



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, 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 has 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 its 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 and also developed more than 100,000 K-12 online lesson plans; continuing to develop new educational content as well as upgrade the technology and functions of the CER portal.

Product Roadmap & Strategy

<p>Step One: Online Teacher Training Program</p> <p>The first step of the strategy involves working with various levels of education authorities to deliver government-funded online teacher training programs.</p> <ul style="list-style-type: none"> • Relationships built through the successful textbook publishing business are critical to the digital growth strategy • Program connects classroom teachers with recognized experts in their subject areas • Highly relevant to teachers' daily job • Interactive and participatory active learning process • Provides participants with community and platform to practice tech skills 	<p>Step Three: CER Portal for Teachers</p> <p>The third step involves promoting products directly to teachers through the CER Portal. The CER Portal provides a platform to link a school with its teachers, students and parents.</p> <ul style="list-style-type: none"> • CER provides platform, infrastructure and resources for schools to personalize and tailor to their students' and teachers' needs • Endorsement of CER Portal by schools for use by teachers • Enables collaboration between teachers in various regions • Video database of real-life classroom teaching records • Provides crucial support for teachers' administrative, teaching, learning, testing and assessment needs
<p>Step Two: Online Teaching & Research Platform</p> <p>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.</p> <ul style="list-style-type: none"> • Integrate into teachers' daily routine • Allows teachers to interact and communicate with experts and other teachers • Comprehensive social network for teachers to use in order to support their administrative, teaching, learning, testing and assessment needs 	<p>Step Four: School-based Platform for Students</p> <p>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.</p> <ul style="list-style-type: none"> • Education resource center • Online tutoring • Homework system • Interaction with teachers and parents • Communication amongst students • Educational games • Formative assessment • Customized resources

Soccer:

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

- Developed by top international soccer (“football”) expert teams
- Guidance from the National Expert Committee on China School Football Plan
- Traditional offline textbooks and instruction tightly integrated with novel online technology and innovative materials
- Dynamic soccer-learning progress through our integrated textbook and online video contents
- Vertical and horizontal social network system and learning environment achieved through lessons with both textbooks 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

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, online platform and available smartphone technology, CER will out-perform our competitors with our total solutions to both students and teachers in soccer learning and training in China.

Teachers' Manners and Etiquette:

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.

IT Proficiency Training Program:

CER recently launched its online IT Proficiency Training Program designed to improve the IT application capability of K-12 teachers. The program includes a set of 130 training courses plus supplemental materials. Starting from 2020, IT proficiency training courses are part of the mandatory requirements for all 12 million K-12 teachers in China by the Chinese Ministry of Education. Because of increased use of information technology and social media in both education and interactions with students as well as their parents, teachers are required to familiarize themselves with and enhance their skills in IT in order to improve their educational quality and teaching results.

Online Psychological Counselling Training Program:

CER has developed and launched its Online Psychological Counselling Training Program for K-12 teachers. A United Nations report states that from the onset of the COVID-19 pandemic, teachers were immediately tasked with implementing distance learning modalities, often without sufficient guidance, training, or resources. Teachers across the globe were largely unprepared to support a seamless transition in learning and adapt to new teaching methodologies. Likewise, students and their families currently need more help than ever due to the unexpected impact of the pandemic on individuals and their families. Therefore, it is critical to provide teachers with the help and tools needed to navigate these unprecedented challenges, most especially in light of the psychological burden COVID-19 has placed on individuals at large.

Online School Safety Training Program:

CER has launched its Online School Safety Training Program for K-12 teachers. The School Safety Training program, together with other CER training programs launched during the span of the COVID-19 pandemic, has been created in direct response to market demand, especially from the teacher community. Other CER training programs launched during the pandemic include CER's Online Psychological Counselling Training Program, as well as CER's other new teachers' training programs announced in 2020 such as its Online Teachers' Manners and Etiquette Training Programs in addition to its Online IT Proficiency Training Program.

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 sector and general public as a result of the lifestyle changes which have occurred to combat the COVID-19 pandemic.

The COVID-19 pandemic has accelerated the digitalization process of classrooms and changed the education landscape indefinitely. Now, more than ever, online education and educational technology is in great demand. CER is perfectly poised to cater towards the intensified e-learning market demands which have arisen as a direct result of the COVID-19 pandemic.

Significant Market Opportunities

China's Central Government previously committed to allocating 4% of the Chinese GDP to education annually (approximately USD \$816 billion in 2020). In 2011, this goal was achieved, and the figure was included in China's publicly released budget for the first time. Since then, a minimum of 4% of the Chinese GDP has been consistently annually allocated to China's education sector. The Ministry of Education also concluded a ten year plan which 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 its 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.