



China Bilingual Technology and Education Group, Inc.

“CBL Y”

April 2011



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Company Overview

- Education Company - primary & secondary schools
- Founded 1998 - Shanxi Province
- Private schools encompassing K-12
 - Kindergarten and Elementary (Primary), Middle and High School (Secondary) grade levels
 - Total – 10,000 students and 1,500 faculty & staff
 - Shanxi Modern Bilingual School – largest private K-12 school in Shanxi, est. 1998
 - Sichuan Guang'an Experimental School – full-time boarding K-12 school, est. 2002



Investment Highlights

| STOCK INFORMATION | |
|----------------------------|-----------------|
| Ticker | CBLY |
| Current Price | \$3.05 |
| Market Cap | \$91.5M |
| Shares Outstanding | 30M |
| Float | 6.6M |
| EPS | \$0.43 |
| P/E Multiple | 7 x's |
| Fiscal Year End | 31 – Dec. |
| 1 st Trade Date | 28 – Sept, 2010 |

No warrants or stock “overhang” – 30M shares fully-diluted

| FINANCIAL INFORMATION – FYE 12/31/11 | |
|--------------------------------------|----------|
| Revenues | \$24.4M |
| Gross Profit | \$12.2M |
| Net Income | \$12.0M |
| Net Profit Margin | 49% |
| Cash | \$8.4M |
| Acquisition Deposit* | \$8.8M |
| Physical Plant | \$31.7M |
| Equity | \$31.7M |
| Long Term Debt | \$ -0- |
| Total Students | > 10,000 |

- Good-faith, refundable deposit paid for exclusive negotiations
- Attorneys – Sichenzia, Ross, Friedman, Ference
- Auditor – Child, Van Wagoner & Bradshaw

Value Proposition - Cultural

- China's focus on education to increase productivity and raise the standard of living (college-educated workers are 3x's as productive, and a high school graduates are 1.8x's as productive, as a worker with less than a 9th grade education)
- Middle and upper class families emphasis on private education for higher college entrance exam scores
- One-Child Policy – “Little Emperor/Princess” (2 parents and 4 grandparents)
- China's Urbanization – 221 Cities > 1 million population by 2025

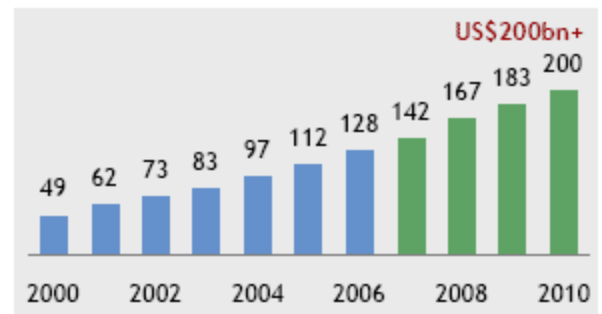
(McKinsey & Co. study)



Value Proposition-Economic

- Education comprises 11% of total consumer spending in China, 3rd largest category after food and housing
- Chinese government targets education sector spending to reach 4% of GDP in 2012 (up from 2.8% in 2004 and 3.3% in 2008)
- Chinese spend 7% of disposable income on education, compared to just 2% in the US - growing middle class to accelerate private education growth

China education spending (US\$ bn)



Sources: Global Education Digest, UNESCO Institute for Statistics 2007; China's Ministry of Education, National Bureau of Statistics of China

Value Proposition - Company

- Strong revenue and earnings annual growth “CAGR” 20% and 30% since 2008
- Comparable US-listed Chinese peers trade at high PE multiples – 20 - 45x's
- Private school not subject to income taxes
- Organic and M&A growth through expansion of current business model and teaching methods into new schools, vocational training & international exchange programs



Comparables

China Education Companies - Industry Comparables

| CBLY PEER COMPARISON | | | | | | | | | | | | | |
|---------------------------|---------|-------|----------------|-----------|---------|-----------|-----------|-------------|----------------------|-----------------|------------|-----------|----------------|
| Name | Ticker | Price | Market Cap (M) | P/E (ttm) | Fwd P/E | P/S (ttm) | P/B (mrq) | Revs. (ttm) | Rev. Per Share (ttm) | EV/EBITDA (ttm) | BVPS (mrq) | Fwd Revs. | Fwd Net Income |
| HQ Global Education | HQGE US | 3.00 | 99.00 | 5.9x | 6.0x | 1.8x | 2.1x | 50.7 | 1.65 | 4.9x | 1.42 | 56.2 | 16.4 |
| China Executive Education | CECX US | 5.04 | 114.71 | 23.0x | 21.5x | 6.0x | 19.3x | 18.7 | 0.85 | 14.5x | 0.26 | 25.6 | 5.3 |
| Chinacast Education | CAST US | 7.05 | 350.94 | 20.2x | 11.4x | 5.1x | 1.4x | 66.8 | 1.46 | 7.5x | 5.43 | 97.4 | 32.5 |
| New Oriental Education | EDU US | 98.36 | 3,820.78 | 45.3x | 31.2x | 8.1x | 29.3x | 463.7 | 12.14 | N/A | 3.36 | 628.0 | 124.4 |
| China Education Alliance | CEU US | 2.18 | 68.13 | 3.6x | N/A | 1.4x | 0.8x | 44.3 | 1.52 | N/A | 2.89 | N/A | N/A |
| China Education Resources | CHN CN | 0.46 | 22.05 | N/A | N/A | 4.3x | 69.0x | 5.4 | 0.12 | N/A | 0.01 | N/A | N/A |
| Noah Education Holdings | NED US | 2.04 | 80.80 | N/A | N/A | 0.9x | 0.4x | 83.6 | 2.19 | N/A | 4.70 | 59.1 | -9.0 |
| China Distance Education | DL US | 4.38 | 149.94 | N/A | 24.7x | 7.0x | 1.9x | 34.7 | 0.62 | N/A | 2.25 | 42.2 | 6.0 |
| Ambow Education Holding | AMBO US | 9.64 | 687.17 | N/A | 21.2x | N/A | N/A | N/A | N/A | N/A | N/A | 276.0 | 50.1 |
| Chinaedu Corp | CEDU US | 7.81 | 127.30 | 21.6x | N/A | 2.2x | 1.4x | 56.3 | 3.51 | 6.7x | 5.58 | N/A | N/A |
| Median | | | | 20.9x | 21.4x | 4.3x | 1.9x | | | 7.1x | | | |
| Average | | | | 19.9x | 19.3x | 4.1x | 14.0x | | | 8.4x | | | |

As of February 4, 2010, Source: Bloomberg

“CBLY” Price - \$3.05, PE 7x’s – Industry Avg. 20x’s



Income Statement

Strong revenue and earnings growth

| (\$000's) | 2008 | 2009 | 2010 |
|--------------------|----------|----------|----------|
| Revenues | \$17,105 | \$21,196 | \$24,367 |
| <i>Growth Rate</i> | 30% | 24% | 15% |
| Net Income | \$7,205 | \$10,195 | \$11,966 |
| <i>Growth Rate</i> | 41% | 41% | 17% |
| EPS | \$0.28 | \$0.39 | \$0.43 |



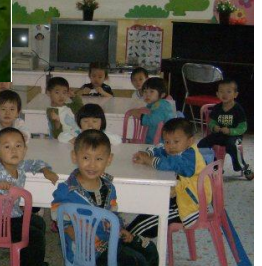
Balance Sheet

Solid Balance Sheet Strength

| (\$000's) | 12/31/2008 | 12/31/2009 | 12/31/2010 |
|-----------------------------|------------------------|------------------------|------------------------|
| Cash | \$3,584 | \$5,100 | \$8,378 |
| Total Current Assets | \$6,645 | 8,238 | \$8,729 |
| Property & Plant | \$34,768 | \$31,641 | \$31,728 |
| Total Assets | <u>\$41,413</u> | <u>\$39,903</u> | <u>\$49,240</u> |
| Prepaid Tuition | \$17,177 | \$15,792 | \$14,564 |
| Total Liabilities | <u>\$26,937</u> | <u>\$20,958</u> | <u>\$17,527</u> |
| Total Equity | <u>\$14,476</u> | <u>\$18,945</u> | <u>\$31,713</u> |

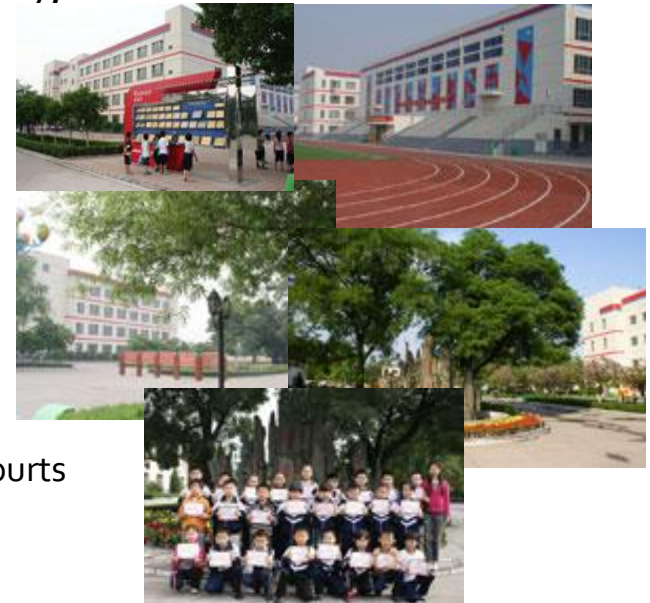
Shanxi Modern Bilingual School

- Est. 1998 – K - 12 boarding school
- Focus – Innovative & high-quality education, fluency in both Chinese and English
- 38 acre campus, 1.4 million sq. ft buildings – Tiayuan City, Shanxi
 - 3 academic & 1 admin building
 - 4 student apartment buildings
 - 2 cafeterias
 - 6 teacher residential buildings
 - Multi-functional arts gymnasium
 - Basketball courts, 400M- track, soccer
 - Children's playground
 - Audio-visual language teaching facilities
 - Multimedia amphitheater, art & music rooms
 - Modern computer classrooms
 - Physics, chemistry, and biology laboratories



Sichuan Guang'an Experimental School

- Est. 2002 – Full-time, boarding high school
- Focus – Small classes & teaching excellence to excel at college entrance exam
- Ranked #1 in region for highest college entrance exam
- 23 acre campus, 750,000 sq. ft. buildings – Huaying City, Sichuan
 - State-of-the-art campus, tree lined
 - 2 academic & 1 administration building
 - 4 student apartment buildings
 - 4 teacher apartments
 - 2 cafeterias & AV technology building
 - Large-scale indoor sports center
 - Amphitheater, music, dance, and piano rooms
 - science & language labs, multimedia network classroom
 - 400M track and field, basketball, volleyball, and badminton courts



Industry

- Chinese education is competitive and is primarily driven by:
 - Location & Facilities
 - Curriculum & Courses Offered
 - Teacher Quality & Research Capability
 - Reputation & National Test Scores
- Increased competition from private educational institutions and extra-curricular training centers that allow parents and students to choose the educational institutions and courses they would like to attend
- In general, educational institutions compete within the communities they serve



Competitive Advantages

- **Distinctive school characteristics** - English and Chinese bilingual campus with dozens of full-time foreign teachers teaching language and cultural skills
- **Excellent teaching in small class size** - Renowned educational experts & teachers, good class discipline, teachers average age 36 years and 80% government recognized subject leaders. Small class size allows for individual attention
- **Licensing** - Approvals and certifications from the local Bureau of Education and national Ministry of Education. Accredited facilities & teaching staff
- **Reputation for strong students** - K-12 above average national test scores, 99% achieve college entrance exam enrollment mark (less than 20% nationally)
- **Operations** - Quality of education and its ability to attract and retain teachers with varied specialties. The Company strives to maintain and improve the level of enrollment and to provide first-class facilities and teaching services



Management Team

Ren Zhiqing, Chairman and Chief Executive Officer

Dr. Ren has been the Chief Executive Officer of Shanxi Taiji Industrial Development Co., Ltd. since its formation in 1997. Previously, he was the president of Shanxi Modern Trade and Economics Institute (1993 to 1997), a privately funded college. He also served as head of China Yinjing News Agency, Shanxi Branch (1989 to 1993) and was a contributing writer for the China Economic News Agency (1986 to 1989). Dr. Ren earned his medical degree at Shanxi College of Traditional Chinese Medicine.

Pan Mingxiao, Executive Vice President and Director

Mr. Pan has been an officer and director of Shanxi Taiji Industrial Development Co., Ltd since 2004. Previously, he was the Chief Financial Officer of Shanxi Modern Bilingual School and has over 15 years experience in the education field. Mr. Pan earned his Bachelors degree from Peking University.



Management Team (2)

Ren Xudong, Vice President

Mr. Ren has worked in the school system since 2010 in operations management and corporate communications. Previously, he graduated from Imperial College in London, with is BA in Mathematics in 2006 and his Master's Degree in Risk Management in 2007. Mr. Ren was involved in Kia Motors management training and entrepreneurial activities from 2008 to 2010.

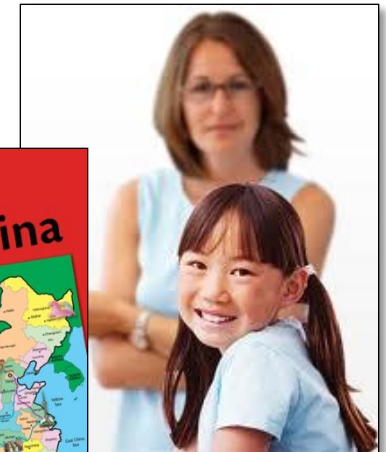
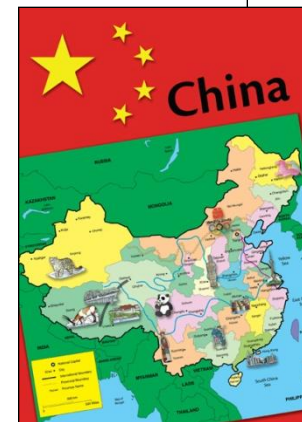
Michael Toups, Chief Financial Officer

Mr. Toups has 20 years of experience in accounting and corporate finance. He has publicly-traded company experience including PCAOB audits, SEC reporting & SOX compliance. Mr. Toups earned his MBA in Finance from the University of Notre Dame.



Summary

- Founded 1998 – Excellent Reputation & Proven Success
- Strong Faculty & High National Test Scores
- Good Demographics & China Emphasis on Education
- Opportunity for Organic and M&A Growth
- High Industry Trading Multiples
- Applying for Listed Exchange





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