



CNIT

未来

你我

智享

China Information Technology, Inc.
(NASDAQ: CNIT)

云管端改变我们的生活方式
Cloud-App-Terminal Changes Our Lifestyle

SAFE HARBOR STATEMENT

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We use words such as “will,” “expect,” “believe,” “anticipate” or similar expressions, which are intended to identify forward-looking statements that involve risks and uncertainties. Although the management believes these forward-looking statements to be reliable, you are cautioned that any such forward-looking statements are not guarantees of future performance and may prove to be incorrect or differ materially from actual future results. Factors that could potentially affect these future results can be found in the discussion and information contained in the Company’s regular filings with the United States Securities and Exchange Commission (<http://www.sec.gov>). The Company is not obligated to change or update such information, unless required by securities laws.



Safe Harbor Statement

COMPANY OVERVIEW

A circular inset image on the left side of the slide shows a cluster of modern, glass-clad skyscrapers. The image is partially obscured by a white diagonal line that runs from the top-left towards the bottom-right. The background of the slide is split horizontally, with a light gray top half and a blue bottom half.

China Information Technology Inc. (NASDAQ: CNIT) is a leading provider of Cloud-App-Terminal IoT technology for digital advertising distribution platform, advertising delivery services, and smart advertising display terminal in China.

Q3 FINANCIAL HIGHLIGHTS



Revenue of approximately **\$12.2 million**, a **97%** increase from revenue of approximately **\$6.2 million** for the nine months ended September 30, 2016.

Gross margin for the nine months ended September 30, 2017 increased to **45% from 29%** for the same period of 2016.

Net Income Attributable to the Company was **\$1.1 million** for the Nine Months ended September 30, 2017 vs. **\$10.1 million Net Loss** in 2016.

Adjusted Net Income was **\$3.9 million** for the Nine Months ended September 30, 2017 vs. Adjusted **Net Loss of \$4.4 million** in 2016.

The Company has raised the forecast of its Adjusted Net Income to the range of **\$4.6 million to \$5.0 million** from \$3.2 million to \$3.6 million.

CAPITAL STRUCTURE



China Information Technology, Inc. (NASDAQ: CNIT)

(01/10/2018)



52 Week Range 0.57 - 5.20

Shares 40.23M

Market Cap 102M

Stock Price 2.53

“Our Technology Makes Advertising and Branding Affordable and Effective for Everyone.”

A provider of proprietary Cloud-App-Terminal technology for Internet-of-Things (IoT) platforms, digital advertising delivery system, and smart advertising display terminals throughout China.

We provide an end-to-end digital advertising solution enabling customers to efficiently and cost-effectively direct advertisements to specific interactive ad display terminals across China.

Our market strategy has enabled us quickly having broad coverage of products and services to meet growing market demand and achieve fast revenue growth potential.

Internet of Things is Reinventing the Out-of-Home Advertising Market



Installed in office/residential building elevators and other high traffic areas in over 20 cities



Provides full HD screen and equipped with cameras with facial recognition and data collection capabilities



Unattended operation via ad distribution platform with interactive features

Internet of Things is Reinventing the Out-of-Home Advertising Market



Residential Building



Office Building

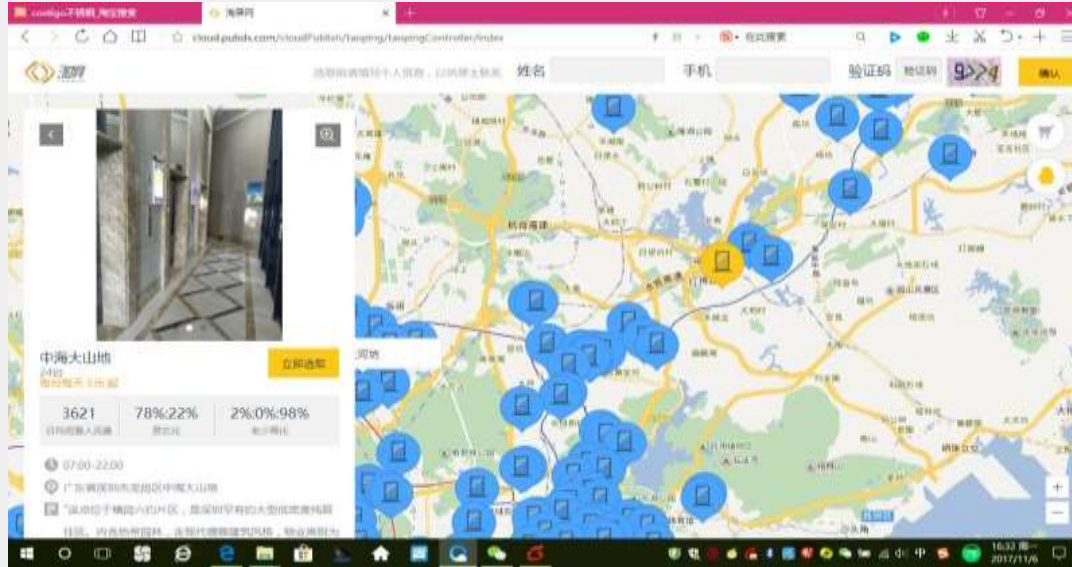


Shopping Center



Digital Posters

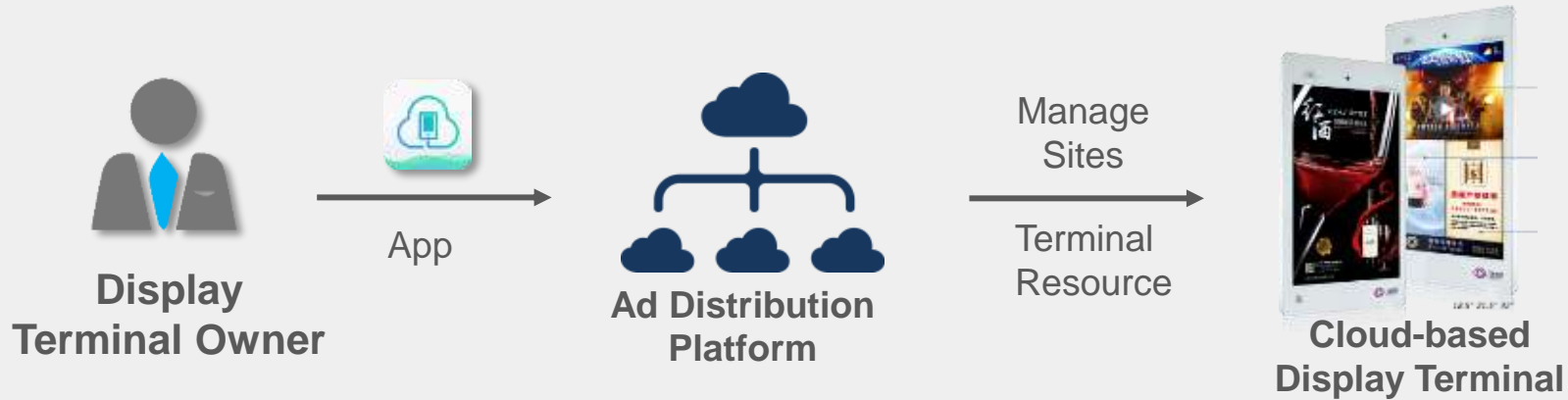
Internet of Things is Reinventing the Out-of-Home Advertising Market



Precise location identification of Ad display terminals

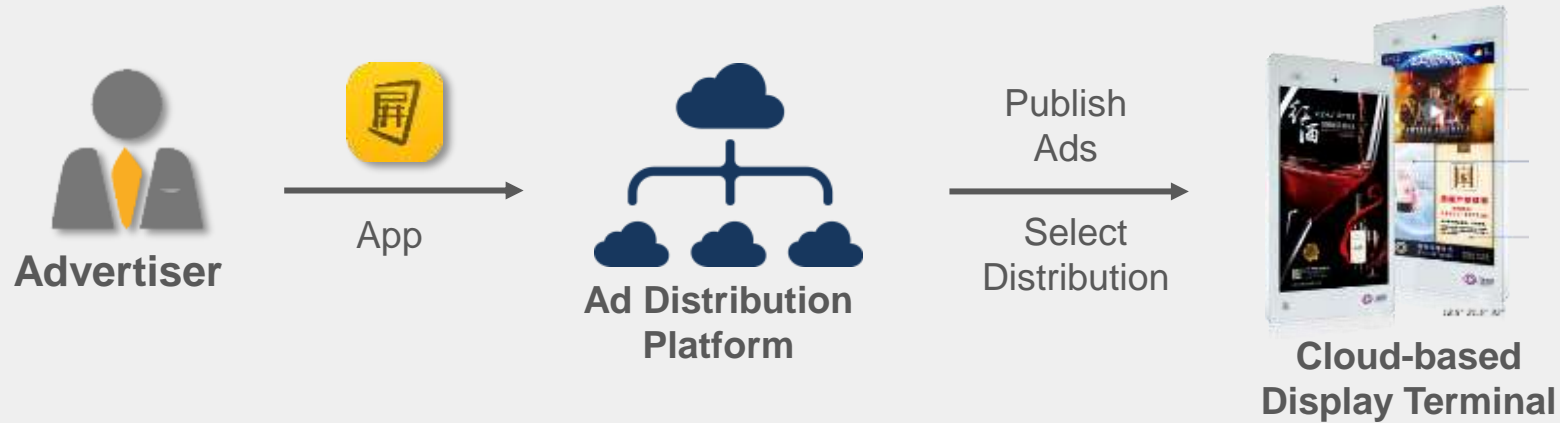
- Terminal owners - Tracking functionality of the hardware and distribution of ads.
- Advertisers - Monitor ad deliveries, receive feedback, identify availability of the terminals for advertising and product promotions.

Internet of Things is Reinventing the Out-of-Home Advertising Market



- Cloud-based ad distribution platform connects our customers and their ad content with digital display terminals in buildings, elevators, shopping malls, stores, and other mass-traffic venues.
- Ads are created and delivered from customer's own PC or mobile app.
- Content can be differentiated and sent to specific ad terminals.
- Ads are updated automatically per program preset.

Internet of Things is Reinventing the Out-of-Home Advertising Market



- Advertisers can monitor their ad deliveries and receive real-time feedback on viewer response
- Lower cost and more targeted than other forms of advertising – ideal solution for smaller companies with limited ad budgets.
- CNIT earns platform subscription fee on each Ad display terminal sold.

Internet of Things is Reinventing the Out-of-Home Advertising Market



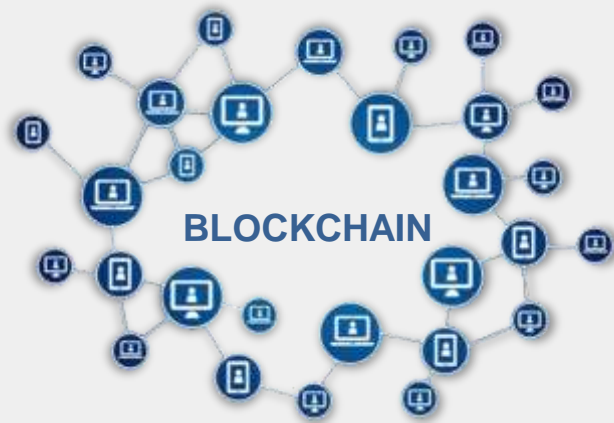
- Proprietary platform connects ad display terminal owners who have available ad slots with advertisers seeking to promote.
- Platform offers convenience and effective economic benefits to terminal owners and advertisers, and consolidates fragmented and under-utilized advertising resources.
- CNIT earns commission on each ad slot transaction. Commission revenue has much higher gross margin.

The Innovation of Taoping New-Media Ecosystem



- On Jan. 16, 2018, Taoping Net and Taoping App has been launched, enabling consumers to distribute ads wherever and whenever they want on CNIT cloud-based ad terminals.
- Ads can be distributed on more than 10,000 terminals now, available in ten major cities of China.

- CNIT has initiated research on the application of blockchain to innovate Taoping ecosystem for a more efficient and secure solution for payment transfer and a better mechanism to collect data.



REVENUE GENERATION MODEL



01 Smart IoT Terminals

- Market and sell smart terminal hardware.



03 E-Commerce

- Earn commission from advertising time slot programmed trading transactions.
- Earn commission from online retail trading transactions through online advertisement broadcasting and promotions.

02 Cloud-based Platform Operation Services

- Charge smart terminal owners monthly subscription fees for advertisement distribution services.

04 Big Data Services (Near Future)

- With accumulation of information collected from smart terminals, provide big data analysis and application services to governmental agencies and private enterprises.

MARKET OPPORTUNITIES



More than 81% of the China Fortune 100 customers choosing elevator advertising will increase CNIT's sales of ad display terminals to accommodate the market demand.



Over 200 million people riding elevators every day in China will increase CNIT's commission income generated from ad slot transactions as more ads being tailored demographically and geographically.



In 2016, the market size for elevator digital commercial display increasing more than 22% from prior year in China will increase CNIT's ad terminal customers to partake growth of the market.

MARKET STRATEGY

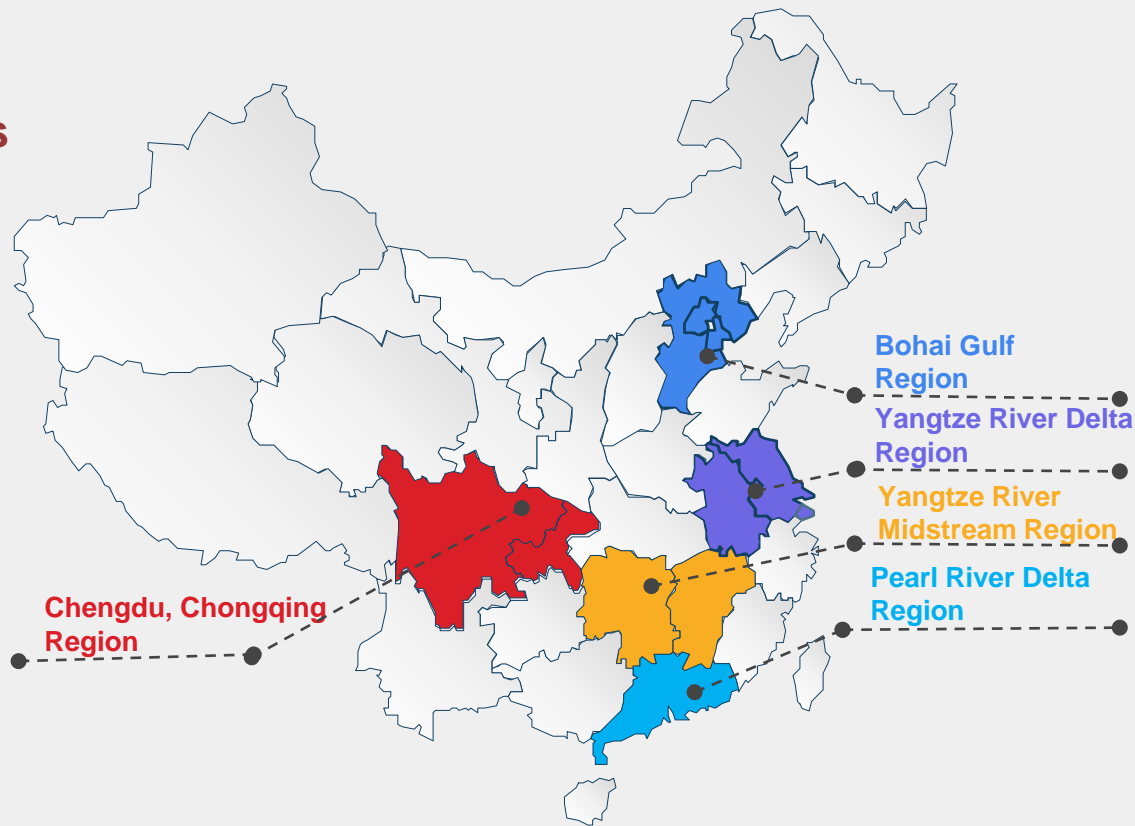


1 Build up Central Network, Sharing National Resources

We are positioning Beijing, Shanghai, Guangzhou, and Shenzhen as anchors to support creation of five major regional hubs and interconnection of 30 provincial second tier cities.

2 Continue Expanding Ad Display Terminal Network

In 2018, CNIT's products and services will cover 100 cities, 200 million people.



MARKET STRATEGY - ACCOMPLISHMENTS



3 Build up Central Network Sharing National Resources

In the last 7 months, CNIT signed 16 regional contracts for the sale of 66,000 terminals to be installed in total, expected to generate \$20.9 million sales and service revenue.

4 Market bundled product to Hotels, Resorts and Serviced Apartments

Partner with AMTT Digital Service Group, China's largest hotel internet service operator serving one million hotel rooms and over 3,000 premium hotels and resorts across the world.



THE MANAGEMENT TEAM



Jianghuai LIN
Chairman and CEO

- Held CEO position since 2006.
- Expertise in IT and Internet industries. Possesses excellent insight, foresight, and comprehension of the business.
- Former President of Hong Kong United Development Group Co.
- Former Chairman of iASPEC Technology Group Co.



Zhiqiang ZHAO
President, Director

- Held President position since August 2015, named COO in 2010.
- Has experience in operations, resource integration, strategic planning.
- Former Deputy General Manager position at iASPEC Technology Group Co.



Zhixiong HUANG
COO

- Held COO position since August 2015, appointed to CTO position in 2008, named Senior VP in 2006,.
- Has 20 years of experiences in IT and strategic planning.
- Held R&D General Manager at Run Shen Information Technology, Inc.



Guangzeng CHEN
CTO

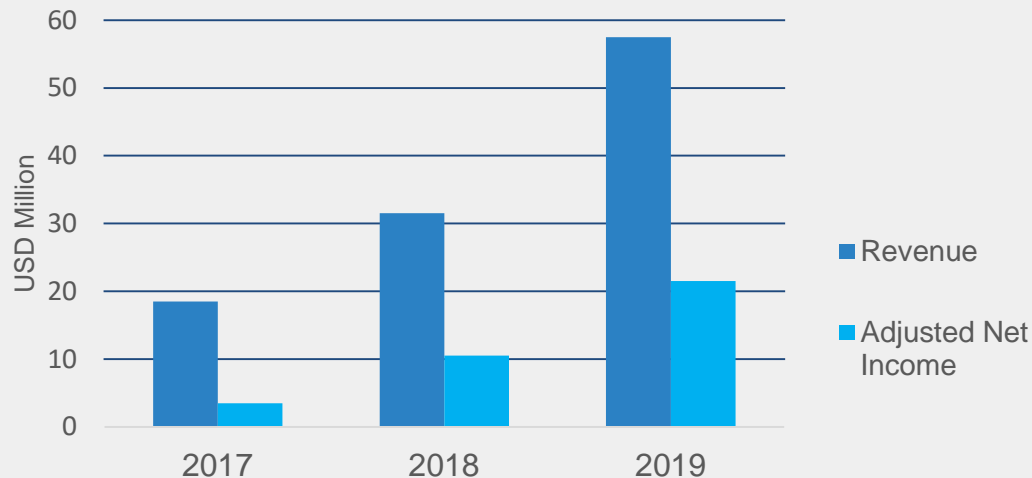
- Held CTO position since December 2015, previously held VP of Strategic R&D Center and Chief Product Officer.
- Has over 10 years of experience in IT and internet R&D and management .
- Held managerial positions in other high-tech Companies.



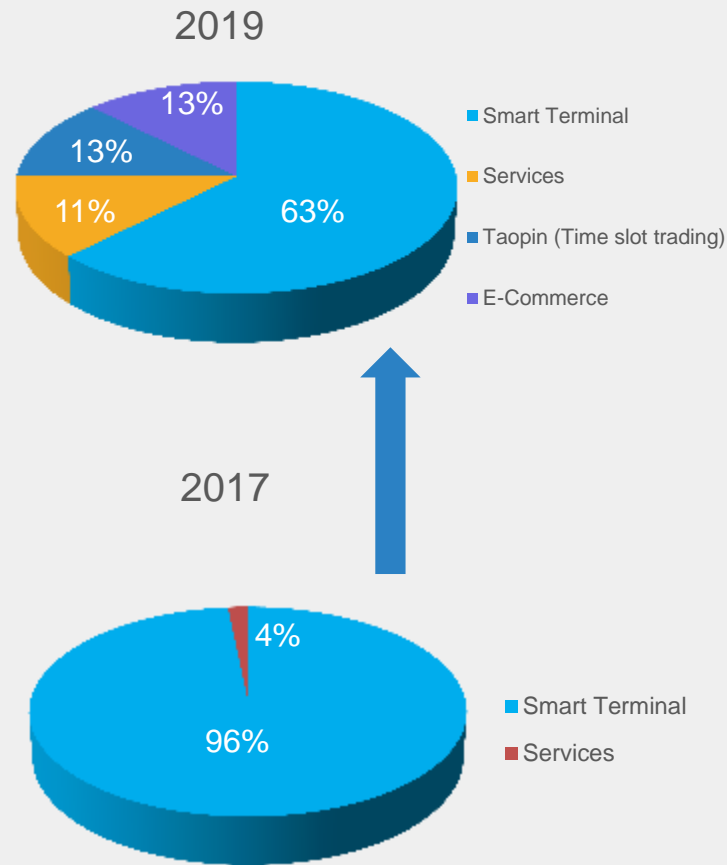
Iris YAN
Asst. CFO

- Held Director of Investor Relations, Secretary, and Asst. CFO positions since 2007.
- Has experiences in investor relations, capital market, and corp. governance.
- B.S. in Economics from Beijing Normal University, MS in Finance from Fudan University.

FINANCIAL FORECAST



- For 2017, projected revenue is approximately USD\$17 to \$19 million and projected adjusted net income is approximately USD \$4.4 to \$5.0 million.
- For 2018, projected revenue is approximately USD\$30.to \$33 million and projected adjusted net income is approximately USD \$9 to \$11 million.
- For 2019, projected revenue is approximately USD\$55.to \$60 million and projected adjusted net income is approximately USD \$20 to \$23 million.



INVESTMENT HIGHLIGHTS



- CNIT has strong revenue streams sustained by growing digital advertising market in China
- Proprietary Cloud-App-Terminal technology enables end-to-end digital ad delivery and IoT platform services.
- AMTT, China largest digital service to hotels and resorts, partners CNIT to advance to new business horizon.
- Experienced and committed management.
- Within the last 7 months, the stock price has increased 121% from \$0.67 to \$1.48 per share, but still near low end of historical valuation.

CUSTOMERS

Within the past 6 months in 2017, 50+ leading brands have chosen CNIT. For example, Audi, Toyota, 58 city, Anjuke, Zhaopin, Taiping Life, Industrial Bank China, Everbright Bank, Oriental Fortune etc...



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(NASDAQ: CNIT)

THANKS



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