

# CHINA EDUCATION RESOURCES INC.

## PRESENTATION

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AN INTELLIGENT EDUCATION SYSTEM, CONTENTS AND SERVICES PROVIDER



# Corporate Overview: Background



## Overview :

- Originally formed in 1997, China Education Resources Inc. (“CER” or the “Company”) is a publicly listed company (TSX-V – CHN and OTCQB - CHNUF) based in Vancouver, Canada, and is one of China’s leading providers of educational content and services.
- CER works with various educational authorities and organizations in China.



# Corporate Overview: Highlights and Milestones



- Leader In New Digital Frontiers** → • 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 China
- Market Validation** → • Over 2 million K-12 teachers, education professionals & students using CER's blog site
- Long-standing Key Relationships** → • CER has been operating the internet portal co-developed with varies levels of education authorities and academic expert teams since 2004
- Growing New Product Suites** → • CER's online products and textbooks span in 20 provinces throughout China
- Emerging Cross-Sell Opportunities** → • Expanding to the School Platform and Soccer Education Programs
- Access To High Quality Content** → • First class expert teams of scholars, authors, teachers, instructional designers native to China. 2,000 online teacher training courses, over 100,000 lesson plans, 5 million teacher's articles
- Geographical Expertise** → • Proven track record of doing business in and navigating the region's challenging geopolitical environment

# Progress to Date: Textbooks and Online Products



## Textbook Products

- **Process:** Products are created in collaboration/ oversight with various education authorities
- **Subjects:** Green Certificate, General Skill, Ethic, Arts, Music, Career Planning, Soccer textbook
- **Target:** Primary and secondary schools
- **Competitive advantage:** One of the few private entities to publish education textbooks in China's K-12 public school system
- **Customers:** Public schools (mandated curriculum)
- **Key advantages:** Dependable revenue stream, Limited risk, Paved key Relationships & Enhances brand reorganization

## Online Products

- ◆ **Product:** Training platform and content distribution (Online & Text)
- ◆ **Subjects: All key subjects such as** Chinese, Math, English, physics, chemistry, history, PE, Soccer, etc.
- ◆ **Primary Source of Revenue:** Sales of teaching modules and seminars
- ◆ **Target:** K to 12 sector
- ◆ **Competitive advantage:** Endorsed by Ministry of Education, China for national level online teacher training
- ◆ **Customers:** Provincial education authority, Municipal education authority, teachers, students and central government authority (Ministry of Education)
- ◆ **Key advantages:** Connect with customers on a personal basis, cross sell existing products, build relationships with young educators

# Roadmap: Four Step Plan



## •Step One: Online Teacher Training Program

- 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 Two: Online Teaching & Research Platform

- 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

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



## •Step Three: School-based Platform for Teachers

- Endorsement of CER portal 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

# Soccer Education Program



## The Most Comprehensive and Quality Soccer Textbooks with Online/Offline Total Solutions for Soccer Education Program:

- Developed by top international soccer (“football”) expert teams
- Guidance by the National Expert Committee on China School Soccer Plan
- Tightly integrated with network information technology and innovative materials
- Dynamic progress of the learning of soccer through our integrated textbooks and online video contents
- Vertical and horizontal social network system and learning environment through lessons with both textbook and our education portal
- High interaction between teachers and students in classes and education portal
- Breakthrough soccer textbook model with the best soccer textbook contents and leading edge online training platform for K to 12 students and teachers
- Three parties form a premier team for soccer education program
  - Encyclopedia of China Publishing House publishes and distributes textbooks
  - European partners provide UEFA certified coach training guide
  - CER provides the network platform and technical support services

# Progress to Date: Sales and Marketing



## Overview

- Tightly knit team of sales professionals based in mainland China
- Uniquely firsthand understanding the Chinese educational market
- Proven track record of closing deals and growing revenue
- Over a decade of experience in the region, has enabled the team to build long-standing relationships and understand/identify key decision-makers
- Sales team members are trusted partners in recommending products to officials

## Marketing Channels

- The increasing popularity of the company's portal, internet portal, [www.cersp.com](http://www.cersp.com) creates an inexpensive additional cross sell opportunities
- Organic growth through word-of-mouth/ teacher recommendations

## Actionable Feedback

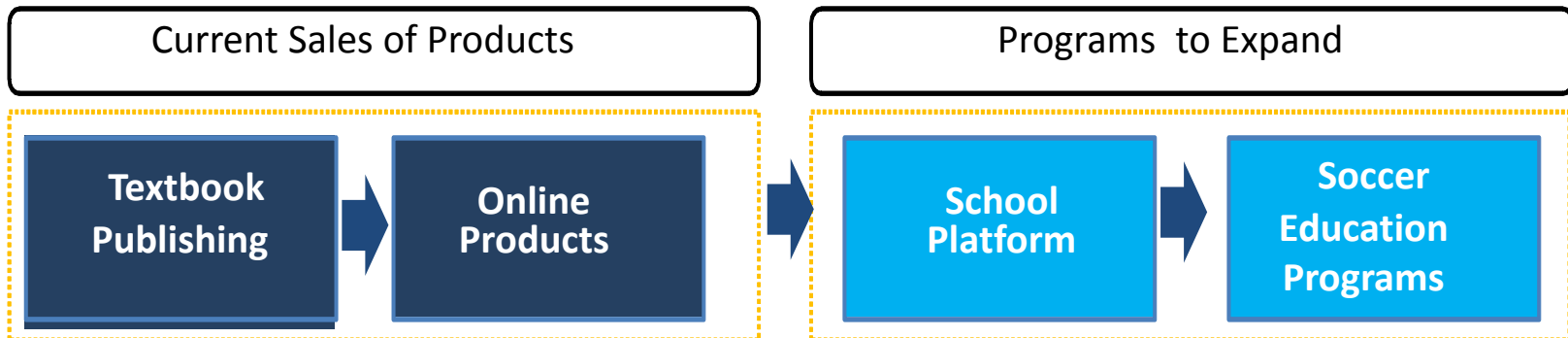
- The salesforce serves a critical role as a liaison between educational authorities and the Company
- The salesforce plays a key role in identifying new opportunities and developing future products

# Roadmap: Rollout Plan



- Leverage current relationships and distribution networks to sell new products and soccer education programs in various provinces
- Focus on expanding the digital product portfolio
- Set up “show case” schools of the program in each major city
- Partner with the academic divisions of various education authorities and promote through the education conferences organized by the local education authorities
- Provide a more robust “online/offline” mutually complementary solution
- Expand products into different segments of the K-12 education system

## ROLLOUT PLAN





# Market Opportunity



## Key Government Initiatives

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

## China K – 12 Market

- 400,000 schools
- 12 million teachers
- 230 million students

## CER Target Market

- 223,000 schools
- 5.6 million teachers
- 101 million students

## CER Initial Market

- 102,000 schools
- 2.3 million teachers
- 55 million students