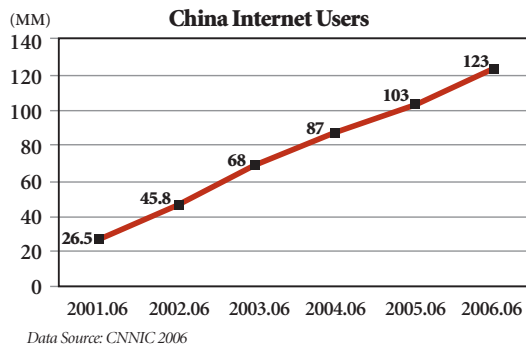
- If you have kids, perhaps you've seen them on Xbox wearing a headset while they talk to people they are playing games with over the Internet. These MM RPGs – massively multiple role-playing games – are a huge subculture on the Internet. Eworld is developing and will soon launch its own online game, Battle Zone, for the Chinese market.

- In China, playing the lottery is a \$10 billion a year business. Eworld's online lottery provides a safe environment where residents of China can play the lottery to their heart's content – all perfectly legal and with no fear of arrest.

- Despite the stereotype of being bright and at the leading edge of technology, China isn't on the cutting edge of video entertainment. They love to import old American content – games, movies, and TV shows that seem relatively tame compared to what's in theaters and arcades today. U.S. producers have sold the rights to a large collection of TV and movie content to Eworld for a song. Reason: since American content is often pirated in Asia, these TV production companies would rather get a small payment from Eworld than no payment at all.

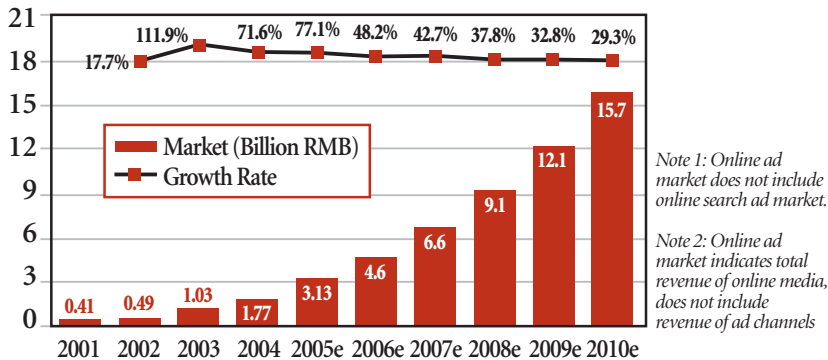
## Internet use in China is growing fast!

Chinese Internet usage is growing even faster than the country's rapidly expanding economy. Between 2001 and 2006, the number of Chinese Internet users increased nearly five-fold – from 26.5 million to 123 million.



## Online advertising in China is booming

### 2001-2010 China Online Advertising Market and Growth Rate

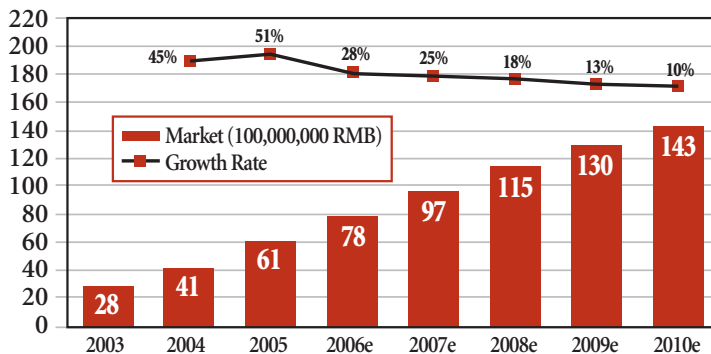


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Chinese online advertising is forecast to more than double from 2007 to 2010 – good news for Eworld, whose business model is based on advertising-generated revenues.

## China loves PC gaming

### 2001-2010 China Online Advertising Market and Growth Rate



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From 2003 to 2006, revenues in China's online game market increased nearly threefold – and is forecast to nearly double again by 2010.

## China is the biggest bull market in the world today...

China invests approximately \$600 billion a year in fixed capital projects, representing roughly 40% of its \$1.5 trillion GDP. Industrial output was up 11.5% in 2004.

Retail sales of consumer goods in China increased 13.3% in 2004, with consumer prices gaining 3.9%. Per capita income of urban residents of China grew an average of 9.2% annually from 2001 to 2005.

China's trade surplus in 2005 was just over \$100 billion. And inflation at the consumer level is well under control, with the Chinese consumer price index (CPI) rising by only 1.3% in the first half of 2006.

As much as half a trillion dollars in foreign direct investment has flowed into China in the last 10 years ... more than the rest of Asia combined.

China holds \$1.07 trillion in foreign currency and securities, adding \$20 billion a month to its reserves – mostly from exporting Chinese goods.

China supports the U.S. economy by investing more than \$152 billion to date in U.S. Treasury securities.

Since 1994, labor productivity has increased fourfold. China has at least half a billion people who desperately need jobs – giving Chinese companies a ready source of workers willing to work cheap.

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# Meet the management team behind the “next MySpace”

■ **GUY PECKHAM, CEO** ... as executive director with the Calneva Financial Group, Guy worked with gaming company T2CN — and digital signage provider i-level Media Group — both based in Shanghai. He built Canada-based Goodlife Brands into a \$128 million a year business with over 550 employees.

■ **LAURENCE LEE, GENERAL MANAGER** ... was Chief Technology Officer of T2CN, where he guided the successful online game operation of Freestyle Basketball. He was formerly a product manager and software developer for Cisco, where he helped develop Cisco’s leading-edge internetworking technology.

As director of technology for Shanda Networking, he helped design the application infrastructure for the largest online gaming platform in the world, which hosted over 2 million simultaneous online players — and handled 100 million online transactions — per day. He was also instrumental in getting Shanda listed on the NASDAQ.

■ **HUI LI, TECHNOLOGY DIRECTOR** ... formerly senior director of technology at T2CN and data center manager for Shanda Networking, Mr. Li has extensive experience in portal building, e-commerce, CRM, and enterprise data warehousing.

## Eworld revenue projections

For the first few years, Eworld’s revenues are forecast to grow at an average rate of about 32% per year.

Annual revenues from advertising on EWIN are forecast to rise from \$8.8 million the first year to \$15.4 million by year three — an increase of 75%.

### FINANCIAL FORECASTS

US\$ ‘000

Revenue

	Year 1	Year 2	Year 3
Online Based Activities	\$7,000	\$10,000	\$13,000
Advertisement, SMS and others	\$1,800	\$2,100	\$2,400
Total	\$8,800	\$12,100	\$15,400
<b>Expenses</b>			
Revenue Share Expense	\$2,300	\$3,400	\$4,500
OPEX	\$1,950	\$2,200	\$2,500
Total	\$4,250	\$5,600	\$7,000
Profit	<b>\$4,550</b>	<b>\$6,500</b>	<b>\$8,400</b>

## 7 REASONS TO OWN EWORDL TODAY!

1. There is a new bull market today in dot.com stocks — and the real money-makers are Web sites. These include search engines, like Google, and Web 2.0 social networking sites, like MySpace and YouTube.
2. The combined total amount of money to purchase just YouTube and MySpace was approximately \$2.2 billion. Yet neither company has manufacturing facilities or even makes a physical product.
3. Eworld is duplicating the look, style, and functionality of MySpace and YouTube, except with a host of added new features (see chart on page 2) that should result in greater traffic, registrations, and unique visits.
4. Chinese users can find what they love on Eworld, including online video games, dating, sexy photos, and gambling with a legal lottery.
5. Management has a long history of success with online ventures. Freestyle, a game they created while working for T2, had at its peak, 2.2 million active users generating monthly sales of \$3 million.
6. With the stock price under \$1 a share, you can control a block of 10,000 shares today for about \$7,000. Even a small \$1 increase in share price gives you a gain of over 100%.
7. Less than 10% of China’s population is online, yet Internet usage has grown almost fivefold over the past 5 years. As more and more Chinese connect to the Internet, Eworld usage — and revenues — will skyrocket.