



Executive Summary of China Education Resources Inc.

China Education Resources Inc. ("CER" or "the Company ") is a publicly-listed ed-tech company (TSX-V – CHN and OTCQB - CHNUF) based in Vancouver, Canada with leading technology in intelligent systems and contents. CER provides online/offline learning, training courses, as well as social media for teachers, students and education professionals.

Overview

Originally formed in 1997, China Education Resources Inc. is one of China's leading providers of educational contents and services. CER's product portfolio includes textbooks, teacher training, online portals, customized education solutions, online tutoring, and soccer education.

With decades of operating history, China Education Resources Inc. has developed deep relationships and expertise in the education technology sector. In collaboration with China's education administrators and experts, CER has been helping to transform the curriculum of the world's largest educational system. As a trusted partner in China, the Company works with various levels of educational authorities, including the Ministry of Education (MOE), China. Recognizing the need to address education reform changes, CER has created educational tools and curricula for China's entire kindergarten through twelfth-grade system. The Company is playing an integral part in transforming China's educational system through helping to convert the existing educational system from a memory-based learning system to a creative thinking and interactive approach. Presently, CER has 2 million kindergarten through twelfth-grade teachers registered through its web portal. China Education Resources Inc. sees an excellent opportunity to be a key benefactor in China's continued effort in digitizing the nation's classrooms.

In addition to its longstanding relationships built through traditional textbook publishing and distribution, CER has invested early and heavily in emerging interactive educational products. This has resulted in a significant increase in new clients, while also driving substantial increases in revenue from its existing accounts.

CER's operations currently span 20 provinces in China. Additionally, the Company's world-class management team has years of collective experience in education, and has driven exceptional results by leveraging a deep understanding of the market and extensive industry relationships. The combination of a robust platform, deep domain expertise, comprehensive education contents and network of relationships have enabled CER to position itself to be a leader in the growing market. The Chinese government, in an effort to modernize its educational system, has committed to making a significant near term investment in digitizing the nation's classrooms. China Education Resources Inc. is poised to be a key benefactor in this unprecedented infrastructure investment.

Milestones

- Product portfolio includes the largest K-12 teacher blog system in China which is on track to become the largest educational social media site in the country.
- Over 2 million teachers, education professionals & students use CER's blog site.
- CER has been operating the internet portal co-developed with various education authorities since 2004.
- Endorsed by the Chinese Ministry of Education for national-level online teacher training.
- CER's business currently spans 20 provinces throughout China and 2 million teachers have registered on the portal.
- First class expert teams of scholars, authors, teachers and instructional designers native to China.
- Proven track record of doing business in and navigating the region's challenging geopolitical environment.
- Developed and launched a blended comprehensive online/offline soccer education program.
- Developed more than 2,000 online teacher training courses for the continuous education of teachers; also developed more than 100,000 K-12 online lesson plans and is continuing to develop new educational content as well as upgrade the technology and functions of its portal.

Product Roadmap & Strategy

Step One: Online Teacher Training Program

The first step of the strategy involves working with various levels of education authorities to deliver government-funded online teacher training programs.

- Relationships built through the successful textbook publishing business are critical to the digital growth strategy
- Connecting classroom teachers with recognized experts in their subject areas
- Highly relevant to teachers' daily job
- Participatory and interactive; active learning
- Building communities of practice

Step Three: School-based Platform for Teachers

The third step involves promoting products directly to teachers through CER's School Platform. The School Platform provides a link between a school and its teachers, students and parents.

- Endorsement of the school platform by schools for use by teachers
- Collaboration of teachers in various regions
- Video database of actual classroom teaching records
- Support the teachers' administrative, teaching, learning, testing and assessment needs

Step Two: Online Teaching & Research Platform

The second step of the strategy involves integrating CER's products and services into teachers' daily routines. This will allow teachers to interact and communicate with each other while establishing a close relationship with CER and its products. These products include online teacher training, professional development and sharing of lesson plans.

- Integrate into teachers' daily routine
- Interact and communicate with experts and other teachers
- Comprehensive social network for use by teachers to support their administrative, teaching, learning, testing and assessment needs

Step Four: School-based Platform for Students

The fourth step of the growth strategy is to target students by offering a number of products and services. This includes offering our collection of online tutoring courses, customized education resources, formative assessment tools and education games.

- Education resource center
- Online tutoring
- Homework system
- Interaction with teachers and parents
- Communication among students
- Educational games
- Formative assessment
- Customized resources

China Education Resources Inc., together with its partners, has completed the most comprehensive high-quality soccer textbooks with online/offline solutions for the soccer education program. The soccer textbooks include thirteen student textbooks (one book per grade) and four teacher's books used for teaching the student soccer textbooks. The textbook set also comes with soccer training video contents for students and teachers.

- Developed by top international soccer (“football”) expert teams
- Guidance by the National Expert Committee on China School Football Plan
- Tightly integrated with network information technology and innovative materials
- Dynamic progress of the learning of football through our integrated textbook and online video contents
- Vertical and horizontal social network system and learning environment through lessons with both textbooks and our education portal
- High interaction between teachers and students in classes and education portal
- Breakthrough football textbook model with the best football textbook contents and leading edge online training platform for K to 12 students and teachers

Soccer education has emerged as a new horizon in China's education sector and is rapidly spreading throughout the country. Through our comprehensive high-quality textbooks, video contents, training programs, on-line platform and available smart phone technology, CER will out-perform our competitors with our total solutions to both students and teachers in soccer learning and training in China.

China Education Resources Inc. has recently developed and launched a brand new online training course on teachers' manners and etiquette. Due to the increased use of information technology and social media in interacting with students and their parents, there is a high demand from teachers to take such a training course in order to upgrade their own manners, etiquette and communication skills for appropriately dealing with others in both the real and virtual world.

CER's online education platform and services provide a vertically blended learning, teaching, research and management system for a “student-teacher-school-parent community”. It not only provides academic and professional training courses to teachers, but also enhances their social communication skills with parents, community members, and students.

Macro Market Trends

China's internet adoption

China's online presence continues to grow rapidly; it is now the country with the largest number of internet users globally.

Emergence of lifestyle change to combat the COVID-19 pandemic

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has negatively affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. However, along with the gradual recovery of economy in China following COVID-19's peak period of impact, our online business has received very positive responses from the government, private and general public as a result of the lifestyle changes which have occurred to combat the COVID-19 pandemic.

Significant Market Opportunities

China's Central Government has committed to allocating 4% of the Chinese GDP to education annually (approximately USD \$328 billion annually). China's education has been pursuing the 4% for about 20 years. In 2011, this goal was achieved, and the figure was included in China's publicly released budget for the first time. The Ministry of Education has concluded a ten year plan which has resulted in the allocation of 10% of the annual education expenditure towards education digitalization.

There are approximately 230 million students, 12 million K-12 teachers, and 400,000 primary and secondary schools in China.

- CER has long-standing relationships and national brand recognition from its many years of leadership in the curriculum content and textbook publishing business.
- CER is leveraging that market position to become the leading service provider of online products in the K-12 education market.

CER has a unique business model with a national brand and a reputation for offering the best in-class learning products and services. Teachers who know and trust the CER brand recommend its products to the students they teach (a "top down" sales approach). An "online/offline" model allows physical products such as textbooks and enrichment materials to be sold offline with the user able to maximize the effectiveness of these products through the CER portal.

CER's online vertically blended learning, teaching, research and management system will provide China Education Resources Inc. with great long-term revenue potential.