



ChineseInvestors.com (OTCQB: CIIX)

January 3, 2020
Recent Price: \$0.16

Market Data

Fiscal Year	May
Industry	Consumer Products
Market Cap	\$7.8M
Shares Outstanding	48.7M
Float	44.9M
Avg. Volume (30-day)	58,722

As of January 3, 2020

Financial Data

<i>Income Statement</i>	
Revenue (ttm)	\$7.7M
Gross Profit (ttm)	\$1.9M

<i>Balance Sheet</i>	
Cash (mrq)	\$0.8M
Total Assets (mrq)	\$5.2M
Debt (mrq)	\$0.0M

<http://www.chineseinvestors.com/>

Company Overview

ChineseInvestors.com (CIIX) has built a large base of Chinese-speaking consumers over its 20-year history. Since its founding in 1999, the company focused on providing financial news and information through its proprietary platform ChineseInvestors.com, which continues to generate subscription revenue and cash flow that the company is leveraging into high-growth, high-margin hemp and cannabidiol (CBD) businesses. CIIX's legacy market commentary, analysis, and educational-related services are complemented by an advertising and public relations segment, in addition to the company's budding hemp and CBD operations, which include retail, online and direct sales of hemp-based products and other health related products.

Value Proposition

CIIX generated 175% revenue growth in the fiscal year ended May 31, 2019, and, based on its most recently reported quarter ended August 31, 2019, the company is now operating at an \$8 million annual revenue run rate. Management is targeting \$11 million to \$12 million in total revenue for fiscal year 2020 (ending May 31, 2020).

A key driver of the company's growth is its hemp and CBD business, with sales growing in the US, Canada, China, and beyond. CIIX has a unique competitive advantage through its established access to the Chinese-speaking community globally, a network it has spent two decades building. In China alone, the CBD sector is expected to surpass 100 billion Yuan (\$14 billion USD) over the next five years, according to the South China Morning Post. With an early foothold in this market and growing sales from both its CBD wine and cosmetics lines, CIIX is in an ideal position to dominate.

Investment Highlights

- **Record revenue of \$6.4M in FY19, up 175% YoY**
 - Current annual revenue run rate of \$8M as of 1Q20
 - Management targeting \$11M-\$12M in revenue for fiscal year 2020
- **Hemp and CBD sales key growth driver**
 - 1Q20 hemp/CBD sales of \$0.9M, up 569% year-over-year
 - ChineseCBDoil.com retail site went live January 2017, one of the world's first online stores in the Chinese language offering industrial hemp-derived CBD products
 - Opened retail store in San Gabriel, California, a predominantly Chinese-speaking community in Southern California
- **Large base of Chinese-speaking consumers**
 - Network built over two decades of operations
 - Long-term relationships provide credibility
 - Difficult to duplicate reach, providing unique competitive advantage
 - Global customer base spanning China, US, Canada, and beyond
- **CBD market in China forecast to surpass 100M Yuan over next 5 years**
 - Ongoing new product launches through CBD Biotechnology subsidiary
 - Expanding geographically to other markets in Asian region
- **Strong management team**
 - Founder Warren Wang has served as CEO since inception in 1999
 - CFO Patrick Leung a former auditor at Deloitte, Touche & Tohmatsu