

For immediate release

8 April 2013



**Modern Education Group Limited**

Stock Code: 1082

**Acquires 50% Interest in Full Profit Hong Kong Development Limited  
to expand its business vertically into  
Marketing & Promotional Services for Kindergartens in Hong Kong**

(Hong Kong – 8 April, 2013) Modern Education Group Limited (“Modern Education” or “the Company”, stock code: 1082) together with its subsidiaries (“the Group”) announces that on 8 April 2013, its wholly-owned subsidiary, Top Mastery Limited (“Top Mastery”), entered into an Acquisition Agreement with Mr. Chan Matthew Chung Ming (“Mr. Chan”), pursuant to which Top Mastery agreed to purchase and Mr. Chan agreed to sell the Sale Shares, representing 50% of the issued share capital of Full Profit Hong Kong Development Limited (“Full Profit”), for the Consideration of HK\$14,000,000. Upon Completion, Full Profit will become a jointly-controlled entity of the Group, owned as to 50% by Top Mastery and as to 50% by Mr. Chan.

The Consideration of HK\$14,000,000 for the Sale Shares shall be paid by Top Mastery to Mr. Chan as to HK\$7 million upon the signing of the Agreement; and as to the remaining balance of HK\$7 million upon Completion. The Consideration shall be paid by way of cheque(s) issued by a licensed bank in Hong Kong or in any other form to be agreed by Mr. Chan and Top Mastery.

The Consideration will be funded by the IPO Proceeds designated for strategic merger and acquisition of players with experience in the education related industries in Hong Kong and/or the PRC.

Pursuant to the Agreement, Mr. Chan irrevocably warrants and guarantees to Top Mastery that each of the profit after tax for the period commencing from the date of incorporation of the Full Profit and ending 30 June 2014 as shown in the audited consolidated accounts for such period and the profit after tax for the year ending 30 June 2015 as shown in the audited consolidated accounts for such period of Full Profit will be not less than HK\$4,000,000.

Full Profit is wholly owned by Mr. Chan. Mr. Chan has over 9 years of experience in the education industry in the area of management of kindergartens. Full Profit has entered into a service agreement with Bilok Educational Organisation Limited (“Bilok”), a non-profit making company limited by guarantee incorporated under the laws of Hong Kong, pursuant to which Bilok has appointed Full Profit to act as a non-exclusive service provider for a term of 10 years commencing from 1 April 2013 in the provision of services for three kindergartens, namely Holford Anglo-Chinese Kindergarten (海福中英文幼稚園), situated at Shatin, New Territories, and two Bilok Anglo-Chinese Kindergarten (比諾中英文幼稚園), situated at Sheung Shui, New Territories (collectively, the “Kindergartens”), each of which are operated by Bilok. Pursuant to the service agreement, Full Profit will provide services for the Kindergartens, including but not limited

to, supplying furniture and equipment for school and education purposes and teaching aids, organizing learning, recreational and extra-curricular activities, functions and courses for the students, and providing marketing and promotional services for the Kindergartens.

It is the Group's business strategy to expand business vertically by broadening the range of services to adjacent education services markets with high potential for growth in Hong Kong, for example, the kindergarten or pre-school education business. Leveraging the Group's experience in the private education industry and Mr. Chan's experience in the area of management of kindergartens, the Directors believe the Acquisition is a good opportunity for the Group to enter the kindergarten-related service business. Through the Acquisition, the Group is able to acquire the expertise, knowledge and connections from the Mr. Chan without having to invest heavily or incur substantial costs in adapting to and exploration of the new market.

### **About Modern Education Group Limited**

Modern Education is one of the major chain education service providers in Hong Kong and the only company listed on the Main Board of the Hong Kong Stock Exchange in the industry. The Group offers a wide range of education programmes and services consisting of primary and secondary school tutoring services, English language training and test preparation courses, secondary day school education, overseas studies consultation services and other bridge programmes and services leading to overseas higher education. In recent years, leveraging the soft power of Hong Kong, the Group principally develops English education and test preparation courses with English as the medium of instruction and examination language. At the same time, the Group offers international courses for students in the PRC, and has launched international higher secondary education programmes at the top secondary schools of 3 cities in Guangdong Province. We expect to expand its coverage to 10 cities in the coming 3 years. Also, the Group has established a strategic partnership agreement with Shenzhen Yiwen Book IMP & EXP Co. and M Dream Inworld Limited. The three companies officially announced their co-operation to jointly explore opportunities in the PRC e-book market and e-learning service market. Additional information on Modern Education can be found at [www.moderneducationgroup.com](http://www.moderneducationgroup.com).

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Issued by PR ASIA Consultants Limited on behalf of **Modern Education Group Limited**.

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