Corporate Overview: Background

Overview:

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

- CER works with various educational authorities and organizations in China, including the Curriculum Development Center (CDC) and the Chinese Society of Education (CSE).

PRODUCT PORTFOLIO

- Textbook Publishing
- Online Products
- Current Sales Of Products
- Programs To Expand
- School Platform
- Soccer Education Program
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 teachers, education professionals & students using CER’s blog site.
- **Long-standing Key Relationships**: Operates the internet portal co-developed with Ministry of Education’s Curriculum Development Center (CDC) & The Chinese Society of Education (CSE).
- **Growing New Product Suites**: CER’s online products and textbooks are adopted in 14 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 and navigating the regions challenging geopolitical environment.
Progress to Date: Textbook Publishing

- **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

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**Roadmap**

- Historically textbooks have accounted for the majority of the company’s sales, moving forward management expects this business to continue to grow but the company’s focus will largely be on interactive digital products

- As the popularity of interactive products continue to grow the company sees excellent cross sell opportunity to bring textbook customers into online high-margin digital products
Progress to Date: Online Products Overview

- **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:** The only public company endorsed by MOE 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.

**Highlights**
- **Teacher Training:** More than 800,000 K-12 teachers trained since 2006
- **Developed more than 2,000 teacher training courses**
- **Teacher Platform:** More than 100,000 K-12 online lesson plans, course modules.
- **Operates the largest K-12 teacher blog system with 2 million K-12 teachers, of which is on track to become the largest educational social media website in China.**
- **Adopted in 14 provinces throughout China and the portal has over one million teachers registered.**
- **Expanding to the School Platform and Soccer Education Programs.**
Products Sales

Annual Sales (USD)

2008: $336,706
2009: $2,790,137
2010: $5,436,165
2011: $6,553,140
2012: $7,391,934
2013: $10,085,422
2014: $10,700,662
2015: $12,715,834
2016: $13,420,347
Soccer Education Program

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

- Developed by top international soccer expert teams
- Guidance by National Expert Committee on China School Soccer Plan
- Tightly integrated with network information technology and innovative materials
- Dynamic progress learning procedure of textbook
- Vertical social network system of learning environmental
- Highly interaction among teachers and students
- 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 partner a premier team for soccer education program
  - Encyclopedia of China Publishing House publishes and distributes textbooks
  - SOXNA provides UEFA certified coach training guide
  - CER provides the network platform and technical support services
Thirteen Student Soccer Textbooks (one book per grade)

Primary school (6 books)

Junior high school (3 books)

Advance level (1 book)

Senior high school (3 books)
Online platform of soccer education

Self initiated

Online teaching and research

Four levels interaction

Internet + education, total solution with interactive network technology

- Highlights the central role of personal studio, provides various forms of curriculum resources and interactive learning tools for students to choose courses and services.

- Builds a blended learning, teaching and research system for multiple levels "students-teacher-teaching and research community", supports specialists, various forms of interaction between teachers, students, teaching and research, and resource sharing.

- Combines district, school, class and individual as a whole unit with multiple functions of learning, teaching, research and management. provides support services for individuals, schools for different levels of learning, teaching and research activities.

The CER portal is a well-known educational platform which
- has the largest K to 12 teachers blog system with 2 million K-12 teachers registered in China and
- is recommended by the Ministry of Education as the nation's outstanding educational resource website.

Scan the QR code to enter learning & training platform
To satisfy different teaching situations and conditions, the vertical service provides a solid, comprehensive teaching and training system for soccer education.

**Total solution**

- **Teaching materials**
  - Teachers’ manual and training
  - Arranges for foreign coaches on campus
  - Help build soccer training centre
  - School supplies and equipment

- **Four books for teachers**
- **Registered UEFA soccer coaches come to China for face-to-face tutoring and teaching demonstration**
- **Online training and services for teachers on the teaching and research of soccer education**
- **According to the arrangement of funding and teaching conditions, we can arrange European coaches to organize daily soccer training activities for students in schools. These activities will be available for boys and girls of different ages.**
- **Assist local education authorities to establish soccer training centre and help arranging registered with UEFA soccer coaches for teachers and coaches training**
- **Assist local education authorities in selecting, purchase of soccer teaching and training supplies and related equipment, such as soccer, jerseys, sneakers, soccer ball bags, tag, sign, sign barrels, energy ring, ladders, goal, and for indoor and outdoor mini soccer pitch, inflatable pitch and regular soccer field design and reference services.**
Huge Upward Space

• There is a huge upward space in China’s sports sector based on the fact that there is a lack of real professional sports and real sports industry.

• If the output of China’s sports industry is to catch up with that of America's, it would be equal to $556 billion annual sales. The next decade would be the golden decade of sports industry in China.
China Soccer Market

- Chinese center government announced the school soccer master plan in 2015
  - The target of the plan is to set up 20,000 soccer schools with 20 million students involvement by 2017
  - Having 100,000 soccer schools by 2025 and achieve the world cup competition

- The current China soccer market is estimated to be $200 billion

- By 2025, the China sports industry is forecasted to reach $859.9 billion, with soccer as the biggest segment
Progress to Date: Sales and Marketing

Overview

- Tightly knit team of sales professionals based in mainland China
- Uniquely first hand 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 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
The company has made significant progress in expanding its geographical footprint. The shaded red areas below represent provinces where the company is in activity.
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 would result 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