



CDEL

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2009 Fourth Quarter and Full Year Results Presentation



November 18, 2009



This announcement contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “may,” “should,” “potential,” “continue,” “expect,” “anticipate,” “future,” “intend,” “plan,” “believe,” “is/are likely to,” “estimate” and similar statements. Among other things, the outlook for the first quarter of the fiscal year 2010 and quotations from management in this announcement, as well as the Company’s strategic and operational plans, and the new investment, contain forward-looking statements. The Company may also make written or oral forward-looking statements in its periodic reports to the SEC in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Company’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: our goals and growth strategies; our future prospects and market acceptance of our online courses and other products and services; our future business development and results of operations; projected revenues, profits, earnings and other estimated financial information; projected enrollment numbers; our plans to expand and enhance our online courses and other products and services; competition in the online education and test preparation markets; and Chinese laws, regulations and policies, including those applicable to the Internet and Internet content providers, the education and telecommunications industries, mergers and acquisitions, taxation and foreign exchange.

Further information regarding these and other risks is included in our annual report on Form 20-F and other documents filed with the SEC. The Company does not undertake any obligation to update any forward-looking statement, except as required under applicable law. All information provided in this presentation is as of September 30, 2009.

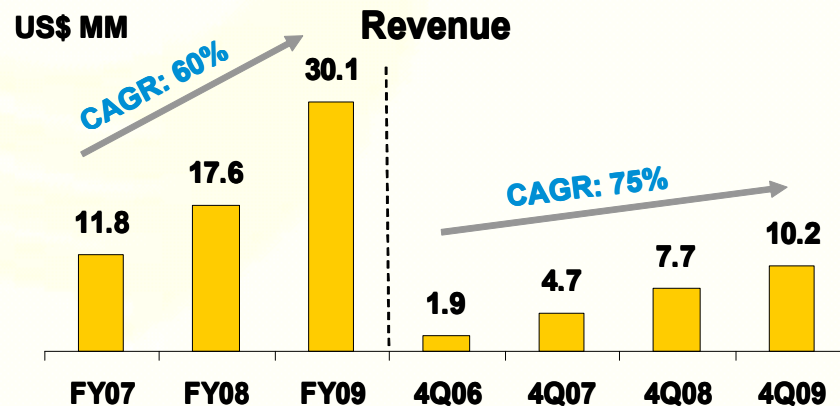
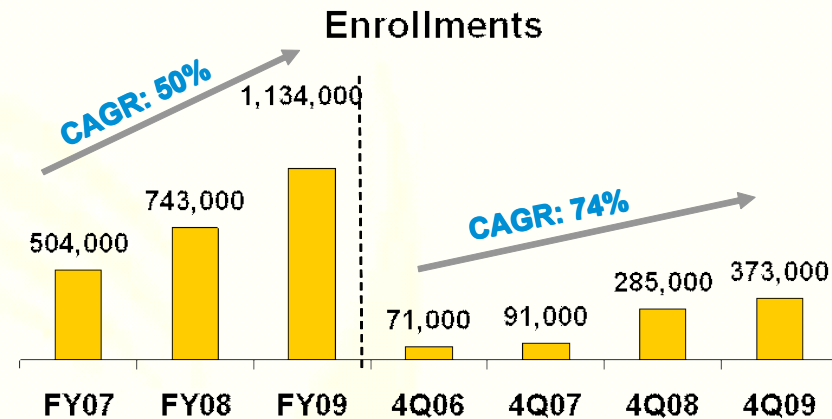


- ❖ **Results Overview**
- ❖ **Operational Updates**
- ❖ **Financial Highlights**
- ❖ **Strategy & Outlook**
- ❖ **Q&A**



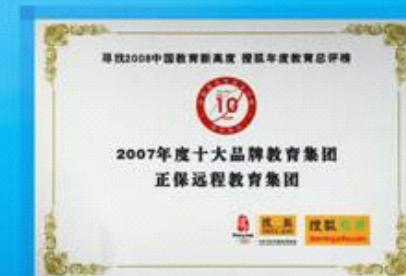
Steady Growth in All Business Lines

- ❖ Steady progress in all business lines
- ❖ Fiscal 2009 Net revenues
 - Fourth quarter : Increased 31.4% Y-o-Y to US\$10.2 million
 - Full year : Increased 71.4% Y-o-Y to US\$30.1 million
 - Driven by enrollment growth in online education courses & complementary businesses
- ❖ Steady enrollment growth in core courses
- ❖ Fiscal 2009 Enrollments
 - Fourth quarter : Increased 30.8% Y-o-Y to about 373,000
 - Full year : Increased 52.5% Y-o-Y to over 1,134,000



Operational Updates

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Robust Continuing Education Enrollment Growth; Test Prep Enrollment Impacted by Seasonality

❖ **Continuous Education**

- Q4 enrollment Increased 166% Y-o-Y to 136,000 enrollments
- FY enrollment increased 151% Y-o-Y to 308,000 enrollments

❖ **Accounting Test Prep Courses** (APQE, CPA)

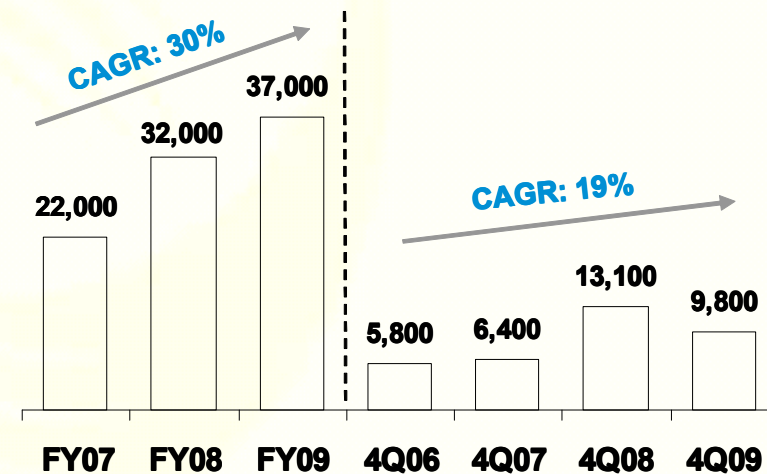
- Enrollment decline due to impact from half-price promotion offered in August 2008 resulting in a surge of enrollments in Q42008.



Continued Expansion to more Provinces and Self-Taught Higher Education Schools

- ❖ Continued progress in Tianjin; 10,000 enrollments generated from courses offered to students enrolled in brick and mortar study-support schools
- ❖ Regular enrollments for Self-Taught courses decreased 25% Y-o-Y to about 9,800
 - Decrease a result of half-price promotion offered in August 2008.
- ❖ Close to reach agreement in several additional provinces

Self-Taught Course Enrollments

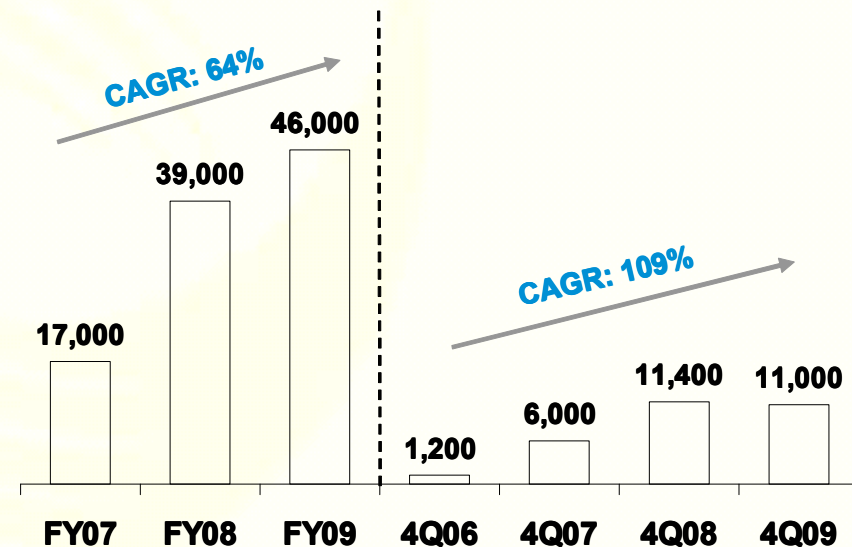




Steady Growth in Non-Accounting Verticals

- ❖ Healthcare course enrollments decreased 4.9% Y-o-Y to about 11,000
 - Decrease a result of higher than normal enrollments in Q408 due to half-price promotion
- ❖ Q4 Construction engineering enrollment increased 28% Y-o-Y to 6,300; Full year enrollment of 23,000, a Y-o-Y increase of 113%
- ❖ ITAT – 93,000 enrollments in Q409

Healthcare Course Enrollments





❖ **Average Student Payment**

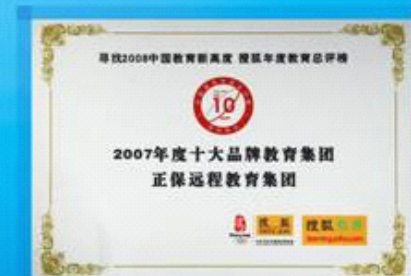
- Achieved significant increase Y-o-Y in all main business lines
- Raised APQE courses unit price by about another 20%; subsequent enrollments remain healthy

❖ **Yucai**

- Business start-up training in 10 provinces & cities as of September 2009
- Increased enrollments in Q4 2009 and fiscal year 2009 to about 30,000 and 62,000, respectively
- Enrollments to date represent about US\$6 million of potential revenue
- US\$0.4 million recognized in Q409; US\$1.1 million recognized in FY09

Financial Highlights

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Selected Income Statement Items (Unaudited) – 4Q 2009

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| <i>(US\$ in Millions, except per ADS data)</i> | 4Q 2009 GAAP | 4Q 2008 GAAP | YoY Growth% GAAP | 4Q 2009 Non-GAAP |
|--|-----------------|-----------------|---------------------|---------------------|
| Net revenues: | | | | |
| Online education services | 7.1 | 5.5 | 28.6% | 7.1 |
| Books and reference materials | 0.8 | 0.8 | -1.4% | 0.8 |
| Others including in-person training | 2.3 | 1.4 | 60.5% | 2.3 |
| Total net revenues | 10.2 | 7.7 | 31.4% | 10.2 |
| Cost of sales | (4.0) | (2.6) | 56.0% | (3.7) |
| Gross profit | 6.2 | 5.2 | 19.2% | 6.4 |
| Gross margin | 60.6% | 66.8% | - | 63.3% |
| Operating expenses: | | | | |
| Selling expenses | (1.8) | (0.7) | 137.7% | (1.7) |
| General and administrative expenses | (1.8) | (1.5) | 15.8% | (1.4) |
| Total operating expenses | (3.5) | (2.3) | 56.0% | (3.1) |
| Income tax benefit (expense) | (1.4) | (0.3) | 350.3% | (1.4) |
| Net income | 1.3 | 2.7 | -51.6% | 2.0 |
| Basic earnings per ADS | \$0.04 | (\$0.16) | | \$0.06 |
| Diluted earnings per ADS | \$0.04 | (\$0.16) | | \$0.06 |

Selected Income Statement Items (Unaudited) – FY 2009

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| <i>(US\$ in Millions, except per ADS data)</i> | FY 2009 GAAP | FY 2008 GAAP | YoY Growth% GAAP | FY 2009 Non-GAAP |
|--|-----------------|-----------------|---------------------|---------------------|
| Net revenues: | | | | |
| Online education services | 22.3 | 13.9 | 60.3% | 22.3 |
| Books and reference materials | 2.7 | 1.6 | 67.6% | 2.7 |
| Others including in-person training | 5.1 | 2.1 | 149.4% | 5.1 |
| Total net revenues | 30.1 | 17.6 | 71.4% | 30.1 |
| Cost of sales | (14.4) | (6.8) | 111.9% | (12.6) |
| Gross profit | 15.7 | 10.8 | 45.8% | 17.6 |
| Gross margin | 52.2% | 61.3% | | 58.3% |
| Operating expenses: | | | | |
| Selling expenses | (6.7) | (2.4) | 174.6% | (6.3) |
| General and administrative expenses | (7.4) | (3.9) | 90.3% | (5.8) |
| Total operating expenses | (14.1) | (6.4) | 122.8% | (12.1) |
| Income tax benefit (expense) | (1.5) | (0.5) | 181.0% | (1.5) |
| Net income | 1.2 | 4.0 | -70.3% | 5.1 |
| Basic earnings per ADS | \$0.03 | (\$0.20) | | \$0.15 |
| Diluted earnings per ADS | \$0.03 | (\$0.20) | | \$0.15 |

Healthy Balance Sheet

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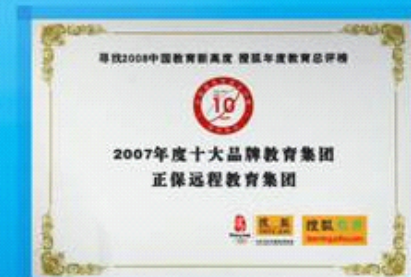
Balance Sheet Summary

(US\$ in Millions)

| Assets | FY08 | FY09 | Change |
|---|-------------|-------------|----------------|
| Cash and Cash Equivalents, including term deposits and restricted cash | 66.2 | 57.4 | (13.3%) |
| Receivables | 0.7 | 7.2 | 631.3% |
| Inventories | 0.2 | 0.3 | 67.8% |
| Net PP&E | 7.1 | 7.9 | 11.4% |
| Other Assets | 11.1 | 20.2 | 81.7% |
| Total | 85.3 | 93.0 | 9.0% |
| Liabilities and Shareholders' Equity | FY08 | FY09 | Change |
| Accrued Expenses | 3.0 | 4.5 | (52.3%) |
| Deferred Revenues | 3.8 | 7.9 | 102.7% |
| Refundable Fees | 4.7 | 1.8 | (62.0%) |
| Other Liabilities | 1.0 | 1.9 | 92.6% |
| Minority Interest | - | 3.0 | |
| Shareholder's Equity | 72.8 | 73.9 | 1.6% |
| Total | 85.3 | 92.9 | 9.0% |

Strategy and Outlook

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❖ **Acquisition of 60% stake in Zhejiang Xinlixiang**

- Gain access to large and growing Gaokao retake and primary & secondary school supplemental education markets
- More comprehensive lifelong learning program for customers



1Q10 revenue expected in the range of US\$5.0 million to US\$6.0 million



Thank You

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