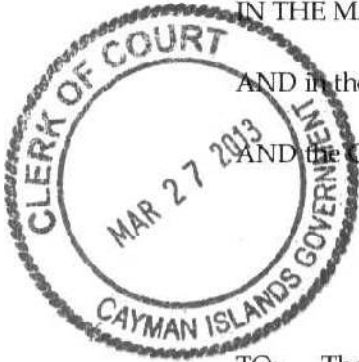


IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

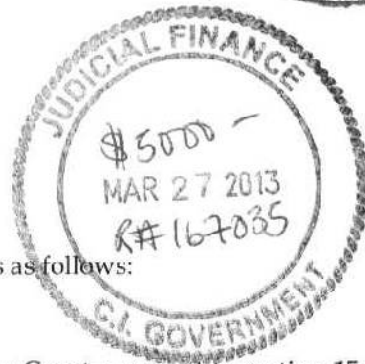
CAUSE NO. FSD 0044 OF 2013

IN THE MATTER OF China E-Learning Group Limited
AND in the matter of the Companies Law (2012 Revision)
AND the Grand Court Rules 1995 Order 102



PETITION

TO: The Grand Court of the Cayman Islands



THE PETITION of China E-Learning Group Limited shows as follows:

1. The object of this Petition is to seek an Order of the Court pursuant to section 15 of the Companies Law (2012 Revision) (the "Companies Law") confirming a reduction of the share capital of the Petitioner, China E-Learning Group Limited (the "Company").
2. The Company was incorporated on 10 July 2001 under the Companies Law with the name of "Prosticks International Holdings Limited" and registered in the Cayman Islands as an exempted company with registration number 111481. On 1 September 2008, the name of the Company was changed from "ProSticks International Holdings Limited" to "China E-Learning Group Limited 中國網絡教育集團有限公司".
3. The registered office of the Company is situated at the office of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

4. At the date of incorporation of the Company, its authorised share capital was HK\$80,000,000 divided into 800,000,000 ordinary shares with a nominal or par value of HK\$0.10 each (the "Shares").
5. By way of a written resolution of the sole shareholder of the Company passed on 24 August 2001, each issued and unissued Share of nominal or par value of HK\$0.10 each was subdivided into 10 shares of a nominal or par value of HK\$0.01 each.
6. On 16 May 2006, a resolution was passed by the shareholders of the Company at an extraordinary general meeting to consolidate every 10 issued and unissued shares of HK\$0.01 each into one share of HK\$0.10 with effect from 17 May 2006.
7. On 14 February 2008, a resolution was passed by the shareholders of the Company at an extraordinary general meeting to increase the authorised share capital of the Company from HK\$80,000,000 divided into 800,000,000 Shares of par value of HK\$0.10 to HK\$1,000,000,000 divided into 10,000,000,000 Shares of HK\$0.10 each by the creation of an additional 9,200,000,000 Shares of HK\$0.10 each.
8. On 16 December 2009, a resolution was passed by the shareholders of the Company at an extraordinary general meeting to consolidate every 5 issued and unissued shares of HK\$0.10 each into 1 share of HK\$0.50.
9. On 11 May 2010, a resolution was passed by the shareholders of the Company at an extraordinary general meeting to increase the authorised share capital of the Company from HK\$1,000,000,000 divided into 2,000,000,000 Shares of par value of HK\$0.50 each to HK\$5,000,000,000 divided into 10,000,000,000 Shares of HK\$0.50 each by the creation of an additional 8,000,000,000 Shares of HK\$0.50 each.
10. As at the date of this Petition, the authorised share capital of the Company is HK\$5,000,000,000 divided into 10,000,000,000 shares with a nominal or par value of HK\$0.50 each and its issued share capital is HK\$735,939,451 divided into

1,471,878,902 shares with a nominal or par value of HK\$0.50 each which have been fully paid-up or credited as fully paid-up.

11. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 5 December 2001 under stock code number 08055. Over the years, the Company has allotted and issued various tranches of ordinary shares, being the only class of shares of the Company.
12. The objects for which the Company was established are unrestricted and include, without limitation:
 - (a) to act and to perform all the functions of a holding company in all its branches and to co-ordinate the policy and administration of any subsidiary company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled directly or indirectly by the Company;
 - (b) to act as an investment company and for that purpose to acquire and hold upon any terms and, either in the name of the Company or that of any nominee, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company wherever incorporated or carrying on business, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to make payments thereon as called up or in advance of calls or otherwise and to subscribe for the same, whether conditionally or absolutely, and to hold the same with a view to investment, but with the power to vary any investments, and to exercise and enforce all

rights and powers conferred by or incident to the ownership thereof, and to invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may be from time to time determined.

13. The Company is an investment holding company, and through its subsidiaries, is principally engaged in the business of provision of occupational education, industry certification course, skills training and education consultation.

14. The Articles of Association of the Company provide, *inter alia*, as follows:

"4. The Company may from time to time by ordinary resolution in accordance with the Law alter the conditions of its Memorandum to:

(a) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;

(b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

(c) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words "non-voting" shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words "restricted voting" or "limited voting";

(d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association (subject, nevertheless, to the Law), any may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;

(e) cancel any shares which, at the date of the passing of the resolution, have not

been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled or, in the case of shares without par value, diminish the number of shares into which its capital is divided.”

“6. The Company may from time to time by special resolution, subject to any confirmation or consent required by the Law, reduce its share capital or any share premium account or any capital redemption reserve or other undistributable reserve in any manner permitted by law.”

15. By a special resolution of the Company (the “Special Resolution”) in accordance with section 14(1) of the Companies Law at an extraordinary general meeting held on 18 February 2013 (the “Extraordinary General Meeting”), it was resolved:

“THAT subject to and conditional upon (i) the approval of the Capital Reduction (as defined below) by the Grand Court of the Cayman Islands (the “Court”); (ii) registration by the Registrar of Companies in the Cayman Islands of the order of the Court confirming the Capital Reduction (as defined below) and the minute approved by the Court containing the particulars required under the Companies Law of the Cayman Islands in respect of the Capital Reduction (as defined below) and the compliance with any conditions as may be imposed by the Court in relation to the Capital Reduction (as defined below); and (iii) the Listing Committee of the Stock Exchange granting the listing of, and permissible to deal in, the New Shares (as defined below) to be in issue upon the date (the “Effective Date”) on which the aforesaid conditions are fulfilled:

(a) the issued and paid up share capital of the Company be reduced (the “Capital Reduction”) by cancelling the paid-up capital to the extent of HK\$0.40 on each existing share of HK\$0.50 each in the capital of the Company (the “Existing Shares”) so that following such reduction, each issued Existing Share of HK\$0.50 of the Company be treated as one fully paid-up share of HK\$0.10 par value each (the “New Shares”) in the issued share capital of the Company and any liability of the holders of such shares to make any further contribution to the capital of the Company on each such share shall be treated

as satisfied and that the amount of issued capital thereby cancelled be made available for issue of new shares of the Company with the authorised share capital of the Company of HK\$5,000,000,000 remains unchanged;

- (b) the credits arising from the Capital Reduction will be applied to set-off the accumulated deficit of the Company;
- (c) immediately following the Capital Reduction, each authorised but unissued share of the Company of par value of HK\$0.50 shall be sub-divided into 5 new shares of par value of HK\$0.10 each (the "Sub-division");
- (d) all of the New Shares resulting from the Capital Reduction and Sub-division shall rank pari passu in all respects and have the rights and privileges and be subject to the restrictions in respect of the shares contained in the memorandum and articles of association of the Company; and
- (e) the directors of the Company be and are hereby authorised generally to do all such acts, deeds and things as they shall, in their absolute discretion, deem appropriate to effect and implement the Capital Reduction and the Sub-division."

Each of the capitalised terms referred to in the Special Resolution above and not otherwise defined therein is defined in the notice of the Extraordinary General Meeting exhibited to the affirmation of Chen Hong ("CH-4").

16. The number of members of the Company present and voting in person or by corporate representatives or by proxy at the Extraordinary General Meeting is as set out in the table below:

	Present & Voting	For	Against
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How Present	Number of members present	Number of shares voted	Number of shares voted
In person/by corporate representatives	6 members (Note)	442,481,242 shares	3,224,000 shares
By proxy	1 members	60,000,000 shares	0 share
Total	7 members	502,481,242 shares	3,224,000 shares

Note: HKSCC Nominees Limited, being the nominee for and on behalf of different ultimate beneficial shareholders of the Company, has voted [in favour] of the Special Resolution at the Extraordinary General Meeting. A total of 3 representatives were presented and voted on behalf of HKSCC Nominees Limited at the Extraordinary General Meeting.

The Special Resolution was presented to the meeting and voted on by way of a poll. The members present and voting in person or by corporate representative or by proxy, representing not less than three-fourths of the votes cast, voted to approve the Special Resolution and the chairman of the Extraordinary General Meeting declared the resolution passed in accordance with the Articles of Association of the Company.

17. The Special Resolution to approve and give effect to the Capital Reduction was duly passed at an extraordinary general meeting, thus satisfying the requirements for passing a special resolution to approve the Capital Reduction under the Articles of Association of the Company and under the Companies Law.
18. The proposed Capital Reduction does not involve either the diminution of any liability in respect of unpaid capital and the Company has no intention to make any payment of paid up capital of the Company to its shareholders. Furthermore, the proposed Capital Reduction will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the shareholders of the Company.

19. The form of Minutes proposed to be registered is as follows:

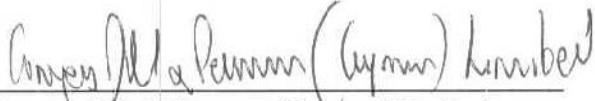
"The issued share capital of the Company was by virtue of a special resolution passed on 18 February 2013 and with sanction of an Order of the Grand Court of the Cayman Islands dated [●] 2013 be reduced from HK\$0.50 per each issued share to HK\$0.10 per each issued share (the "Capital Reduction"). Immediately following from the Capital Reduction, each of the authorised but unissued shares of HK\$0.50 each in the share capital of the Company be and is sub-divided into 5 unissued shares of HK\$0.10 each. At the date of the registration of this Minutes, the authorised share capital of the Company is HK\$5,000,000,000 divided into 50,000,000,000 shares of HK\$0.10 each"

Your Petitioner, the Company, therefore prays as follows:

- (1) That the Capital Reduction of the Company proposed to be effected by the Special Resolution set forth in paragraph 15 of this Petition may be confirmed and that the above-mentioned Minute may be approved by the Court.
- (2) That to this end, all necessary inquiries and directions may be made and given.
- (3) Such further and other order as this Honourable Court shall think fit.

NOTE: It is intended to serve this Petition on China E-Learning Group Limited, at its registered office located at the office of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

Dated this 27th day of March 2013


Conyers Dill & Pearman (Cayman) Limited
Attorneys-at-Law for the Petitioner herein

Notice of Hearing

This Petition having been presented to the Court on the day of 2013 will be
heard at the Law Courts, George Town, Grand Cayman on the day of 2013 at
am/pm or as soon thereafter as the Petition can be heard.

This Petition was filed by Conyers Dill & Pearman (Cayman) Limited, Attorneys-at-Law for and on behalf of the
Petitioner herein whose address for service is that of its Attorneys, Cricket Square, Hutchins Drive, P.O. Box
2681, Grand Cayman KY1-1111, Cayman Islands