

China Education Resources Inc.

Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)

Period Ended March 31, 2015
(Unaudited)

Management's Responsibility for Financial Reporting

The accompanying unaudited condensed interim consolidated financial statements of China Education Resources Inc. were prepared by management in accordance with IAS 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances. Management acknowledges responsibility for the preparation and presentation of the unaudited condensed interim consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited interim condensed consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim consolidated financial statements by an entity's auditor.

CHINA EDUCATION RESOURCES INC.
Condensed Interim Consolidated Statements of Financial Position
March 31, 2015 and December 31, 2014

(Expressed in U.S. Dollars)

As AT	Note	March 31, 2015 (Unaudited)	December 31, 2014 (Audited)
Assets			
Current assets			
Cash and cash equivalents		\$ 489,566	\$ 586,156
Restricted cash	7	537,096	695,902
Accounts and other receivables	8	5,088,759	5,864,927
Due from related parties		162,487	176,219
Prepaid expenses and deposits		148,312	30,844
Total current assets		6,426,220	7,354,048
Non-current assets			
Property, plant and equipment	9	73,442	76,442
Total non-current assets		73,442	76,442
Total assets		\$ 6,499,662	\$ 7,430,490
Liabilities			
Current liabilities			
Trade and other payables	13	\$ 3,395,948	\$ 4,931,750
Deferred revenue		49,777	550,319
Income taxes payable		2,899,984	2,980,300
Advance from a third party	14	219,395	219,110
Bank loan - current portion	16	-	6,924
Loan payables	15	605,640	457,667
Loan payables - related parties	21	851,601	391,346
Due to related parties	21	1,152,274	1,197,182
Total current liabilities		9,174,619	10,734,598
Shareholders' Equity			
Share capital	10	29,455,512	29,455,512
Contributed surplus		2,559,649	2,559,649
Accumulated other comprehensive income		475,868	323,484
Deficit		(35,986,893)	(36,388,652)
Total shareholders' deficiency attributable to shareholders' of the Company		(3,495,864)	(4,050,007)
Non-controlling interest		820,907	745,899
Total deficiency		(2,674,957)	(3,304,108)
Total liabilities and shareholders' equity		\$ 6,499,662	\$ 7,430,490

Approved by the Board:

"Chengfeng Zhou"
Director

"Danny Hon"
Director

(The accompanying notes are an integral part of these consolidated financial statements)

CHINA EDUCATION RESOURCES INC.
Condensed Interim Consolidated Statements of Comprehensive Income
For the three months ended March 31, 2015 and 2014
(Unaudited)

(Expressed in U.S. Dollars)

	Note	2015	2014
Revenue			
Book sales and distribution services	\$	854,308	\$ 976,687
Online products		2,230,671	1,468,728
Other		333,033	11,889
		3,418,012	2,457,304
Cost of sales			
Book sales and distribution services		(451,326)	(318,021)
Online products		(854,832)	(521,558)
Gross profit		2,111,854	1,617,725
Amortization		(4,579)	(4,961)
General and administrative		(288,505)	(311,355)
Selling expenses		(1,279,019)	(960,584)
Other expense		(18,056)	-
Operating profit		521,695	340,825
Finance income		11,037	5,710
Finance costs		(34,084)	(27,272)
Net finance costs		(23,047)	(21,562)
Net income before income taxes		498,648	319,263
Income taxes		(22,783)	-
Net income for the period	\$	475,865	\$ 319,263
Other comprehensive income for the period, net of income taxes			
Unrealized exchange gain on translation of foreign operations		153,384	58,217
Other comprehensive income for the period, net of income tax		153,384	58,217
Comprehensive income for the period	\$	629,249	\$ 377,480
Net income attributable to:			
Shareholders of the Company	\$	401,759	\$ 101,894
Non-controlling interest	\$	74,106	217,369
Net income for the period	\$	475,865	\$ 319,263
Comprehensive income attributable to:			
Shareholders of the Company	\$	554,143	\$ 186,904
Non-controlling interest	\$	75,008	190,576
Comprehensive income for the period	\$	629,249	\$ 377,480
Income per share			
Basic and diluted income per share	11	\$ 0.01	\$ 0.00
Weighted average number of common shares used to calculate basic and diluted income per share		47,364,983	47,364,983

(The accompanying notes are an integral part of these consolidated financial statements)

CHINA EDUCATION RESOURCES INC.
Condense Interim Consolidated Statements of Changes in Equity
For the three months ended March 31, 2015 and December 31, 2014
(Unaudited)

(Expressed in U.S. Dollars)	Attributable to equity holders of the Company						Non-controlling interest	Total deficiency
	Number of Shares	Share Capital	Contributed Surplus	Cumulative translation account	Deficit	Total		
Balance January 1, 2014	47,364,983	\$ 29,455,512	\$ 2,559,649	\$ 140,488	\$ (35,597,256)	\$ (3,441,607)	\$ 588,882	\$ (2,852,725)
Net income for the three months ended March 31, 2014	-	-	-	-	101,894	101,894	217,369	319,263
Foreign currency translation differences	-	-	-	85,010	-	85,010	(26,793)	58,217
Balance March 31, 2014	47,364,983	\$ 29,455,512	\$ 2,559,649	\$ 225,498	\$ (35,495,362)	\$ (3,254,703)	\$ 779,458	\$ (2,475,245)
Net loss for the period from April 1 to December 31, 2014	-	-	-	-	(893,290)	(893,290)	(36,753)	(930,043)
Foreign currency translation differences	-	-	-	97,986	-	97,986	3,194	101,180
Balance December 31, 2014	47,364,983	\$ 29,455,512	\$ 2,559,649	\$ 323,484	\$ (36,388,652)	\$ (4,050,007)	\$ 745,899	\$ (3,304,108)
Net income for the three months ended March 31, 2015	-	-	-	-	401,759	401,759	74,106	475,865
Foreign currency translation differences	-	-	-	152,384	-	152,384	902	153,286
Balance March 31, 2015	47,364,983	\$ 29,455,512	\$ 2,559,649	\$ 475,868	\$ (35,986,893)	\$ (3,495,864)	\$ 820,907	\$ (2,674,957)

(The accompanying notes are an integral part of these consolidated financial statements)

CHINA EDUCATION RESOURCES INC.
Condensed Interim Consolidated Statements of Cash Flows
For the three months ended March 31, 2015 and 2014
(Unaudited)

(Expressed in U.S. Dollars)

	2015	2014
Cash flows from operating activities		
Income for the period	\$ 475,865	\$ 319,263
Adjustments for:		
Amortization	4,579	4,961
Provision of accounts receivable	9,679	-
Interest expenses	30,306	-
Changes in accounts and other receivable	779,032	525,386
Changes in prepaid expenses and deposits	21,370	(77,119)
Changes in trade and other payables	(1,506,405)	(1,556,216)
Changes in income taxes payable	(83,008)	209,085
Changes in deferred revenue	(498,245)	(7,867)
	(766,827)	(582,507)
Interest paid	(42,663)	(70,310)
Taxes paid	-	-
Net cash used in operating activities	(809,490)	(652,817)
Cash flows used in investing activities		
Acquisition to Equipment	(1,499)	(5,650)
Net cash used in investing activities	(1,499)	(5,650)
Cash flows from financing activities		
Change in restricted cash	158,752	-
Bank loan	(6,892)	(5,799)
Loan payables from third parties	146,491	174,309
Loan payables from related parties	481,150	(8,956)
Proceeds from related parties	72,245	58,902
Net cash provided by financing activities	851,746	218,456
Net increase (decrease) in cash	40,757	(440,012)
Cash, beginning of the period	586,156	1,202,017
Effect of exchange rate fluctuations on cash held	(137,347)	(31,084)
Cash, end of the period	\$ 489,566	\$ 730,921

(The accompanying notes are an integral part of these consolidated financial statements)

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

1. Reporting Entity

China Education Resources Inc. (“the Company”) is a company domiciled in Canada. The address of the Company’s registered office is Suite 300, 515 West Pender Street, Vancouver, B.C., V6B 6H5. The unaudited condensed interim consolidated financial statements of the Company as at and for the period ended March 31, 2015 comprise the Company and its subsidiaries (together referred to as the “Group”). The Group provides an education internet portal with educational content, resources and training programs to users in People’s Republic of China (“China”) and distributes educational textbooks and materials developed by the Group to bookstores and schools in China.

2. Going Concern

As at March 31, 2015, the Group has working capital deficiency of \$2,748,399 (December 31, 2014: \$3,380,550). In addition, the Group has trade and other payables, bank loan, advance from a third party, loan payables, loan payables - related parties, and due to related parties to be matured within the next twelve months in the amount of \$6,224,858 (December 31, 2014: \$7,203,979). As at March 31, 2015, the Group has cash and cash equivalents balance of \$489,566 (December 31, 2014: \$586,156). The appropriateness of using the going concern basis is dependent upon, among other things, the acceptance of the education internet portal by the users to achieve a profitable level of operations by the Group. The outcome of these matters cannot be predicted at this time. Specifically, it is dependent upon the ability of the Group to obtain necessary financing.

The application of the going concern basis of presentation assumes that the Group will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. There is, primarily as a result of the conditions described above, significant doubt as to the appropriateness of the use of the going concern assumption. The accompanying consolidated financial statements have been prepared on a going concern basis notwithstanding these conditions.

These consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Group be unable to continue as a going concern. Management of the Group is of the opinion that it will be in position to raise ongoing financing; however, there is no certainty that these and other strategies will be sufficient to permit the Group to continue as a going concern.

3. Basis of Preparation

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. It does not include all of the information required for full annual financial statements, and should be read in conjunction with the Group’s audited consolidated financial statements for the year ended December 31, 2014.

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

3. Basis of Preparation – Continued

(a) Statement of compliance – Continued

The policies applied in these condensed interim consolidated financial statements are based on IFRS issued as of March 31, 2015. These financial statements were authorized to issue by the audit committee and Board of Directors of the Company on June 1, 2015. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2015 could result in restatement of these condensed interim consolidated financial statements.

(b) Basis of preparation

These consolidated financial statements are presented in U.S. dollars, which is the Group's reporting currency. The Company's functional currency is Canadian dollars in Canada and the functional currency of the Company's subsidiaries in China is Chinese Renminbi ("RMB").

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as at fair value through profit or loss and available-for-sale that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries (collectively, the "Group").

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control and continue to be consolidated until the date when such control ceases. Changes in ownership interest in a subsidiary without loss of control are accounted for as transactions with equity holders in their capacity as equity holders; therefore no goodwill is recognized as a result of such transactions. A summary of the Company's subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Ownership interest	
		March 31, 2015	December 31, 2014
CEN China Education Network Ltd. ("CEN Network")	Canada	100%	100%
China Education International Inc. (inactive)	BVI	100%	100%
CEN China Education Overseas Corporation (inactive)	BVI	100%	100%
CEN Smart Networks Ltd. ("CEN Smart")	China	100%	100%
Today's Teachers Technology & Culture Ltd. ("TTTC")	China	100%	100%
The Winning Edge Ltd. ("TWE") (inactive)	China	100%	100%
Zhong Yu Cheng Yuan Education Technology Ltd. ("ZYCY")	China	60%	60%

Inter-company balances and transactions and any unrealized gains or losses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

3. Basis of Preparation - Continued

(c) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Areas of assumptions and estimates

(i) Allowance for doubtful accounts

The Group extends unsecured credit to its customers in the ordinary course of business but mitigates the associated risks by actively pursuing past due accounts. As at March 31, 2015, allowance for doubtful accounts is \$9,679 (December 31, 2014 - \$17,082) based on management's assessment of credit history with the customers and current relationships with them.

(ii) Deferred taxes

The Group recognizes the deferred tax benefit related to deferred tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Group to obtain tax deductions in the future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realize the net deferred tax assets recorded at the reporting date could be impacted.

(iii) Share-based payments

Share-based payments are valued using the Black-Scholes Option Pricing Model at the date of grant and expensed in profit or loss over vesting period of each award. The Black-Scholes Option Pricing Model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

3. Basis of Preparation - Continued

(c) Use of estimates and judgments - Continued

Areas of judgment

(i) Going concern

Management has applied judgments in the assessment of the Group's ability to continue as a going concern when preparing its financial statements for the years ended December 31, 2014 and 2013. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, management concluded there are significant doubt as to the ability of the Group to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

(ii) Joint Arrangement

Management has applied judgments in assessing whether the strategic cooperation agreement that the Company's subsidiary TTTC entered into with an arm's length party ("Teacher.com") during the period ended March 31, 2015 should be accounted as a joint arrangement. During the assessment, management considered whether the agreement establishes a contractual arrangement that establishes joint control, which requires both parties to reach unanimous consent over decisions about relevant business activities pertaining to this agreement. As a result of the assessment, management concluded that TTTC has sole controls over the relevant activity in its capacity as the operator of this arrangement during the early stage of the cooperation and there is no joint arrangement exists between TTTC and Teacher.com as at March 31, 2015.

4. Significant Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual financial statements as at December 31, 2014. The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2014.

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

5. New standards and interpretations adopted during the period

IFRS 8 Operating Segments (Amendment) (“IFRS 8”)

On January 1, 2015, the Company adopted the amendments to IFRS 8. As part of the Annual Improvements to 2010 - 2012 cycle, the amendments to IFRS 8, issued by the International Accounting Standards Board (IASB), incorporated into Part I of the CPA Canada Handbook - Accounting by the Accounting Standards Board (AcSB) in March 2014, require an entity to disclose the judgments made by management in applying the aggregation criteria for reportable segments. The amendments only affect note disclosure.

IAS 24 Related Party Disclosures (Amendment) (“IAS 24”)

On January 1, 2015, the Company adopted the amendments to IAS 24. As part of the Annual Improvements to 2010 - 2012 cycle, the amendments to IAS 24, issued by the International Accounting Standards Board (IASB), incorporated into Part I of the CPA Canada Handbook - Accounting by the Accounting Standards Board (AcSB) in March 2014, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments only affect note disclosure.

IFRS 13 Fair Value Measurement (“IFRS 13”)

On January 1, 2015, the Company adopted IFRS 13. IFRS 13 is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction, between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures. The amendments to IFRS 13 clarify that the portfolio exception applies to all contracts within the scope of IFRS 9 Financial instruments or IAS 39 Financial instruments: Recognition and measurement, regardless of whether they meet the definitions of financial assets or financial liabilities in IAS 32 Financial instruments: Presentation. Adoption of the standards did not have a material impact on the consolidated financial statements of the Company.

6. New standards and interpretations not yet adopted during the period

Standards issued but not yet effective up to the date of issuance of the Company’s consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The Company does not expect the impact of such changes on the consolidated financial statements to be material.

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

6. New standards and interpretations not yet adopted during the period - Continued

IFRS 9 Financial instruments (“IFRS 9”)

This is a finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a ‘fair value through other comprehensive income’ category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment. The 2014 version of IFRS 9 introduces an ‘expected credit loss’ model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized
- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures
- Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

IFRS 15 Revenue from Contracts with Customers (“IFRS 15”)

IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Under IFRS 15, revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18, Revenue, and IAS 11, Construction Contracts, and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The IASB has issued an exposure draft that would, if approved defer the effective date to January 1, 2018.

7. Restricted cash

On May 6, 2014, the Company’s subsidiary TTTC entered into a strategic cooperation agreement with an arm’s length party (“Teacher.com”). Pursuant to the terms of the agreement, a bank account and an independent team have been set up under TTTC to develop online training projects. The funds held in the bank account as at March 31, 2015 are presented as restricted cash on the Group’s statements of financial position and can only be used to fund the activities related to developing online training projects.

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

8. Accounts and Other Receivable

	March 31, 2015	December 31, 2014
Trade receivables	\$ 4,851,703	\$ 5,822,135
Other receivables	237,056	42,792
	<u>\$ 5,088,759</u>	<u>\$ 5,864,927</u>

The aging of accounts and other receivables at the reporting date was:

	March 31, 2015	December 31, 2014
Past due within 3 months	\$ 4,547,213	\$ 1,690,780
Past due 4-6 months	446,134	4,160,004
Past due 7-12 months	51,208	9,829
More than 1 year	44,204	4,314
	<u>\$ 5,088,759</u>	<u>\$ 5,864,927</u>

The movement in the allowance for impairment in respect of accounts receivables during the period was as follows:

	2014
Balance at January 1	\$ 103,336
Charge for the year	17,082
Utilized	(103,336)
Balance at December 31	<u>\$ 17,082</u>
	2015
Balance at January 1	\$ 17,082
Charge for the period	9,679
Utilized	(17,082)
Balance at March 31	<u>\$ 9,679</u>

Based on the historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of accounts receivables other than those specified.

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

9. Property, Plant and Equipment

	Computer equipment	Office equipment	Motor vehicles	Leasehold improvement	Website development	Total
Cost						
Balance, at January 1, 2014	\$ 531,156	\$ 36,869	\$ 374,124	\$ 59,320	\$ 3,486,351	\$ 4,487,820
Additions	15,542	1,018	-	-	-	16,560
Disposals	(378,114)	(17,393)	-	-	-	(395,507)
Effect of movements in exchange rates	(10,475)	(789)	(9,547)	(1,465)	(94,689)	(116,965)
Balance, at December 31, 2014	\$ 158,109	\$ 19,705	\$ 364,577	\$ 57,855	\$ 3,391,662	\$ 3,991,908
Balance, at January 1, 2015	\$ 158,109	\$ 19,705	\$ 364,577	\$ 57,855	\$ 3,391,662	\$ 3,991,908
Additions	1,499	-	-	-	-	1,499
Disposals	-	-	-	-	-	-
Effect of movements in exchange rates	162	26	475	75	4,874	5,612
Balance, at March 31, 2015	\$ 159,770	\$ 19,731	\$ 365,052	\$ 57,930	\$ 3,396,536	\$ 3,999,019
Accumulated depreciation						
Balance, at January 1, 2014	\$ 485,891	\$ 27,721	\$ 328,300	\$ 59,320	\$ 3,486,351	\$ 4,387,583
Depreciation for the year	11,372	3,263	3,606	-	-	18,241
Disposals	(358,593)	(16,243)	-	-	-	(374,836)
Effect of movements in exchange rates	(10,264)	(337)	(8,767)	(1,465)	(94,689)	(115,522)
Balance, at December 31, 2014	\$ 128,406	\$ 14,404	\$ 323,139	\$ 57,855	\$ 3,391,662	\$ 3,915,466
Balance, at January 1, 2015	\$ 128,406	\$ 14,404	\$ 323,139	\$ 57,855	\$ 3,391,662	\$ 3,915,466
Depreciation for the period	2,852	837	891	-	-	4,580
Disposals	-	-	-	-	-	-
Effect of movements in exchange rates	136	31	415	75	4,874	5,531
Balance, at March 31, 2015	\$ 131,394	\$ 15,272	\$ 324,445	\$ 57,930	\$ 3,396,536	\$ 3,925,577
Carrying amounts						
At December 31, 2014	\$ 29,703	\$ 5,301	\$ 41,438	\$ -	\$ -	\$ 76,442
At March 31, 2015	\$ 28,376	\$ 4,459	\$ 40,607	\$ -	\$ -	\$ 73,442

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

10. Share Capital and Reserves

Issuance of common shares

There was no common share issued during the period ended March 31, 2015 and year ended December 31, 2014.

Common shares and preferred shares

At March 31, 2015, the authorized share capital comprised of unlimited voting common shares without par value and 20,000,000 preferred shares. No preferred shares have been issued to date.

The holders of common shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Group. The preferred shares rank equally on winding up. The directors shall by resolution determine the rights and restrictions attaching to the preferred shares prior to their issuance.

Accumulated other comprehensive income (“AOCI”)

AOCI is the cumulative translation account, which comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

11 Earnings (Loss) Per Share

(a) Basic earnings (loss) per share

The calculation of basic earnings per share for the period ended March 31, 2015 was based on the net income attributable to shareholders of the Company of \$401,759 (2014: \$101,894), and a weighted average number of common shares outstanding of 47,364,983 (2014: 47,364,983).

(b) Diluted earnings per share

For the period ended March 31, 2015, 1,000,000 share options (December 31, 2014: 1,924,000), were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive.

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

12. Share Purchase Options and Warrants

(a) Stock options

At March 31, 2015, the Group has the following share-based payment arrangements:

The Group has stock option plans that allow it to grant options to its employees, officers, directors and consultants to acquire up to 10% of issued and outstanding common stock. The exercise price of each option shall not be less than the weighted average closing price of the common shares on the TSX Venture Exchange on the last five trading days before the date of the grant. Options have a maximum term of five years and terminate thirty to ninety days following the termination of the optionee's employment. The right to exercise the options will vest in installments over the life of the option as determined at the time the option is granted.

No stock options were granted during the period ended March 31, 2015 and year ended December 31, 2014.

The number and weighted average exercise prices of the share options are as follows:

	Number of Shares	Weighted Average Exercise Price Per Share (CND)
Balance, December 31, 2014	1,924,000	0.66
Expired during the period	(924,000)	0.95
Balance, March 31, 2015	1,000,000	0.40

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

12. Share Purchase Options and Warrants - Continued

(a) Stock options - Continued

The options outstanding at March 31, 2015 have an exercise price in the range of CND\$0.40 (December 31, 2014: CND\$0.40 to CND\$1.05) and a weighted average contractual life of 1.96 years (December 31, 2014: 1.19 years).

There are 800,000 options exercisable at March 31, 2015 (December 31, 2014: 1,484,000), which have an exercise price of CND\$0.40 (December 31, 2014: CND\$0.40 to CND\$1.05) and a weighted average contractual life of 1.96 years (December 31, 2014: 0.95 years).

(b) Share purchase warrants

During the period ended March 31, 2015 and year ended December 31, 2014, the Company did not issue any warrants.

At March 31, 2015 and December 31, 2014, there was no outstanding warrant.

13. Trade and Other Payables

	March 31, 2015	December 31, 2014
Trade payables	\$ 2,914,020	\$ 4,479,184
Other payables	45,031	15,669
Non-trade payables and accrued expenses	436,897	436,897
	<u>\$ 3,395,948</u>	<u>\$ 4,931,750</u>

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 17.

14. Advance from a third party

On May 4, 2014, the Company's subsidiary TTTC entered into a strategic cooperation agreement with Teacher.com to develop online training projects. During the year ended December 31, 2014, Teacher.com advanced RMB1,360,000 (\$219,110) to TTTC as the start-up funds to substantiate operations under TTTC. The amount is unsecured, due on demand, and bears nil interest rate.

At March 31, 2015, the amount advanced by Teacher.com was RMB 1,360,000 (\$219,395).

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

15. Loans Payable

Terms and conditions of outstanding loans as at March 31, 2015 and December 31, 2014 from unrelated individuals were summarized as follows:

March 31, 2015				
	RMB	U.S. dollars equivalent	Annual interest rate	Due date
Secured loan	200,000	\$ 32,264	20%	4/22/2016
Secured loan	500,000	80,660	20%	6/12/2016
Secured loan	100,000	16,132	20%	1/21/2016
Unsecured loan	2,000,000	322,640	12%	5/19/2015
Unsecured loan	453,000	73,078	10%	12/31/2015
Unsecured loan	500,000	80,660	10%	12/31/2015
Sub-total	3,753,000	\$ 605,434		
Interest payable	1,280	206		
Total	3,754,280	\$ 605,640		

December 31, 2014				
	RMB	U.S. dollars equivalent	Annual interest rate	Due date
Secured loan (1)	200,000	\$ 32,222	20%	31/12/2014
Secured loan (2)	500,000	80,555	20%	15/06/2015
Unsecured loan (3)	2,000,000	322,220	12%	Due on demand
Sub-total	2,700,000	\$ 434,997		
Interest payable	140,712	22,670		
Total	2,840,712	\$ 457,667		

- (1) The loan was matured on December 31, 2014 and secured by same amount of common stocks owned by officers of TTTC. Currently, TTTC is in negotiation with the lender with regard to the extension term of this loan.
- (2) The loan will mature on June 12, 2015 and secured by same amount of common stocks owned by officers of TTTC.

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

15. Loans Payable – Continued

- (3) On May 4, 2014, the Company's subsidiary TTTC entered into a strategic cooperation agreement with Teacher.com. Pursuant to the agreement, Teacher.com agrees to lend a loan of RMB2,000,000 (\$322,640) to TTTC to support the operation of new online training project. The loan was unsecured and due on demand with annual interest rate of 12%. As at March 31, 2015, there was interest payable balance of \$nil in relation to this loan.

16. Bank Loan

	December 31, 2014		
		U.S. dollars	Annual interest rate
	RMB	equivalent	
Unsecured loan - Standard Chartered Bank	42,978	\$ 6,924	20.04%
Less: current portion	42,978	6,924	
Unsecured loan - long term portion	-	\$ -	

TTTC entered into the bank loan on April 30, 2012 with principal amount of \$64,208 (RMB 400,000), and the loan is repaid by monthly installments of RMB14,865, including principal and interest, until March 30, 2015. The loan was fully repaid at March 31, 2015.

17. Financial Instruments

Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	March 31, 2015	December 31, 2014
Accounts and other receivable	\$ 5,088,759	\$ 5,864,927
Restricted cash	537,096	695,902
Cash	489,566	586,156
	<u>\$ 6,115,421</u>	<u>\$ 7,146,985</u>

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

17. Financial Instruments – Continued

Credit risk - Continued

The maximum exposure to credit risk for accounts and other receivable at the reporting date by geographic region was:

	Carrying amount	
	March 31, 2015	December 31, 2014
China	\$ 5,087,795	\$ 5,864,252
Canada	964	675
	<u>\$ 5,088,759</u>	<u>\$ 5,864,927</u>

100% of the Group's revenue for the period ended March 31, 2015 and year ended December 31, 2014 were derived from customers located in China. Two (December 31, 2014: two) customer(s) represent in excess of 10% of accounts receivable at March 31, 2015. Two (2014: two) customer(s) represent in excess of 10% of total revenue for the period ended March 31, 2015. The Group's most significant customers accounted for \$3,119,176 of receivables carrying amount at March 31, 2015 (December 31, 2014: \$4,383,118).

Currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

(in US Dollars)	March 31, 2015			December 31, 2014		
	CND	RMB	TOTAL	CND	RMB	TOTAL
Cash	\$ 1,263	\$ 488,303	\$ 489,566	\$ 7,623	\$ 578,533	\$ 586,156
Restricted cash	-	537,096	537,096	-	695,902	695,902
Accounts and other receivables	964	5,087,795	5,088,759	675	5,864,252	5,864,927
Due from related parties	-	162,487	162,487	-	176,219	176,219
Trade and other payables	(255,385)	(3,140,563)	(3,395,948)	(311,415)	(4,620,335)	(4,931,750)
Advance from a third party	-	(219,395)	(219,395)	-	(219,110)	(219,110)
Bank loan	-	-	-	-	(6,924)	(6,924)
Loan payables	-	(605,640)	(605,640)	-	(457,667)	(457,667)
Loan payables - related parties	(331,677)	(519,924)	(851,601)	(278,569)	(112,777)	(391,346)
Due to related parties	(1,456,585)	304,311	(1,152,274)	(1,197,182)	-	(1,197,182)
Gross statements of financial position exposure	\$ (2,041,420)	\$ 2,094,470	\$ 53,050	\$ (1,778,868)	\$ 1,898,093	\$ 119,225

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

17. Financial Instruments – Continued

Sensitivity analysis

The Company is exposed to the financial risk related to the fluctuations of foreign exchange rates. A significant change in the currency exchange rates between the Renmenbi (“RMB”) relative to the U.S. dollars, and between the Canadian dollars (“CND”) relative to the U.S. dollars could have an effect on the Company’s results of operations, financial position and cash flows. The Company has not entered into any derivative financial instruments to manage exposures to currency fluctuations.

An increase (decrease) of 10% in the exchange rate between the RMB and the U.S. dollars would have increased (decreased) other comprehensive income by \$57,550 (December 31, 2014 - \$24,728). An increase (decrease) of 10% in the exchange rate between the CND and the U.S. dollars would have decreased (increased) other comprehensive income by \$9,862 (December 31, 2014 - \$134,448).

Interest rate risk

The fluctuation of interest rate has minimal impact on the Group as most of the financial instruments are not interest bearing.

Fair values

Financial instruments that are measured subsequent to initial recognition at fair value are group into hierarchy based on the degree to which the fair value is observable.

Level 1 - fair value measurements are derived from unadjusted, quoted prices in active markets for identical assets or liabilities. The fair value of cash is based on level 1 inputs of the fair value hierarchy.

Level 2 - fair value measurements are derived from inputs other than quoted prices included in Level 1 that are observable for the asset or liability directly or indirectly.

Level 3 - fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

As at March 31, 2015, cash and cash equivalents and restricted cash are assessed to be level 1 instrument.

The fair values of accounts and other receivables, trade and other payables, bank loan – current portion, advance from a third party, due to related parties, loan payables-related parties, and loan payables approximate their carrying value due to their short-term nature.

The fair values of bank loan – long term are determined using discounted cash flows at prevailing market rates and the fair values are considered to approximate carrying value.

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

18. Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of the employee share options and the share appreciation rights is measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

19. Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's financial instruments consist of cash and cash equivalents, restricted cash, trade and other receivables, due from related parties, long term other receivable, and trade and other payables.

The Group's financial instruments are exposed to the risks described below:

(a) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Group's credit risk is primarily attributable to cash and cash equivalents, restricted cash and accounts and other receivables. The Group has no significant concentration of credit risk arising from operations. Other receivables mainly consist of an advance to a third party for project development, as well as goods and services tax due from the Federal Government of Canada, interest receivable and amounts advanced to employees and others. Management assesses the credit risk concentration with respect to accounts receivable and other receivables annually and adjusts them according.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. At March 31, 2015, the Group had a working capital deficiency of \$2,748,399 (December 31, 2014: \$3,380,550). The Group is focused on generating sales revenue and is actively pursuing additional sources of financing to ensure that it can meet its ongoing operating requirements and planned capital expenditures.

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

19. Financial Risk Management - Continued

(c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and equity prices.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. From time to time, the Group is exposed to short term interest rates through the interest earned on cash. The Group only has debt with fixed interest rates. The Group's current policy is to invest excess cash in short-term deposits with its banking institutions. The Group periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(ii) Foreign currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value of financial instruments or future cash flows will fluctuate as a result of changes in foreign exchange rates.

The majority of the Group's assets, liabilities, revenues and expenses are denominated in Chinese Renminbi ("RMB"), which was tied to the U.S. dollar and is now tied to a basket of currencies of China's largest trading partners, is not a freely convertible currency. The appreciation of the RMB against the U.S. dollar would result in an increase in the assets, liabilities, revenues and expenses of the Group and a foreign currency gain included in comprehensive income. Conversely, the devaluation of the RMB against the US dollar would result in a decrease in the assets, liabilities, revenues and expenses of the Group and a foreign currency loss included in comprehensive income.

The Company's functional currency is the Canadian dollar and the functional currencies of its subsidiaries are RMB. The Group maintains Chinese RMB bank accounts in China to support monthly forecasted cash outflows. Management believes the foreign exchange risk derived from currency conversions is minimal and therefore does not hedge its foreign exchange risk.

Fluctuation in the value of Canadian dollar relative to US dollar has some impact on the Group's head office financial results. However, such exchange rate fluctuations have not materially affected the overall financial earnings and results on a consolidated basis.

(d) Capital management

The Group manages its capital structure and makes adjustments to it, based on the funds available to the Group, in order to support the development and update of the educational internet portal. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Group's management to sustain future development of the business.

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

19. Financial Risk Management - Continued

(d) Capital management – Continued

Although the Group has commercialized its teaching training portal in February 2007 and launched its education internet portal in late 2008, the Group is still dependent on external financing to fund its future business plan until it achieves a profitable level of operations. The Group will spend its existing working capital and raise additional amounts as needed. The Group will continue to develop additional features for its education internet portal and will also look into other opportunities to provide educational services provided through the internet if it has adequate financial resources to do so. Acquisition of ZYCY by share exchange is one of the strategies to improve the working capital position of the Group.

The Group's debt to capital ratio at the end of the reporting period was as follows:

	March 31, 2015	December 31, 2014
Total liabilities	\$ 9,174,619	\$ 10,734,598
Less: cash in the bank	(1,026,662)	(1,282,058)
Net debt	<u>\$ 8,147,957</u>	<u>\$ 9,452,540</u>
 Total equity (deficiency)	 <u>\$ (2,674,957)</u>	 <u>\$ (3,304,108)</u>
 Debt to capital ratio	 (3.05)	 (2.86)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Group, is reasonable.

There were no changes in the Group's approach to capital management during the period ended March 31, 2015 and year ended December 31, 2014. Neither the Group nor its subsidiaries are subject to externally imposed capital requirements.

20. Operating Segments

Strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies.

Due to the size of the Group, the provision of education internal portal services and distribution of educational textbooks and materials were considered in one segment based on the organizational structure, strategies, decision making and the availability of financial information. The Group's CEO reviews internal management reports on at least a quarterly basis.

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

20. Operating Segments - Continued

Geographical segments

The Group's head office is located in Vancouver, British Columbia, Canada. The operations of the Group are primarily in two geographic areas: Canada and China. In presenting information on the basis of geographical information, segment revenue is based on the geographical location of the customers. Segment assets are based on the geographical location of the assets. All of the Group's revenue was generated in China. All goodwill and majority of all of the capital assets were located in China.

A summary of geographical information for the Group's assets and revenue for the period were as follows:

Period ended March 31, 2015	Canada	China	Total
Revenue from external customers	\$ -	\$ 3,418,012	\$ 3,418,012
Property, plant and equipment	-	73,442	76,442

Year ended December 31, 2014	Canada	China	Total
Revenue from external customers	\$ -	\$ 10,700,662	\$ 10,700,662
Property, plant and equipment	-	76,442	76,442

21. Related Parties Transactions

All related party transactions are recorded in the normal course of operations on normal commercial terms and conditions and at market rates, which is the amount of consideration established and agreed to by the related parties.

Key management personnel and director transactions

Directors of the Group control 13.7% percent of the voting shares of the Group.

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

21. Related Parties Transactions - Continued

Director/Officer	Transaction	Period ended March 31,	
		2015	2014
C F Zhou (director and CEO)	Consulting fees	\$ 36,739	\$ 41,332
C F Zhou (director and CEO)	Interest expense	4,768	5,298
Danny Hon (director and CFO)	Accounting fees (iii)	17,725	19,941
Danny Hon (director and CFO)	Interest expense	2,087	2,516
		<u>\$ 61,319</u>	<u>\$ 69,087</u>

Director/Officer	Transaction	Balance outstanding March 31, December 31,	
		2015	2014
C F Zhou (director and CEO)	Consulting fees (i)	802,822	838,277
C F Zhou (director and CEO)	Loan payable (ii)	126,153	137,919
C F Zhou (director and CEO)	Loan interest payable (ii)	47,492	46,820
Danny Hon (director and CFO)	Accounting fees payable (iii)	345,633	358,905
Danny Hon (director and CFO)	Loan payable (vi)	55,234	60,385
Danny Hon (director and CFO)	Loan interest payable (vi)	32,634	33,444
		<u>\$ 1,409,968</u>	<u>\$ 1,475,750</u>

- (i) The consulting fees owing to C F Zhou as at March 31, 2015 is unsecured, due on demand with no interest.
- (ii) During the period ended March 31, 2015, the Group has received short term loan of CND \$nil from C F Zhou, director and CEO of the Group (During the year ended December 31, 2014 - CDN \$22,500). The short-term loans were unsecured and due on demand with an annual interest rate of 15%. At March 31, 2015, there was an interest payable balance of \$47,492 (December 31, 2014: \$46,820) owed to C F Zhou.
- (iii) The Group engaged a company, which is controlled by Danny Hon, to provide accounting services. The balance owing to Danny Hon as at March 31, 2015 is unsecured, due on demand with no interest.
- (iv) During the period ended March 31, 2015, the Group has repaid short term loan of CND \$nil to Danny Hon, director and CFO of the Group (During the year ended December 31, 2014 - CND \$5,000). The short-term loans were unsecured and due on demand with an annual interest rate of 15%. At March 31, 2015, there was an interest payable balance of \$32,634 (December 31, 2014: \$33,444) owed to Danny Hon.

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

21. Related Parties Transactions - Continued

Unsecured loan payables

The Group had the following loan payables to the key management personnel of the Group with the terms and conditions summarized as follows:

March 31, 2015					
	RMB	Canadian dollars	U.S. dollars equivalent	Annual interest rate	Due date
Unsecured loan payables					
Chengguang Zhou (director of TTTC)	700,000	-	112,924	12%	8/14/2015
Ying Gao	1,500,000		241,980	10%	12/31/2015
Zhonghua Liu	1,000,000		161,320	10%	12/31/2015
Yan Zhang	360,000		58,075	10%	12/31/2015
Weiguo Mu	87,000		14,035	10%	12/31/2015
	<u>3,647,000</u>	<u>-</u>	<u>588,334</u>		
Interest payable	<u>¥ 10,872</u>		<u>\$ 1,754</u>		

December 31, 2014					
	RMB	Canadian dollars	U.S. dollars equivalent	Annual interest rate	Due date
Unsecured loan payables					
Chengguang Zhou (director of TTTC)	700,000	-	112,777	12%	14/08/2015
Interest payable	<u>¥ -</u>		<u>\$ -</u>		

China Education Resources Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. Dollars)
Period Ended March 31, 2015
(Unaudited)

21. Related Parties Transactions - Continued

Other related party transactions

	March 31, 2015	December 31, 2014
Amount due from a company related to the non-controlling shareholders of ZYCY [ii]	\$ 144,249	\$ 143,997
Amount due from a minority shareholder/General Manager of ZYCY [iii]	-	32,222
	<u>\$ 144,249</u>	<u>\$ 176,219</u>

[i] During the period ended March 31, 2015, Chenggang Zhou, director of TTTC, borrowed the loan with annual rate of 12% [2014: 12%] from Bank of Merchant under his name to finance TTTC's daily activities. The loan is secured by his personal assets.

[ii] It represents the amount collected on behalf of the Group by a company related to the non-controlling shareholders of ZYCY as non-secured and non-interest bearing due on demand loan.

[iii] It represents a non-secured and non-interest bearing short-term loan advanced to Yuanling Lang, a minority shareholder and General Manager of ZYCY. The amount has been fully repaid by Yuanling Lang subsequently.