

INFORMATION MEMORANDUM

FOR RESTRICTED CIRCULATION ONLY



JM EDUCATION GROUP BERHAD

(Formerly known as JM Education Counselling Centre Sdn. Bhd.)

(250325-T)

(Incorporated in Malaysia)

PROPOSED PLACEMENT OF 6,800,000 ORDINARY SHARES IN JM EDUCATION GROUP BERHAD AT A PLACEMENT PRICE OF RM0.45 PER SHARE IN CONJUNCTION WITH OUR PROPOSED LISTING ON THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD

APPROVED ADVISER, PLACEMENT AGENT AND CONTINUING ADVISER



MainStreet Advisers Sdn Bhd (790320-P)

This Information Memorandum is dated 29 December 2017

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS (AS DEFINED HEREIN) ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY JM EDUCATION GROUP BERHAD. SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

All defined terms used in this Information Memorandum are defined under "Definitions".

RESPONSIBILITY STATEMENTS

The Board and Promoters of our Company have seen and approved this Information Memorandum. They collectively and individually accept full responsibility for the accuracy of all the information and statements contained in this Information Memorandum. Having made all reasonable enquiries, and to the best of their knowledge, information and belief, they confirm that there are no false or misleading statements or other material facts which, if omitted, would make any statement in this Information Memorandum false or misleading.

MainStreet, being the Approved Adviser, Placement Agent and Continuing Adviser to our Proposed Listing acknowledges that, based on all available information, and to the best of its knowledge, this Information Memorandum constitutes a full and true disclosure of all material facts concerning the Proposed Listing and the Proposed Placement.

STATEMENTS OF DISCLAIMER

This Information Memorandum has been drawn up in accordance with the LEAP Market Listing Requirements for the Proposed Listing and the Proposed Placement and is not a prospectus and has not been registered, nor will it be registered as a prospectus under the CMSA. The Proposed Placement constitutes an excluded offer and excluded issue within the meanings of Section 229 and Section 230 of CMSA. This Information Memorandum has been prepared in the context of securities offering under the laws of Malaysia. It does not comply with the laws of any jurisdiction other than Malaysia, and has not and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority of any jurisdiction other than Malaysia.

A copy of this Information Memorandum has been deposited with the SC.

The SC and Bursa Securities take no responsibility for the contents of this Information Memorandum, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Information Memorandum. The SC and Bursa Securities do not make any assessment on the suitability, viability or prospects of our Group. Sophisticated Investors are expected to make their own assessment on our Group or seek appropriate advice before making their investment decisions. The Approved Adviser has assessed the suitability of our Company for admission to the LEAP Market as per the LEAP Market Listing Requirements.

An application has been made to Bursa Securities for the admission of our Company and the listing of and quotation for the entire ordinary share capital of our Company on the LEAP Market. No monies shall be collected from Sophisticated Investors for the subscription of the Placement Shares, and no new Shares shall be allotted pursuant to the Proposed Placement until Bursa Securities has granted its approval for the admission of our Company to the LEAP Market. Approval from Bursa Securities of the same is not an indication of the merits of our Proposed Listing, Proposed Placement, our Company or our Shares. This Information Memorandum can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com.

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY JM EDUCATION. SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST AFTER DUE AND CAREFUL CONSIDERATIONS AND, IF APPROPRIATE, CONSULTATION WITH STOCKBROKER, MANAGER, SOLICITOR, ACCOUNTANT AND OTHER PROFESSIONAL ADVISERS.

THERE ARE CERTAIN RISK FACTORS WHICH SOPHISTICATED INVESTORS SHOULD CONSIDER. PLEASE REFER TO “RISK FACTORS” AS SET OUT IN SECTION 5 OF THIS INFORMATION MEMORANDUM.

Sophisticated Investors should note that they may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws and regulations including any statement in the Information Memorandum that is false, misleading, or from which there is a material omission, or for any misleading or deceptive act in relation to the Information Memorandum.

This Information Memorandum or any document delivered under or in relation to the issue, offer and sale of our Shares is not and should not be construed as a recommendation by us and/or the Approved Adviser to subscribe for or purchase our Shares. This Information Memorandum is not a substitute for and should not be regarded as an independent evaluation and analysis and does not purport to be all inclusive. Each Sophisticated Investor should perform and is deemed to have made its own independent investigation, assess the merits and risks of the investment and analysis of our Company and all other relevant matters.

THIS INFORMATION MEMORANDUM IS INTENDED FOR CIRCULATION ONLY TO PERSONS WHOM AN INVITATION TO SUBSCRIBE FOR OR PURCHASE SECURITIES OR AN ISSUE OF SECURITIES WOULD CONSTITUTE AN EXCLUDED OFFER AND EXCLUDED ISSUE WITHIN THE MEANING OF SECTION 229 AND SECTION 230 OF THE CMSA.

THIS INFORMATION MEMORANDUM, IF FURNISHED TO YOU, IS STRICTLY FOR YOUR OWN USE AND IS NOT TO BE CIRCULATED TO ANY OTHER PARTY. INFORMATION IN THIS DOCUMENT IS SUBJECT TO CHANGE FROM TIME TO TIME AS WE AND/OR MAINSTREET SHALL DEEM FIT.

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EXPECTED TIMETABLE FOR THE PROPOSED PLACEMENT AND PROPOSED LISTING

All defined terms used in this Information Memorandum are defined under "Definitions".

The indicative timing of events leading to the listing of and quotation for our entire enlarged issued share capital on the LEAP Market is set out below:

Events	Tentative dates
Date of Information Memorandum	29 December 2017
Allotment of the Placement Shares	End January 2018*
Listing of our Company on the LEAP Market	Early February 2018*
* Subject to receipt of approval from Bursa Securities for our Proposed Listing.	

The timetable is indicative and is subject to changes which may be necessary to facilitate the implementation procedures. An announcement for the key relevant dates will be made after obtaining Bursa Securities' approval for our Proposed Listing.

PLACEMENT STATISTICS

Method of offering	Private placement
Placement Price per Share	RM0.45
Number of existing Shares	61,000,000
Number of Placement Shares being issued pursuant to the Proposed Placement	6,800,000
Number of Shares in issue on Proposed Listing	67,800,000
Percentage of enlarged share capital represented by the Placement Shares	10.0%
Gross proceeds of the Proposed Placement	RM3.06 million
Estimated net proceeds of the Proposed Placement to be received by our Company	RM2.06 million
Market capitalisation of our Company at the Placement Price upon Proposed Listing	RM30.51 million

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IMPORTANT INFORMATION

All defined terms used in this Information Memorandum are defined under “Definitions”.

This Information Memorandum shall not be, in whole or in part, reproduced, disclosed or distributed to any other person or used for any other purpose. By accepting this Information Memorandum, Sophisticated Investors agree to be bound by the limitations and restrictions described herein.

This Information Memorandum includes certain historical information, estimates or reports thereon derived from sources mentioned in this Information Memorandum. Such information, estimates or reports have been included solely for illustrative purposes. No representation or warranty is made as to the accuracy or completeness of any information, estimate and or report thereon derived from such and other third-party sources.

Presentation of Financial and Other Information

All references to “our Company” and “JM Education” in this Information Memorandum are to JM Education Group Berhad. All references to “JM Education Group” and “our Group” in this Information Memorandum are to our Company and our subsidiaries taken as a whole and all references to “we”, “us”, “our” and “ourselves” are to our Company and our subsidiaries, save where the context otherwise requires. Statements as to our beliefs, expectations, estimates and opinions are those of our Company.

In this Information Memorandum, all references to the “Promoters” and “substantial shareholders” are to Teh Cheong Hua and Su Cheia Yee.

The word “approximately” used in this Information Memorandum is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest hundredth or one (1) or two (2) decimal place. Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in the “Definitions” section appearing after this Section. Words importing the singular shall, where applicable, include the plural and vice-versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

Any reference to a time of a day in this Information Memorandum shall be a reference to Malaysian time, unless otherwise stated.

Any reference in this Information Memorandum to any statutory legislation is a reference to that statutory legislation as for the time being amended, modified or re-enacted.

Investment Risks

Investment in our Company carries risk. There can be no assurance that our Company’s strategy will be achieved and investment results may vary substantially over time. Sophisticated Investors contemplating an investment in our Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant upon the performance of our Group. No assurance is given, express or implied, that shareholders will receive back the amount of their investment in our Shares.

Sophisticated Investors should carefully consider whether an investment in our Shares is suitable for them in light of their circumstances and financial resources and whether they are able and willing to withstand the potential loss of their entire investment.

This Information Memorandum should be read in its entirety before making any investment in our Company.

IMPORTANT INFORMATION (CONT'D)

Forward Looking Statements

This Information Memorandum contains forward-looking statements. All statements other than statements of historical facts included in this Information Memorandum, including, without limitation, those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. These forward-looking statements are applicable only as at the date of this Information Memorandum.

Words such as “may”, “will”, “would”, “could”, “expect”, “anticipate”, “should”, “intend”, “plan”, “believe”, “seek”, “estimate”, “project” and variations of such words and similar expressions are intended to identify such forward looking statements and expectations.

These statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties, outcomes of negotiations and due diligence and assumptions that are difficult to predict, qualify or quantify. Our Company is not under any obligation to update or revise such forward-looking statements in this Information Memorandum. Neither our Company, the Approved Adviser nor any other person represents or warrants that our Group’s actual future results, performances or achievements will be as disclosed in those statements.

Factors that could cause our actual results, performances or achievements to differ materially include, without limitation, those discussed in “Section 8: Historical Financial Information and Management Discussion and Analysis”. We cannot give any assurance that the forward-looking statements made in this Information Memorandum will be realised. Sophisticated Investors will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forward-looking statements that are contained herein.

Mode of Communication

In accordance with our constitution, we may send to our shareholders (“**Holders**”), such as but not limited to shareholders’ circular, annual reports, written resolutions and notices as required by LEAP Market Listing Requirements (“**Documents**”) by electronic means to the Holders’ registered email address last maintained with either our Company Secretary or Bursa Malaysia Depository Sdn Bhd (“**Bursa Depository**”), as the case may be. However, in the event that the electronic mail address of any of our shareholders is not available, or if our shareholders request for a hardcopy to be sent to them, our Company will forward a copy of the Documents to the Holders as soon as reasonably practicable after the receipt of the request, free of charge by ordinary mail.

We may also publish Documents on our website as a form of electronic communication with our Holders. In such event, we will separately and immediately notify our Holders through the following by way of:

- (i) ordinary mail;
- (ii) electronic means to the Holders’ registered email address; and/or
- (iii) announcements on Bursa Securities.

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CORPORATE DIRECTORY

BOARD OF DIRECTORS	:	Goh Chi Jin <i>Independent Non-Executive Chairman</i> Teh Cheong Hua <i>Managing Director</i> Yong Lai Peng <i>Chief Financial Officer/Executive Director</i>
REGISTERED OFFICE	:	Third Floor, No. 79 (Room A) Jalan SS 21/60 Damansara Utama 47400 Petaling Jaya Selangor, Malaysia Tel No. : +603 7725 1777 Fax No.: +603 7722 3668
HEAD OFFICE	:	36, Jalan SS 15/8 47500 Subang Jaya Selangor, Malaysia Tel No. : +603 5633 4732
EMAIL ADDRESS	:	inquirydata@jmecc.com
WEBSITE ADDRESS	:	www.jmeducationgroup.com www.miraj.edu.my
COMPANY SECRETARY	:	Tea Sor Hua (MACS 01324) 77C, Jalan SS21/60 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No. : +603 7725 1777 Fax No.: +603 7722 3668
APPROVED ADVISER, PLACEMENT AGENT AND CONTINUING ADVISER	:	MainStreet Advisers Sdn Bhd (790320-P) 25-7, Block B, Jaya One 72A Jalan Universiti 46200 Petaling Jaya Selangor, Malaysia Tel No. : +603 7968 3398 Fax No.: +603 7954 2299
AUDITORS AND REPORTING ACCOUNTANTS	:	Crowe Horwath (AF 1018) Level 16 Tower C Megan Avenue II 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur, Malaysia Tel No. : +603 2788 9999 Fax No.: +603 2788 9998
SOLICITORS	:	Tay & Helen Wong Suite 703 Block F Phileo Damansara I No. 9 Jalan 16/11 46350 Petaling Jaya Selangor, Malaysia Tel No. : +603 7960 1863 Fax No.: +603 7960 1873

CORPORATE DIRECTORY (CONT'D)

- INDEPENDENT MARKET RESEARCHER** : Protégé Associates Sdn Bhd (675767-H)
Suite C-06-06, Plaza Mont' Kiara
2, Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur, Malaysia
Tel No. : +603 6201 9301
Fax No.: +603 6201 7302
- PRINCIPAL BANKER** : Hong Leong Bank Berhad (97141-X)
W-1-0, W-2-0 & W-1-1
Subang Square Business Centre
Jalan SS 15/4G
47500 Subang Jaya
Selangor, Malaysia
Tel No. : +603 5632 9034
Fax No.: +603 5632 8764
- SHARE REGISTRAR** : Shareworks Sdn Bhd (229948-U)
No. 2-1 Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
Malaysia
Tel No. : +603 6201 1120
Fax No.: +603 6201 3121
- LISTING SOUGHT** : LEAP Market of Bursa Securities

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DEFINITIONS

Act	:	Companies Act 2016, as amended, modified or re-enacted from time to time
Board	:	Board of Directors of JM Education
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
CAGR	:	Compound annual growth rate
CIAST	:	Centre for Instructor and Advanced Skill Training (Pusat Latihan Pengajar dan Kemahiran Lanjutan)
CIDB	:	The Construction Industry Development Board of Malaysia (Lembaga Pembangunan Industri Pembinaan Malaysia)
CLAB	:	Construction Labour Exchange Centre Berhad (634396-W), organisation incorporated by CIDB
CMSA	:	Capital Markets and Services Act 2007, as amended, modified or re-enacted from time to time
Counsellor	:	Person(s) who advise(s) students and parents on issues in relation to further studies and refer(s) students to the educational institutions
DKM	:	Diploma Kemahiran Malaysia (Malaysian Skills Diploma)
EBITDA	:	Earnings before interest, tax, depreciation and amortisation
Education UK Network	:	Education UK Network Sdn Bhd (629667-K)
EPS	:	Earnings per share
FPE	:	Financial period ended
FYE	:	Financial year ended/ending
GP	:	Gross profit
HEI(s)	:	Higher educational institution(s)
IELTS	:	International English Language Testing System, an international standardised test of English language proficiency for non-native English language speakers wishing to enrol in educational institutions in certain countries
IMR Report	:	Independent Market Researcher Report entitled “Strategic Analysis of the Education Services Industry in Malaysia Focusing on the Educational Support Services and the Technical Vocational Education and Training Markets” dated 27 November 2017 prepared by Protégé Associates
Information Memorandum	:	This Information Memorandum dated 29 December 2017 in relation to our Proposed Placement and Proposed Listing
JM Education or Company	:	JM Education Group Berhad (<i>formerly known as JM Education Counselling Centre Sdn. Bhd.</i>) (250325-T)

DEFINITIONS (CONT'D)

JM Education Group or Group	:	Collectively, JM Education and its subsidiaries
JM Education (Sabah)	:	JM Education Counselling Centre (Sabah) Sdn Bhd (745628-K)
JPK	:	Jabatan Pembangunan Kemahiran (Department of Skills Development), a department under the Kementerian Sumber Manusia (Ministry of Human Resources)
Konsortium Kemahiran	:	Konsortium Kemahiran Permata Selatan Sdn Bhd (982029-M)
LCCI	:	A qualification developed by London Chamber of Commerce and Industry
LEAP Market	:	LEAP Market of Bursa Securities
LEAP Market Listing Requirements	:	LEAP Market Listing Requirements of Bursa Securities
LPD	:	5 December 2017, being the latest practicable date prior to the date of this Information Memorandum
MainStreet or Approved Adviser or Placement Agent or Continuing Adviser	:	MainStreet Advisers Sdn Bhd (790320-P), being the Approved Adviser, Placement Agent and Continuing Adviser for our Proposed Placement and Proposed Listing
Market Day	:	Any day between Mondays and Fridays (both days inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities
MBM	:	Majlis Belia Malaysia (Malaysian Youth Council)
Miraj Academy	:	Miraj Academy Sdn Bhd (859466-K)
NA	:	Net Assets
PAT	:	Profit after tax
PBT	:	Profit before tax
Placement Price	:	RM0.45 per Placement Share, being the price at which each Placement Share is to be issued
Placement Share(s)	:	6,800,000 Shares to be issued pursuant to the Proposed Placement
Promoters	:	Teh Cheong Hua and Su Cheia Yee
Proposed Listing	:	Proposed listing of and quotation for our entire 67,800,000 Shares on the LEAP Market
Proposed Placement	:	Proposed issuance of 6,800,000 Placement Shares at the Placement Price to Sophisticated Investors
Protégé Associates	:	Protégé Associates Sdn Bhd (675767-H)

DEFINITIONS (CONT'D)

PTPK	:	Perbadanan Tabung Pembangunan Kemahiran (Skills Development Fund Corporation), a Federal statutory body under the Ministry of Human Resources responsible for managing loan funds for continuous skills training
RM and sen	:	Ringgit Malaysia and sen respectively
SC	:	Securities Commission Malaysia
Share(s)	:	Ordinary share(s) in our Company
SKM	:	Sijil Kemahiran Malaysia (Malaysian Skills Certificate)
sq. ft.	:	Square feet
Sophisticated Investor	:	Any person who falls within any of the categories of investors set out in Part I of Schedule 6 or Part I of Schedule 7 of the CMSA
SSM	:	Suruhanjaya Syarikat Malaysia (Companies Commission of Malaysia)
TVET	:	Technical and vocational education and training
UK	:	United Kingdom
USA	:	United States of America

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APPENDIX II – REPORTING ACCOUNTANT’S OPINION ON THE HISTORICAL FINANCIAL INFORMATION OF JM EDUCATION GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2016

APPENDIX III – UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF JM EDUCATION GROUP FOR THE 7-MONTH PERIOD ENDED 31 JULY 2016 AND 31 JULY 2017

1 DETAILS OF OUR LISTING

1.1 Listing Scheme

Pursuant to our listing, we intend to issue 6,800,000 Placement Shares, representing approximately 10.0% of our enlarged issued share capital at RM0.45 per Placement Share within the meanings of Section 229 and Section 230 of the CMSA to Sophisticated Investors.

Our Proposed Listing is subject to the receipt of an approval from Bursa Securities. Thus, we have concurrently made an application to Bursa Securities for the admission of our Company to the Official List and the listing of and quotation for our entire enlarged issued share capital of RM9.16 million comprising 67,800,000 Shares on the LEAP Market and are awaiting Bursa Securities' decision on the same.

1.2 Placement Price

The Placement Price of RM0.45 per Placement Share was arrived at, after taking into consideration the following:

- (i) our audited EPS of approximately 3.34 sen for the FYE 31 December 2016 based on our enlarged issued share capital of 67,800,000 Shares upon our Proposed Listing representing a price-to-earnings ratio of approximately 13.49 times;
- (ii) our pro forma NA per Share of approximately 12.00 sen as at FYE 31 December 2016 upon our Proposed Listing and after the proposed utilisation of proceeds based on our pro forma NA of approximately RM8.42 million and our enlarged share capital of 67,800,000 Shares representing a price-to-book ratio of approximately 3.75 times;
- (iii) our operating history and competitive strengths that have been the keys to our achievements, which we believe would continuously contribute to the success and growth of our Group, the details of which are set out in Section 2.1 and Section 3.5 of this Information Memorandum; and
- (iv) our Group's future prospects and plans, which will focus on the marketing of our services, expansion of our Group's operation capacity and facilities and the outlook of the other education services and TVET markets of the local education services industry as set out in Section 3.12 and Section 4 of this Information Memorandum.

Prior to our Proposed Listing, there was no public market for our Shares within or outside Malaysia. You should note that the market price of our Shares subsequent to our Proposed Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares being traded. You are reminded to carefully consider the risk factors as set out in Section 5 of this Information Memorandum and form your own views on the valuation of our Shares before deciding to invest in them.

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1 DETAILS OF OUR LISTING (CONT'D)**1.3 Share Capital Upon Listing**

Upon completion of the Proposed Placement, our Company's entire enlarged issued share capital comprising 67,800,000 Shares shall be listed on the LEAP Market. The details of our enlarged issued share capital are as set out below:

	No. of Shares ('000)	RM'000
Existing issued share capital	61,000	6,100
New Shares to be issued pursuant to our Proposed Placement	6,800	3,060
Enlarged issued share capital upon Proposed Listing	67,800	9,160
Placement Price per Share (RM)		0.45
Market capitalisation at the Placement Price upon Proposed Listing (RM'000)		30,510

We have only one class of shares in our Company, namely ordinary shares. The Placement Shares will, upon allotment and issuance, rank pari-passu in all respects with our existing Shares, including voting rights and rights to all dividends and other distributions that may be declared subsequent to the date of allotment of the Placement Shares.

Subject to any special rights attached to any shares which we may issue in the future, our shareholders shall, in proportion to the amount paid up on the Shares held by them, be entitled to share in the profits paid out by us as dividends and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to any surplus in accordance with our constitution.

At any general meeting of our Company, each shareholder shall be entitled to vote in person or by proxy or by attorney or by duly authorised representative. Each shareholder shall be entitled to appoint one (1) or more proxy to attend and vote at any general meeting of our Company. A proxy may but need not be a member of our Company and there shall be no restriction as to the qualification of the proxy. On a poll, each shareholder present either in person or by proxy or by attorney or by other authorised representative shall have one (1) vote for each Share held.

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1 DETAILS OF OUR LISTING (CONT'D)**1.4 Utilisation of Proceeds**

The gross proceeds arising from the Proposed Placement of approximately RM3.06 million shall accrue entirely to our Company and we intend to utilise the gross proceeds for the following purposes:

Details of utilisation		Amount RM'000	Percentage of gross proceeds %	Estimated timeframe for utilisation
(i)	Expansion/marketing expenses ⁽¹⁾	740	24.2	36 months
(ii)	Repayment of bank borrowings ⁽²⁾	890	29.1	6 months
(iii)	Working capital ⁽³⁾	520	17.0	24 months
(iv)	Estimated listing expenses ⁽⁴⁾	910	29.7	Immediately
		3,060	100.0	

Note:**(1) Expansion/marketing expenses**

We intend to utilise approximately RM0.74 million for our Group's expansion expenses and advertising cost in the media. The table below set out the details of utilisation:

Description	RM'000
Advertisement cost	300
Setup cost of new branches for JM Education	140
Launching of new programmes for Miraj Academy	300
	740

(2) Repayment of bank borrowings

We intend to utilise approximately RM0.89 million to fully repay our loan with Public Bank Berhad which was obtained to finance the purchase of a property located at 9, Jalan Dravidan, Bandar Baru Ampang, 68000 Ampang, Selangor for use as our TVET centre.

The proposed repayment of bank borrowings will also reduce our Group's gearing ratio from 0.26 times to 0.12 times, based on our Group's borrowings as at 31 December 2016 of approximately RM1.84 million and NA of RM7.00 million.

(3) Working capital

We intend to utilise approximately RM0.52 million for our day-to-day working capital requirements as follows:

Description	RM'000
Rental	120
Education fairs expenses	100
Referral fees to agents and subagents	100
Staff related expenses	200
	520

1 DETAILS OF OUR LISTING (CONT'D)*(4) Estimated listing expenses*

We will bear all incidental expenses and fees relating to the listing of and quotation for our Proposed Listing on LEAP Market. The estimated listing expenses for our listing amounted to RM0.91 million. The estimated listing expenses are as set out in the following table:

Estimated listing expenses	RM'000
<i>Professional fees</i>	821
<i>Fees payable to relevant authorities</i>	6
<i>Placement fees</i>	61
<i>Miscellaneous</i>	22
	910

In the event that the actual amounts vary from the above estimates, the excess or deficit, as the case may be, would be reallocated to/from the amount earmarked for working capital.

Pending the utilisation of proceeds for the above-mentioned purposes, save for the proposed listing expenses of RM0.91 million, the proceeds would be placed as deposits with licensed financial institutions, or used for investments in short-term deposits or money market, as our Board may in their absolute discretion deem appropriate.

1.5 Dividend Policy

Historically, we have been paying dividends. For the last five (5) FYEs 31 December 2012 to 31 December 2016, our yearly dividend payments ranged from RM1.00 million to RM1.75 million, except that there are no dividend payments for the FYEs 31 December 2013 and 31 December 2016. There were no dividend payments for the said two (2) FYEs as we have channelled our cash for expansion purposes, as below:

- (i) acquisition of 100.0% equity interest in Miraj Academy in 2013 for a cash consideration of RM2.00 million;
- (ii) capital expenditures consisting of investments in premises for TVET centre in 2014 and 2016 amounted to RM4.27 million; and
- (iii) renovation and acquisition of office equipment for expansion in 2016 amounted to RM0.93 million.

Our Company has also declared and paid an interim dividend of RM0.50 million for FYE 31 December 2017.

Currently, we do not have a fixed dividend policy and our payment of dividends is dependent upon our distributable profits, operating results, financial condition, capital expenditure plans, cash position as well as other factors. Upon listing, it is the intention of our Board to recommend and distribute minimum dividends of 20.0% of our annual PAT attributable to our shareholders. Any dividends to be declared will be subject to the recommendation of our Board taking into consideration the abovementioned factors. Any declaration of final dividend by our Board is subject to the approval of our shareholders at our annual general meeting.

You should take note that the above merely describes our present intention and shall not constitute legally binding statements in respect of our future dividend policy which may be subject to modification (including reduction or non-declaration thereof) in our Board's absolute discretion.

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2 OVERVIEW OF OUR GROUP

2.1 Our History and Key Milestones

2.1.1 Our History

Our Company was founded in 1992 by Tee Kwee Lian and commenced operations in the same year from our first office located at Jalan SS15/2b, Subang Jaya. We focused on providing educational counselling and student placement services to overseas educational institutions.

During the initial years of our operations, our Company collaborated with educational institutions in Australia and the UK. In 2001, we set up our Penang branch as a means to provide educational counselling and student placement services to students from the northern region of Malaysia. In 2004, we expanded our educational institution network to include educational institutions in New Zealand.

In 2006, Teh Cheong Hua acquired 75.0% equity interest in our Company. Since then, we started to provide educational counselling and student placement services to local educational institutions as well. In the same year, JM Education (Sabah) was incorporated to make inroads into the Sabah market, with an office located in Kota Kinabalu. JM Education (Sabah) was then 60.0% owned by JM Education and the remaining 40.0% was owned by Creena Alison Wong. We also set up a branch in Ipoh, Perak in the same year. In 2008, Teh Cheong Hua acquired the remaining 25.0% equity interest in our Company.

As part of our efforts to strengthen our offerings from educational institutions in the UK, we acquired Education UK Network in 2009. Education UK Network is a student placement service provider for the UK educational institutions. In 2010, we set up two (2) new branches in Johor Bahru and Kuching. This was followed by our Group's agreement with British Council in 2011 to become an authorised IELTS registration agent.

As a means to diversify our business, we ventured into the provision of TVET through the acquisition of Miraj Academy in 2013. Miraj Academy is a TVET provider accredited by JPK to provide trainees with knowledge, skills, know-how, and produce job-ready-graduates to fulfil the demands for skilled workers.

In 2014, we set up a branch in Sri Hartamas, Kuala Lumpur, to further expand our network. In the same year, Miraj Academy was awarded 4 Stars Rating by JPK for year 2012-2013. and became an approved centre by Pearson LCCI which allows Miraj Academy to conduct an LCCI course.

In 2016, Miraj Academy set up a training restaurant, Miraj Café for the food and beverage service operations programme as required by JPK. Miraj Academy was again awarded 4 Stars Rating by JPK for year 2014-2015. Further, in the same year, we set up another two (2) branches to provide educational counselling and student placement services in Bukit Mertajam, Penang and Cheras, Kuala Lumpur.

In 2017, Miraj Academy signed a Memorandum of Understanding (“**MoU**”) with CLAB and MBM as part of its initiative to enable industry placements for trainees graduating from Miraj Academy. In the same year, we acquired the remaining 40.0% equity interest of JM Education (Sabah) from Creena Alison Wong.

As at the date of this report, we have nine (9) branches to provide educational counselling and student placement services covering the northern, central and southern regions as well as Sabah and Sarawak. For the most recent years from 2014 to the LPD, we have successfully placed approximately 4,000 students in both local and overseas educational institutions while Miraj Academy has trained approximately 300 graduates.

2 OVERVIEW OF OUR GROUP (CONT'D)

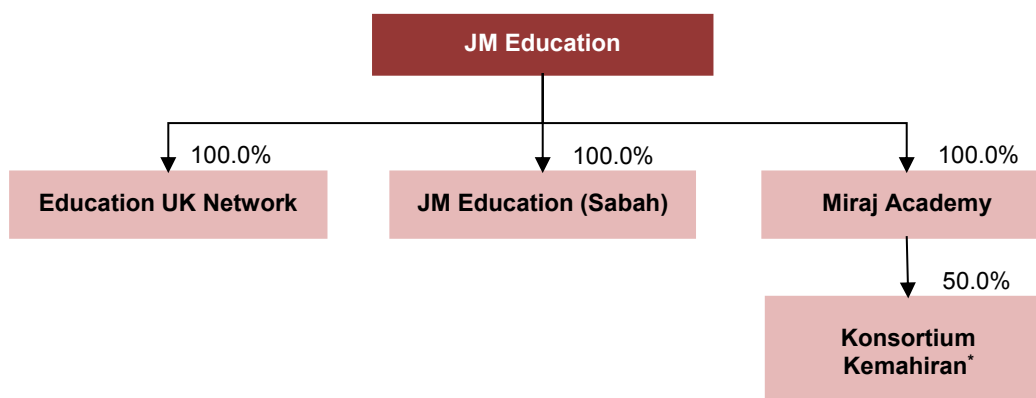
2.1.2 Milestones and Key Achievements

The table below sets out our milestones and key achievements since 1992:

Period	Milestones and key achievements
1992	Our Company was founded and was operating in Subang Jaya.
2001	Set up Penang branch.
2006	<ul style="list-style-type: none"> Teh Cheong Hua acquired 75.0% equity interest in our Company. Established JM Education (Sabah). Set up Kota Kinabalu and Ipoh branches.
2008	Teh Cheong Hua acquired 25.0% equity interest in our Company.
2009	Acquired Education UK Network.
2010	Set up Johor Bahru and Kuching branches.
2011	Entered into services agreement with British Council to be the authorised IELTS registration agent.
2013	Acquired Miraj Academy.
2014	<ul style="list-style-type: none"> Set up Sri Hartamas branch. Miraj Academy was awarded 4 Stars Rating by JPK for year 2012-2013. Miraj Academy became approved centre by Pearson LCCI to conduct LCCI course.
2016	<ul style="list-style-type: none"> We set up Bukit Mertajam and Cheras branches. Miraj Academy was awarded 4 Stars Rating by JPK for year 2014-2015. Set up Miraj Café.
2017	<ul style="list-style-type: none"> Miraj Academy signed MoU with CLAB. Miraj Academy signed MoU with MBM. JM Education acquired remaining 40.0% equity interest in JM Education (Sabah).

2.2 Corporate Structure

Our Group's corporate structure is as follows:



Note:

* The company is in the process to be struck off.

2 OVERVIEW OF OUR GROUP (CONT'D)

The details of JM Education, our subsidiaries, associate company and their respective principal activities are set out below:

Company	<ul style="list-style-type: none"> Date of incorporation Date of commencement of business country of incorporation 	Issued share capital as at the LPD RM	Effective equity interest %	Principal activities
JM Education	<ul style="list-style-type: none"> 12 October 1992⁽¹⁾ 19 August 1993 Malaysia 	6,100,000	-	Provide educational counselling and student placement services
Direct wholly-owned subsidiary				
Education UK Network	<ul style="list-style-type: none"> 29 September 2003 1 October 2004 Malaysia 	10	100.0	Provide educational counselling and student placement services
JM Education (Sabah)	<ul style="list-style-type: none"> 28 August 2006 5 September 2006 Malaysia 	10	100.0	Provide educational counselling and student placement services
Miraj Academy	<ul style="list-style-type: none"> 4 June 2009 12 August 2009 Malaysia 	500,000	100.0	Provide technical, vocational education and skills training programmes
Associate company				
Konsortium Kemahiran ⁽²⁾	<ul style="list-style-type: none"> 12 March 2012 Not applicable Malaysia 	2	50.0	Dormant

Notes:

(1) JM Education was converted from a private limited company to a public limited company on 21 November 2017.

(2) The company is in the process to be struck off.

2.3 Shareholding Structure

Our Company's shareholding structure before and after the Proposed Placement is as follows:

Shareholders	Before the Proposed Placement				After the Proposed Placement			
	Direct		Indirect		Direct		Indirect	
	No. of shares '000	% ⁽³⁾	No. of shares '000	% ⁽³⁾	No. of shares '000	% ⁽⁴⁾	No. of shares '000	% ⁽⁴⁾
Teh Cheong Hua	56,425	92.5	4,575	7.5 ⁽¹⁾	56,425	83.2	4,575	6.8 ⁽¹⁾
Su Cheia Yee	4,575	7.5	56,425	92.5 ⁽²⁾	4,575	6.8	56,425	83.2 ⁽²⁾
Public shareholders ⁽⁵⁾	-	-	-	-	6,800	10.0	-	-

Notes:

(1) Deemed interested by virtue of his spouse, Su Cheia Yee's shareholding in our Company.

(2) Deemed interested by virtue of her spouse, Teh Cheong Hua's shareholding in our Company.

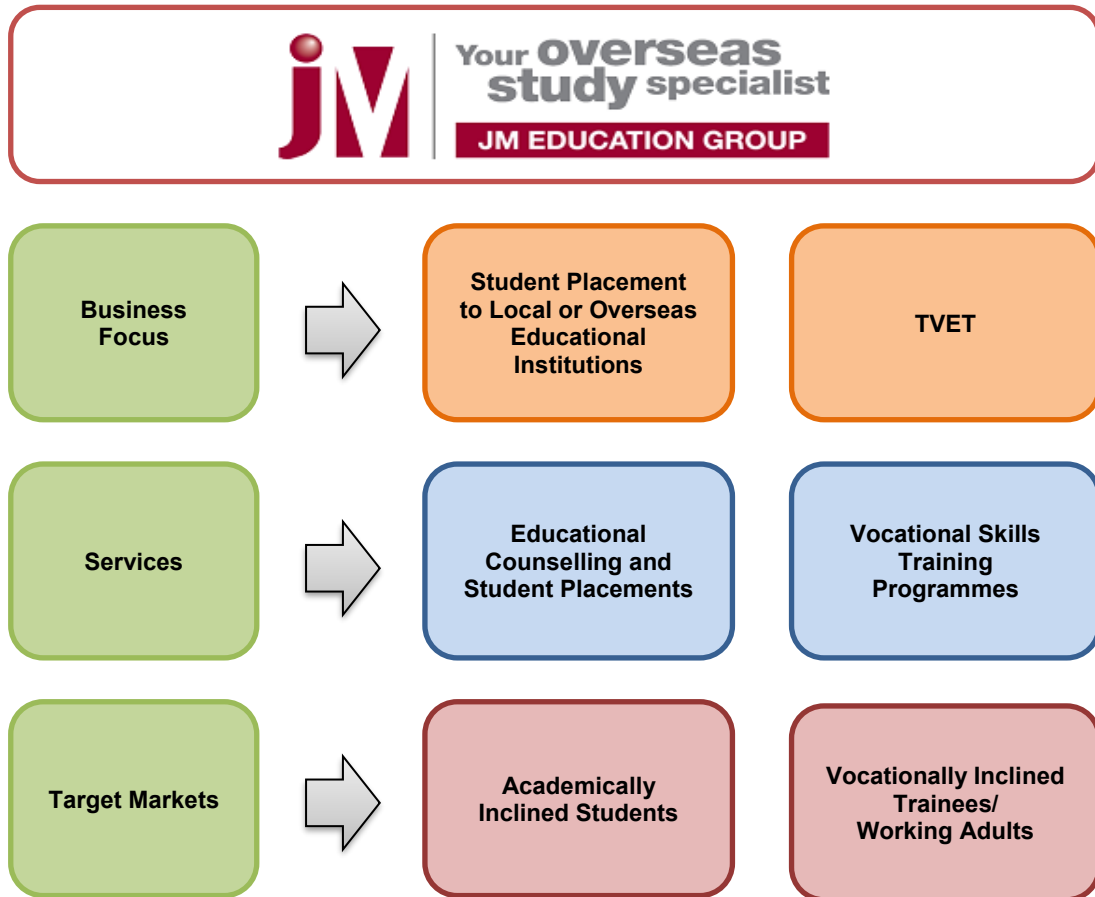
(3) Based on 61,000,000 Shares issued.

(4) Based on 67,800,000 enlarged issued Shares upon completion of the Proposed Placement.

(5) Consist of places of the Proposed Placement.

3 OVERVIEW OF OUR BUSINESS

3.1 Principal Business Activities



We are primarily involved in the provision of educational counselling and student placement services within the education services industry in Malaysia. Our services include providing counselling and advice in selection of courses and potential study destination, assistance in application processing which include admission to the selected educational institution and visa, pre-departure guidance, airport pick up and accommodation, as well as scholarship applications where applicable. We offer our services to parents who seek to send their children to further their education locally or overseas at various educational institutions, amongst others, as follows:

- (i) universities;
- (ii) colleges;
- (iii) boarding schools;
- (iv) vocational schools; and
- (v) language schools.

For the overseas market, we focus on educational institutions in Australia, Canada, Ireland, New Zealand, Singapore, UK and USA. We have student recruitment services agreements in place with 141 local and overseas educational institutions and organisations. Students are mainly identified through our branches, which are located in Penang, Perak, Kuala Lumpur, Selangor, Johor, Sabah and Sarawak.

In addition, we provide TVET programmes through Miraj Academy which is located in Bandar Baru Ampang, Selangor.

3 OVERVIEW OF OUR BUSINESS (CONT'D)

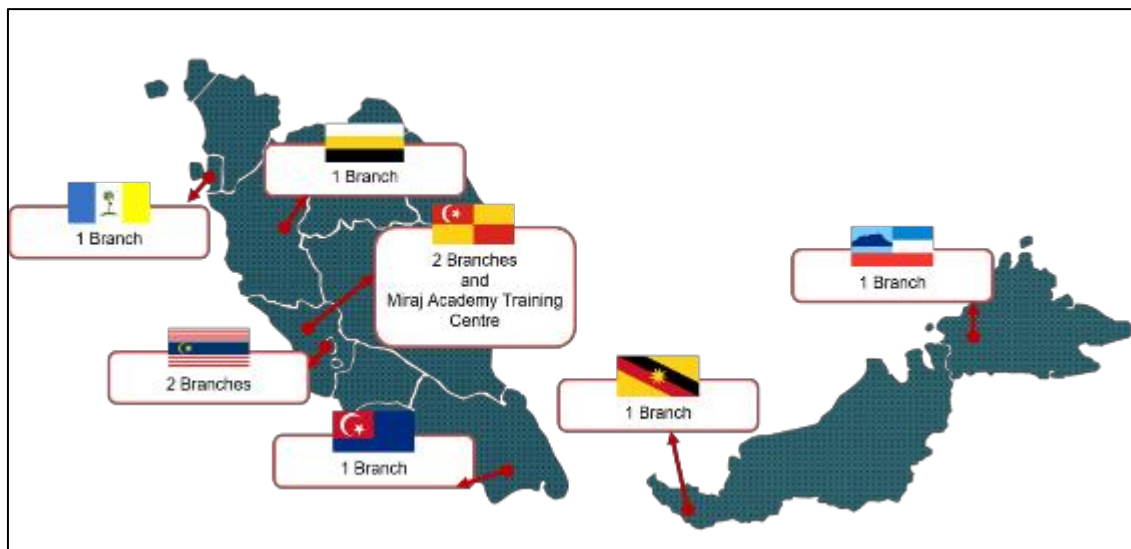
As at the LPD, our trainees' capacity, trainees' population and utilisation rate for the said premises are as follows:

Approved capacity (number of trainees)	295 ⁽¹⁾
Student population (number of trainees)	175
Utilisation rate (%)	63.6%

Note:

(1) Based on 275 trainees which was approved by JPK that we can accommodate at any time for our combined programmes under JPK. The approved number of trainees was evaluated by JPK based on the sufficiency of trainers and equipment as well as facilities for the purpose of implementing skills training to meet the quality assurance provisions under the Malaysian Skills Certification System. The remaining 20 trainees were approved by CIDB for the Building Wiring Installation programme.

The locations of our branches for our educational counselling and student placement services and our training centre for TVET programmes as at LPD are as follows:



3.1.1 General Terms of the Student Recruitment Services Agreements

We have entered into agreements with the educational institutions for student recruitment services wherein the educational institutions will appoint us as a student recruitment agent.

As at LPD, JM Education has entered into 141 agreements and in general, the terms and conditions of these agreements can be summarized as follow:

	JM Education	Educational institutions
Services	<ul style="list-style-type: none"> To promote courses offered by the educational institutions; To provide marketing and advertising materials for the educational institutions in Malaysia; To identify and recruit suitable and genuine potential students; To assist students with the educational institutions' offer in obtaining the appropriate student visa; and 	-

3 OVERVIEW OF OUR BUSINESS (CONT'D)

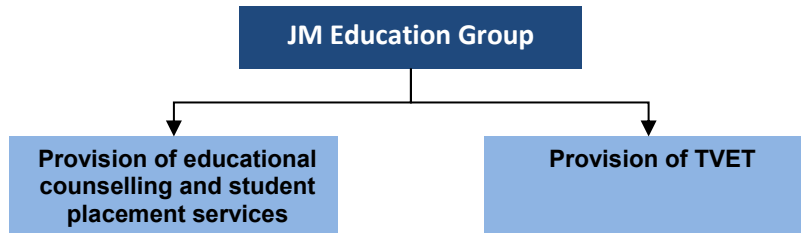
	JM Education	Educational institutions
	<ul style="list-style-type: none"> To arrange testing of potential students in English language. 	
Obligation	<ul style="list-style-type: none"> Not to make or give any promise, warranties or representations on behalf of the educational institutions; Not to impose a fee or any other charges on potential students; Not to accept any fees or charges from potential students or students with the educational institutions' offer; Comply with the terms of the educational institutions' admissions policies; Promptly forward the application forms to the educational institutions Ensure all supporting documents are in order; Comply with all applicable laws and legislations; Ensure potential students meet the minimum educational qualification requirement; Not to make any false or misleading advertising or recruitment practices; Not to make any false or misleading comparisons with any other education providers or courses; Not to retain any fees payable to the educational institutions; To attend such conferences, seminars and/or recruitment events in Malaysia as may be required by the educational institutions; To ensure that JM Education's employees, contractors, agents and sub-agents receive such training as required from time to time by the educational institutions; Not to deal with complaint in relation to the educational institutions without prior written permission from the educational institutions; and To assist the educational institutions in defending any legal claims by students, potential students or other third parties arising from or in connection with the student recruitment services agreement. 	<ul style="list-style-type: none"> Provide JM Education information in relation to the courses for JM Education to perform the services; Provide JM Education information in relation to the visa application; Duly process all complete applications received; Inform JM Education of the legal or regulatory conditions for visa requirements; Pay JM Education commissions as agreed; and Provide JM Education with weekly reports of the status of all applications.
Termination	<ul style="list-style-type: none"> Either party can terminate the student recruitment services agreement at any time by giving the other party 60 days prior written notice; The educational institutions can terminate the student recruitment services agreement at any time and with immediate effect by giving notice to JM Education if JM Education breaches any provision of the student recruitment services agreement; 	

3 OVERVIEW OF OUR BUSINESS (CONT'D)

	JM Education	Educational institutions
	<ul style="list-style-type: none"> • All applications in process at the time of termination of student recruitment services agreements, either by notice or by effluxion of time, must be conducted in a proper manner; • Termination of the student recruitment services agreement does not affect any rights or remedies of either party accrued before the termination; and • Upon termination, JM Education shall cease to use any documents or materials provided by the educational institutions. 	
Consideration	<p>In consideration of JM Education providing the services to the educational institutions, the educational institutions will pay commissions to JM Education. The commissions payable by the educational institutions vary by course and educational institutions and are generally calculated based on the following:</p> <ul style="list-style-type: none"> • a certain percentage of the first year intake tuition fee; • a fixed commission agreed by both parties; or • a certain percentage of the first year intake tuition fee plus a placement fee. 	

3.2 Business Model

The following is a diagrammatic representation of our Group's operational structure:



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3 OVERVIEW OF OUR BUSINESS (CONT'D)

The breakdown of our revenue by business activities and number of students placed and trainees' intake for the FYE 31 December 2015 and 2016 and seven (7)-month FPE 31 July 2016 and 2017 is as follows:

	Audited				Unaudited			
	FYE 31 December				7-month FPE 31 July			
	2015		2016		2016		2017	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Revenue								
Educational counselling and student placements services	7,958	84.1	8,189	82.2	3,839	81.3	4,758	87.2
Provision of TVET	1,509	15.9	1,773	17.8	884	18.7	699	12.8
	9,467	100.0	9,962	100.0	4,723	100.0	5,457	100.0
No. of students/trainees								
Educational counselling and student placements services								
- Australia		339		411		260		275
- UK		499		407		38		47
- Malaysia		157		203		126		142
- Others ⁽¹⁾		52		70		35		41
		1,047		1,091		459		505
Provision of TVET								
- Local		99		145		91		114
- Foreign ⁽²⁾		136		-		-		-
		235		145		91		114

Note:

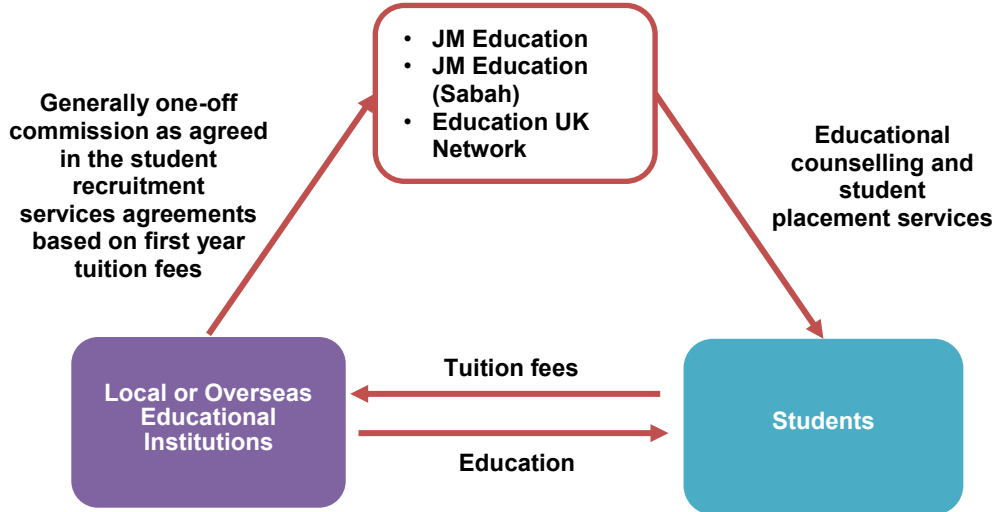
- (1) Others comprise Canada, Ireland, New Zealand, Singapore and USA.
(2) TVET segment ceased the intake for foreign trainees with effect from 1 January 2016.

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3 OVERVIEW OF OUR BUSINESS (CONT'D)

3.2.1 Educational Counselling and Student Placement Services

The business model for our Group's educational counselling and student placement services is illustrated below:

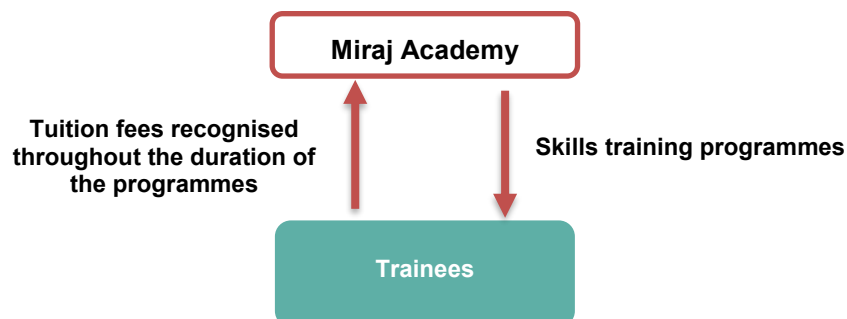


In this model, we offer educational counselling and student placement services to parents and students. Throughout the counselling process, we take note on the path that the student intends to explore, and accordingly introduce the relevant courses and educational institutions to the student.

Students that successfully enrol into the recommended educational institutions will pay their tuition fees directly to the educational institutions. We will then issue our invoices upon completion of the placement and enrolment of students. Upon confirmation by the educational institutions on the details of the placements, we will receive commission income from the educational institutions. The commission income is based on a percentage of the first year tuition fees or a fixed commission agreed by both parties. We do not receive any payment from the students for the services rendered by us. Therefore, the commission income for each placement may vary by course and educational institutions.

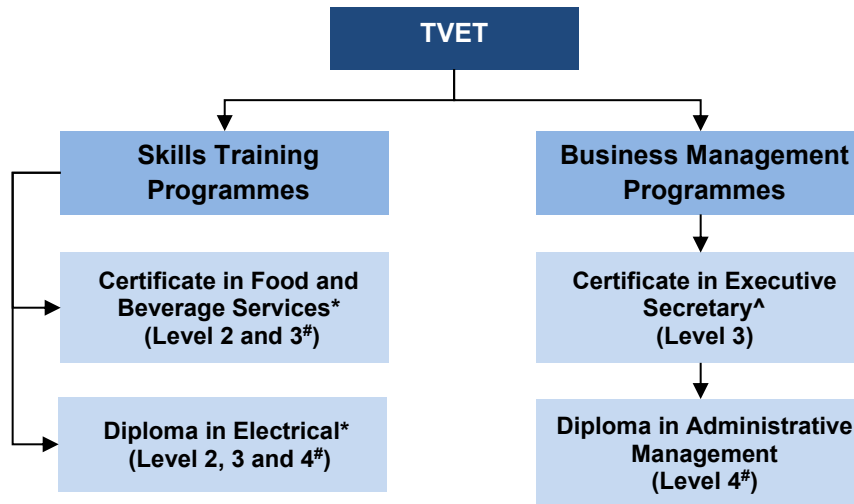
3.2.2 Provision of TVET

The business model for our Group's TVET segment is illustrated below:



In this model, trainees pay their tuition fees in order to enrol in the TVET programmes offered by Miraj Academy.

3 OVERVIEW OF OUR BUSINESS (CONT'D)



Notes:

Based on the JPK standard:

* *There is no level 1 for these programmes offered by Miraj Academy.*

^ *There are no level 1 and 2 for this programme offered by Miraj Academy.*

These are the highest level for these programmes offered by Miraj Academy.

The programmes focus on providing knowledge, skills, know-how and produce job-ready-graduates to fulfil the demands for skilled workers. TVET programmes aim to arm its trainees with hands-on skills in areas such as administration and management, electrical, and food and beverage preparation activities. Miraj Academy currently offers SKM Level 2 to 3 and DKM Level 4. Details of the levels offered are as follows:

- (i) **SKM Level 2 programmes** are to equip trainees with operational and production level of work skills;
- (ii) **SKM Level 3 programmes** are to equip trainees with supervisory level of work skills, including staff management skills; and
- (iii) **DKM Level 4 programmes** are to equip trainees with executive level of work skills, where trainees will learn to be responsible for the work of others and allocation of resources.

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3 OVERVIEW OF OUR BUSINESS (CONT'D)

3.3 Principal Markets

Our Group's revenue is generated from both local and overseas market. The revenue contribution breakdown by types of service and geographical region is as follows:

	Audited			
	FYE 31 December 2015		FYE 31 December 2016	
	RM'000	%	RM'000	%
Overseas				
Education counselling and student placement services				
- Australia	3,321	35.1	4,000	40.2
- UK	4,020	42.4	3,133	31.4
- Others (Canada, Ireland, New Zealand, Singapore, and USA)	290	3.1	486	4.9
	7,631	80.6	7,619	76.5
Local				
Education counselling and student placement services	327	3.5	570	5.7
Provision of TVET	1,509	15.9	1,773	17.8
	1,836	19.4	2,343	23.5
	9,467	100.0	9,962	100.0

We generated the majority of our revenue from overseas with contribution of 76.5% and 80.6% of our revenue for FYE 31 December 2016 and FYE 31 December 2015 respectively. Australia and the UK are the two (2) countries with the largest contribution to our revenue for these two (2) years.

In terms of business segment, education counselling and student placement services segment is the largest contributor with a contribution of 82.2% and 84.1% of our revenue for FYE 31 December 2016 and FYE 31 December 2015 respectively. The remaining revenue is contributed by our TVET segment.

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3 OVERVIEW OF OUR BUSINESS (CONT'D)

3.4 Business Process



For student placements to the educational institutions and organisations, our business process begins with student identified by our marketing and recruitment team and by our agents and subagents. We pay referral fees of up to 50.0% of the commissions payable to us by the educational institutions. The referral fees will be paid to our agents and subagents upon the receipt of payment by us from the educational institutions. Our agents and subagents are mainly companies which are also involved in the educational counselling and student placements industry as well as individuals.

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3 OVERVIEW OF OUR BUSINESS (CONT'D)

The total number and percentage of students referred by agents and subagents in FYE 31 December 2015 and FYE 31 December 2016 are as follows:

	FYE 31 December			
	2015		2016	
	RM'000	%	RM'000	%
No. of students/trainees				
- Identified by our Group	939	89.7	925	84.8
- Referred by agents and subagents	108	10.3	166	15.2
	1,047	100.0	1,091	100.0

Next, our counsellors will gather information from the students, which includes current academic qualification, academic plans, course structure, preferred educational institutions, location and tuition fees. This is followed by an individual counselling session where our counsellors provide the course options based on the students' academic qualification as well as their budget.

After assisting the students on the selection of educational institutions, our counsellors will then proceed with the application to the selected educational institutions. Once the student accept the course offered by the educational institution, our counsellors will assist the student to apply for student visa for the particular country and arrange for an interview at the embassy/high commission where necessary.

Upon the approval of the visa application, our counsellors will inform the student and arrange for the pre-departure briefing. We will also assist students with airport pick-up and accommodation arrangement.

For student placements to local educational institutions, our business process is similar to the above except for the assistance in visa application and pre-departure briefing.

For student placements to both overseas and local educational institutions, we also assist students in applying for scholarship from both public and private sectors, as well as scholarships offered by the educational institutions themselves.

On the other hand, trainees who seek to enrol in TVET programmes begins with counselling and advice, vocational skills training programmes selection, admission and study loan application, if necessary.

3.5 Our Competitive Strengths

3.5.1 Our Network with Educational Institutions

We collaborate with 141 local and overseas educational institutions and organisations in Australia, Canada, Ireland, New Zealand, Singapore, UK and USA.

3.5.2 Experienced Counsellors

Our Group is led by our Managing Director, Teh Cheong Hua, who has 11 years of educational counselling and student placement experience. Meanwhile, we have a team of Counsellors with an average of five (5) years of relevant experience. Our Counsellors provide guidance to parents and students, assisting them in choosing the educational institution based on the academic qualification, academic plans, course structure, preferred educational institutions, location and tuition fees. Complementary services such as visa application, pre-departure briefing, as well as applications for scholarships are also available. With our Counsellors' experience, they are able to understand the demand of the students and the parents' expectations, and will accordingly assist the students for placement in their preferred educational institutions.

3 OVERVIEW OF OUR BUSINESS (CONT'D)

3.5.3 Branches and Agents

We have branches in nine (9) locations in Penang, Perak, Kuala Lumpur, Selangor, Johor, Sabah and Sarawak as we aim to provide convenience and visibility of our Company to parents and students in the above locations.

In addition to setting up branches, we engage the services of agents. Currently, we are working with approximately 20 agents focusing on areas where we have yet to set up our branches such as Melaka and Negeri Sembilan.

3.5.4 Established Track Record

Since our inception, we have established a track record as an educational support services provider that connects students with educational institutions. We have been in the industry for 24 years and for the most recent years from 2014 to the LPD, we have successfully placed approximately 4,000 students in both local and overseas educational institutions. In addition, our subsidiary, Miraj Academy, is responding to a growing demand in skilled and know-how workforce, and has since trained approximately 300 graduates for the same period.

3.5.5 Approved and Accredited Trainers

All of the TVET trainers are approved and accredited by the JPK. Miraj Academy is committed to increasing the quality of its trainers and also encouraging them to enhance their knowledge and qualification to improve Miraj Academy's training quality. For the past two (2) FYE 31 December 2015 and 31 December 2016, trainers of Miraj Academy have attended training courses organised by JPK and CIAST, as follows:

Courses	
(i)	Skill Certification Induction course
(ii)	Electronic Transformed Information System workshop
(iii)	Industrial Distributed Control System course
(iv)	Industrial Programmable Logic Control course
(v)	Understanding of Industrial Control System course
(vi)	SKM Vocational Training Officer course

3.5.6 Accredited TVET Provider

Miraj Academy is a TVET provider accredited by the JPK and Human Resource Development Fund ("HRDF") with the objective to provide TVET programmes to vocationally inclined trainees. Miraj Academy also offers Recognition of Prior Experiential Learning Scheme under HRDF to working adults who are looking for skills enhancement.

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3 OVERVIEW OF OUR BUSINESS (CONT'D)

3.6 Our Customers

Since our inception, our Group has collaborated with 141 local and overseas educational institutions and organisations in Australia, Canada, Ireland, New Zealand, Singapore, UK and USA. There is only one (1) customer which contributed more than 10.0% of our revenue in FYE 31 December 2015 and 31 December 2016. Our top four (4) customers including our major customer that has contributed more than 10.0% of our revenue during the said financial years are as follows:

Institution	Country	Revenue contribution FYE 31 December	
		2015	2016
Monash University	Australia	✓	✓
Trinity College	Australia	✓	✓
"University A"	UK	✓*	✓*
University of Melbourne	Australia	✓	✓
Total contribution (% of revenue)		29.2%	29.8%

Notes:

The above list was sorted in alphabetical order.

* *Contributed more than 10.0% of the revenue for the respective financial year.*

3.7 Marketing Strategies

We deliver our education counselling and student placement support services through nine (9) branches located in Penang, Perak, Kuala Lumpur, Selangor, Johor, Sabah and Sarawak, which increase the prospective number of students and enrolment to the potential educational institutions. At present, our Group has 24 Counsellors, headed by Teh Saw Sim. In addition to our own branches, we also work with approximately 20 agents across Malaysia, focusing on the states where we do not have physical branches.

The sales and marketing channels employed by our Group include the following:

(i) Official Websites

Our websites, www.jmeducationgroup.com and www.miraj.edu.my provide relevant information with regards to the list of educational institutions by geographical area, programmes or courses offered, and upcoming education fairs.

(ii) Education Fairs and School Visits

We recognise that education fairs are important to allow us to identify competitive trends while reaching parents and students. Hence, we organise our own education fairs in selected cities and towns such as Ipoh, Seberang Jaya, Georgetown, Johor Bahru, Kuala Lumpur, Petaling Jaya, as well as Kuching and Kota Kinabalu. We have conducted the following education fairs in 2016 and up to the LPD:

Month	Location
2016	
January	Georgetown, Johor Bahru and Petaling Jaya
February	Ipoh, Georgetown and Petaling Jaya
March	Johor Bahru, Kuching and Kota Kinabalu
June	Georgetown, Johor Bahru, Petaling Jaya, Kuching and Kota Kinabalu
August	Ipoh, Georgetown, Johor Bahru and Petaling Jaya
September	Ipoh, Georgetown, Johor Bahru, Petaling Jaya, Kuching and Kota Kinabalu
November	Ipoh
December	Seberang Jaya, Georgetown, Johor Bahru, Kuala Lumpur, Petaling Jaya, Kuching and Kota Kinabalu

3 OVERVIEW OF OUR BUSINESS (CONT'D)

Month	Location
2017	
February	Ipoh, Seberang Jaya, Georgetown, Johor Bahru, Kuala Lumpur, Petaling Jaya, Kuching and Kota Kinabalu
May	Ipoh, Georgetown, Johor Bahru, Kuala Lumpur, Petaling Jaya, Kuching and Kota Kinabalu
July	Ipoh, Georgetown and Johor Bahru
August	Kuala Lumpur, Petaling Jaya, Kuching and Kota Kinabalu
September	Ipoh, Seberang Jaya, Georgetown, Johor Bahru and Kuala Lumpur
October	Petaling Jaya, Kuching and Kota Kinabalu
November	Kuching and Kota Kinabalu

In addition, our subsidiary, Miraj Academy, organises approximately ten (10) visits and talks to local government schools and five (5) vocational education fairs per year, targeting to recruit the students who intend to enrol in TVET programmes.

(iii) Client Referrals/Word of Mouth Recommendations

We have been providing educational counselling and student placement services for 24 years and have since built our track record in the industry. It has in turn resulted in the development and establishment of mutually beneficial relationships with the educational institutions, both locally and overseas. This translates into more business opportunities through recommendations by existing students and parents to other prospective students.

3.8 Major Suppliers

Due to the nature of our business activities, our Group does not have any major supplier which contributes more than 10.0% of our purchases and we are not dependent upon any supplier.

3.9 Seasonality

Our financial performance is subject to seasonality. The seasonality is due to different seasons of student intakes in different countries during the first and second half of the year. The table below depicts the student intakes for the two (2) main countries we have been placing students with:

Period	Country	Student intake	Month
First half (January to June)	• Australia	• Major	• February
	• UK	• Minor	• January/February
Second half (July to December)	• Australia	• Major	• July
	• UK	• Minor	• October
		• Major	• September/October

As shown in the above table, for the first half of a year, only Australia has major student intake in the month of February. On the contrary, for the second half of the year, both Australia and the UK have major student intakes in the month of July and September/October respectively.

As we record our revenue based on the successful placement of students for each student intake, our revenue tends to fluctuate during the year with the student intakes in the countries aforementioned. We recorded higher revenue during the second half of the year when the study programmes of the educational institutions in both Australia and the UK generally commence, followed by our second peak season in first half of the year for the major student intake in Australia.

In view of the above, our revenue and operating results for any financial period (first half or second half) in any financial year may not be relied upon as indicators of our performance for the whole year.

3 OVERVIEW OF OUR BUSINESS (CONT'D)

The table below sets out the breakdown of our Group's revenue for FYE 31 December 2015 and FYE 31 December 2016, showing the impact of the intakes in first and second half of the respective financial years:

	Audited FYE 31 December			
	2015		2016	
	RM'000	%	RM'000	%
First half (January to June)	3,545	44.5	3,452	42.2
Second half (July to December)	4,413	55.5	4,737	57.8
	7,958	100.00	8,189	100.00

From the above, we note that the revenue of our Group is higher in the second half of the respective financial years. We expect this trend to continue in the current and future financial years.

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3 OVERVIEW OF OUR BUSINESS (CONT'D)

3.10 Major Approvals, Licences, Permits and Trademark

3.10.1 Major Approvals, Licences and Permits

We have obtained the required approvals, licenses and permits for the operations of our businesses.

The major licenses and permits of our Group together with the conditions attached and status of compliance are as follows:

Company	Approving authority	Type of approvals/ licenses/permits	Licences/ certification/ reference no.	Issue/ renewal date	Expiry date	Major conditions imposed	Status of compliance with major conditions imposed
JM Education	Majlis Perbandaran Subang Jaya	Business licence for branch	0520000200002	29.11.2016	31.12.2017	Not applicable	Not applicable
	Sarawak State Government	Business licence for branch	820577	07.03.2017	06.03.2018	Not applicable	Not applicable
	Majlis Bandaraya Johor Bahru	Business licence for branch	L2012LI00614	01.01.2017	31.12.2017	Not applicable	Not applicable
	Majlis Perbandaran Seberang Perai	Business licence for branch	51112796775	24.02.2017	23.02.2018	Not applicable	Not applicable
	Dewan Bandaraya Kuala Lumpur	Business licence for branch	1000538247	29.12.2016	28.12.2017	Not applicable	Not applicable
	Dewan Bandaraya Kuala Lumpur	Business licence for branch	1000559962	28.09.2017	27.09.2018	Not applicable	Not applicable
	Dewan Bandaraya Ipoh	Business licence for branch	L0110457-01	14.09.2017	13.09.2018	Not applicable	Not applicable
	Majlis Bandaraya Petaling Jaya	Business licence for branch	L950000142215	01.01.2017	31.12.2017	Not applicable	Not applicable
JM Education (Sabah)	Dewan Bandaraya Kota Kinabalu	Business licence for branch	01050802F	14.12.2016	31.12.2017	Not applicable	Not applicable

3 OVERVIEW OF OUR BUSINESS (CONT'D)

Company	Approving authority	Type of approvals/licenses/permits	Licences/certification/reference no.	Issue/renewal date	Expiry date	Major conditions imposed	Status of compliance with major conditions imposed
Miraj Academy	Ministry of Finance, Malaysia	Registration with Ministry of Finance to be a TVET Provider	Certificate No.: K22092491591609832 Registration No.: 357-02153929	17.06.2016	16.06.2019	<p>(1) the company shall ensure that the field which has been registered in this certificate does not overlap with the field of approval of any company as follows:</p> <p>(i) have the same owner or board of directors/directors, management and employees; or</p> <p>(ii) operate on the same premises.</p> <p>(2) the Ministry of Finance Malaysia reserves the right to visit or audit at any time without notice. Failure to comply with the terms and conditions of the registration may cause your field code and/or registration of your company being suspended/cancelled and the Company, the Owner and the Board/Director shall be subject to a disciplinary action including being blacklisted without any notice.</p> <p>(3) the failure of the company to renew after one year from the expiry date may cause the company's registration with the Ministry of Finance Malaysia be cancelled and automatically withdrawn from the ePerolehan System. The company shall apply for a new application.</p> <p>(4) The company registration will be suspended/cancelled if it is found guilty as follows:</p> <p>(i) company/owner/partnership/director/ any management member has committed a crime and is found guilty by a court in Malaysia or abroad or has a civil liability;</p>	Complied

3 OVERVIEW OF OUR BUSINESS (CONT'D)

Company	Approving authority	Type of approvals/ licenses/permits	Licences/ certification/ reference no.	Issue/ renewal date	Expiry date	Major conditions imposed	Status of compliance with major conditions imposed
						<ul style="list-style-type: none"> (ii) the company withdraws the offer before tender is considered; (iii) the company fails to perform the obligation of contract that has been signed with the government; (iv) the company is found to amend the Certificate of Registration of the Company for the purpose of deceiving information or other purposes; (v) the company allows the Company's Certificate of Registration to be misused by another person/company; and (vi) the company was found to have price alliances with other companies without the prior consent of the affected government agency. (5) your company must submit a renewal application three months before the expiry of the registration. (6) the company shall ensure that the registration with the Ministry of Finance is still valid throughout the duration. (7) any act or attempt of a bribe to bid or give, soliciting or accepting any bribe to and/or from any person in connection with government procurement is a criminal offense under the Anti-corruption Commission Act 2009. 	

3 OVERVIEW OF OUR BUSINESS (CONT'D)

Company	Approving authority	Type of approvals/licenses/permits	Licences/certification/reference no.	Issue/renewal date	Expiry date	Major conditions imposed	Status of compliance with major conditions imposed
	HRDF	TVET Provider under the HRDF's Recognition of Prior Experiential Learning Scheme	Certificate No.: 859466K	01.01.2015	31.12.2017*	<p>(1) Renewals of registration certificates</p> <p>Training providers registration will not be renewed automatically. Training providers need to submit application to renew the registration three (3) months before the expiry date. The evaluation criteria for renewal are as follows:</p> <ul style="list-style-type: none"> (a) The training provider is active in conducting training for PSMB registered employers; (b) Performance Report of the training provider; and (c) Number of feedback forms submitted (online) to PSMB against number of training sessions conducted under PSMB's schemes. <p>(2) Change of company names and training premises for headquarters and branches</p> <p>It is mandatory for training providers to inform PSMB about the following changes:</p> <ul style="list-style-type: none"> (a) Change of company names; (b) Change of company names must be effected together with the processing fee of RM1,000; and (c) Change of premises at HQ/ Branches; 	Complied

3 OVERVIEW OF OUR BUSINESS (CONT'D)

Company	Approving authority	Type of approvals/ licenses/ permits	Licences/ certification/ reference no.	Issue/ renewal date	Expiry date	Major conditions imposed	Status of compliance with major conditions imposed
						<p>(3) Appointment of authorised officer(s) to sign claim forms and relevant claim documents by training providers:</p> <ul style="list-style-type: none"> (a) Only managing directors, general managers and managers of training centres are authorised to sign claim forms and relevant supporting documents under the SBL-KHAS and Apprenticeship schemes or any other schemes, which involve training providers claiming directly from PSMB. (b) It is the responsibility of training providers to inform PSMB of any changes to the list of authorised signatories using the same forms. <p>(4) Responsibilities of training providers:</p> <ul style="list-style-type: none"> (a) Training providers must ensure that the training fee is not more than RM5,000 per day for soft skill training or RM6,000 per day for technical skill training. (b) Apart from the responsibilities of training providers who has registered with PSMB must act professionally and be responsible to render quality service to employers. (c) Training providers must also be prepared for any inspection conducted by the PMSB Inspectorate Unit from time to time. (d) Training providers must notify PSMB, if there is any change of premises, change of registered names and setting up of new branches. 	

3 OVERVIEW OF OUR BUSINESS (CONT'D)

Company	Approving authority	Type of approvals/licenses/permits	Licences/certification/reference no.	Issue/renewal date	Expiry date	Major conditions imposed	Status of compliance with major conditions imposed
	JPK, Ministry of Human Resources	TVET Provider for the following certification: EE-320-2:2012: Single Phase Electrical Installation & Maintenance EE-320-3:2012: Three Phase Electrical Installation & Maintenance EE-320-4:2012: Low Voltage Electrical Installation & Maintenance	Certificate No.: 006227 Reference No.: JPK/701/22 Jld.26 (50)	29.07.2015	28.07.2018	The accredited centre shall comply with the following accreditation requirements: (a) Conduct training for accredited programmes only on approved premises; (b) Ensuring that the training and assessment carried out meet the National Occupational Skills Standard (NOSS); (c) Ensure any amendment of the accreditation information and obtain the approval of KPPK: (i) the name of the accredited centre; (ii) ownership of the company and training premises; (iii) coach capacity; or (iv) accreditation personnel.	Complied
	JPK, Ministry of Human Resources	TVET Provider for the following certification: FB-025-3:2012: Executive Secretary FB-025-4:2012: Administrative Management	Certificate No.: 007031 Reference No.: JPK/701/22 Jld.27 (593)	26.08.2016	25.08.2019	(d) Make the following items available on notice boards or other visible: (i) Certificate of Accreditation; and (ii) an organizational chart by listing the accreditation personnel involved in the accredited programme. (e) Ensure the advertisement is approved by the Director General; and (f) Submit renewal of programme accreditation for at least three months or not more than six months before expiration of the programme accreditation.	Complied
	JPK, Ministry of Human Resources	TVET Provider for the following certification: HT-010-2:2012: Food & Beverage Service Operation HT-010-3:2012: Food & Beverage Service Operation	Certificate No.: 007032 Reference No.: JPK/701/22 Jld.27 (593)	11.09.2016	10.09.2019		Complied

3 OVERVIEW OF OUR BUSINESS (CONT'D)

Company	Approving authority	Type of approvals/licenses/permits	Licences/certification/reference no.	Issue/renewal date	Expiry date	Major conditions imposed	Status of compliance with major conditions imposed
	Perbadanan Tabung Pembangunan Kemahiran	Approved training provider under the PTPK	Certificate No.: PTPK-A000296/4	14.02.2015	30.06.2020	<p>(1) All information provided by training provider is registered and approved by the company is true. The approval will be revoked if training provider is found to provide incorrect information or fake documents in obtaining approval.</p> <p>(2) training provider shall not produce false information or false documents in relation to trainees' information or programmes conducted.</p> <p>(3) the training provider should conduct the course as stated in the offer letter of skills training loan</p> <p>(4) training provider who ceases to provide such training shall inform PTPK within three months from the date of cessation.</p> <p>(5) the training provider shall comply with the terms and conditions which are given by the JPK.</p> <p>(6) the certificate of registration shall be exhibited in a visible place at the training provider's premises.</p> <p>(7) This registration will be valid for a period of 3 years and then the training provider will have to renew the registration 60 days before the registration expires.</p> <p>(8) the training provider is responsible for maintaining the validity of its program accreditation with JPK and shall notify PTPK of any changes of status.</p> <p>(9) PTPK also reserves the right to cancel the registration of training providers who have done any of the following actions:</p> <p>(a) training provider becomes bankrupt;</p>	Complied

3 OVERVIEW OF OUR BUSINESS (CONT'D)

Company	Approving authority	Type of approvals/licenses/permits	Licences/certification/reference no.	Issue/renewal date	Expiry date	Major conditions imposed	Status of compliance with major conditions imposed
						<ul style="list-style-type: none"> (b) training provider is in the midst of closing down its business; (c) training provider's accreditation has been terminated by JPK; (d) the training provider has received a notification of making false representation in writing by PTPK; (e) training provider has abandoned the skill training course; (f) training provider does not recruit any trainee within 12 months from the effective date of registration; (g) the training provider has been found guilty of an offense by the court for negligence regarding the programmes/course conducted on its premises; (h) training provider has been involved in providing fake document submissions or illegal practices such as bribery; (i) training provider does not comply with the terms and conditions set by JPK; and (j) training provider performs poorly on a continuous basis. (10) training provider must ensure all the records such as current address and contact number are always up to date and to inform PTPK if there are any changes. (11) the training provider shall keep a copy of the trainees' record as follows: <ul style="list-style-type: none"> (a) attendance schedule; (b) cumulative assessment record; (c) training pathway; (d) SKM registration form; and (e) SKM withdrawal form. <p>(for two (2) years from the date of training ends)</p>	

3 OVERVIEW OF OUR BUSINESS (CONT'D)

Company	Approving authority	Type of approvals/ licenses/ permits	Licences/ certification/ reference no.	Issue/ renewal date	Expiry date	Major conditions imposed	Status of compliance with major conditions imposed
	CIDB	TVET Provider to provide Building Wiring Installation programme	Certificate No.: W6/2017	26.05.2017	25.05.2019	<p>Lecturers or instructors must meet the following criteria:</p> <ol style="list-style-type: none"> (1) have industry experience for at least 2 years; (2) have a higher level of certificates from the field being taught; (3) have technical competence in the relevant field recognized by CIDB; (4) have a certification in teaching qualification; (5) appointed by the training centre; and (6) a qualified person to carry out a skills training programme. <p>Responsibilities of the Accredited Training Centre</p> <ol style="list-style-type: none"> (1) Accredited Training Centre is not allowed to charge trainees for the training sponsored by CIDB unless certain fees are to be paid to CIDB. (2) Accredited Training Centre should ensure that trainees will not participate in more than one skills training programme at the same time. (3) Accredited Training Centre shall ensure that the accredited training is conducted on the premises as prescribed. Use of any other premises with the purpose of completing the training programme must be approved by CIDB in writing. 	Complied

3 OVERVIEW OF OUR BUSINESS (CONT'D)

Company	Approving authority	Type of approvals/ licenses/permits	Licences/ certification/ reference no.	Issue/ renewal date	Expiry date	Major conditions imposed	Status of compliance with major conditions imposed
						<p>(4) Accredited Training Centre must ensure that each trainee attends the Induction Safety and Health course in the first month of the training programme.</p> <p>(5) Accredited Training Centre shall notify CIDB in writing in any of the following event:</p> <ul style="list-style-type: none"> (i) reduction of facilities, equipment and equipment that are used for training; (ii) change of the date of completion of the training course as stated in the letter of offer; (iii) change of accreditation personnel including but not limited to the Certified Centres, Appraisers and Instructors / Assistant Instructors; and (iv) any propose transfer of training premises must apply to CIDB using the Centre Accreditation Application Form and Skills Training Programme. <p>(6) Accredited Training Centre shall comply with any other regulations by other agencies and CIDB shall not be liable for any problems arise.</p> <p>(7) Accredited Training Centre shall comply regulations imposed by any other authorities.</p> <p>(8) in carrying out its duties and responsibilities, Accredited Training Centre shall perform its duties and responsibilities without causing any inconvenient which may affect CIDB's reputation.</p>	

3 OVERVIEW OF OUR BUSINESS (CONT'D)

Company	Approving authority	Type of approvals/ licenses/ permits	Licences/ certification/ reference no.	Issue/ renewal date	Expiry date	Major conditions imposed	Status of compliance with major conditions imposed
						<p>(9) Accredited Training Centre shall be solely responsible for all claims by any third-party for failure or negligence in discharging its duties and responsibilities.</p> <p>(10) This accreditation cannot be transferred without CIDB's permission.</p> <p>(11) This accreditation will be invalidated on its own when this accreditation has expired or cancelled by CIDB.</p> <p>(12) to comply with CIDB's instruction to improve any alteration and non-conformance in relation to facilities, equipment, training methods and assessments from time to time.</p> <p>(13) Accredited Training Centre shall comply with all terms and conditions issued by CIDB from time to time.</p> <p>(14) Accredited Training Centre is not allowed to use the CIDB logo.</p> <p>(15) Accredited Training Centre must submit an application for renewal six months before the expiry date.</p>	
	Pearson Qualifications International LCCI	Pearson LCCI centre	Centre code: MSIA1093	01.01.2017	31.12.2017	If any of the documentations of staff has changed since the most recent application, we must notify Pearson LCCI in writing. Failure to do this may result in our centre approval being withdrawn	Complied
	Majlis Perbandaran Ampang Jaya	Business licence	License No.: 217665	01.01.2017	31.12.2017	N/A	Complied

Company No: 250325-T

3 OVERVIEW OF OUR BUSINESS (CONT'D)

Company	Approving authority	Type of approvals/ licenses/ permits	Licences/ certification/ reference no.	Issue/ renewal date	Expiry date	Major conditions imposed	Status of compliance with major conditions imposed
	Majlis Perbandaran Ampang Jaya	Business licence	License No.: 217666	01.01.2017	31.12.2017	N/A	Complied



Note:

* We have obtained the renewal on 12 December 2017 for a period of three (3) years from 1 January 2018 to 31 December 2020.

3 OVERVIEW OF OUR BUSINESS (CONT'D)

3.10.2 Trademarks

As at the LPD, we have the following trademarks submitted for registration with Intellectual Property Corporation of Malaysia (“MyIPO”). Save as disclosed below, our Group does not have any other trademarks:

Trademark	Registrant/ company	Application no.	Class*	Date of application	Place of application	Status of registration
	JM Education	2017012875	41	17 November 2017	Malaysia	Pending trademark registrar's formality check and examination
	Miraj Academy	2017012877	41	17 November 2017	Malaysia	Pending trademark registrar's formality check and examination

Note:

* Our Group submitted its application for registration of trademarks under the following classes:

Class 41: Education services; education counselling services; education advisory services; educational services, namely, consultation in the field of student advising services, student recruitment, admissions and enrolment; consultancy regarding training, further training and education; career counselling [training and education advice]; career information and advisory services [educational and training advice]; vocational guidance [education or training advice]; student support services, namely, providing educational counselling services to assist students in planning and preparing for higher education; educational services, namely, providing a website that features information on attending university with emphasis on enrolment, student life and activities at the university; information seminars and workshops and educational videos via a global computer network all of the aforementioned in relation to international student recruitment, universities and education; dissemination of education material; arranging, conducting and organisation of exhibitions for educational purposes; arranging, conducting and organisation of educational seminars; providing on-line [non-downloadable] publications; providing on-line videos, not downloadable; providing information, including on-line, about education, training, entertainment, sporting and cultural activities; information, advisory and consultancy services in relation to all the aforesaid services; all included in class 41.

3 OVERVIEW OF OUR BUSINESS (CONT'D)

3.11 Our Offices, Branches and Training Centres

3.11.1 Owned Properties

Summary of properties owned by our Group of which have all been issued with Certificate of Fitness or Certificate of Completion and Compliance is as follows:

Address/title identification	Description	Land use	Existing use
36, Jalan SS 15/8 47500 Subang Jaya Selangor, Malaysia	Freehold 4- storey shop office	Commercial building	Head office cum marketing office
9, Jalan Dravidan Bandar Baru Ampang 68000 Ampang Selangor, Malaysia	Leasehold 3- storey shop office	Commercial building	TVET centre
11, Jalan Dravidan, Bandar Baru Ampang 68000 Ampang Selangor, Malaysia	Leasehold 3- storey shop office	Commercial building	TVET centre
29-B, Jalan Wawasan 4/3 Bandar Baru Ampang 68000 Ampang Selangor, Malaysia	Leasehold 3rd floor of a 4- storey office building	Commercial building	Presently rented out to third-party
30-C, Jalan Wawasan 4/5 Bandar Baru Ampang 68000 Ampang Selangor, Malaysia	Leasehold 4th floor of a 4- storey office building	Commercial building	Presently rented out to third-party

3.11.2 Rental Properties

Summary of properties rented by our Group is as follows:

Address/title identification	Description	Existing use
S9, 2 nd Floor, Centrepoint (Old Wing) No. 3, Lebuhraya Utama 47800 Petaling Jaya Selangor, Malaysia	A unit on the 2 nd floor of a 4-storey shopping mall	Branch
B-0-11, Plaza Damas 3 No 63, Jalan Sri Hartamas 1 50480 Kuala Lumpur Malaysia	A unit on the 2 nd floor of a commercial centre	Branch
Ground Floor, No 67 Jalan Damai Niaga 1, Alam Damai Cheras, 56000 Kuala Lumpur Malaysia	Ground floor of a 2- storey shop house	Branch

3 OVERVIEW OF OUR BUSINESS (CONT'D)

Address/title identification	Description	Existing use
17A, Jalan Wawasan 4/6 Bandar Baru Ampang 68000 Ampang Selangor, Malaysia	Ground, 1 st and 2 nd floor of 3-storey building	TVET centre
19A-2, Jalan Wawasan 4/6 Bandar Baru Ampang 68000 Ampang Selangor, Malaysia	2 nd floor of 3-storey building	TVET centre
15A, Jalan Wawasan 4/6 68000 Bandar Baru Ampang Selangor, Malaysia	Ground, 1 st and 2 nd floor of 3-storey building	TVET centre
1 st Floor, No. 75, Jalan Perniagaan Gemilang 1 Pusat Perniagaan Gemilang 14000 Bukit Mertajam Penang, Malaysia	1 st floor of a 2-storey shop office	Branch
B-G-5 SOHO Ipoh Jalan Sultan Iskandar Shah 30000, Ipoh Perak, Malaysia	Ground floor of a 2- storey building	Branch
No. 15-01, Jalan Austin Heights 3/1 Taman Mount Austin 81100 Johor Bahru, Malaysia	1 st floor of a 2-storey building	Branch
191C 1 st Floor Sublot 4 Lot 3166 2 ½ Mile, Rock Road 93250 Kuching Sarawak, Malaysia	1 st floor of a 4-storey shophouse	Branch
Unit No. 43, Lot G-1-7 1 st Floor Block G Lorong Capital, Karamunsing Capital 88300 Kota Kinabalu Sabah, Malaysia	1 st floor of a 2-storey building	Branch

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3 OVERVIEW OF OUR BUSINESS (CONT'D)

3.12 Future Plans, Strategies and Prospects

3.12.1 Future Plans and Business Strategy

Our future plans and strategies that we intend to pursue are as follows:

(i) Continue to pursue organic growth

For our educational counselling and student placement services, we intend to increase our market presence and expand our customer base through the following action plans:

a. Expansion to other geographical areas

We are targeting to expand to other cities where we do not have physical presence. Of particular importance is the market in northern Johor. We are planning to set up a branch there to serve the growing student market of Muar, Batu Pahat and the surrounding areas.

Progress/status	:	We are currently at the early planning stage of identifying potential branch location and staff
Method of financing	:	IPO proceeds amounting to approximately RM60,000
Timeframe	:	Within 24 months upon Proposed Listing

In addition, we intend to have a physical presence near Iskandar EduCity in Nusajaya, which is close to Johor Bahru in order to serve the growing student population there.

Progress/status	:	We are currently at the early planning stage of identifying potential branch location and staff
Method of financing	:	IPO proceeds amounting to approximately RM80,000
Timeframe	:	Within 36 months upon Proposed Listing

b. Collaboration with more educational institutions

We plan to sign up with more educational institutions in Australia and the UK.

Progress/status	:	This is an ongoing process
Method of financing	:	Internally generated funds
Timeframe	:	Ongoing

c. To increase marketing effort to enhance brand awareness and to reach a broader target base of students

In order to increase our market presence and brand awareness, we intend to increase our advertisement on radio stations, television channels and social media platforms.

Progress/status	:	This is an ongoing process
Method of financing	:	IPO proceeds amounting to approximately RM300,000
Timeframe	:	Within 24 months upon Proposed Listing

3 OVERVIEW OF OUR BUSINESS (CONT'D)

We also intend to grow our TVET segment through the following ways:

a. Increase trainees' enrolments

We intend to intensify marketing outreach to target students and parents in Peninsular Malaysia, particularly in the Klang Valley. This can be done by participating and organising more education fairs and conduct more presentations to students who are considering the vocational pathways. Besides, we will also increase our engagement with school counsellors, non-government organisations and community leaders in the promotion of TVET and its prospects. This could also be done by working closely with agents in order to increase the public awareness about TVET. Hence, we intend to strengthen Miraj Academy's marketing and recruitment function.

Progress/status	:	This is an ongoing process
Method of financing	:	Internally generated funds
Timeframe	:	Ongoing

b. Improve our training facilities

We intend to improve our training facilities and allocate more resources to meet industry trends and market demands as well as National Occupational Skill Standard requirements.

Progress/status	:	This is an ongoing process
Method of financing	:	IPO proceeds amounting to approximately RM100,000
Timeframe	:	Within 36 months upon Proposed Listing

(ii) Increase the number of TVET programmes

We intend to apply for accreditation from Suruhanjaya Tenaga ("ST") for Single Phase Wireman Testing Endorsement (PW2) for electrician and construction workers.

Progress/status	:	We are in the process of preparing and planning for renovation of a workshop for ST accreditation.
Method of financing	:	Through IPO proceeds amounting to approximately RM50,000
Timeframe	:	Within 12 months upon the Proposed Listing

We are also looking to launch the Heating Ventilation Air Conditioning ("HVAC") Single Phase Air Conditioning Equipment Installation Level 2 and HVAC Installation and Maintenance Level 3 courses. We foresee the demand for such skills in the maintenance, facility management and construction industries.

Progress/status	:	We are in the process of preparing and planning for renovation of workshop for ST accreditation.
Method of financing	:	Through IPO proceeds amounting to approximately RM150,000
Timeframe	:	Within 36 months upon the Proposed Listing

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3 OVERVIEW OF OUR BUSINESS (CONT'D)

3.12.2 Prospects

We are positive over our Group's prospects, based on the future plans we have highlighted in Section 3.12.1, our competitive strengths as set out in Section 3.5 and the positive outlook on the educational support services market and TVET market in Malaysia, which is expected to register a steady growth in the next five (5) years.

Based on the IMR Report as attached in Section 4 of this Information Memorandum, growth in the educational support services market is likely to be mainly driven by the continuing strong recognition of education as a key enabler of future employment and sustainable livelihood as the labour market continues to favour academic qualification as a heuristic to determine occupational competence. The local educational support services market is also set to expand in tandem with the increase in number of Malaysian students pursuing higher education abroad. In terms of supply, strong government support through the on-going initiatives gives the local educational support services market further impetus for expansion.

The gross output value of the other local education services market is estimated to grow at a CAGR of 14.5% from RM1.70 billion in 2016 to reach approximately RM3.34 billion in 2021. The educational support services market, which is part of the other education services market, is also expected to expand accordingly.

The revenue generated by our Group for our educational support services in our financial year ended 31 December 2016 was RM8.2 million, which is equivalent to 0.5% of the estimated market size (gross output value) of the other education services market in Malaysia in 2016. The market share is derived from dividing our Group's revenue generated from educational support services of RM8.2 million for the financial year ended 31 December 2016 with the market size (gross output value) of the other education services market in Malaysia in 2016 of RM1.70 billion.

In addition, the growth in the local TVET market is expected to be driven by the growing demand of skilled workforce to increase the productivity of the country. Furthermore, the market is also likely to grow in tandem with strong government support to produce workforce with high-value and specialised skills in order to improve the innovation and productivity of various industries.

In its financial year ended 31 December 2016, our Group generated revenue of RM1.8 million from its TVET segment. This is equivalent to a 0.8% share of the estimated market size (gross output value) of the TVET market in Malaysia which was valued at RM226.0 million in 2016.

Based on the favourable outlook of the above segments and our competitive strengths, we expect that we will be able to enjoy steady growth in the foreseeable future.

Nevertheless, in the short term, our profit margin may be affected due to additional costs to be incurred in connection with the listing exercise and compliance with the LEAP Market Listing Requirements. However, we will continuously undertake efforts to remain competitive in order to increase our profitability and market share.

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4 IMR REPORT PREPARED BY PROTÉGÉ ASSOCIATES

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BRAND | FINANCE | MARKET

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Dear Sirs,

Strategic Analysis of the Education Services Industry in Malaysia Focusing on the Educational Support Services and the Technical Vocational Education and Training Markets

This 'Strategic Analysis of the Education Services Industry in Malaysia Focusing on the Educational Support Services and the Technical Vocational Education and Training Markets' dated 27th November 2017 is prepared by Protégé Associates Sdn. Bhd. ("Protégé Associates") for inclusion in the Information Memorandum of JM Education Group Berhad (formerly known as *JM Education Counselling Centre Sdn Bhd*) ("JM Education" or "the Company") in relation to the proposed listing of and quotation for the entire issued share capital of JM Education on the LEAP Market of Bursa Malaysia Securities Berhad ("Bursa Securities").



1 MALAYSIAN ECONOMIC OVERVIEW

The Malaysian economy registered a 4.2 percent growth in its real gross domestic product ("GDP") in 2016 as compared to a 5.0 percent growth registered in 2015. The slower pace in the growth of the Malaysian economy can be attributed to an overall moderation in private sector consumption and investment growth in an environment of prolonged uncertainties particularly in the international economic, financial and political landscapes.

The Malaysian real GDP is estimated to grow by between 5.2 percent to 5.7 percent in 2017, and is forecast to expand by 5.0 percent to 5.5 percent in 2018. The services sector is expected to remain as the largest contributor to the economy by accounting for more than half of Malaysia's real GDP in 2017 and 2018.

2 THE EDUCATION SERVICES IN MALAYSIA

This report will begin with an introduction to education services in Malaysia including an overview of higher education system in Malaysia, then followed by a strategic analysis on the local education services industry with emphasis on the educational support services and technical vocational education and training ("TVET") markets.

2.1 INTRODUCTION TO EDUCATION SERVICES IN MALAYSIA

Education encompasses the integrated activities involving the impartation of knowledge and skills to a person. In Malaysia, education services are highly emphasised, regulated and monitored by the government. The education services industry plays a vital role in transforming the country into a high-income nation.

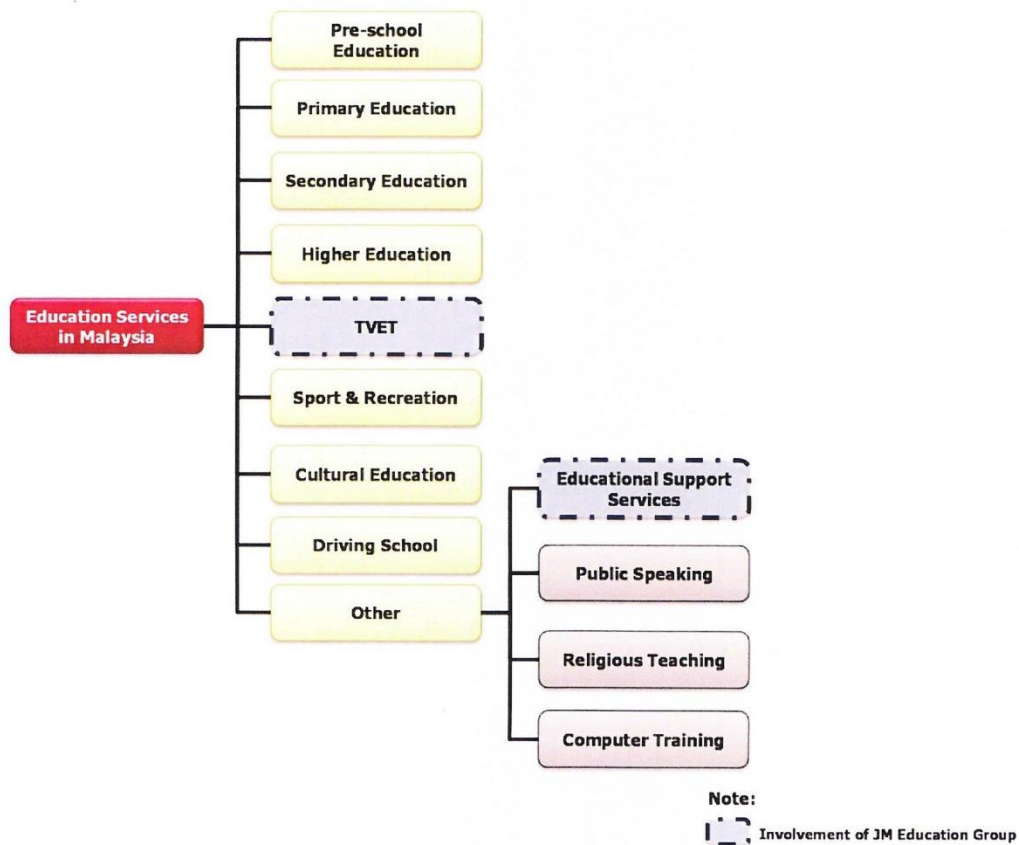
Under the National Education System, the education services industry is segmented into different levels. The customary progression of one's education begins from pre-school, and progresses on to primary, secondary, and then to higher education. The Ministry of Education

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("MOE") oversees the pre-school, primary, secondary and post-secondary education segments in Malaysia whereas the higher education segment comes under the purview of the Ministry of Higher Education ("MOHE").

Figure 1: Segmentation of the Education Services Industry in Malaysia



Source: Protégé Associates

Pre-school or kindergarten education begins at the age of 4 years old to 5 years old before proceeding to primary education, which is mandatory for all children aged between 7 years old and 12 years old. Secondary education consist of 5 forms with each form generally involves up to one year of studies before completion. Further onwards, students can opt to pursue post-secondary education which is equivalent to university preparatory course or direct entrance into higher education. On another note, tuition centres are also stakeholders of the education services industry. Tuition centres serve as complementary and optional provider of education to students to enhance their understanding and knowledge.

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In addition to the conventional study pathway, students can also opt to enrol in TVET programmes which aim to equip the individual with more specific technical knowledge and skills required to undertake specialised related jobs in the future. TVET is generally defined as the study of technologies and related sciences and the acquisition of practical skills, attitudes, understanding and knowledge relating to occupation in various sectors of economic life in addition to the general education. Furthermore, students can also opt to enter educational institutions that focus on sports and recreation, as well as cultural education.

Meanwhile, driving schools are learning centres that provide training to learner drivers in preparation of the driver licence tests to be taken. Lastly, educational support services market is group together with public speaking, religious teaching and computer training markets and forms the remaining other education markets within the education services industry in Malaysia.

JM Education Group is principally involved in the provision of educational support services and TVET programmes. Therefore, the following Section 2.1.1 provides further information on educational support services. An overview on the TVET section in Malaysia is also provided in Section 3.2.

JM Education Group provides its educational support services mainly to local students that are pursuing higher education domestically or abroad. As such, an overview on the higher education system is provided in Section 2.2.

2.1.1 Educational Support Services

The students' choice of pursuing higher education either locally or overseas is commonly influenced by several factors including the status or prestige of the HEI, the availability of the field of study and its course structure, location and price. Educational support services providers (also known as education counsellors) with extensive knowledge of overseas and nationwide educational institutions play a key role in assisting students and parents in weighing the above mentioned factors.

Educational support services revolve around the provision of counselling and guidance to parents and students in choosing the ideal educational institutions, such as higher educational institutions, boarding schools, vocational schools and language schools. These services are generally assumed by educational support services providers. To complement the needs of students, they also offer student placement services by assisting the students in their

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admission application, visa application, pre-departure briefing, airport send-off and pick-up, as well as accommodation arrangement. Providers of educational support services may also offer assistance services in scholarship and loan applications from both public and private sectors, such as the National Higher Education Fund Corporation ("PTPTN"), as well as study loans and scholarships offered by private higher educational institutions ("PHEIs") themselves.

2.2 HIGHER EDUCATION SYSTEM IN MALAYSIA

Higher education is a formal, non-compulsory, segment of education that prepares individuals for their choice of career specialisation. Higher Educational Institutions ("HEIs") refers to institutions that are involved in the provision of higher education services. Generally, it culminates with the attainment of a certificate, diploma, degree, professional qualification, master's degree or Doctor of Philosophy ("PhD"). On the pathway of pursuing higher education, students may opt for enrolment locally or overseas, based on their preferences and factors, amongst others, study duration, location and costing. The following section provides details the current state of higher education in Malaysia.

Local HEIs

HEIs in Malaysia are regulated by the MOHE to ensure and maintain their credibility. The HEIs in Malaysia can be segregated into public-funded HEIs and privately owned HEIs. Public-funded HEIs are public universities, polytechnics and community colleges that are established and funded by the public sector. On the other hand, the PHEIs are private universities, university colleges, foreign branch campus universities and private colleges that are established and funded by the private sector.

Figure 2: The Difference between Local Public and Private HEIs

Aspect	Public	Private
Source of Funding	Government-funded	Privately-funded
Objective	Main interest in the socioeconomic welfare of citizens.	<p><i>For profit organisation:</i> Balance of interest between profit and providing education services for socioeconomic interests</p> <p><i>Non-profit organisation:</i> Interest in providing education services for socioeconomic interests</p>

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Aspect	Public	Private
Tuition Fee	Free education or low nominal fees imposed on students	High fees due to commercial interest of most private institutions. Fees to be imposed are subject to various factors such as the business model employed, course of study involved and the location of HEI

Source: Protégé Associates

In 2015, total student intake in the local HEIs stood at 511,154 students, of which 42.8 percent of the students being enrolled in public-funded HEIs with the remaining 57.2 percent of the students joining PHEIs.

As at 30 April 2017, there are total of 20 establishments of public-funded HEIs, 46 private universities, 30 university colleges, 9 branch campuses and 398 private colleges in Malaysia offering a wide range of courses.

HEIs Abroad

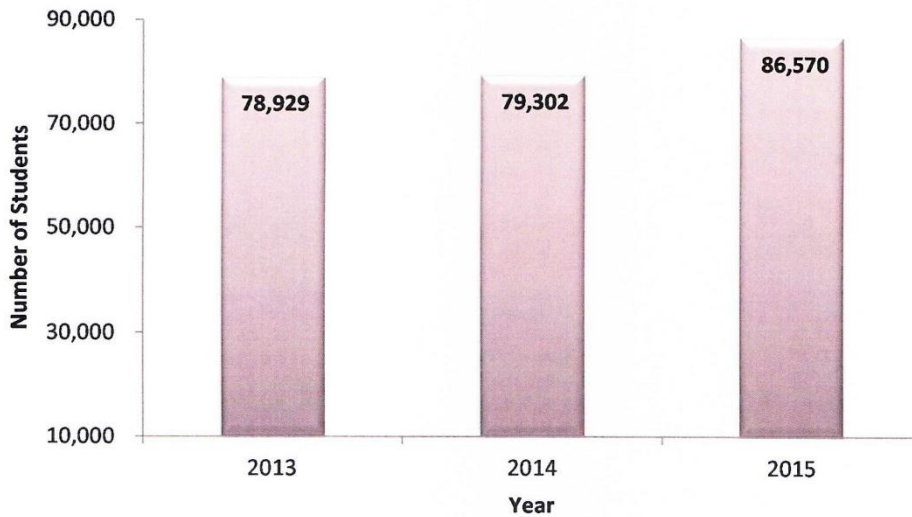
HEIs abroad are alternate education option preferred by Malaysian students who wish to experience foreign culture and live independently. There was a marked increase during the period from 2013 to 2015 in the number of Malaysian students pursuing their studies abroad. The number of Malaysian students that studied abroad stood at 78,929, 79,302 and 86,570 students in 2013 to 2015 respectively.

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Figure 3: The Number of Malaysian Students Studying Abroad, 2013-2015



Source: MOHE

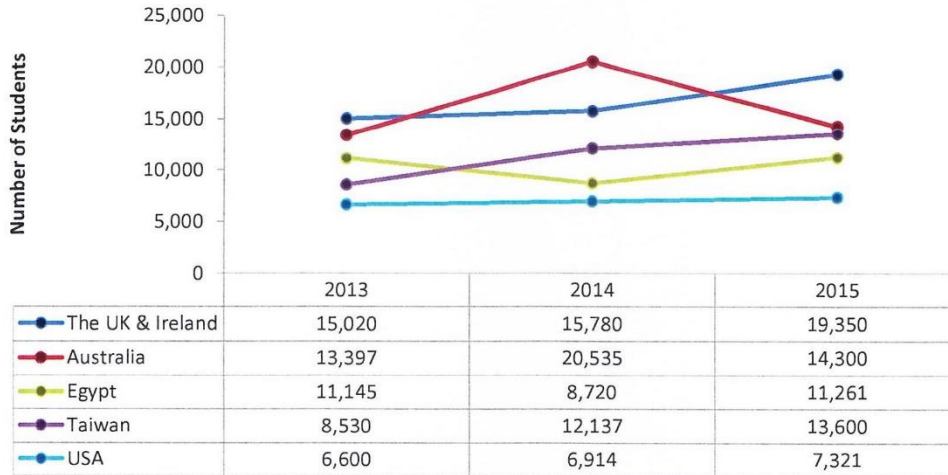
The United Kingdom ("UK") and Ireland, Australia, Egypt, Taiwan and the United States of America ("USA") are the top 5 destination countries for Malaysian students. Among these countries, save for Australia, the number of Malaysian students that pursued further studies in HEIs in Egypt, the UK, the USA and Taiwan increased by 22.6 percent, 18.4 percent, 5.6 percent, and 10.8 percent respectively in 2015. However, number of Malaysian students in Australia dropped from 2014 to 2015 mainly attributed to a lower of number of sponsored students which decreased from 4,260 students in 2014 to 471 students in 2015.

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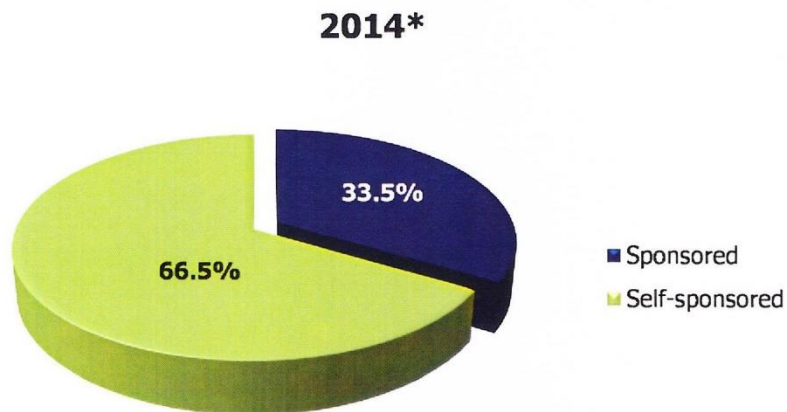
Figure 4: Top 5 Countries for Malaysian Students Study Abroad, 2013-2015



Source: MOHE

The majority of Malaysian students studying abroad were self-sponsored. In 2014, self-sponsored students accounted for 53,000 students or 66.5 percent of total Malaysian students abroad with the remaining being sponsored students.

Figure 5: Breakdown of Sponsored and Self-Sponsored Malaysian Students Abroad, 2014



Source: MOHE

Note:

* 2014 being the latest publicly available complete data.

Self-sponsored students who attempt to study abroad typically seek counselling services from providers of educational support services in order to find the right educational institutions, as well as to navigate the admission application processing.

3 STRATEGIC ANALYSIS OF THE EDUCATION SERVICES INDUSTRY IN MALAYSIA

3.1 THE EDUCATIONAL SUPPORT SERVICES MARKET IN MALAYSIA

3.1.1 Historical Market Performance and Growth Forecast

The educational support services market is grouped under the other education services market along with the public speaking, religious teaching and computer training markets. The total gross output value of the other education services market in Malaysia stood at RM1.70 billion in 2016. The forecast compound annual growth rate ("CAGR") for the gross output value of the other education services market from 2017 to 2021 is 14.5 percent. The other education services market, that includes the educational support services market, is projected to register gross output value of RM3.34 billion in 2021.

Figure 6: Historical Performance and Growth Forecast of the Other Education Services Market, 2015-2021

Year	Market Size (Gross Output Value) (RM billion)	Growth Rate (%)
2015	1.50	-
2016	1.70	13.0
2017	1.92	13.5
2018	2.19	14.0
2019	2.51	14.5
2020	2.89	15.0
2021	3.34	15.5

CAGR (2017-2021) (Base Year of 2016):14.5 percent

Source: Protégé Associates

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The growth in the educational support services market is driven mainly by the demand and supply conditions of the education services in Malaysia. Moving forward, the local educational support services market is expected to benefit from the continuing recognition of education in growing the local labour market and supporting the livelihood of Malaysians. In addition, the number of Malaysian students pursuing higher education abroad is increasing and thus, providing more opportunities for the educational support services providers in Malaysia.

3.1.2 Competitive Analysis

In 2015, there were 257 educational support services providers in Malaysia. These companies may involve in multiple business activities other than the provision of educational support services.

COMPARABLE MARKET PLAYERS

JM Education Group was established primarily as a provider of educational support services. It is operating 9 branches across the Peninsular Malaysia and in Sabah and Sarawak. For comparison purpose, Protégé Associates has selected the following market players that are comparable to JM Education Group based on the following criteria:

- i. Incorporated in Malaysia;
- ii. Participated in the educational support services market by offering student placements services with local and/or overseas higher educational institutions; and
- iii. Registered a revenue of between RM1 million to RM15 million based on the latest publicly available financial information.

The selected market players are MABECS Sdn Bhd, My Study Education Consulting Sdn Bhd, Interstudy Education Consultants Sdn Bhd and Selset Education Centre Sdn Bhd. The list of market players is not exhaustive, and each market player may have more than one business activity other than providing educational support services.

MABECS Sdn Bhd ("MABECS")

MABECS was incorporated as a private limited company in Malaysia in 1985. It is principally involved in the provision of advice and supply counselling and consultancy services on matters related to education in the UK.

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For the financial year ended 31 August 2015, MABECS recorded revenue of RM11.0 million and profit before tax of RM4.5 million.

My Study Education Consulting Sdn Bhd ("My Study")

My Study was incorporated as a private limited company in Malaysia in 2004. It is principally involved in the provision of education consultancy and related services.

For the financial year ended 30 June 2015, My Study recorded revenue of RM1.4 million and profit before tax of RM0.2 million.

Interstudy Education Consultants Sdn Bhd ("Interstudy")

Interstudy was incorporated as a private limited company in Malaysia in 2014. It is principally involved in the provision of education consultants and placement services.

For the financial year ended 31 December 2015, Interstudy recorded revenue of RM1.3 million and profit before tax of RM91,393.

Selset Education Centre Sdn Bhd ("Selset")

Selset was incorporated as a private limited company in Malaysia in 1982. It is principally involved in student recruitment and processing services, as well as education fair services.

For the financial year ended 30 April 2015, Selset recorded revenue of RM1.1 million and loss before tax of RM28,586.

MARKET SHARE

The revenue generated by JM Education Group for its educational support services in its financial year ended 31 December 2016 was RM8.2 million, which is equivalent to 0.5 percent of the estimated market size (gross output value) of the other education services market in Malaysia in 2016. The market share is derived from dividing JM Education Group's revenue generated from educational support services of RM8.2 million for the financial year ended 31 December 2016 with the market size (gross output value) of the other education services market in Malaysia in 2016 of RM1.70 billion.

3.1.3 Demand Conditions

The following factors represent key trends, developments and events influencing market demand of the educational support services market in Malaysia.



Continuing Strong Recognition of Education as a Key Enabler of Future Employment and Sustainable Livelihood

There is a prevailing mentality among Malaysian that places heavy weight on securing a good and prestigious education to ensure a secured future career and livelihood. This notion is prevalent throughout Asian communities, including in most Malaysian in general.

In modern society, the level of education attained is a metric of one's intellect and future career prospects. Graduates with higher education qualifications are often well regarded due to their perceived ability to advance in their career and enjoy better compensation accordingly. Such phenomenon is driving students to continue furthering studies, with educational institutions producing more graduates of high educational qualification to join the workforce, thus increasing the competition of human resource landscape. Many corporations and institutions are also demanding higher education qualifications as a prerequisite for employment. Such situation continues to reinforce the correlation between higher education and career advancement in the manner of an upward spiral.

Such development can only help to spur demand for educational support services providers. As more students are likely to pursue higher educational qualification, it indicates a higher potential for the need of educational support services, thus spurring more growth in the educational support services market in Malaysia.

Growing Trend of Malaysian Students Pursuing Higher Education Abroad

The number of students opting to pursue higher education abroad has been increasing. The number of students studying abroad grew from around 79,000 students in 2013 to around 87,000 students in 2015. Such trend can be attributed to a number of factors. Firstly, foreign educational systems are perceived to be more prestigious with regards to reputation, quality of teaching, robustness, affiliation and relevance of syllabus and language used. Furthermore, students are offered the opportunities to experience foreign culture and learn to live independently. Graduates of foreign HEIs also stand a chance to establish a career in the host country.

This development bodes well for the providers of educational support services in Malaysia. Foreign HEIs are expected to ride on this demand condition and engage the services of the local providers educational support services to lead their student recruitment drive here. In addition, providers of educational support services here can also look forward to a bigger pool of potential of customers in the form of students that need assistance for their enrolment to foreign HEIs.