

China Education and Training Industry Report, 2008-2009

Sep/2009



1. Overview of Education and Training Industry

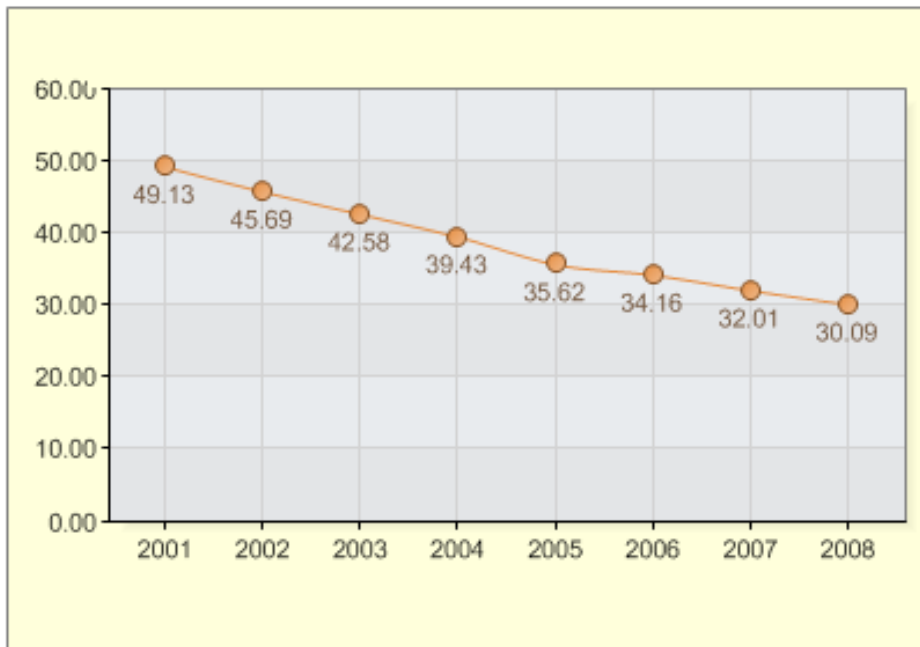
1.1 Overview of China Education Industry

1.1.1 Compulsory Education

In 2008, there were 300,900 elementary schools in China, down 19,200 year-on-year; the newly enrolled students amounted to 16.96 million, down 403,500 compared with 2007. The on-campus elementary school students reached 103.32 million, decreasing 2.32 million year-on-year.

Number of Elementary Schools, 2001-2008

(Unit: 10,000)



Source: Ministry of Education; ResearchInChina

2.1.2 Macro Backdrop of Education & Training Market Development

In 2009, more than thirty percent of job hunters in the job market are in need of further education. The demand of individuals has a 28% higher proportion than that of enterprises. It will be a development trend for individuals to spend money on further education in quite a long period in the future. Owing to financial crisis, many enterprises cut the administrative expenses in 2009 and the capital on corporate training also dropped to some extent, while more and more individuals will make personal investment under jobless situation for further potentiating their all-round abilities.

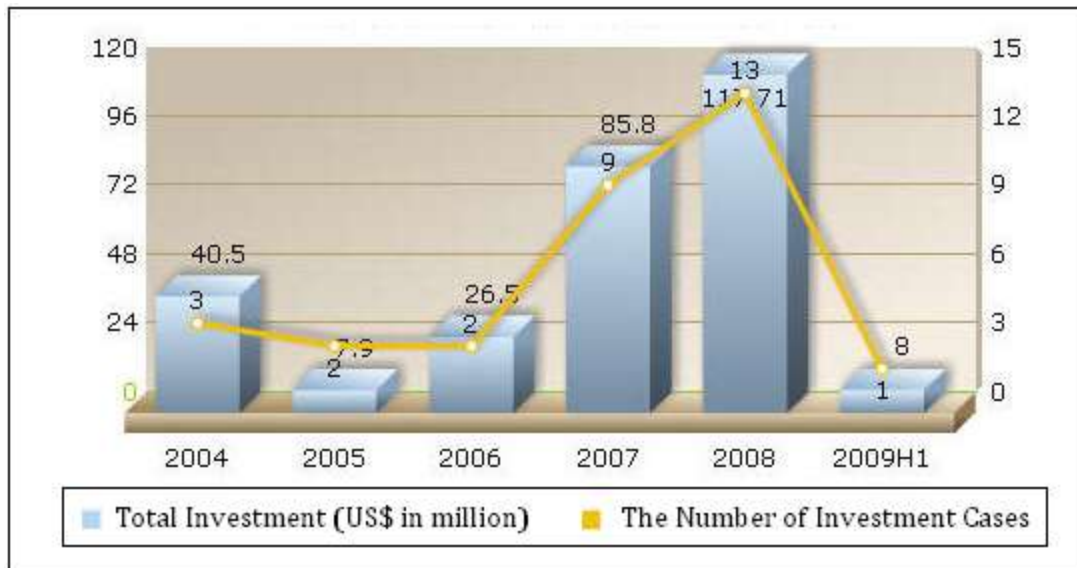
5.1.1 Market Overview, 2009

As far as current situation of China's training market concerned, the middle and low-end training are still dominated the market, such as techniques, language, qualification certification and arts. Generally speaking, China has a huge training market, while the middle and low-end training is in management disorder, and the high-end training is not mature enough, so the industry concentration rate is low, and there is no training institutions can reach 1% market share till now.

5.1.4 Investment & Financing

In 2008, China education training industry had absorbed 13 items of venture capital, reaching USD118 million in total.

VC/PE Investment in Education Training Industry, 2004-2009H1



Source: Zero2IPO Group, ResearchInChina

7.2 Chinaedu Corporation

7.2.1 Profile

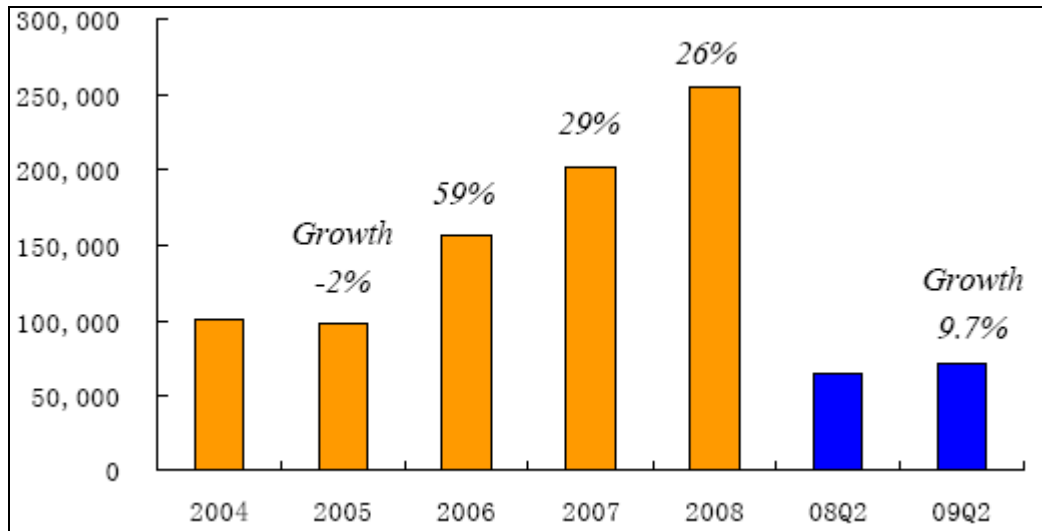
Chinaedu Corporation was founded in 1999, is an integrated educational service agency covering online higher education, basic education, international education, long-distance education 101, early childhood education. On December 11, 2007, it was formally listed on the NASDAQ, becoming the first Chinese comprehensive online education service provider which enters overseas capital market successfully.

Chinaedu provides service for all students at various ages with a variety of educational methods. It supplies all-round educational service in early childhood education, primary and secondary education, higher education, academic education, non-academic education, online education and school education.

7.2.2 Operation

Operating Revenue of Chinaedu Online Education, 2004-2009Q2

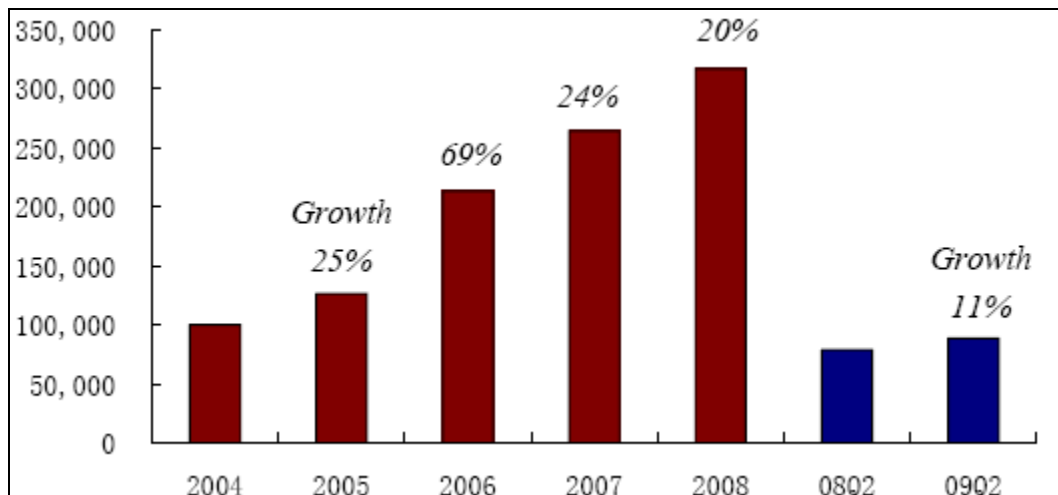
Unit: RMB1000



Source: ResearchInChina; Chinaedu

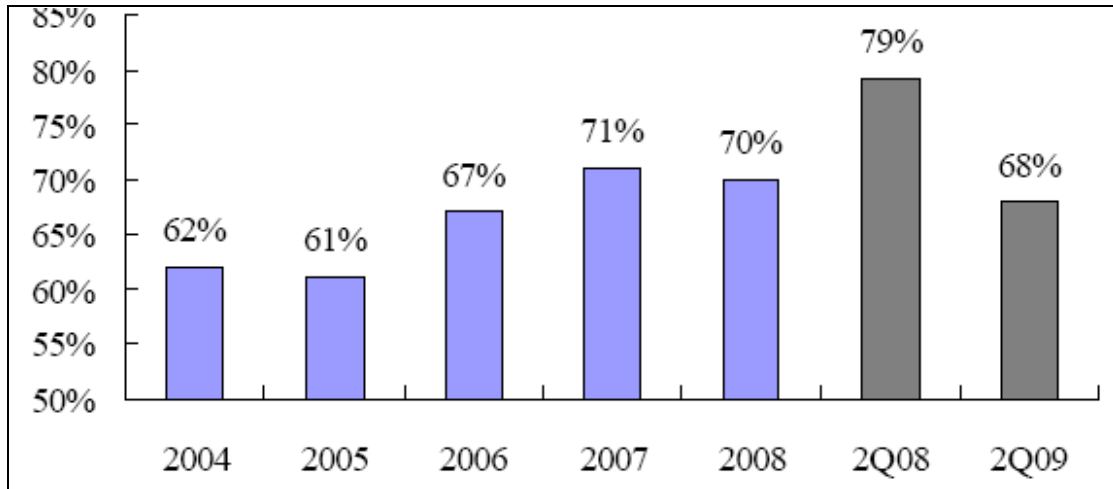
Total Revenue of Chinaeduc Online Education, 2004-2009Q2

Unit: RMB1000



Source: ResearchInChina; Chinaedu

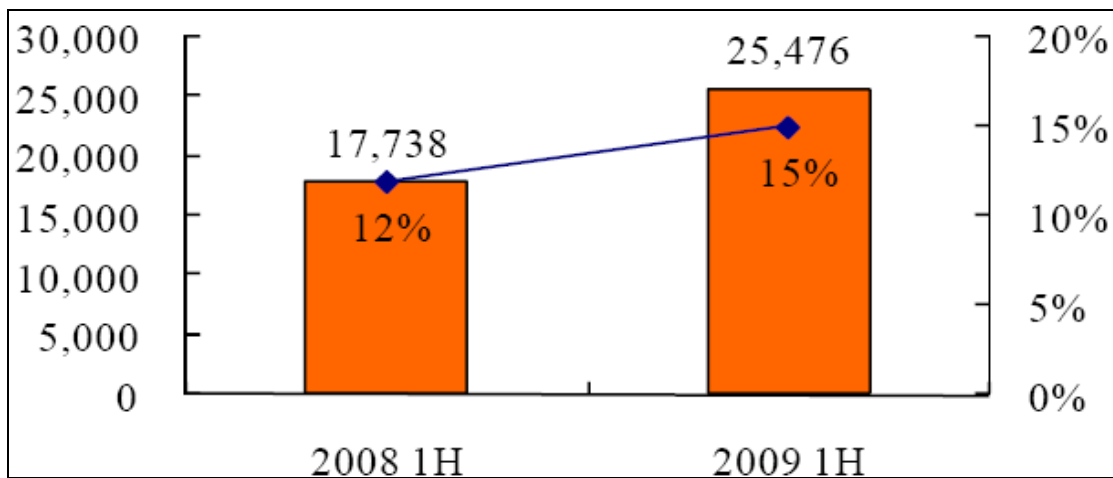
Gross Profit Margin of Chinaedu Online Education, 2004-2009Q2



Source: ResearchInChina; Chinaedu

Net Profits of Chinaedu Online Education, 1H2008 vs. 1H2009

Unit: RMB1000



Source: ResearchInChina; Chinaedu

7.2.3 Advantages and Development Strategies

Chinaedu is the largest online higher education service provider and is approved by the Ministry of Education to carry out pilot project of modern long-distance education and public service system in China.

Chinaedu has adequate educational resources and many copartners. Chinaedu cooperates with well-known universities, schools and international educational institutions in the United Kingdom, Ireland, New Zealand and other countries, introducing foreign educational resources.

In the future, Chinaedu will continue to maintain its advantages in the field of online higher education, strengthen basic education, non-academic training, vocational education and international cooperation, in order to become life-long learning platform in the Internet age.

→ Related Reports

- **China Vocational Training Market Report, 2008**
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Tel: 0086-10-82600828, 82600893

Fax: 0086-10-82600829

Mail: report@researchinchina.com