

THE MARCH OF THE DRAGONS

**The Battle for the Future of China is Raging
and the Old Guard is in Retreat...**

**Here's How the Victors Could Steer China
Forward, and Quickly Hand You Profits of
1,067%...**

Imagine yourself inside the heavily secured walls of on the outskirts of Rancho Mirage, California. It is June, 2013. The air conditioning is throbbing and Secret Service Agents are swarming throughout the plush compound.

Imagine you are drinking freshly squeezed orange juice and sitting in a comfortable library with President Obama and Xi Jinping, the new President of China. The world's two most powerful leaders are meeting for the first time and feeling each other out.

You listen with fascination as Xi Jinping tells President Obama that he has inherited a government that has turned its back on economic reform. Mr. Xi complains about the unwillingness of his predecessor, Hu Jintao, to make the tough choices needed to rein in corruption. Xi says his country is at an economic crossroads, and that he can no longer ignore the demands of the dragons... China's 100+ billionaires who are determined to grow their already massive fortunes.

Then, President Obama smiles at his counterpart. Through an interpreter the President tells him that he knows how it feels. He reminds Xi that the economic mess he inherited after his election in 2008 paved the way for a stock market surge that doubled the S&P500 in less than four years.

Dear Investor,

You have just made 112 powerful new friends.

112 Chinese billionaires, known as the dragons.

These men and women will show you how to make the same kind of money they make in the crucial months ahead.

You see, governments are pretty much the same, no matter what country you look at, and no matter what system you look at.

History has revealed that there are always two groups. A group of people who want to grab more power, and a group that wants to grab more money.

Sometimes, these two sides align their interests and sometimes they don't.

But here's what you can be sure of.

Lurking in the background, behind the political glare, are people with massive amounts of money.

Wealthy families. Powerful organizations. Corporate interests.

In China, these are the dragons, whose relationships are woven into mysterious webs within webs, and whose interests are not to be challenged or disturbed.

For instance....

Zong Qinghou, the wealthiest man in China. The supreme dragon.

Zong came up the hard way. He never finished middle school, never attended high school, but amassed a \$11.2 billion fortune.

He worked on a salt farm before he scraped together enough money to buy a little grocery store. From there he began to distribute milk and soda. And from there, he built his company, Wahaha, into the largest beverage producer in China.

They say he's ruthless and will do anything to grow his fortune. He may have grabbed \$100 million from his dealings with Groupe Danone.

He has been accused of failing to pay taxes.

And yet...

Zong is a member of the Chinese National People's Congress...

The highest level state body in the People's Republic of China, which meets in the Great Hall of the People in Beijing.

This is how power works in China.

If you knew where Zong is investing his money right now, wouldn't you invest along with him?

I will show you.

And I will make sure you understand what's actually happening in China right now so you can make a fortune.

At this very moment, as the dragons consolidate their victories in the battle for China's future, it is important to avoid the traps, and stay away from the battlefields where money is being lost.

When you understand what's really happening, you'll know why this is a historic

moment in time for investors in China, so full of the kind of opportunity we will probably not see for another 25 years.

The key in China right now is to follow the smart money. This means carefully following the moves of the dragons.

Seeing what they are doing with their money. And marching alongside them as more and more massive wealth is created.

I would like you to meet three of these dragons for yourself to see precisely what I mean.

Notice the common thread.

Recently, the dragons did something that sent shock waves rolling across the land.

They completely changed the way they are multiplying their fortunes.

Investors who do not know about this change have watched their gains in the Chinese markets take a beating.

This change is one of the big reasons why the Shanghai Stock Exchange Composite Index (SHCOMP) slumped 12% during the first six months of 2013.

But this new march of the Chinese billionaires carefully follows the lessons of world history. And investors who join the dragons on this march will be rewarded beyond their wildest dreams.

How To Make a Fortune in China By Joining The March of the Dragons

The dragons are no longer fanning the economic flames of companies that ignited China's historic growth through the first years of the millennium.

A decade ago, the dragons created their vast fortunes by building companies that produced massive amounts of cheap goods for export.

Products that fill the shelves of WalMart.

Products that stole jobs from America and contributed to our economic upheaval.

These Three Billionaires Are Creating Even Larger Fortunes



ROBIN LI

He learned his chops working in Silicon Valley. Now he runs Baidu, China's biggest search engine.

As the mobile internet explodes across China, Li and his investors are cashing in.

HE XIANGJIAN



Air conditioners, fans and microwaves. He's company, which employs 150,000 people, makes them all, and continues to make more and more money selling them to China's middle class.



ZHOU CHENGJIAN

Zhou Chengjian sells at retail most of what he manufactures ... in 1,306 clothing stores he owns and 3,914 he franchises.

It's all about clothing for China's

But now, the exact same kind of upheaval is thundering across China.

middle class, outfitting more than 600 million people with leading apparel brands such as MTEE, MJEANS, MPLOAR, and ME&CITY.

Factories are shutting down in Shanghai just like they shut down years ago in Detroit.

As the *Wall Street Journal* recently reported, "China's government ordered a swath of companies across the heavy industrial sector to close down outdated production facilities."

These times of upheaval are when people get rich.

What you are seeing is China's government taking action to clear the road so that the dragons can profit.

And so you can make a fortune by following the smart money.

Remember... the richest man in China, Zong Qinghou, is a member of the Chinese National People's Congress.

This is why China's government is starting to clean up its financial system, crack down on the speculative demand for housing, and speed up the shift from government-owned industries to private investment.

As the dragons keep prodding China's reforms forward, making sure that their fortunes can continue to grow, you can already see the results.

Such reforms will take time to work. China is a resilient economy that has grown its way out of problems in the past.

--The Economist 2013

Late in July 2013, China's central bank, The Peoples Bank of China, lifted restrictions on interest rates.

Banks can now set the rates at whatever they want. (Except for home mortgages.)

The dragons roared, demanding change, and the Xi government took action.

Events like these demonstrate how China's leaders are responding to the demands of the dragons.

Let me show you where to look to see what's taking place behind the carefully orchestrated news stories like these.

Let's follow the smart money.

The business of manufacturing for export that I told you about has put money in the pockets of Chinese workers.

More money than they've ever had.

And this brand new Chinese middle class is spending it like mad. Buying up everything from fast food to video games.

Because of this massive demand, the dragons are now concentrating their wealth and their influence on creating companies in China that are focused on domestic markets, rather than export markets.

Most investors don't see historic shifts like this until it's too late.

China Is Making a Dramatic Turn at the Richest Economic Crossroads on the Planet, and You are There to Profit

This crossroads is where fortunes have always been made.

It's a time of change where massive wealth is created.

Look at our country's history. The big money is no longer made by companies like Bethlehem Steel and the New York Central Railroad.

We are now in the early stages of seeing this happen in China.

According to the British Bank HSBC, and reported in the *New York Times*...

"China's manufacturing sector contracted in July (2013) at the quickest pace since last summer."

China is at a crossroads.

In fact, based on all that I am seeing, the economic fundamentals of this historic crossroads make right now the best time to invest in China we've been presented with in more than a decade.

There will not be another opportunity like this for 25 years.

Just as the days are long gone in America when railroads and steel mills created a generation of tycoons, the days are going away in China when the exporters of cheap, commoditized products reward investors so generously.

Don't get me wrong.

China will still be a massive exporter for years to come. What is different now is that these companies are maturing. The days of dazzling growth are behind us, and the dragons know it.

They've made their fortunes with companies like these.

Petrochina (PTR)	+1,772%
China Mobile (CHL)	+1,784%
Baidu (BIDU)	+3,638%
Yanzhou Coal Mining (YZC)	+6,767%

But the dragons are moving on, marching forward.

Naturally, they are proceeding with caution, asking hard questions, like...

How can companies grow when it's not entirely clear how they can get the financing they need from undependable Chinese banks?

Will China's mysterious political system, where the lines are so deeply blurred between making laws and making money, and where the courts seem so corrupt, actually give investors a fair shake?

These are the questions being asked by the best financial minds around the world.

And there is only one credible place to turn for answers.

Follow the Safe and Proven Path of the Dragons

This is why I keep a watchful eye on the investments of China's 100+ billionaires, because no Chinese court, no Chinese politician, and no Chinese banker wants to get on the wrong side of these powerful, and at times ruthless, men and women.

Other investors can be lured into China by a story that sounds too good to be true.

I look at the money and march with the dragons.

I firmly believe that this is the only possible way you can make a safe investment in China.

Otherwise, you're turning your back on the cultural, political, and economic realities that have spawned the world's second largest economy.

Invest in China with the mindset of an American, instead of the mindset of a Chinese dragon, and you'll fight an uphill battle that can never be won.

Lessen your risks. Think, and invest, like a Chinese billionaire.

You already know about the most powerful dragon of them all, Zong Qinghou, the richest man in China.

In July, 2013, Zong briefly emerged from the shadows and went on Bloomberg TV to share a brief glimpse of his thinking.

In this rare public statement, ignored by the vast majority of investors, Zong confirmed the direction China will take.

Standing at the world's richest crossroads, you can join Zong and the rest of China's dragons as they march ahead into the next chapter of stunning profits.

Zong, by the way, is now investing a sizable piece of his fortune in retail.

He is building shopping centers and retail outlets. As he looks out across his country, he sees a rising tide of middle class

Zong's prescription for driving a Chinese recovery is in line with Premier Li Keqiang's call for a reduced role for the state in the economy, with the billionaire urging the breaking up of monopolies and easier administrative approvals from the government.

--Bloomberg

spending power, and he's getting ready to collect as much of it as he can.

Sprawling malls. New retail outlets in new suburbs.

New freeways, and, of course, new cars.

Hidden Profits In The World's Largest Car Market

Everybody saw it coming.

The emergence of China as the world's #1 automotive market.

Japanese, American, and European automakers raced in to grab their share.

But there's a better way to make money from all the Chinese auto sales, which doesn't box you in to placing a bet on which company will seize... and hang onto... top market share.

You see, there's something every car in China must have.

It doesn't matter which brand, or whether we're talking about a luxury sedan or a compact pickup truck.

That something is plastic parts.

This is why a company called China XD Plastics, which on first glance appears quite boring, and hardly in a position to hand over huge profits to investors interested in making money from China's middle class, is actually in a superb position.

That's because China's government orders foreign auto companies to buy Chinese parts.

China XD Plastics (CXDC) Q1 2013 revenues soared 38%. But because the profit margin failed to grow, the stock took a hit.

Here's what most investors didn't know.

Chairman Jie Han revealed that these lower margins were deliberate, a tactic to lower prices to grow market share.

Now that market share has grown, XD is in a position to move its prices back up. Its foot is in the door.

I believe this stock will be trading in the \$7.50-\$8.00 range within a year.

Pick up 1,000 shares at \$4.10. Sell at \$7.73 and you've pocketed \$3,630.

This is how Ford, Toyota, and all the other global auto manufacturers in China will put money into your bank account.

It's how the dragons are structuring their businesses to make as much money as possible from virtually every company that's selling products and services to China's middle class.

How These New Fortunes Are Built

I saw the dragons starting to assemble for their march two years ago.

I followed them as many sold off their holdings in the companies that made them rich, often companies that produced cheap goods for export.

And I joined them as they breathed fire into a new generation of companies built to provide goods and services for the Chinese middle class.

Here's how readers of the *China Stock Insider* could have done with my recommendations in 2012.

The results show peak gains the recommendations achieved, and are drawn directly from our published track record.

Youku Tuduo (YOKU)	+51%
Giant Interactive (GA)	+61%
SouFun Holdings (SFUN)	+64%
Qihoo 360 Technology (QIHU)	+69%

You can see what happened.

Youku Tudou is in the internet TV business. It's a platform that lets the Chinese watch, share, and search video content on all sorts of different devices.

Giant Interactive develops and markets online games. Specifically, multiplayer "role playing" games.

SouFun Holdings is a Chinese counterpart to one of our big real estate sites, similar to Realtor.com.

And Qihoo 360...

It provides online security tools for people using mobile devices. Virus and malware protection.

Do you see the common thread in these Chinese stocks that made my readers money while the Shanghai stock market sputtered?

Do you see why this crossroads is so significant, and why the billionaire dragons have moved their massive wealth into companies that serve their country's exploding middle class?

Each of these stocks is still solid. You can invest in these for the long term and you'll do fine.

But let me show you where there is an even better opportunity. Three different ways to quickly turn an investment in China into a small fortune.

Hidden behind all of the headlines we're exposed to every day about Chinese banking problems, liquidity issues and real estate bubbles...

Obscured the vast majority of investors who keep an eye on China...

And largely overlooked by the big institutional investors in Frankfurt, New York, and London...

One Billion Fires Are Burning Holes In The Pockets Of China's Massive Middle Class

China's consumers refuse to stop spending.

They have money, and they have an insatiable thirst.

And as thirsty as this huge new market has been, the growth keeps on coming.

Which brings us to today.

Let me show you three specific steps you should take so you can make a safe investment in China's most rewarding opportunities.

China Opportunity #1:

A Seven-Figure Payout From China's Online Shoppers

It would be nice to find China's Amazon.com and get in early.

But it's not that simple.

Remember... China is different. You're dealing with entirely different consumer behavior.

Here's what I mean.

In the States, we were accustomed to shopping in malls and big box stores before we started shopping online.

In China, consumers who never saw a shopping mall are making their first purchases online.

There is an entirely different consumer behavior, which calls for an entirely different approach.

Cloning Amazon won't work. The Chinese consumer is looking for a different experience and a different value proposition.

I have analyzed many of the online retailers who are trying to make a go of it in China. Only a handful pass the critical "Built for the Chinese Consumer" test.

And one in particular is making all the right moves.

I will tell you everything about this company in my new report, **A Seven-Figure Payout From China's Online Shoppers**. I will be happy to give you a copy, free of charge.

What makes this company particularly important isn't just its ability to connect with

the needs of the Chinese consumer.

It is the strategic mix of products that it sells.

The merchandisers for this company have created an inventory of more than a million different items for sale.

That's more than enough to get a shopper "in the door" to look around.

And they do... more than three million every month.

But what matters even more than this is what these online shoppers experience.

They get their order quickly, because the firm has a national fulfillment and delivery network with 20 logistics centers in 11 cities. This means strong repeat business, and lower marketing expenses that allow profits to accelerate quickly.

Look at this company and you are looking at the future of retailing in China.

You are looking at a stock that I believe has all of the fundamentals necessary to increase in value by 1,067% in less than 18 months.

China Opportunity #2:

Chopsticks Work Better Than Straws

What happens when people move from the country to the city?

Lots of people?

In China, this population shift from rural areas to urban areas is so massive that it is hard to comprehend.



Source: United Nations, Department of Economic and Social Affairs, Population Division (2010): World Urbanization Prospects, the 2009 Revision. New York

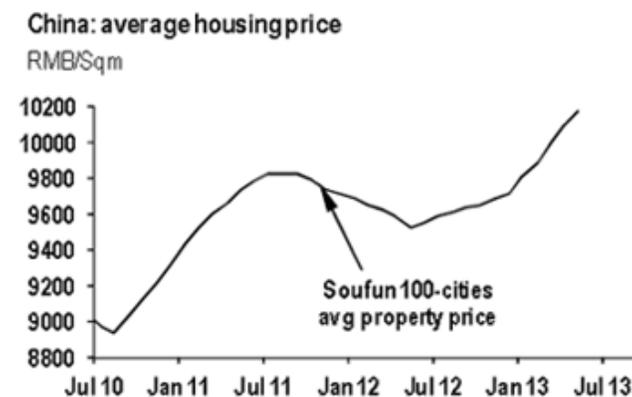
Less than 35 years ago, more than 8 out of every 10 Chinese lived in the country.

Today, less than 5 do.

What's the best way to make money from this massive and historic migration?

Well, when people uproot and leave the farm for a job in the city, the first thing they need is a place to live.

We've already seen this demand send prices for real estate skyrocketing. There's a real estate bubble that makes the one we saw here in the States look tame by comparison.



Source: Soufun

These high real estate prices are far too risky. Stay away, because there's a

a far better way to profit from these waves of migration.

People in China's cities don't just need a place to live. They need a place to eat.

Because they have disposable income, eating out is no longer a luxury, but rapidly becoming part of every day life.

This is why U.S. companies like YUM and McDonald's are trying to establish a strong Chinese presence.

But it hasn't been easy.

McDonald's is desperately struggling to grow its sales. It can't crack the code for its menus. When McDonald's added rice to menu, Chinese consumers yawned.

They also wondered why McDonald's didn't provide chopsticks, and why they had to eat their rice using straws.

The 700 million people living in China's cities would rather stick with what they know. Basic Chinese food that's fast and cheap.

There's a company serving this food and serving this huge market.

And it's growing by leaps and bounds.

In 2008, it had 9 locations. Today, it has 268.

I will tell you everything about this company in my new report, **Chopsticks Work Better Than Straws**. I will be happy to give you a copy, free of charge.

You'll see why a common sense, no frills quick service restaurant operator has staked out such an enviable and strategic position.

This is no fly by night fad.

This company has been posting consistent double-digit sales growth. Profit growth in 2012 was a stunning 217%.

These numbers only reveal the proverbial tip of the iceberg, because 75% of the chain's customers come in three times a month.

This loyalty means more and more business from word of mouth, the number one way restaurants around the world get people to come in the door.

As millions of Chinese pour into the nation's big cities month after month, this chain will continue to grow at a remarkable pace. If all it does is match the pace of urban population growth, I believe investors will be rewarded ten times over.

China Opportunity #3: **Own A Piece of The Richest Toll Booth In China**

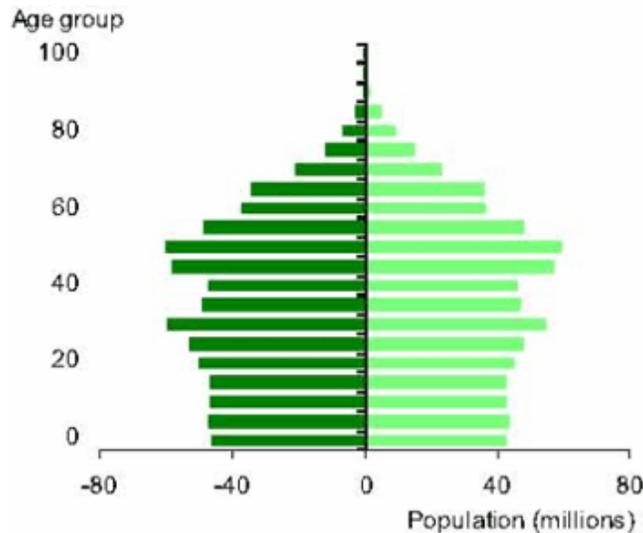
When you look at China, there are two things to know about its population.

You already know it's big and that it's moving from farms to cities.

But what you may not know is how old the Chinese population is.

According to the *New England Journal of Medicine*, there are three reasons why. A fairly low mortality rate, improvements in life expectancy, and a rapid decrease in the birth rate.

In just seven years, according to researchers with the United Nations, more than 23% of China's population will be over the age of 65.



Source: United Nations Population Division

Now keep in mind that just about every Chinese citizen enjoys government health care.

The result: the world's #1 drug market. Nothing else comes close.

This big stakes game is why GlaxoSmithKline, the UK-based global pharmaceutical firm, is embroiled in a sleazy \$500 million bribery scandal in China.

According to the Chinese government, the pharmaceutical market is growing at 12% a year. Sales will hit \$369 billion by the year 2020.

With all the competition and all the shadowy dealings, there is one quiet company that occupies a highly favorable position.

You see, when foreign drug companies like GlaxoSmithKline, or Pfizer come to China and want to sell drugs, the government forces them to set up a joint venture with a Chinese partner.

A partner to do the drug testing.

No partnership, no license to do business.

It's just like paying a toll.

This means that a number of Chinese drug companies have been set up for the sole purpose of giving the global giants a domestic firm to take care of local drug testing.

This is noteworthy for two reasons.

First, it sets the stage for all sorts of interesting takeover, merger and acquisition opportunities.

Second, it creates a bit of a rat's nest for the multi-national drug companies. These firms need a Chinese partner, but they also need good science and reliable data.

A firm that very few investors know about is filling this role. It is the gateway to China for global pharmaceutical giants such as Eli Lilly, Merck, and Astra Zeneca.

But here's where it gets interesting.

This firm, with operations both in China and in the U.S., doesn't just provide lab services.

It also manufactures drugs.

This means that it's in the catbird seat for all the drug giants looking to do business in China. A one-stop shop.

It has more than one thousand contracts with pharmaceutical firms around the world.

And here's the best part.

The upsurge in demand for drugs in China is just starting to pick up steam.

Every single drug company that wants to take advantage of this demand has to stop and pay a toll, and the lines at the booths are growing longer.

Over the next few years, as hundreds of millions of aging Chinese citizens pour into clinics, doctors offices and hospitals, the demand for drugs will surge to levels the world has never seen.

It's difficult to imagine a sector that could register a sales increase of more than three times in just one year, with insiders predicting its growth momentum to continue over the next few years or even longer.

But that is the tale of online drug sales in China.

--Liu Jie
China Daily May, 2013

And that's just sales online.

Offline drug sales will soar as well.

As a result of China's continued economic prosperity, the country's standard of living has improved significantly, fueling residents' awareness of the importance of personal health as well as their demand (and ability to pay) for more sophisticated health care services.

--Life Sciences and Health Care in China Opportunities, Challenges
and Implications
Deloitte

I personally believe this company's stock will not just soar in the next year, but will continue to gain exponential strength over the next decade and beyond.

I will tell you everything about this company in my new report, **Own A Piece of The Richest Toll Booth In China**. I will be happy to give you a copy, free of charge.

What To Do Right Now

Make sure this historic opportunity doesn't slip past.

China is unleashing a fresh wave of surging growth. Growth that every expert agrees will outpace the United States and Europe for years to come.

The dragons are marching.

Here are simple moves you should make, starting right now, so you can take your position at the head of the line to put these profits in the bank.

Get in now, and you can pack ten years of wealth building into just one year.

Stand on the sidelines, and you will not see another chance like this to secure your financial freedom for another 25 years.

Choose to accept my invitation to send you these three important reports, and I will also make sure you are kept updated on my latest research, delivered to you monthly in the pages of *The China Stock Insider*.

As dramatic events in China continue to unfold, you'll be ahead of the curve, informed of the most attractive opportunities.

So claim your three free reports now.

RESEARCH REPORT #1:

A Seven-Figure Payout From China's Online Shoppers

RESEARCH REPORT #2:

Chopsticks Work Better Than Straws

RESEARCH REPORT #3:

Own A Piece of The Richest Toll Booth In China

And it gets even better.

There are two more valuable reports I am going to send you. Each one helps you become a better-informed investor.

The *China Stock Insider Operating Manual* shows you exactly what to do with all of the information you're getting.

How to use only what's important to you, so you can stay focused on expanding the value of your China portfolio.

Consider this your personal roadmap to highly profitable investing in China. Revealed inside this 24-page report are three of the investment strategies I use to find the companies where revenues are growing the fastest, earnings growth is accelerating, and stock prices are poised to soar.

I am also sending you a copy of *3 Chinese Internet Stocks Set to Soar THIS Year*.

Because there is so much happening as China's 600 million strong middle class spends more and more time online, this sector warrants a special focus.

You'll find out about three firms where you can capture big gains by getting in early.

By understanding the mindset of the Chinese consumer.

Remember, if you don't know what the Chinese consumer really wants, you're dead.

Learning this has cost investors a lot of money.

Keep in mind that even McDonald's has made expensive mistakes, such as serving rice without chopsticks.

You will not make these mistakes.

I will show you how to make safe and sensible investments in China.

But because of this historic window of opportunity, it is important to start now.

So how much does my work cost, and how can you get started?

Bloomberg or *Market Research* charge up to \$6,000 for just one report.

But a one-year subscription to my service normally costs \$1,576.

A more than fair deal given the price for quality investment research.

But here's the thing.

If you will agree to try my China research for **HALF-OFF** the normal rate...

\$788 a year....

You won't even have to pay that up front.

Simply try my service first, to make sure it's right for you.

You can get all our latest research, and three full months of our services, for just \$197.

After that, if you want to keep your subscription going at this special rate, we'll make sure you keep getting everything.

This is why I'm making you this special offer. I know you need to see your China stocks start making you real money.

And if, for some reason, the *China Stock Insider* is not for you, just tell us and you'll never get a bill from us again.

Simply start a subscription today, and you'll have instant access to:

- *A Seven Figure Payout From China's Online Shoppers*
- *Chopsticks Work Better Than Straws*
- *China Stock Insider Operating Manual*
- *Own A Piece of The Richest Toll Booth In China*
- *3 Chinese Internet Stocks Set to Soar THIS Year*

Sincerely,

A handwritten signature in black ink that reads "Robert Morris". The signature is written in a cursive, flowing style.

Robert Morris

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