

CHINA EDUCATION RESOURCES INC.

PRESENTATION

AN INTELLIGENT EDUCATION SYSTEM, CONTENTS AND SERVICES PROVIDER



SECTIONS



Introduction

CORPORATE OVERVIEW

BACKGROUND
HIGHLIGHTS AND MILESTONES
MANAGEMENT

Section 1

PROGRESS TO DATE

TEXTBOOK PUBLISHING OVERVIEW
ONLINE PRODUCTS OVERVIEW
KEY PARTNERS & NETWORK
GEOGRAPHICAL PENETRATION

Section 2

ROADMAP

FOUR STEP PLAN
ROLLOUT PLAN

Section 3

SMARTPHONE PROGRAMS

A POWERFUL TOOL TO PARTNER WITH CER SCHOOL PLATFORM
A UNIQUE APPROACH TO MEET THE NEEDS OF TEACHERS,
STUDENTS, AND PARENTS AND ENHANCE SCHOOL
PERFORMANCE

Section 4

MARKET OPPORTUNITY

MACRO THEMES
CHINA INTERNET MARKET
MARKET OPPORTUNITY

Introduction

CORPORATE OVERVIEW

BACKGROUND
HIGHLIGHTS AND MILESTONES
MANAGEMENT

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).



Management

- **Chengfeng Zhou** – Chairman and Chief Executive Officer
- **Danny Hon** – Chief Financial Officer
- **Vivian Chen** – Chief Financial Officer of China Operations
- **Lang Yuanlin** – President of the Company’s China operation subsidiary
- **Li Qi** – Chief Executive Officer of the Company’s China distribution subsidiary
- **Mu Weiguo** – President of the Company’s China distribution subsidiary

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 1.3 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 Smart Phone 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.

Section 1

PROGRESS TO DATE

TEXTBOOK PUBLISHING OVERVIEW

ONLINE PRODUCTS OVERVIEW

KEY PARTNERS & NETWORK

GEOGRAPHICAL PENETRATION



- **Process:** Products are created in collaboration/oversight with various education authorities
- **Subjects:** Green Certificate, General Skill, Ethic, Arts, Music, Career Planning
- **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

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, 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.

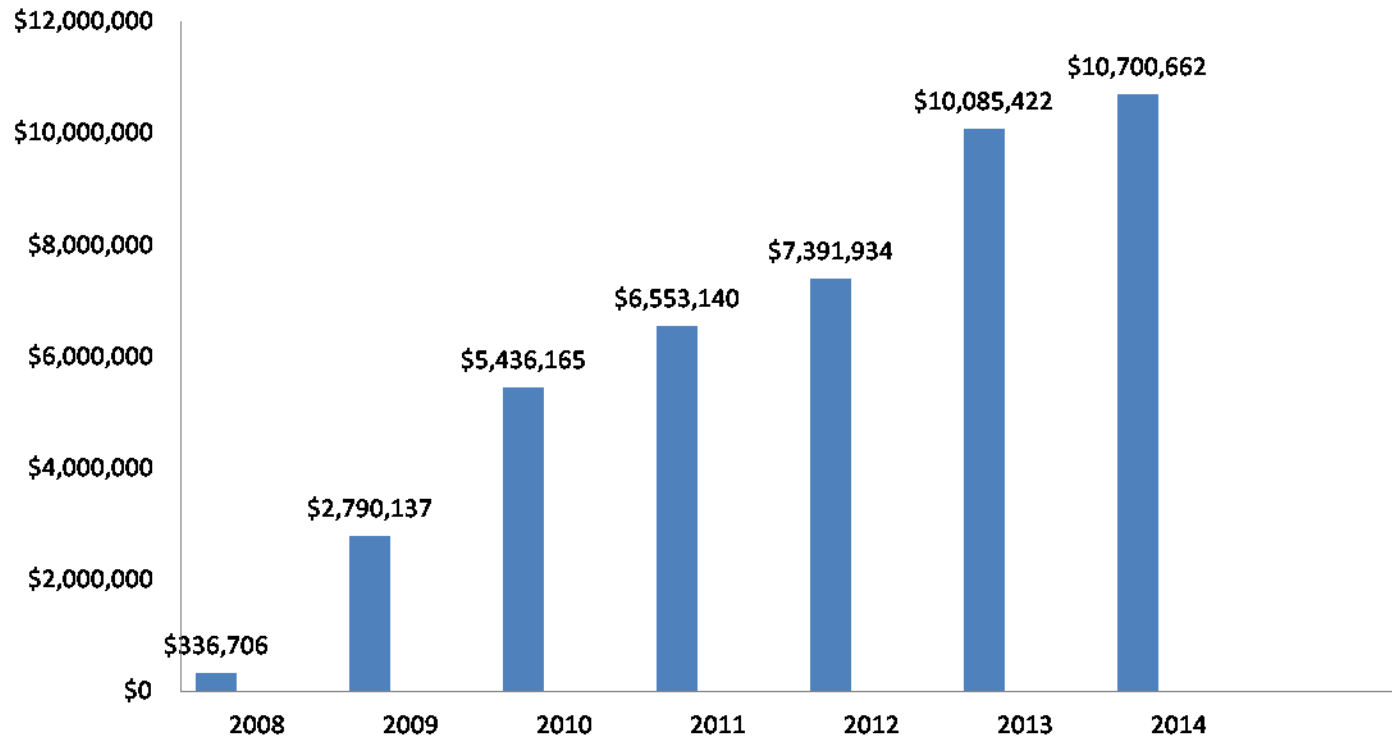
Highlights

- **Teacher Training:** More than 600,000 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 over 1 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 Smart Phone Education Programs.

Products Sales



Annual Sales (USD)



PROGRESS TO DATE: PARTNERS AND NETWORK



As a trusted partner in China, CER has long-time relationship with various education authorities and some of the most influential publishers

Textbook and Supplementary Materials

Encyclopedia China

Phoenix Publishing House

China Archives Publishing House

Guizhou Nationality Publishing House

China Map Publishing House

Shandong People's Publishing House

Guangdong Xinyue Textbook Research Development Co.

Tongxin Publishing House

School Platform Program

Education Department of Guangxi

Teaching & Research Institution of Education-Gansu

Education Department of Liaoning

Education Department of Shanxi

CER Smart Phone Education Programs

Gansu Province

Sichuan Province

Online Training and Services

Ministry of Education, China

Education Department of Gansu Province

Education Department of Heilongjiang Province

Education Department of Henan Province

Education Department of Liaoning Province

Education Department of Guizhou Province

Xinjiang Uygur Autonomous Region

Education Department of Guangxi

Education Department of Anhui

Education Department of Shanxi Province

Education Department of Qinghai Province

Chongqing Municipal Education Commission

Education Department of Inner Mongolia

Education Department of Yunnan Province

Education Department of Shaanxi Province

Education Department of Hunan Province

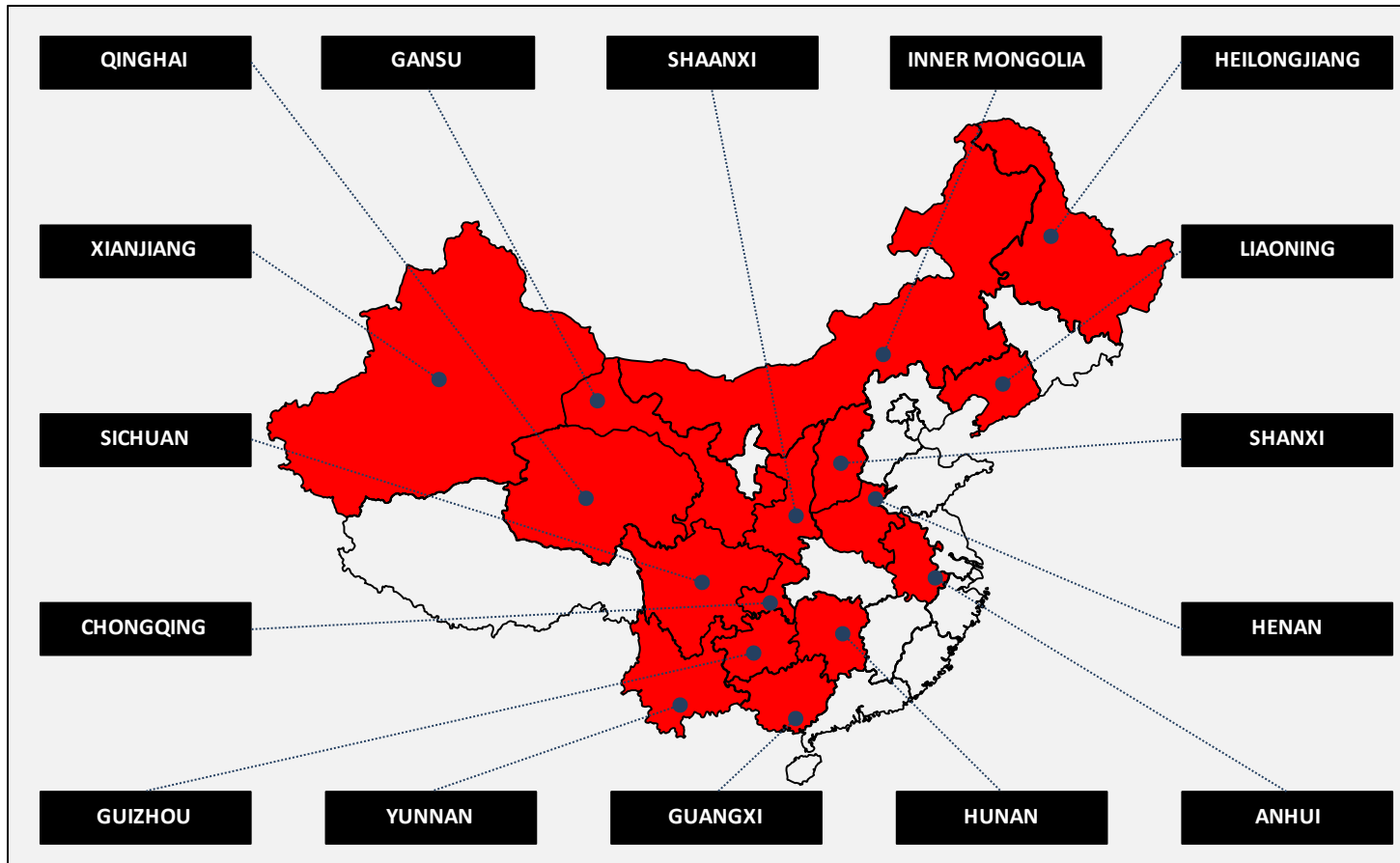
Education Department of Sichuan Province

PROGRESS TO DATE: GEOGRAPHICAL PENETRATION



The company has made significant progress in expanding its geographical footprint.

- The shaded red areas below represent provinces where the company is in activity.



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

Section 2

ROADMAP

FOUR STEP PLAN
ROLLOUT PLAN

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



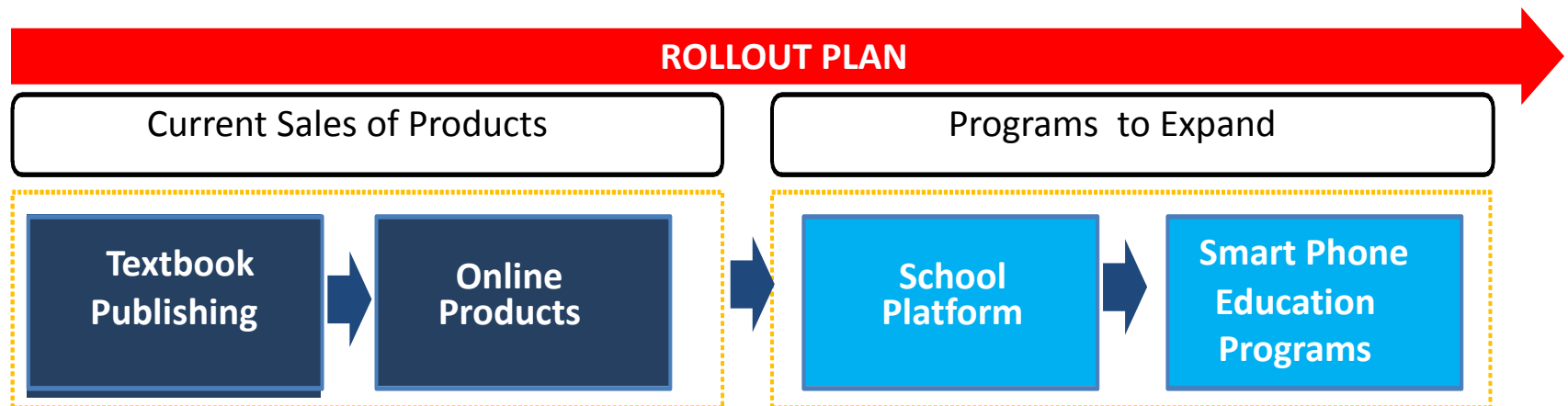
Step Three: School-based Platform for Teachers

- Endorsement of the ESP 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

ROADMAP: ROLLOUT PLAN



- Leverage current relationships and distribution networks to sell new products and smart phone education programs in various provinces
- Focus on expanding the digital product portfolio
- Set up “show case” schools of the program in each major city (CER program has shown improved academic performance by class)
- 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



Section 3

SMARTPHONE EDUCATION PROGRAMS

A POWERFUL TOOL TO PARTNER WITH OUR EXISTING FULLY APPROVED CER SCHOOL PLATFORM SYSTEM

A UNIQUE APPROACH TO MEET THE NEEDS OF TEACHERS, STUDENTS, AND PARENTS ENHANCING SCHOOL PERFORMANCE

A POWERFUL TOOL TO PARTNER WITH CER SCHOOL PLATFORM



- A power tool to partner with our existing fully approved CER school platform system
- A unique approach to meet the needs of teachers, students, and parents enhancing school performance
- CER migrated their programs into an interactive digital system that is deployed through their proprietary software to mobile phones as the user interface
- Through the CER Smart Phone Education Programs, the system automatically analyzes and provides instant reports and feedback to teachers, students and parents

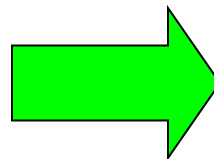
GOAL: PERSONALIZED LIFETIME LEARNING AND DEVELOPMENT PLATFORM



- **Lifetime Learning platform**
Users will build their e-portfolio of lifelong learning and career development based on their own individual characteristics. Users not only complete the study required by the school, but also according to the platform's analysis to get the appropriate support and service for their own development of both academic and future career.
- **Presentation Platform**
Long-term accumulation of personal data and file will make the most comprehensive and complete self-ability to present in the best form to different requirements.
- **Talent and Career Platform**
As a lifetime learning platform, it can automatically and accurately form a huge data for a user's various talents and capabilities.
- **Family as a social platform for vertical diversification ties**
Each member of the user's family will independently develop their own various social network . According to each user's own characteristics, preferences, academic and career development, the platform can help users more effectively establish and perfectly meet their social needs. The platform digitizes the family unit of the real world to the virtual world.

Implementation Path

CER Online/Offline
Education Programs



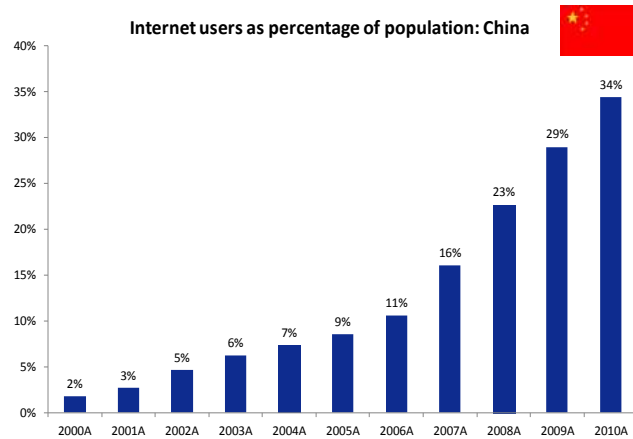
Personalized Lifetime
Learning and
Development Platform

Section 4

MARKET OPPORTUNITY

MACRO THEMES
CHINA INTERNET MARKET
MARKET OPPORTUNITY

MARKET OPPORTUNITY: MACRO THEMES

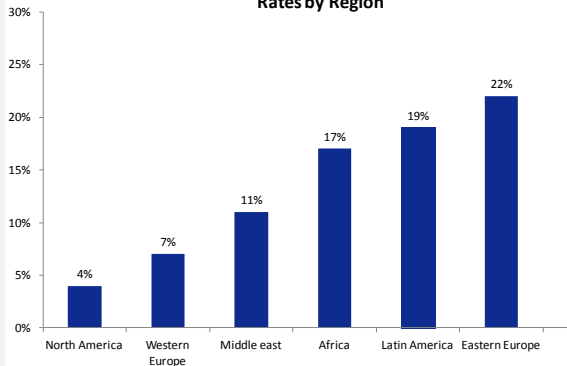


Country	Internet Users	
	2000	2012
China	22,500,000	564,000,000
United States	95,354,000	245,203,319
India	5,000,000	121,000,000
Japan	47,080,000	101,228,736
Brazil	5,000,000	81,798,000
Germany	24,000,000	67,364,898
Russia	3,100,000	61,472,011
Indonesia	2,000,000	55,000,000
United Kingdom	15,400,000	52,731,209
France	8,500,000	50,290,226

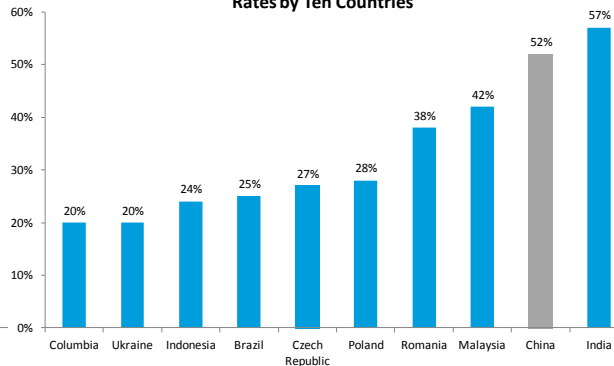
China's Online Presence

- China's online presence continues to grow rapidly
- As this trend continues so will the adoption of online education

2010-2015 Worldwide Self-paced eLearning Five-year Growth Rates by Region



2010-2015 Worldwide Self-paced eLearning Five-year Growth Rates by Ten Countries



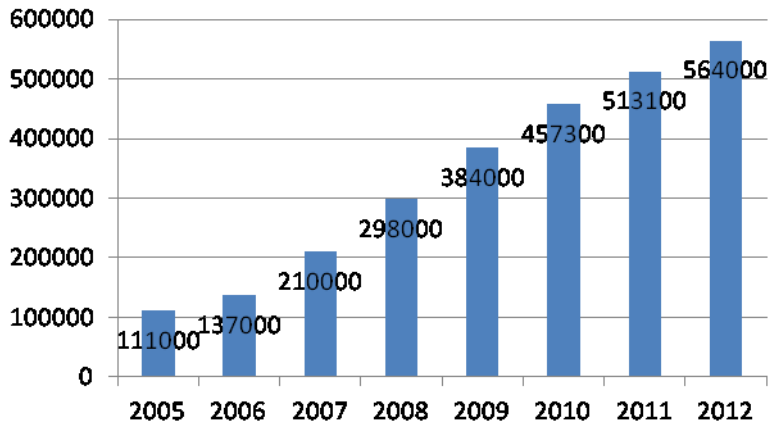
Emergence of E-Learning

- According to Ambient Insight, the Self-paced eLearning products and services market globally was approximately \$32.1 billion in 2010.
- The overall market is projected to grow at a CAGR of 9.2% (2010-2015) to \$49.9 billion in 2015.

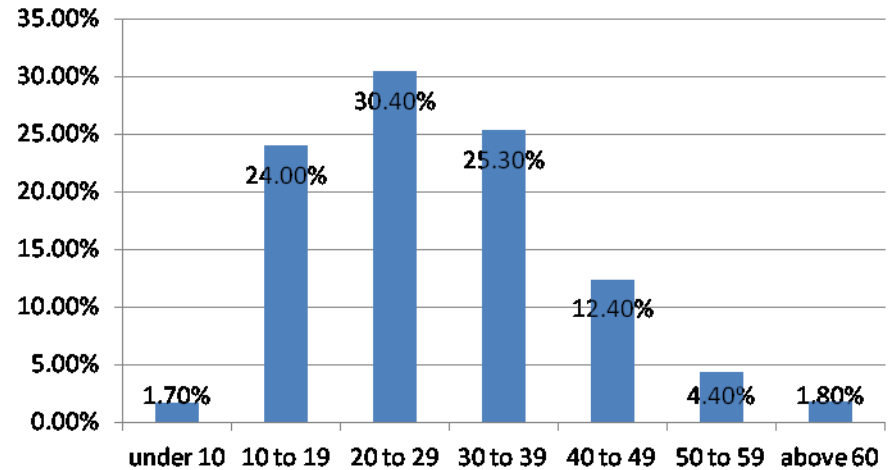
China Internet Market



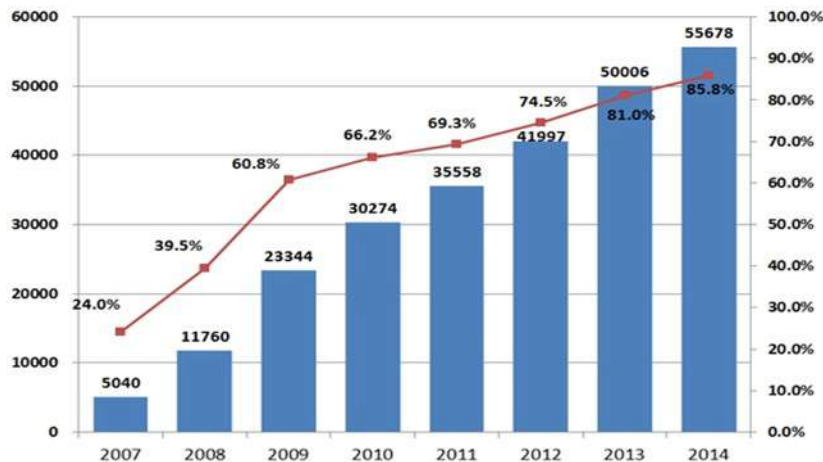
China Internet Users (K) (2012)



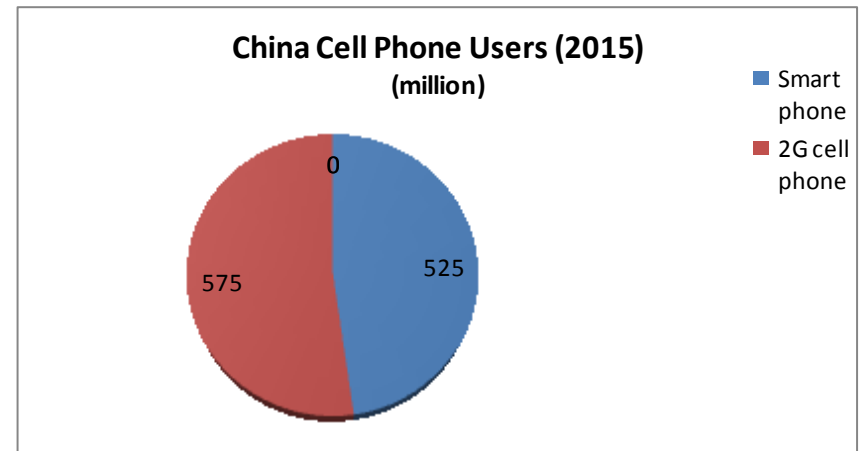
Percentage of China Internet Users' Age



China 2014 Cell Phone internet Users (10K)



China Cell Phone Users (2015) (million)



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 is currently concluding a ten year 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
- 47 million students