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TSX VENTURE SYMBOL: CHN
OTC MARKETS: CHNUF

China Education Resources Inc. made US\$978,466 in net income in Q2 2020

VANCOUVER, Canada (September 1, 2020) - China Education Resources, Inc. ("CER") (TSXV: CHN) (OTCQB: CHNUF), an ed-tech company with leading technology of intelligent system and contents which provides online/offline learning, training courses and social media for teachers, students and education professionals, announced its financial results for the second quarter of 2020. All figures are expressed in U.S. dollars.

China Education Resources generated gross revenue of \$3,734,501 in the second quarter of 2020 as compared with gross revenue of \$4,250,617 for the same period in 2019. It recorded a net income attributable to shareholders of \$795,883 as compared with a net income attributable to shareholders of \$423,482 for the same period in 2019.

During the six months ended June 30, 2020, CER generated revenue of \$4,333,775 as compared with \$6,136,996 for the same period in 2019. The net income attributable to the shareholders of CER for the period was \$466,332 as compared to \$509,717 net income for the same period in 2019.

The Q2 of 2020 financial highlights are as summarized as follows:

	2020 (USD)	2019 (USD)	Percentage change
<u>Consolidated Statements of Comprehensive Income</u>			
<u>Three months ended June 30,</u>			
Book sales and distribution services	2,647,668	3,048,435	-13.1%
Online products	1,086,833	1,202,182	-9.6%
Total revenue	3,734,501	4,250,617	-12.1%
Net income attributable to shareholders of the Company	795,883	423,482	87.9%
<u>Six months ended June 30,</u>			
Total revenue	4,333,775	6,136,996	-29.4%
Net income (loss) attributable to shareholders of the Company	466,332	509,717	-8.5%

There was a decrease in revenue from both book sales and distribution service as well as online products for the second quarter as compared with the same period in 2019. The decrease in revenue was mainly due to the slowdown in economic activities in China as a result of the COVID-19 pandemic. However, our second quarter of 2020 recorded 6.23 times of revenue as compared with the same of the first quarter of 2020 has clearly indicated that our business is catching up alone with the Chinese economy's gradual recovery following COVID-19's peak period of impact.

The increase in net income of the second quarter of 2020 as compared with the same of the second quarter of 2019 was due to the fact that certain contents had already been developed resulting in significant reduction in the related cost of sales, together with the decrease in selling and marketing expenses due to the lockdown of business by the COVID-19 pandemic.

"We are very pleased that our business is in the right direction to address the speed up of changes in life styles and habits of people due to the COVID-19 pandemic," said Chengfeng Zhou, CEO, China Education Resources. "Due to the large online component of our business, CER has been receiving positive responses from the government, private sector, and general public; this is because of the shift towards a more online lifestyle which has occurred in order to combat the COVID-19 pandemic. We continue to receive purchase orders, and have been receiving orders for our online products in particular following the Chinese economy's recovery. Our online education platform and services provide a vertically blended learning, teaching, research and management system for a student-teacher-school-parent community. We believe it will provide CER with great long-term revenue potential."

In collaboration with China's education administrators and experts, China Education Resources has been helping to transform the curriculum of the world's largest educational system. Recognizing the need to address education reform changes, China Education Resources has created educational tools and curriculum 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, China Education Resources has over 1 million kindergarten through twelfth grade teachers registered through its Web portal.

Safe Harbor Statement

Certain statements made herein, and other statements relating to matters that are not historical facts and statements of our beliefs, intentions and expectations about developments, results and events which will or may occur in the future, constitute "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information and statements are typically identified by words such as "anticipate", "could", "should", "expect", "seek", "may", "intend", "likely", "plan", "estimate", "will", "believe" and similar expressions suggesting future outcomes or statements regarding an outlook. All such forward-looking information and statements are based on certain assumptions and analysis made by China Education Resources, Inc.'s management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information or statements. Important factors that could cause actual results to differ from these forward-looking statements include those described under the heading "Risks and Uncertainties" elsewhere in the Company's MD&A filed at www.SEDAR.com. The reader is cautioned not to place undue reliance on forward-looking information or statements. Except as required by law the Company does not assume the obligation to revise or update these forward looking statements after the date of this document or to revise them to reflect the occurrence of future, unanticipated events.

The TSX Venture Exchange has not reviewed, and does not accept, responsibility for the adequacy or accuracy of the contents of this press release.

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