

CIBT Subsidiary Acquires Assets of KGIC Inc. (formerly Loyalist Group Ltd.)

March 16, 2017 - Vancouver, British Columbia: CIBT Education Group Inc. ("CIBT") (TSX: MBA, OTCQX International: MBAIF) reports that court approval has been received to the acquisition by CIBT's wholly owned subsidiary, CIBT Finance (2017) Corp. ("CIBT Finance"), to substantially acquire all of the operating assets of KGIC Inc., formerly named Loyalist Group Ltd. This acquisition will mark a new chapter in CIBT's growth and expansion, adding to both the breadth and depth of programs currently offered through its education platforms while tripling the size of its student pipeline feeding students to the company's student housing properties, Global Education City Holdings Inc.

Following is a brief recap of CIBT's transactions involving KGIC Inc:

- In March 2010, CIBT Group paid \$4.3 million and acquired King George International College, a privately owned college with 6 campuses. After the acquisition, CIBT utilized its global network and its college platform to successfully grow King George International College annual revenues from \$16.4 million to \$25 million.
- In September 2013, CIBT sold King George International College to Loyalist Group Inc for \$13.5 million. At the time of the sale, King George College was generating annual revenue of \$25 million and net profit of approximately \$1.2 million.
- As of December 31st 2014, KGIC Inc. reported gross revenue of \$64.935 million.
- On October 1st, 2015, Loyalist Group Inc. changed its name to KGIC Inc. with TSX Venture Exchange symbol LRN.
- As of January 2017, KGIC Inc. had 18 campuses located in British Columbia and Ontario. Among all the schools under its 10 different brands were 1 high school, 4 language schools, and 4 business colleges operating. Due to rapid expansion through acquisitions, KGIC had outpaced its ability to maintain a competitive position in the market and was no longer able to meet its financial obligations.
- According to KGIC Inc.'s interim financial statements for its third quarter of fiscal 2016, gross revenue was \$23.63 million and net loss for the first 9 months of fiscal 2016 reached \$9.6 million.
- On January 25th, 2017, a subsidiary of CIBT executed a Debt Assignment Agreement to purchase from a Canadian bank approximately \$12.3 million of secured debt owed by KGIC Inc., for \$3.1 million. CIBT did not assume any of KGIC's outstanding debts as a result of this transaction. An interim receiver was appointed to lessen the negative impact of KGIC Inc.'s financial distress on students. Sprott Shaw Degree College Corp. subsequently became the agent for the court appointed receiver to oversee the school operations. On March 15, 2016, the British Columbia Supreme Court approved a transaction between the court-appointed receiver and CIBT Finance for the purchase by CIBT Finance or its designee of substantially all of KGIC Inc's assets.

"Having over 23 years of experience in the education industry, we understand some of the hardships that students, teachers, parents and other stakeholders of KGIC were going through. We appreciate the full support of the applicable regulatory bodies and personnel of the affected schools for making the transition possible. The swift and precise execution of key measures helped us to ensure the welfare of students, employees, partners and other stakeholders, bringing stability to not only the schools but also to the private education industry in both British Columbia and Ontario. Canada is one of the top destinations for international students and is known for its top quality programs, and we want to keep it that way," commented Toby Chu, President, CEO and Chairman of CIBT. "During the past two years, KGIC management and school personnel have endured an extended period of financial hardship creating tension in dealings with suppliers, creditors, students and their parents. Upon closing of the asset purchase, we will work to rebuild the confidence of those parties in the coming months."

The restructuring of the acquired schools will take place over the 3 months following the closing of the asset purchase. During this interim period, CIBT will assume the teach-out responsibilities of the students at these schools. At the same time, management expects to consolidate and integrate the human resources, technology, administrative support, and executive management with CIBT subsidiary schools with a view to generating accretive values and adding synergies that will generate efficiencies, sustainable organic growth and value for shareholders.

- The technological and career training programs from KGIC's MTI College in British Columbia will be integrated with Sprrott Shaw College ("SSC"). Sprrott Shaw College has over 114 years of history in B.C., and its programs have always been tailored to the needs of the community and the province. In 2015, SSC added trade programs at its new campus in Burnaby, British Columbia, making the skilled trade programs accessible to more students. These newly added programs under the Sprrott Shaw College brand responded well to the shortage of construction and health care workers in the province which will further energize its already established brand. Several new programs will be carried over from MTI to SSC. SSC is led by Mr. Victor Tesan, the newly appointed president of SSC who has more than 20 years of experience in leadership and management in the private education sector.
- The language schools under the KGIC, PGIC and SEC brands will be consolidated with CIBT's existing language school, VIC Vancouver International College, to be renamed Sprrott Shaw Language College ("SSLC"). SSLC is led by Mr. Steve Sohn. Mr. Sohn's in-depth understanding of the international education market will add tremendous value to the restructuring process. Mr. Sohn has 17 years of experience and is well acquainted with the operations of language schools, operational processes as well as personnel. In addition to growing programs at SSLC, the new additions will work with SSC and other CIBT partner schools in developing college pathway programs, offering students the opportunity to further their education.
- The business colleges formerly under the KGIC brand such as KGIBC, UCCBT and VIA will be amalgamated with SSC's international division ("SSCi"). This division is managed by Mr. Patrick Dang, former president of SSC, now president of SSCI. Under Mr. Dang's leadership and his team of 30+ international advisors, enrollment of international students at SSC increased over 1,000% since 2008. This division contributed significantly to the revenue of SSC over the years. Programs offered at these locations will include various business management programs such as: Global Finance and Accounting, International Marketing, and Economics for Global Managers. Other programs available at SSCI for domestic students include certificates such as TESOL (Teaching English to Speakers of Other Languages).

After implementing the consolidations, merger and restructuring, CIBT's education platform in Canada will consist of three major divisions:

- 16 domestic business colleges under the brand **Sprrott Shaw College - SSC**
- 6 language schools under the brand **Sprrott Shaw Language College - SSLC**
- 3 international business colleges under the brand **Sprrott Shaw College International – SSCI**
- 1 Ontario higher school under the brand **Urban International School - UIS**

"For CIBT's shareholders, an important benefit of the acquisition is that students, both domestic and international, at our schools also serve as customers for our student housing subsidiary, Global Education City Holdings Inc.," observed Toby Chu. "We expect to take possession of another student housing project this summer adding accommodation for 330 students in the City of Vancouver. We also expect to complete the renovation of one of our downtown Vancouver properties by this summer, bringing the total number of students that we can accommodate under the GEC brand to approximately 1,000 beds. Throughout 2017, we will continue to work towards integrating the services offered through our domestic and international education platforms with our student housing properties. The goal is to offer domestic and international students from 31 corporate owned schools plus over 140 public and private schools, college, and university partners located in Metro Vancouver a safe, clean and convenient environment to live and to study.

"In summary," continued Mr. Chu, "CIBT owns and operates 32 schools in Canada and abroad, 7 student housing properties including the future sites of GEC Education Super Center and GEC Education Mega Center that are under development, and 6 corporate offices and recruitment centers totaling 45 locations employing over 600 staffs on 3 continents. Our schools offer in excess of 150 programs and we project that annual enrollment will grow from 8,000 to 20,000 students in the next 24 months."

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CIBT Education Group Inc. is one of the largest education and student housing investment companies in Canada focused on the global education market since 1994. Listed on the Toronto Stock Exchange and U.S OTCQX International, CIBT owns business & language colleges, student housing properties, recruitment centers and corporate offices at 45 locations in Canada and abroad. Total annual enrollment for the group exceeds 15,000 students. Its education providers include Sprott Shaw College (established in 1903), Sprott Shaw Language College (formerly Vancouver International College), Sprott Shaw College International, Urban International School (Toronto) and CIBT School of Business. Through these schools, CIBT offers business and management programs in healthcare, hotel management, language training, Ontario high school and over 150 career, language and vocational programs. CIBT's property investments are owned by Global Education City Holdings Inc., an investment holding and management company focused on developing education related real estate such as student hotels, serviced apartments and education super centers totalling over \$600 million. CIBT also owns Global Education Alliance ("GEA") and Irix Design Group ("Irix Design"). GEA recruits international students for many elite kindergarten, primary & secondary schools, colleges and universities in North America. Irix Design is a leading design and advertising company based in Vancouver, Canada. Visit us online at www.cibt.net, www.studenthotel.ca and watch our corporate video at <http://cibt.net/about/>.

Toby Chu

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Some statements in this news release contain forward-looking information (the "forward-looking statements") about CIBT Education Group Inc. and its future plans. Forward-looking statements are statements that are not historical facts. The forward-looking statements are subject to various risks, uncertainties and other factors that could cause CIBT's actual results or achievements to differ materially from those expressed in or implied by forward-looking statements, including but not limited to obtaining all necessary regulatory approvals. Forward-looking statements are based on the beliefs, opinions and expectations of CIBT's management at the time they are made, and CIBT does not assume any obligation to update its forward-looking statements if those beliefs, opinions or expectations, or other circumstances should change, except as may be required by law.