

Not for distribution in or into the United States. This press release shall not constitute an offer to sell or a solicitation of an offer to buy the securities of Modern Education Group Limited in the United States or in any state or country where such offer, solicitation or sale is not permitted.

Modern Education Group Limited's securities have not been registered under the United States Securities Act of 1933, as amended (the "US Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons, absent registration or an exemption from registration under the US Securities Act. Modern Education Group Limited does not intend to make any public offering of the securities in the United States.

For immediate release

19 June 2011



(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1082

MODERN EDUCATION GROUP LIMITED ANNOUNCES DETAILS OF GLOBAL OFFERING

Details of Global Offering:

- Number of Offer Shares under the Global Offering: 116,000,000 Shares (subject to the Over-allotment Option), including 11,600,000 Shares in the Hong Kong Public Offering (subject to reallocation) and 104,400,000 Shares in the International Offering (subject to reallocation and the Over-allotment Option)
- Offer Price: HK\$1.30 per Share
- Nominal value: HK\$0.10 per Share
- Hong Kong Public Offering will begin at 9:00 a.m. on 20 June 2011 (Monday) and end at noon on 23 June 2011 (Thursday)
- Dealing is expected to commence on 4 July 2011 (Monday)
- Stock code of Modern Education Group Limited on the Main Board of The Stock Exchange of Hong Kong Limited is 1082
- Board lot of 2,000 shares
- Kingsway Financial Services Group Limited is the Sole Global Coordinator and Sole Bookrunner
- Kingsway Financial Services Group Limited and First Shanghai Securities Limited are the Joint Lead Managers
- Kingsway Capital Limited and First Shanghai Capital Limited are the Joint Sponsors

(Hong Kong, 19 June 2011) — **Modern Education Group Limited** ("Modern Education" or the "Group") (Stock code 1082), a large-scale chain tutoring service provider in Hong Kong, today announced the details of the global offering ("Global Offering") of the 116,000,000 offer shares ("Offer Shares") (subject to the Over-allotment Option) and proposed listing on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK").

Of the 116 million Offer Shares under the Global Offering (subject to the Over-allotment Option), 90% of which are to be offered under the international offering (“International Offering”) and the remaining 10% are to be offered under the Hong Kong public offering (“Hong Kong Public Offering”). The indicative price is at HK\$1.30 per share. Assuming the Over-allotment Option is not exercised, the total market capitalization of Modern Education upon listing is estimated to be approximately HK\$520 million. The gross and net proceeds payable to the Company are estimated at approximately HK\$151 million and HK\$130 million respectively.

The Hong Kong Public Offering will begin at 9:00 a.m. on 20 June 2011 (Monday) and end at noon on 23 June 2011 (Thursday). The allotment results will be announced on 30 June 2011 (Thursday). Dealing in the shares of Modern Education will commence on the Main Board of SEHK on 4 July 2011 (Monday) under the stock code 1082. Shares will be traded in board lots of 2,000 shares.

Kingsway Financial Services Group Limited is the Sole Global Coordinator and Sole Bookrunner. Kingsway Financial Services Group and First Shanghai Securities Limited are acting as the Joint Lead Managers; while Kingsway Capital Limited and First Shanghai Capital Limited are acting as the Joint sponsors of the proposed listing of Modern Education.

Based on an Offer Price of HK\$1.30 per Offer Share and assuming the Over-allotment Option is not exercised, the Group estimates that it will receive net proceeds from the Global Offering of approximately HK\$130 million after deducting underwriting fees and expenses payable. The Group intends to use these net proceeds for the following purposes:

1. Approximately 12% (approximately HK\$15 million) will be used for opening 3 to 5 new Modern Education (ME) Centres in Hong Kong.
2. Approximately 5% (approximately HK\$6 million) will be used for opening 6 to 10 new Modern Bachelor Education (MBE) Centres in Hong Kong.
3. Approximately 26% (approximately HK\$33 million) will be used for strategic merger and acquisition of players with experience in the education related industries in Hong Kong and/or the PRC.
4. Approximately 5% (approximately HK\$6 million) will be used as initial setup cost for the provision of overseas studies consultancy services in Hong Kong and/or the PRC.
5. Approximately 3% (approximately HK\$4 million) will be used for offering test preparation or bridging courses for students in the PRC and/or Hong Kong targeting to study overseas.
6. Approximately 11% (approximately HK\$15 million) will be used for setting up learning centres for children in the PRC.
7. Approximately 38% (approximately HK\$50 million) will be used for the repayment of loans drawn down.

Mr. Ng Kam Lun (Ken Sir), Chairman and Executive Director of Modern Education, stated: “As one of the top providers of chained tutoring services in Hong Kong, Modern Education focuses on providing diversified and high-quality one-stop education services covering primary to secondary education, secondary day school and English language test preparation courses, meeting the demand of all students in each of their important learning stages. After years of expansion, we offered our programmes and services through a physical network of

15 ME Centres operating under our “Modern Education” or “Modern College” brand. In addition, we had 5 MBE Centres and 11 MBE Franchised Centres operating under our “Modern Bachelor Education” or “New Era Bachelor Education Centre” brand. As an industry pioneer, we believe the listing will help develop our business in Hong Kong and the PRC, strengthening our industry leadership position.”

Focusing on the needs and requirements of Hong Kong secondary students, the Group adopts a two-prong strategy by expanding vertically and horizontally, aiming to grow geographically and broaden its range of services. In 1997, the Group founded its first company under the “Modern Education” brand. In August 2003, the Group established its private secondary day school, Modern College, offering formal secondary school curriculum. In May 2008, the Group set up its English language training centre, a learning centre dedicated to vocational English training courses and English language test preparation courses for IELTS and TOEIC. In January 2010, the Group started its PRC Operations by providing technical consultation, management services and software licencing mainly to Beijing Yasi School. In January 2011, the Group commenced to offer primary homework tutoring services, skill courses and test preparation courses under the “Modern Bachelor Education” brand.

The track record of Modern Education is widely recognized. As at 31 May 2011, the Group had 151 registered classrooms and a maximum number of 4,336 pupils were permitted in our classrooms.

With the backing of leading hardware and facilities, the Group has attracted a group of tutors with excellent academic background, striving to build a superior brand for Modern Education. Using their innovative teaching methods, customized and up-to-date course materials, and effective test-taking techniques, the Group’s tutors have demonstrated a high level of academic quality and standard, making Modern Education one of the most recognized brands in education.

The rapid expansion of the Group is based on its unique proven profitable business model. The Group currently delivers its secondary tutorial services through two modes, namely (i) instruction by our tutors; and (ii) instruction by a team of tutors and/or teaching assistants. With multimedia teaching materials, the Group provides greater flexibility and choice for students in terms of time management and course fees. This scalable business model raises the overall utilization of its education resources, enabling the Group to benefit from economies of scale without incurring substantial costs.

In Hong Kong, following the introduction of the 334 system, while students have ample opportunities to admit to Form 6, certain new areas and subjects are incorporated into the New Senior Secondary curriculum. Liberal studies has been made one of the core subjects which every Secondary 4 to 6 student has to take, leading to an increase in the enrolments in relation to the liberal studies courses. According to a survey conducted by Synovate, the market value of the tutoring business in Hong Kong is estimated to reach HK\$2,717 million in the school year 2014/2015. Possessing solid financial strengths and strong adaptability, the Group will be able to benefit from this growing trend as an industry leader.

Education in China provides tremendous growth opportunities for the Group. The demand for the English learning is rising rapidly in the PRC and it is expected that the market value will grow at the rate of 20.3% to approximately RMB6,523 million in the school year 2010/2011. Also, the number of private English learning branches is forecast to increase to 6,284 in the

school year 2014/2015, resulting in a CAGR of 7% from the school year 2005/2006 to 2014/2015. Synovate forecasts that the number of students will increase at a CAGR of 10.9% from the school year 2005/2006 to 4.73 million in the school year 2014/2015 in light of the expected increase in the number of college graduates. Facing the enormous market potential, the Group has devised strategies aiming to further develop its presence in the PRC through the provision of consultation and management services.

Mr. Ng concluded: "Going forward, building on the foundation of a leading brand, comprehensive network, unique course materials and high standard of teaching quality, the Group will continue to grow vertically, expanding our business into the kindergarten or pre-school education sector and providing a diverse selection of private education services for children, adolescents and adults. Also, leveraging on our successful track record in Hong Kong, we are confident that we will be able to succeed in the PRC private education services market. By offering diversified education products and professional services, Modern Education will help internationalize the PRC education service market. The listing will provide Modern Education with an international platform to access more resources and achieve more effective management, pushing the Group to the leading position in the PRC private education services market."

About Modern Education Group Limited

Modern Education is a provider of tutoring services in Hong Kong. The Group offers a wide range of education programmes and services consisting of secondary tutoring services, secondary day school education, English language training and test preparation courses, and other programmes and services.

– End –

This press release is issued by PR ASIA Consultants Limited on behalf of Modern Education Group Limited.

For Enquiries, please contact

PR ASIA Consultants Limited:

Chow Tsz Lung / Amanda Xu / Venus Mak / Alice Kwok / Kay Lee

Direct line: 3183 0232 / 3183 0251 / 3183 0235 / 3183 0236 / 3183 0250

E-mail : tl.chow@prasia.net / amanda.xu@prasia.net / venus.mak@prasia.net /
alice.kwok@prasia.net / kay.lee@prasia.net

Disclaimers:

- 1. This press release is for information only and does not constitute any recommendation or invitation for acquisition, purchase or subscription of the securities of Modern Education Group Limited, nor does it intend to act as a recommendation of the sale of securities or any invitation for acquisition, purchase or subscription of securities. Investors should read the prospectus for detailed information about the Company and the proposed offering before deciding whether or not to invest in the shares.*
- 2. An application for subscription of the stocks referred to in this press release shall be accepted conditional upon completion of the formal application form, without which an application will not be accepted.*