



PROSPECTUS

This Prospectus is dated 26 April 2010



MASTERSKILL
EDUCATION GROUP BERHAD

MASTERSKILL EDUCATION GROUP BERHAD

(Company No.: 746920-M)
(Incorporated in Malaysia under the Companies Act, 1965)

PROSPECTUS

MASTERSKILL EDUCATION GROUP BERHAD

THE INITIAL PUBLIC OFFERING (THE "IPO" OR "OFFERING") OF UP TO 205,000,000 ORDINARY SHARES OF RM0.20 EACH IN OUR COMPANY (THE "SHARES") IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR 409,905,780 SHARES ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING:

- (I) OFFER FOR SALE OF UP TO 164,000,000 EXISTING SHARES (THE "OFFER SHARES") MADE AVAILABLE IN THE FOLLOWING MANNER:
- 41,000,000 OFFER SHARES MADE AVAILABLE TO BUMIPUTERA INSTITUTIONAL AND SELECTED INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY ("MITI"); AND
 - UP TO 123,000,000 OFFER SHARES MADE AVAILABLE TO MALAYSIAN INSTITUTIONAL AND SELECTED INVESTORS AND FOREIGN INSTITUTIONAL AND SELECTED INVESTORS OUTSIDE THE UNITED STATES OF AMERICA (THE "UNITED STATES") IN RELIANCE ON REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT");
- AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING (THE "INSTITUTIONAL PRICE") PURSUANT TO THE INSTITUTIONAL OFFERING
- (II) PUBLIC ISSUE OF 41,000,000 NEW SHARES (THE "ISSUE SHARES") MADE AVAILABLE IN THE FOLLOWING MANNER:
- 25,500,000 ISSUE SHARES MADE AVAILABLE TO THE MALAYSIAN PUBLIC, OUR ELIGIBLE EMPLOYEES AND OUR ELIGIBLE GRADUATES AT THE RETAIL PRICE OF RM3.50 PER SHARE, PAYABLE IN FULL UPON APPLICATION (THE "RETAIL PRICE") PURSUANT TO THE RETAIL OFFERING; AND
 - 15,500,000 ISSUE SHARES MADE AVAILABLE TO MALAYSIAN INSTITUTIONAL AND SELECTED INVESTORS AND FOREIGN INSTITUTIONAL AND SELECTED INVESTORS OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S UNDER THE US SECURITIES ACT AT THE INSTITUTIONAL PRICE PURSUANT TO THE INSTITUTIONAL OFFERING

THE RETAIL PRICE IS PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO REFUND OF THE DIFFERENCE, IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE. THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF:

- (I) THE RETAIL PRICE; AND
(II) 95% OF THE INSTITUTIONAL PRICE;

SUBJECT TO ROUNDING TO THE NEAREST SEN.

Principal Adviser and Retail Underwriter



CIMB Investment Bank Berhad (18417-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Global Co-ordinators and Joint Bookrunners



CIMB Investment Bank Berhad (18417-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)



Goldman Sachs (Singapore) Pte.
(Company Registration Number: 198602165W)

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISKS RELATING TO AN INVESTMENT IN THE SHARES WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" IN SECTION 5 OF THIS PROSPECTUS.

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA.

LISTING SOUGHT: MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD



www.masterskill.edu.my

PREMIER • RECOGNISED • TRUSTED™

OUR DIRECTORS, PROMOTERS AND THE SELLING SHAREHOLDERS HAVE REVIEWED AND APPROVED THIS PROSPECTUS AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION IN THIS PROSPECTUS. THEY CONFIRM, AFTER MAKING ALL REASONABLE ENQUIRIES THAT, TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS PROSPECTUS FALSE OR MISLEADING.

CIMB INVESTMENT BANK BERHAD ("**CIMB**"), AS THE PRINCIPAL ADVISER TO OUR IPO, THE RETAIL UNDERWRITER FOR THE RETAIL OFFERING AND THE JOINT GLOBAL CO-ORDINATOR AND JOINT BOOKRUNNER FOR THE INSTITUTIONAL OFFERING IN RELATION TO OUR IPO, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS IN CONNECTION WITH OUR IPO.

IT IS TO BE NOTED THAT THE ROLE OF GOLDMAN SACHS (SINGAPORE) PTE. ("**GOLDMAN SACHS**") IN THE IPO IS LIMITED TO BEING A JOINT GLOBAL CO-ORDINATOR AND JOINT BOOKRUNNER IN RESPECT OF THE INSTITUTIONAL OFFERING OUTSIDE MALAYSIA ONLY. GOLDMAN SACHS DOES NOT HAVE ANY ROLE IN, AND DISCLAIMS ANY RESPONSIBILITY FOR, THE INSTITUTIONAL OFFERING AND RETAIL OFFERING IN MALAYSIA.

THE SECURITIES COMMISSION OF MALAYSIA ("**SC**") HAS APPROVED THIS ISSUE, OFFER OR INVITATION FOR THE OFFERING AND A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE APPROVAL AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE IN THIS PROSPECTUS BY US. THE SC ALSO TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS AND MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS THAT YOU MAY SUFFER AS A RESULT OF YOUR RELIANCE ON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE IPO AND AN INVESTMENT IN US. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD IMMEDIATELY CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS BEFORE APPLYING FOR OUR SHARES.

OUR COMPANY HAS OBTAINED AN APPROVAL FROM BURSA MALAYSIA SECURITIES BERHAD ("**BURSA SECURITIES**") FOR THE LISTING OF AND QUOTATION FOR OUR SHARES. OUR ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE IPO, OUR COMPANY OR OF OUR SHARES.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("**CMSA**").

THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THIS PROSPECTUS AND THE ACCOMPANYING APPLICATION FORMS, HAVE ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES OF MALAYSIA WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS. THIS PROSPECTUS CAN BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES' WEBSITE AT www.bursamalaysia.com.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE IPO FOR WHICH THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

OUR SHARES ARE CLASSIFIED AS SHARIAH-COMPLIANT BY THE SHARIAH ADVISORY COUNCIL OF THE SC BASED ON OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 AND THIS CLASSIFICATION REMAINS VALID UNTIL THE NEXT SHARIAH COMPLIANCE REVIEW IS UNDERTAKEN BY THE SHARIAH ADVISORY COUNCIL OF THE SC. THE NEW STATUS IS RELEASED IN THE UPDATED LIST OF SHARIAH-COMPLIANT SECURITIES ON THE LAST FRIDAY OF MAY AND NOVEMBER OF EACH YEAR.

YOU SHOULD NOT TAKE THE AGREEMENT BY THE RETAIL UNDERWRITER TO UNDERWRITE THE SHARES UNDER THE RETAIL OFFERING AS AN INDICATION OF THE MERITS OF OUR SHARES.

THIS PROSPECTUS HAS BEEN PREPARED IN THE CONTEXT OF AN IPO UNDER THE LAWS OF MALAYSIA. IT DOES NOT COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA, AND HAS NOT BEEN 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.

THIS PROSPECTUS IS PUBLISHED SOLELY IN CONNECTION WITH OUR IPO. THE SHARES BEING OFFERED IN THE IPO ARE OFFERED SOLELY ON THE BASIS OF THE INFORMATION CONTAINED AND REPRESENTATIONS MADE IN THIS PROSPECTUS. OUR COMPANY, THE PROMOTERS, THE SELLING SHAREHOLDERS, THE PRINCIPAL ADVISER, THE RETAIL UNDERWRITER, AND THE JOINT GLOBAL CO-ORDINATORS AND JOINT BOOKRUNNERS HAVE NOT AUTHORISED ANYONE TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS DOCUMENT, AND ANY INFORMATION OR REPRESENTATION NOT CONTAINED IN THIS DOCUMENT MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE COMPANY, THE PROMOTERS, THE SELLING SHAREHOLDERS, THE PRINCIPAL ADVISER, THE RETAIL UNDERWRITER, THE JOINT GLOBAL CO-ORDINATORS AND JOINT BOOKRUNNERS, ANY OF THEIR RESPECTIVE DIRECTORS, OR ANY OTHER PERSON INVOLVED IN OUR IPO.

THE DISTRIBUTION OF THIS PROSPECTUS AND OUR IPO ARE SUBJECT TO THE LAWS OF MALAYSIA. THIS PROSPECTUS WILL NOT BE DISTRIBUTED OUTSIDE MALAYSIA EXCEPT INsofar AS IT IS A PART OF THE OFFERING MEMORANDUM DISTRIBUTED TO FOREIGN INSTITUTIONAL INVESTORS OUTSIDE MALAYSIA IN CONNECTION WITH THE IPO. THE COMPANY, THE PROMOTERS, THE SELLING SHAREHOLDERS, THE PRINCIPAL ADVISER, THE RETAIL UNDERWRITER AND THE JOINT GLOBAL CO-ORDINATORS AND JOINT BOOKRUNNERS HAVE NOT AUTHORISED AND TAKE NO RESPONSIBILITY FOR THE DISTRIBUTION OF THIS PROSPECTUS OUTSIDE MALAYSIA EXCEPT INsofar AS IT IS A PART OF THE OFFERING MEMORANDUM DISTRIBUTED TO FOREIGN INSTITUTIONAL INVESTORS OUTSIDE MALAYSIA IN CONNECTION WITH THE IPO. NO ACTION HAS BEEN TAKEN TO PERMIT A PUBLIC OFFERING OF THE SHARES IN ANY JURISDICTION OTHER THAN MALAYSIA. ACCORDINGLY, THIS PROSPECTUS MAY NOT BE USED FOR THE PURPOSE OF AND DOES NOT CONSTITUTE AN OFFER FOR SUBSCRIPTION OR PURCHASE OR INVITATION TO SUBSCRIBE FOR OR PURCHASE, ANY SHARES UNDER OUR IPO ("**IPO SHARES**") IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IN ANY JURISDICTION OR IN ANY CIRCUMSTANCES IN WHICH SUCH AN OFFER IS NOT AUTHORISED OR LAWFUL OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THIS PROSPECTUS AND THE SALE OF OUR IPO SHARES IN CERTAIN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW. PERSONS WHO MAY BE IN POSSESSION OF THIS PROSPECTUS ARE REQUIRED TO INFORM THEMSELVES OF AND TO OBSERVE SUCH RESTRICTIONS.

OUR SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"). OUR SHARES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO US PERSONS (AS DEFINED IN REGULATIONS UNDER THE US SECURITIES ACT ("**REGULATION S**")), EXCEPT IN A TRANSACTION PURSUANT TO AN EXEMPTION FROM, OR A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. ACCORDINGLY, OUR SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE OF THE UNITED STATES IN RELIANCE ON REGULATIONS.

ELECTRONIC PROSPECTUS

THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SC ARE THE SAME. YOU MAY OBTAIN A COPY OF THE ELECTRONIC PROSPECTUS (AS DEFINED HEREIN BELOW), FROM THE WEBSITE OF CIMB AT www.ejpocimb.com. IN ADDITION, YOU MAY ALSO OBTAIN A COPY OF THE ELECTRONIC PROSPECTUS FROM THE WEBSITE OF CIMB BANK BERHAD AT www.cimbclicks.com.my, MALAYAN BANKING BERHAD AT www.maybank2u.com.my, AND AFFIN BANK BERHAD AT www.AffinOnline.com.

THE INTERNET IS NOT A FULLY SECURE MEDIUM. YOUR INTERNET SHARE APPLICATION MAY BE SUBJECT TO RISKS IN DATA TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES, HACKERS AND CRACKERS, FAULTS WITH COMPUTER SOFTWARE AND OTHER EVENTS BEYOND THE CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. IF YOU DOUBT THE VALIDITY OR INTEGRITY OF AN ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM US, OUR PRINCIPAL ADVISER OR THE ISSUING HOUSE, A PAPER/PRINTED COPY OF THE PROSPECTUS. IF THERE IS ANY DISCREPANCY BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE PAPER/PRINTED COPY OF THIS PROSPECTUS, THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS WHICH ARE IDENTICAL TO THE COPY OF THE PROSPECTUS REGISTERED WITH THE SC SHALL PREVAIL.

IN RELATION TO ANY REFERENCE IN THIS PROSPECTUS TO THIRD PARTY INTERNET SITES (REFERRED TO AS "**THIRD PARTY INTERNET SITES**"), WHETHER BY WAY OF HYPERLINKS OR BY WAY OF DESCRIPTION OF THE THIRD PARTY INTERNET SITES, YOU ACKNOWLEDGE AND AGREE THAT:

- (I) WE DO NOT ENDORSE AND ARE NOT AFFILIATED IN ANY WAY TO THE THIRD PARTY INTERNET SITES. ACCORDINGLY, WE ARE NOT RESPONSIBLE FOR THE AVAILABILITY OF OR THE CONTENT OR ANY DATA, FILES OR OTHER MATERIAL PROVIDED ON THE THIRD PARTY INTERNET SITES. YOU BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD PARTY INTERNET SITES;
- (II) WE ARE NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD PARTY INTERNET SITES, PARTICULARLY IN FULFILLING ANY OF THE TERMS OF ANY OF YOUR AGREEMENTS WITH THE THIRD PARTY INTERNET SITES. WE ARE ALSO NOT RESPONSIBLE FOR ANY LOSS OR DAMAGE OR COST THAT YOU MAY SUFFER OR INCUR IN CONNECTION WITH OR AS A RESULT OF DEALING WITH THE THIRD PARTY INTERNET SITES OR THE USE OF OR RELIANCE ON ANY DATA, FILE OR OTHER MATERIAL PROVIDED BY SUCH PARTIES; AND
- (III) ANY DATA, FILE OR OTHER MATERIAL DOWNLOADED FROM THE THIRD PARTY INTERNET SITES IS DONE AT YOUR OWN DISCRETION AND RISK. WE ARE NOT RESPONSIBLE, LIABLE OR UNDER OBLIGATION FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA RESULTING FROM THE DOWNLOADING OF ANY SUCH DATA, INFORMATION, FILES OR OTHER MATERIAL.

WHERE AN ELECTRONIC PROSPECTUS IS HOSTED ON THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, YOU ARE ADVISED THAT:

- (I) THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS ONLY LIABLE IN RESPECT OF THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS, TO THE EXTENT OF THE CONTENT OF THE ELECTRONIC PROSPECTUS ON THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION WHICH MAY BE VIEWED VIA YOUR WEB BROWSER OR OTHER RELEVANT SOFTWARE. THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT RESPONSIBLE FOR THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS WHICH HAS BEEN OBTAINED FROM THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION AND SUBSEQUENTLY COMMUNICATED OR DISSEMINATED IN ANY MANNER TO YOU OR OTHER PARTIES; AND
- (II) WHILE ALL REASONABLE MEASURES HAVE BEEN TAKEN TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF AN ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED BECAUSE THE INTERNET IS NOT A FULLY SECURE MEDIUM.

THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT LIABLE (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COSTS, YOU OR ANY OTHER PERSON MAY SUFFER OR INCUR DUE TO, AS A CONSEQUENCE OF OR IN CONNECTION WITH ANY INACCURACIES, CHANGES, ALTERATIONS, DELETIONS OR OMISSIONS IN RESPECT OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS WHICH MAY ARISE IN CONNECTION WITH OR AS A RESULT OF ANY FAULT WITH WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULT ON YOUR OR ANY THIRD PARTY'S PERSONAL COMPUTER, OPERATING SYSTEM OR OTHER SOFTWARE, VIRUSES OR OTHER SECURITY THREATS, UNAUTHORISED ACCESS TO INFORMATION OR SYSTEMS IN RELATION TO THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, AND/OR PROBLEMS OCCURRING DURING DATA TRANSMISSION WHICH MAY RESULT IN INACCURATE OR INCOMPLETE COPIES OF INFORMATION BEING DOWNLOADED OR DISPLAYED ON YOUR PERSONAL COMPUTER.

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INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative dates:

Events	Date
Opening of Institutional Offering	22 April 2010
Issuance of Prospectus/Opening of Retail Offering	10.00 a.m., 26 April 2010
Closing of Retail Offering	5.00 p.m., 3 May 2010
Closing of Institutional Offering	5 May 2010
Price Determination Date	5 May 2010
Balloting of applications for the Issue Shares pursuant to the Retail Offering	6 May 2010
Allotment/Transfer of the IPO Shares to successful applicants	14 May 2010
Listing	18 May 2010

Under the Institutional Offering, the Directors, the Selling Shareholders and the Joint Global Co-ordinators and Joint Bookrunners may decide in their absolute discretion to extend the closing time and date for applications to any later date or dates. Under the Retail Offering, the Directors, the Retail Underwriter and the Joint Global Co-ordinators and Joint Bookrunners may decide in their absolute discretion to extend the closing time and date for applications to any later date or dates. If they decide to extend the closing date for the applications, the Price Determination Date and dates for the balloting of the Issue Shares, the allotment of the Issue Shares and the transfer of the Offer Shares and our Listing will be extended accordingly. We will announce any extension in a widely circulated Bahasa Malaysia language daily newspaper and a widely circulated English language daily newspaper within Malaysia.

All defined terms used in this Prospectus are defined under "Presentation of Financial and Other Information" and "Definitions" commencing on pages ii and v respectively.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to “our Company” and “MEGB” in this Prospectus are to Masterskill Education Group Berhad. All references to “MEGB Group” and “the Group” in this Prospectus are to the Company and its subsidiaries as a whole. Unless the context otherwise requires, references to “Management” are to our Directors and key management personnel as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

In this Prospectus, references to the “Selling Shareholders” are to Masterskill (Cayman) Ltd, Masterskill Holding Ltd, Dato’ Sri Santhara Kumar a/l Ramanaidu, Asia Healthcare Holdings I, Ltd, REMA Capital Holdings, N3 (Cayman) Ltd, N4 (Cayman) Ltd, Florence Education Ltd, REMA II Ltd, Asia Education Investments Ltd and Ladang Naga Sdn Bhd and references to “Promoters” are to Dato’ Sri Santhara Kumar a/l Ramanaidu, Masterskill Holding Ltd, Asia Healthcare Holdings I, Ltd, Crescent Masterskill SPV Ltd, Crescent Point Investment Holdings, Ltd, Crescent Group Investments Ltd, Crescent Asia Investments Ltd, Richard Todd Scanlon, David Mc Kee Hand and Sami Ali Sindi.

In this Prospectus, references to the “Government” are to the Government of Malaysia; references to “Ringgit”, “Malaysian Ringgit”, “RM” and “sen” are to the lawful currency of Malaysia. Any discrepancies in the tables between the amounts listed and the totals in this Prospectus are due to rounding. Certain acronyms, technical terms and other abbreviations used are defined in “Definitions” appearing after this section. Words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

Any reference to any provisions of the statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulation, enactment or rules of stock exchange for the time being in force.

All references to dates and times are references to dates and times in Malaysia.

The term “allied health” is generally understood to consist of various disciplines relating to the health care industry including, among others, nursing, pharmacy, physiotherapy, medical imaging, environmental health, occupational therapy, occupational safety and health and medical lab technology. Allied health education programmes produce professionals involved in the identification, evaluation, treatment and prevention of diseases, injuries and conditions, and the education of the public on the prevention of diseases, injuries and conditions, wellness and self-management for healthy lifestyles. In this Prospectus, the term “allied health” when used in the context of our business, is the same as the description above except that it excludes the area of nursing, which we discuss separately.

All references to our “Cheras campus” shall mean our Cheras, Kemacahaya campus and our Mahkota Cheras campus.

In this Prospectus, “student capacity” refers to management’s estimates of the total number of students we are able to accommodate at our various campuses based on the size of our campuses.

References to any programme of study “launched” or “offered” by us shall refer to a programme for which MOHE’s approval has been obtained and recruitment and advertising activities have commenced albeit that student registrations and classes have not commenced, while references to any programme of study “conducted” by us shall refer to a programme for which MOHE’s approval has been obtained and student registrations and classes have commenced.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION (Cont'd)

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the industry in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by Vital Factor Consulting Sdn Bhd ("**Vital Factor**") for inclusion in this Prospectus. We had appointed Vital Factor to provide an independent market and industry review. In compiling their data for the review, Vital Factor relied on industry sources, published materials, its own private databanks and direct contacts within the industry. The information on the industry as contained in this Prospectus and the other statistical data and projections cited in this Prospectus is intended to help prospective investors understand the major trends in the industry in which we operate. However, we, the Selling Shareholders, Promoters, the Principal Adviser, the Retail Underwriter, the Joint Global Co-ordinators and Joint Bookrunners and their respective advisers have not independently verified these figures.

None of the Company, the Selling Shareholders, Promoters, the Principal Adviser, the Retail Underwriter, the Joint Global Co-ordinators and Joint Bookrunners and their respective advisers make any representation as to the correctness, accuracy or completeness of such data and accordingly, prospective investors should not place undue reliance on the statistical data cited in this Prospectus. Further, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. You should not place undue reliance on the third-party projections cited in this Prospectus.

The information on our websites, or any website directly or indirectly linked to such websites does not form part of this Prospectus and you should not rely on it.

References to "Indian Sub-Continent" in this Prospectus are to India, Pakistan, Bangladesh, Nepal, Bhutan, Sri Lanka and the Maldives.

References to the "Latest Practicable Date" in this Prospectus are to 1 March 2010, which is the latest practicable date for certain information to be obtained and disclosed in this Prospectus prior to the registration of this Prospectus with the SC.

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FORWARD LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives of our Management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements 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. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance. Forward-looking statements can be identified by the use of forward-looking terminology such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- (i) the demand for our programmes and general industry environment;
- (ii) our business strategies, trends and competitive position;
- (iii) plans and objectives of our Management for future operations;
- (iv) our financial position;
- (v) the regulatory environment and the effects of future regulation; and
- (vi) our future earnings, cash flows and liquidity.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) the general economic, business, social, political and investment environment in Malaysia and globally;
- (ii) government policy, legislation or regulation;
- (iii) interest rates and tax rates;
- (iv) the competitive environment in our industry;
- (v) delays, cost overruns, shortages in labour or problems with the execution of our expansion plans;
- (vi) fixed and contingent obligations and commitments; and
- (vii) any other factors beyond our control.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to those discussed in Section 5 and Section 8.2.2 of this Prospectus. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus. We expressly disclaim any obligation or undertaking to release publicly any update or revision to any forward-looking statement contained in this Prospectus to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

Act	:	Companies Act, 1965
ADA	:	Authorised Depository Agent
Admission	:	Admission of our Shares to the Official List of the Main Market of Bursa Securities
AEIL	:	Asian Education Investments Ltd (CL-195994)
AHHL	:	Asia Healthcare Holdings I, Ltd (CL-203778)
Application Form(s)	:	Application form(s) for the application of the Issue Shares under the Retail Offering accompanying this Prospectus
Articles	:	Articles of Association of our Company
ATM	:	Automated teller machine
Board or Directors	:	Our Board of Directors
Bursa Depository or Central Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
Bursa Securities LR	:	Main Market Listing Requirements of Bursa Securities
CAIL	:	Crescent Asia Investments Ltd (CL-204277)
CDS	:	Central Depository System
CGIL	:	Crescent Group Investments Ltd (CL-205407)
CIMB	:	CIMB Investment Bank Berhad (18417-M)
CMSA	:	Capital Markets and Services Act, 2007
CPIHL	:	Crescent Point Investment Holdings, Ltd (CL-158987)
CM-SPV	:	Crescent Masterskill SPV Ltd (CL-175457)
Dato' Sri Edmund Santhara	:	Dato' Sri Santhara Kumar a/l Ramanaidu
David Hand	:	David Mc Kee Hand
DOS	:	Department of Statistics
EBITDA	:	Earnings before interest income, interest costs, taxation, depreciation and amortisation
Electronic Prospectus	:	Copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to CD-ROMs or floppy disks

DEFINITIONS (Cont'd)

Electronic Share Application	:	Application for the Issue Shares under the Retail Offering through a Participating Financial Institution's ATMs
Eligible Graduates	:	Our graduates who have: <ul style="list-style-type: none"> (i) been conferred with diplomas for programmes by Masterskill College of Nursing and Health or Masterskill University College of Health Sciences as at the Latest Practicable Date; or (ii) completed their programmes as at 31 December 2009 but have yet to be conferred with their diplomas for programmes by Masterskill College of Nursing and Health or Masterskill University College of Health Sciences
EPS	:	Earnings per share
Final Retail Price	:	The final price per Issue Share to be paid by investors pursuant to the Retail Offering, equivalent to RM3.50 per Share or 95% of the Institutional Price, whichever is lower, to be determined on the Price Determination Date in accordance with Section 4.10 of this Prospectus
FEL	:	Florence Education Ltd (<i>CL-231544</i>)
FPE	:	Financial period ended 31 December
FYE	:	Financial year(s) ended or ending 31 December
GAAP	:	Generally Accepted Accounting Principles
GDP	:	Gross Domestic Product
GNP	:	Gross National Product
Goldman Sachs	:	Goldman Sachs (Singapore) Pte. (<i>198602165W</i>)
ICPS	:	Collectively, ICPS SI, ICPS SII and ICPS SIII
ICPS SI	:	Irredeemable convertible preference shares of RM1.00 each in MEGB
ICPS SII	:	Irredeemable convertible preference shares series II of RM1.00 each in MEGB
ICPS SIII	:	Irredeemable convertible preference shares series III of RM1.00 each in MEGB
ICT	:	Information and communications technology
Independent Market Research Consultants or Vital Factor	:	Vital Factor Consulting Sdn Bhd (<i>266797-T</i>)
Initial Public Offering or IPO	:	Collectively, the Offer for Sale and the Public Issue

DEFINITIONS (Cont'd)

Institutional Offering	: Offering of up to 179,500,000 Shares at Institutional Price, subject to clawback and reallocation, to be allocated in the following manner:
	(i) up to 164,000,000 Offer Shares to be offered to:
	(a) Bumiputera institutional and selected investors approved by the MITI; and
	(b) Malaysian institutional and selected investors and foreign institutional and selected investors outside the United States in reliance on Regulation S under the US Securities Act; and
	(ii) 15,500,000 Issue Shares to be offered to Malaysian institutional and selected investors and foreign institutional and selected investors outside the United States in reliance on Regulation S under the US Securities Act
Institutional Price	: The price per Share to be paid by investors pursuant to the Institutional Offering. The Institutional Price will be determined on the Price Determination Date by way of bookbuilding
Internet Participating Financial Institution	: The participating financial institution for Internet Share Application
Internet Share Application	: Application for the Issue Shares under the Retail Offering through an Internet Participating Financial Institution
IPO Shares	: Collectively, the Offer Shares and the Issue Shares
Issuing House	: Malaysian Issuing House Sdn Bhd (258345-X)
Issue Shares	: The 41,000,000 new Shares being offered by MEGB pursuant to the Public Issue
Joint Global Co-ordinators and Joint Bookrunners	: Collectively, CIMB and Goldman Sachs, the Joint Global Co-ordinators and Joint Bookrunners for the Institutional Offering
Ladang Naga	: Ladang Naga Sdn Bhd (747542-K)
Latest Practicable Date	: 1 March 2010, being the latest practicable date prior to the registration of our Prospectus
Listing	: Listing of and quotation for all of our issued and paid-up Shares on the Main Market of Bursa Securities
Listing Scheme	: The scheme for our Listing as set out in Section 14.1 of this Prospectus
Malaysian Public	: Malaysian citizens, companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Market Day	: Day on which Bursa Securities is open for securities trading
Masterskill	: Masterskill (M) Sdn Bhd (442341-P)

DEFINITIONS (Cont'd)

Maximum Scenario	:	Representing the scenario where 123,000,000 Offer Shares are fully subscribed by Malaysian institutional and selected investors and foreign institutional and selected investors outside the United States in reliance on Regulation S under the US Securities Act under the Offer for Sale. For further details, please refer to Section 4.3 of this Prospectus
MCL	:	Masterskill (Cayman) Ltd (CL-173289)
MCMSB	:	Masterskill Campus Management Sdn Bhd (827005-U)
MDSB	:	Masterskill Dialysis Sdn Bhd (891385-D)
MEGB or Company	:	Masterskill Education Group Berhad (746920-M)
MEGB Group or Group	:	MEGB and our Subsidiaries
MEGB Share(s) or Share(s)	:	Ordinary share(s) of RM0.20 each in MEGB
MESB	:	Medic Express Sdn Bhd (793076-X)
MHL	:	Masterskill Holding Ltd (CL-174202)
Minimum Scenario	:	Representing the scenario where the minimum subscription level for the Offer for Sale made available to Malaysian institutional and selected investors and foreign institutional and selected investors outside the United States in reliance on Regulation S under the US Securities Act of 26,000,000 Offer Shares, which was determined by the Selling Shareholders, is met. For further details, please refer to Section 4.3 of this Prospectus
MISB	:	Masterskill International Sdn Bhd (804921-W)
MITI	:	Ministry of International Trade and Industry
MOH or KKM	:	Ministry of Health, Malaysia
MOHE	:	Ministry of Higher Education
MPRC	:	Masterskill Physiotherapy and Rehabilitation Centre Sdn Bhd (823252-P)
MQA	:	Malaysian Qualifications Agency
MRSB	:	Masterskill Resources Sdn Bhd (756137-H)
MUCHSB	:	MUCH Sdn Bhd (827006-V)
MWMSB	:	Masterskill Worldwide Management Sdn Bhd (756126-W)
NA	:	Net assets
N/A	:	Not applicable
NTA	:	Net tangible assets

DEFINITIONS (Cont'd)

Offer for Sale	:	Offer for sale by the Selling Shareholders of up to 164,000,000 Offer Shares at the Institutional Price, subject to clawback and reallocation, to be allocated in the following manner:
		(i) 41,000,000 Offer Shares made available to Bumiputera institutional and selected investors approved by the MITI; and
		(ii) Up to 123,000,000 Offer Shares made available to Malaysian institutional and selected investors and foreign institutional and selected investors outside the United States in reliance on Regulation S under the US Securities Act
Offer Shares	:	Up to 164,000,000 existing Shares to be offered by the Selling Shareholders pursuant to the Offer for Sale
Official List	:	A list specifying all securities which have been admitted for listing on the Bursa Securities and not removed
Participating Financial Institutions	:	Participating financial institutions for Electronic Share Application
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PE Multiple	:	Price-earnings multiple
PHEI	:	Private higher educational institution
Placement Agreement	:	Placement Agreement to be entered into between our Company, the Selling Shareholders and the Joint Global Co-ordinators and Joint Bookrunners
Price Determination Date	:	The date on which the Institutional Price and Final Retail Price will be determined
Promoters	:	Dato' Sri Edmund Santhara, MHL, AHHL, CM-SPV, CPIHL, CGIL, CAIL, Richard Scanlon, David Hand and Sami Sindi
PTPTN	:	Perbadanan Tabung Pendidikan Tinggi Nasional (National Higher Education Fund Corporation)
Public Issue	:	Public Issue of 41,000,000 Issue Shares, subject to clawback and reallocation, to be allocated in the following manner:
		(i) 25,500,000 Issue Shares made available to the Malaysian Public, our eligible employees and our Eligible Graduates at the Retail Price pursuant to the Retail Offering; and
		(ii) 15,500,000 Issue Shares made available to Malaysian institutional and selected investors and foreign institutional and selected investors outside the United States in reliance on Regulation S under the US Securities Act at the Institutional Price pursuant to the Institutional Offering
REMA II	:	REMA II Ltd (CL-235201)

DEFINITIONS (Cont'd)

Retail Offering	:	Offering of 25,500,000 Issue Shares at the Retail Price, subject to clawback and reallocation, to be offered in the following manner: (i) 20,500,000 Issue Shares to be offered to the Malaysian Public; (ii) 3,000,000 Issue Shares to be offered to our eligible employees; and (iii) 2,000,000 Issue Shares to be offered to our Eligible Graduates;
Retail Price	:	The initial price of RM3.50 per Share to be fully paid upon application pursuant to the Retail Offering subject to adjustment as described in Section 4.10 of this Prospectus
Retail Underwriter	:	CIMB
Retail Underwriting Agreement	:	Retail Underwriting agreement dated 9 April 2010 between the Company, the Selling Shareholders and the Retail Underwriter for the underwriting of the Retail Offering
Richard Scanlon	:	Richard Todd Scanlon
ROC	:	Registrar of Companies, Malaysia
SAC of the SC	:	Shariah Advisory Council of the SC
Sami Sindi	:	Sami Ali Sindi
SC	:	Securities Commission, Malaysia
SC Guidelines	:	The Equity Guidelines issued by the SC on 8 May 2009 and updated/ effective 3 August 2009
Selling Shareholders	:	Collectively, MCL, MHL, Dato' Sri Edmund Santhara, AHHL, REMA Capital Holdings, N3 (Cayman) Ltd, N4 (Cayman) Ltd, FEL, REMA II, AEIL and Ladang Naga
SICDA	:	Securities Industry (Central Depositories) Act, 1991
sq ft	:	Square feet
Subsidiary(ies)	:	Subsidiary(ies) of the Company as defined by Section 5 of the Act
UK	:	United Kingdom of Great Britain and Northern Ireland
USA or United States	:	United States of America, its territories and possessions, any state of the United States and the District of Columbia
USD	:	The lawful currency of the USA
US Securities Act	:	United States Securities Act of 1933
YM Raja Azmi	:	Yang Mulia Raja Azmi bin Raja Razali
YM Tunku Dato' Seri Kamel	:	Yang Mulia Tunku Dato' Seri Kamel bin Tunku Rijaludin
YTD	:	Year to date

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1. INTRODUCTION

This Prospectus is dated 26 April 2010.

We have registered this Prospectus with the SC. We have also lodged a copy of this Prospectus together with the Application Forms with the ROC, who takes no responsibility for its contents.

We received the SC's approval for our IPO on 29 September 2008, 25 March 2009 and 24 March 2010, respectively. The approval of the SC shall not be taken to indicate that the SC recommends our IPO. On 29 January 2010, we voluntarily submitted an application to the SC for a Shariah compliance review to be carried out by the SAC of the SC as part of the process of determining our Shariah status for the purposes of our IPO. On 11 February 2010, the SAC of the SC classified our Shares as Shariah-compliant based on the audited consolidated financial statements of our Company for the FYE 2008. This classification will remain valid until the next Shariah compliance review is undertaken by the SAC of the SC. Updates on the classification will be released in the updated list of Shariah-compliant securities on the last Friday of the month of May and November of each year. **You are advised to make your own independent assessment of our Company and should rely on your own evaluation to assess the merits and risks of our IPO and an investment in our Company.**

We have applied to Bursa Securities and received its approval on 2 April 2010 for the admission of our Shares to the Official List of the Main Market of Bursa Securities and for permission to deal in and the listing of and quotation for all our Shares, including the Offer Shares and Issue Shares. Our Shares will be admitted to the Official List of the Main Market of Bursa Securities and official quotation will commence upon receipt of confirmation from Bursa Depository that all the Offer Shares and Issue Shares have been credited into the respective CDS accounts of the successful applicants and the notices of allotment have been despatched to all successful applicants. Admission to the Official List of the Main Market of Bursa Securities shall not be taken as an indication of the merits of our Company, our Shares or our IPO.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as a prescribed security. Consequently, our Shares offered in our IPO will be deposited directly with Bursa Depository. Any dealings in our Shares will be carried out in accordance with the SICDA and the Rules of Bursa Depository. We will not issue any share certificates to successful applicants.

Pursuant to the Bursa Securities LR, at least 25% of the total number of Shares for which listing is sought must be held by at least 1,000 public shareholders holding not less than 100 shares each at the point of our Listing. We expect to achieve this at the time of the Listing. In the event that the above requirement is not met, we may not be allowed to proceed with the Listing. Should such an event occur, we and the Selling Shareholders shall be jointly and severally liable to return in full, all monies paid in respect of any application for the IPO Shares and if such monies are not paid within fourteen (14) days after we and the Selling Shareholders become liable to do so, then pursuant to sub-section 243(2) of the CMSA, we, our officers, the Selling Shareholders and officers of the Selling Shareholders shall be jointly and severally liable to return such monies with interest at the rate of 10% per annum or such other rate as may be prescribed by the SC from the expiration of that period until full refund is made.

1. INTRODUCTION (Cont'd)

In the case of an application by way of Application Form, you should state your CDS account number in the space provided in the Application Form. If you do not presently have a CDS account, you must open a CDS account at an ADA before making an application for the Offer Shares and/or the Issue Shares. For an application by way of Electronic Share Application, only an applicant who has a CDS account number can make an Electronic Share Application and you should furnish your CDS account number to a Participating Financial Institution by way of keying in your CDS account number if the instructions on the ATM screen at which you submit your Electronic Share Application requires you to do so. In the case of an application by way of Internet Share Application, only an applicant who has a CDS account opened with an Internet Participating Financial Institution can make an Internet Share Application. Arising therewith, your CDS account number will automatically appear in the electronic IPO online Application Form. A corporation or institution cannot apply for the Issue Shares by way of Electronic Share Application or Internet Share Application.

IF YOU ARE IN ANY DOUBT ABOUT THIS DOCUMENT OR IN CONSIDERING YOUR INVESTMENT YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR ANY OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

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2. CORPORATE DIRECTORY

DIRECTORS

Name	Address	Occupation	Nationality
Dato' Sri Santhara Kumar a/l Ramanaidu <i>(Executive Director and Group Chief Executive Officer)</i>	Lot 300 Jalan Senyum Matahari Country Heights, Kajang 43000 Kajang Selangor Darul Ehsan Malaysia	Company Director	Malaysian
Yang Mulia Tunku Dato' Seri Kamel bin Tunku Rijaludin <i>(Independent Non-Executive Chairman)</i>	63, Jalan Setiakasih Bukit Damansara 50490 Kuala Lumpur Malaysia	Company Director	Malaysian
Yang Mulia Raja Mohd Azmi bin Raja Razali <i>(Non-Independent Non-Executive Director)</i>	No. 8, Jalan Kelawar 6/4 H 40000 Shah Alam Selangor Darul Ehsan Malaysia	Company Director	Malaysian
Richard Todd Scanlon <i>(Non-Independent Non-Executive Director)</i>	30, Lakeshore View, Singapore 098501	Company Director	American
Datuk Kamarudin bin Md. Ali <i>(Independent Non-Executive Director)</i>	12, Jalan Setia Bakti 10 Bukti Damansara 50490 Kuala Lumpur Malaysia	Company Director	Malaysian
Derby Russ Ng <i>(alternate director to Richard Todd Scanlon)</i>	#20-01, Millenia Tower, One Temasek Avenue, Singapore 039192	Company Director	Australian

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2. CORPORATE DIRECTORY (Cont'd)

AUDIT COMMITTEE

Name	Designation	Directorship
Datuk Kamarudin bin Md. Ali	Chairman	Independent Non-Executive Director
Yang Mulia Tunku Dato' Seri Kamel bin Tunku Rijaludin	Member	Independent Non-Executive Chairman
Yang Mulia Raja Mohd Azmi bin Raja Razali	Member	Non-Independent Non-Executive Director

NOMINATING COMMITTEE

Name	Designation	Directorship
Yang Mulia Tunku Dato' Seri Kamel bin Tunku Rijaludin	Chairman	Independent Non-Executive Chairman
Datuk Kamarudin bin Md. Ali	Member	Independent Non-Executive Director
Yang Mulia Raja Mohd Azmi bin Raja Razali	Member	Non-Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Yang Mulia Tunku Dato' Seri Kamel bin Tunku Rijaludin	Chairman	Independent Non-Executive Chairman
Datuk Kamarudin bin Md. Ali	Member	Independent Non-Executive Director
Yang Mulia Raja Mohd Azmi bin Raja Razali	Member	Non-Independent Non-Executive Director

2. CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARY** : Jasmindar Kaur a/p Sarban Singh
(MAICSA No. 7002687)
18, Jalan TK1/6
Taman Kinrara, 7th Mile, Jalan Puchong
47100 Puchong
Selangor Darul Ehsan
Malaysia
- REGISTERED OFFICE** : 25-5, Block H, Jalan PJU 1/37
Dataran Prima
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel. No.: (603) 7880 9318
Fax. No.: (603) 7880 6318
E-mail address: jasmin.kaur@jaschin.com.my
- HEAD OFFICE** : G-8, Jalan Kemacahaya 11
Taman Kemacahaya Batu 9
43200 Cheras
Selangor Darul Ehsan
Malaysia
Tel. No.: (603) 9080 5888
Fax. No.: (603) 9075 2995
E-mail address: info@masterskill.edu.my
Website: www.masterskill.edu.my
- SHARE REGISTRAR** : Symphony Share Registrars Sdn Bhd (378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel. No.: (603) 7841 8000
- AUDITORS AND REPORTING ACCOUNTANTS** : KPMG (AF No. 0758)
Level 10, KPMG Tower
8, First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel. No.: (603) 7721 3388
- PRINCIPAL BANKER** : CIMB Islamic Bank Berhad (671380-H)
10th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel. No.: (603) 2084 8888

2. CORPORATE DIRECTORY (Cont'd)

PRINCIPAL ADVISER : CIMB Investment Bank Berhad (18417-M)
5th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel. No.: (603) 2084 8888

RETAIL UNDERWRITER : CIMB Investment Bank Berhad (18417-M)
5th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel. No.: (603) 2084 8888

**JOINT GLOBAL CO-
ORDINATORS AND JOINT
BOOKRUNNERS FOR THE
INSTITUTIONAL OFFERING** : CIMB Investment Bank Berhad (18417-M)
5th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel. No.: (603) 2084 8888

: Goldman Sachs (Singapore) Pte.
1 Raffles Link
#07-01
Singapore 039393
Tel. No.: (65) 6889 1000

LEGAL ADVISER FOR THE IPO : Wong Beh & Toh
Level 12, West Block
Wisma Selangor Dredging
142-C, Jalan Ampang
50450 Kuala Lumpur
Malaysia
Tel. No.: (603) 2713 6050

**INTERNATIONAL LEGAL
ADVISER TO THE RETAIL
UNDERWRITER AND JOINT
GLOBAL CO-ORDINATORS
AND JOINT BOOKRUNNERS
FOR THE INSTITUTIONAL
OFFERING** : Milbank, Tweed, Hadley & McCloy LLP
30 Raffles Place
#14-00 Chevron House
Singapore 048622
Tel. No.: (65) 6428 2400

**MALAYSIAN LEGAL ADVISER
TO THE RETAIL
UNDERWRITER AND JOINT
GLOBAL CO-ORDINATORS
AND JOINT BOOKRUNNERS
FOR THE INSTITUTIONAL
OFFERING** : Wong & Partners
Level 21, Suite 21.01
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia
Tel. No.: (603) 2298 7888

2. CORPORATE DIRECTORY (Cont'd)

INDEPENDENT MARKET RESEARCH CONSULTANTS	:	Vital Factor Consulting Sdn Bhd (266797-T) 75C & 77C, Jalan SS22/19 Damansara Jaya 47400 Petaling Jaya Malaysia Tel. No.: (603) 7728 0248
ISSUING HOUSE	:	Malaysian Issuing House Sdn Bhd (258345-X) Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Malaysia Tel. No.: (603) 7841 8000
LISTING SOUGHT	:	Main Market of Bursa Securities
SHARIAH STATUS	:	Approved by the Shariah Advisory Council of the SC

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3. SUMMARY

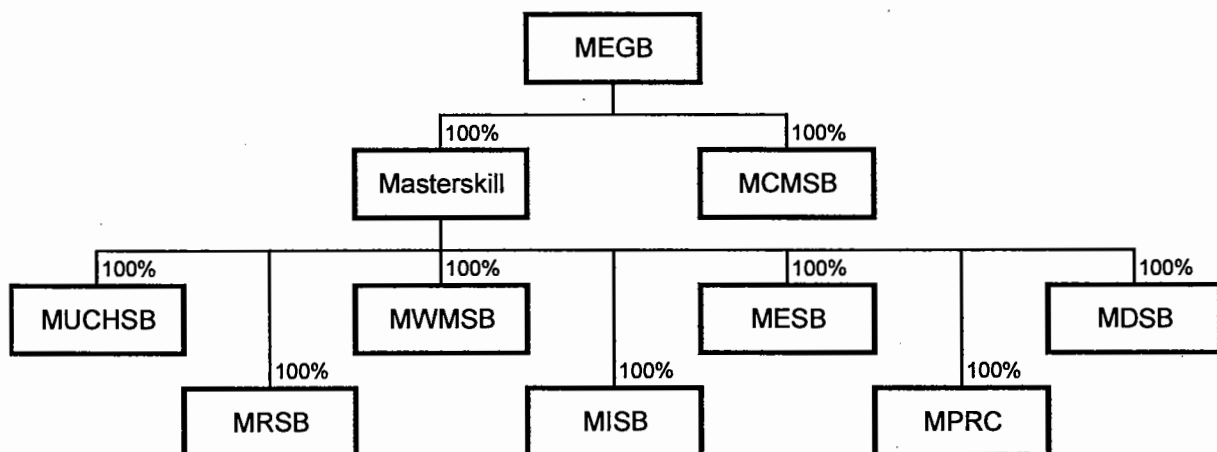
This section is only a summary of the salient information about us and the IPO and is extracted and summarised from the full text of this Prospectus. You should read and understand this section together with the entire Prospectus before you decide as to whether or not to invest in us.

3.1 OVERVIEW

Our Company was incorporated in Malaysia under the Act on 11 September 2006 as a private limited company under the name of Biogem Development Sdn Bhd. On 7 December 2007, our Company changed its name to Masterskill Education Group Sdn Bhd. On 18 July 2008, our Company was converted into a public limited company bearing our present name.

Our Company's principal activities are investment holding and the provision of management services while our Group is principally engaged in the provision of higher education and training in nursing and allied health sciences. Our mission is to develop skilled professionals for the fields of nursing and allied health.

Our Group structure can be depicted as follows:



We have been providing our services from our campus in Cheras, Selangor since June 2004. Since then, we have established four (4) additional satellite campuses in Peninsular and East Malaysia, located in Ipoh, Perak; Kota Kinabalu, Sabah; Kota Bharu, Kelantan; and Kuching, Sarawak

The nursing and allied health programmes that we have received MOHE approval for and which we offer at our Masterskill University College of Health Sciences are as follows:

- Eleven (11) diploma programmes, namely Diploma in Nursing, Diploma in Healthcare, Diploma in Environmental Health, Diploma in Medical Imaging, Diploma in Pharmacy, Diploma in Medical Laboratory Technology, Diploma in Physiotherapy, Diploma in Occupational Safety and Health, Diploma in Health Informatics, Diploma in Occupational Therapy and Diploma in Paramedic Science (Pre-Hospital Care);

3. SUMMARY (Cont'd)

- Eight (8) bachelor's degree programmes, namely, Bachelor of Science (Hons) in Environmental Health and Safety, Bachelor of Biomedical Science (Hons), Bachelor of Medical Imaging and Radiotherapy (Hons), Bachelor of Physiotherapy (Hons), Bachelor of Science (Hons) in Healthcare Management, Bachelor of Nursing (Hons) in collaboration with University of Sunderland, UK (Top-up Programme), Bachelor of Pharmacy (Honours) 4+0 in collaboration with La Trobe University, Australia and Bachelor of Health Science/ Master of Physiotherapy Practice in collaboration 4+0 with La Trobe University, Australia; and
- One (1) master's degree programme, namely Master of Science in Healthcare Management.

Although accreditation by the MQA is not a requirement for any programme to be conducted by an institution of higher education, we only begin conducting the programmes which we offer after receiving such accreditation. Accordingly, the degree and diploma programmes conducted by us have been approved by MOHE and either have full or provisional accreditation from the MQA.

In December 2004, the MOHE registered the Masterskill College of Nursing and Health as a PHEI. In July 2008, we received the MOHE's approval for the establishment of the Masterskill University College of Health Sciences. Our Cheras college campus was registered as a university college in July 2008. We are currently in the process of establishing a university college branch campus in Seri Alam, Johor which we expect will commence operations in 2010.

We are the leading operator in the nursing and allied health education industry in Malaysia, with a total of 17,059 full-time students enrolled in our diploma and degree programmes as at the Latest Practicable Date.

Our achievements have been recognised by various external bodies. Masterskill and Dato' Sri Edmund Santhara, our Group Chief Executive Officer, have received a number of awards and recognition. Further details of such awards and recognition are provided in Section 7.12 of this Prospectus.

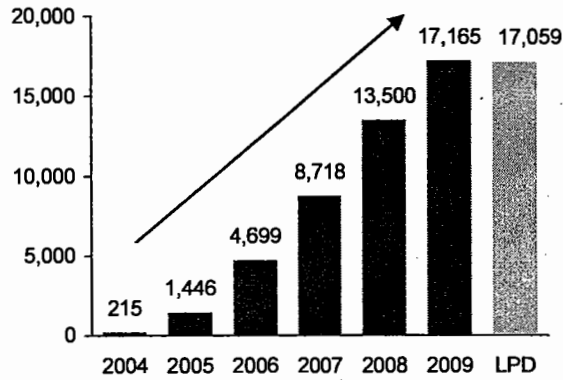
We firmly believe in being a good corporate citizen and as such we place a high degree of importance on our Corporate Social Responsibility ("CSR") activities. Over the years, we have contributed generously towards various educational, social and nation-building causes.

In the FYE 2010, our annual student intake and total student population are expected to increase with the establishment of our new campuses in Seri Alam, Johor and Kuching. Please see Section 7.5.7 of this Prospectus on campus location and facilities.

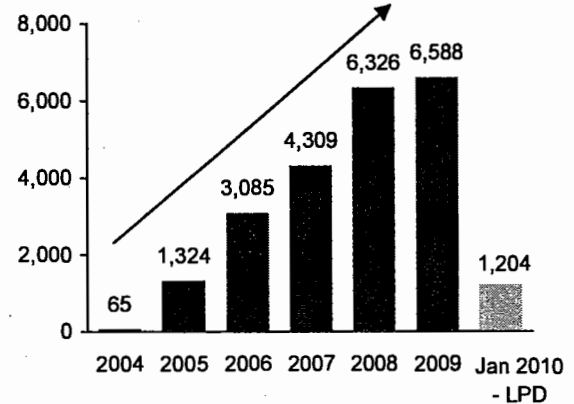
3. SUMMARY (Cont'd)

The growth in our total students, net student intake, student capacity and cumulative number of programme approvals from the FYE 2004 to the Latest Practicable Date are as follows:

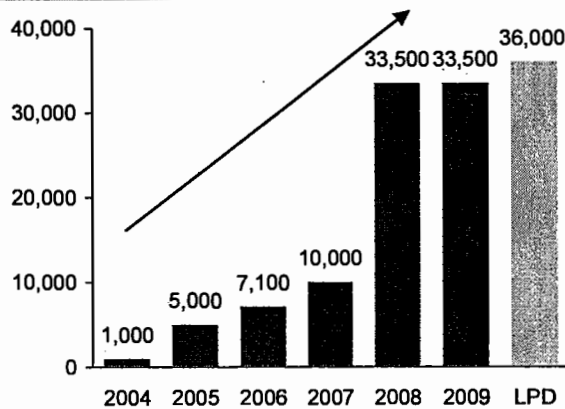
Total students ⁽¹⁾ (FYE 2004–LPD)



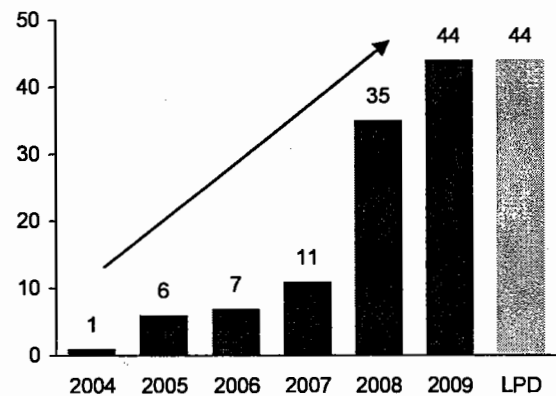
Net student intake ⁽²⁾ (FYE 2004–LPD)



Student capacity ⁽³⁾ (FYE 2004–LPD)



Cumulative programme approvals ⁽⁴⁾ (FYE 2004–LPD)



Notes:

- (1) Represents end of period student population.
- (2) Defined as gross student intake net of students withdrawn during the year/period.
- (3) Total student capacity in Cheras (15,000), Ipoh (12,500), Kota Kinabalu (3,500), Kota Bharu (2,500) and Kuching (2,500) campuses. Our Seri Alam, Johor campus has planned student capacity of 2,000 students and is expected to begin operations in 2010.
- (4) Includes programme approvals obtained by different campuses. As at the Latest Practicable Date, the new programmes submitted to the MQA which are being assessed are as follows:

Campus	Programmes	
Cheras	1	Diploma in Child Development - KA 10514
	2	Bachelor of Science (Hons) Forensic Science - KA 9832
	3	Bachelor of Pharmacy (Hons) - KA 10056
	4	Bachelor of Health Informatics (Hons) - KA 10243
	5	Bachelor of Science (Hons) Nursing - KA 10368
	6	Bachelor of Science (Hons) Paramedic Science - KA 10367
	7	Bachelor of Science (Hons) Occupational Therapy - KA 10554

3. SUMMARY (Cont'd)

Campus	Programmes	
	8	<i>Bachelor of Rehabilitation Care (Hons) - KA 10876</i>
	9	<i>Master of Nursing Community Health - KA 9906</i>
	10	<i>Master of Science by Research, School of Nursing - KA 10984</i>
	11	<i>Master of Science by Research, School of Pharmacy - KA 10985</i>
	12	<i>Master of Science by Research, School of Therapeutic Science - KA 10986</i>
	13	<i>Master of Science by Research, School of Biomedicine and Health - KA 10987</i>
	14	<i>Master of Science by Research, School of Health Science and Technology Studies - KA 10988</i>
	15	<i>Doctorate in Healthcare Management - KA 10943</i>
	16	<i>PhD by Research - KA 11044</i>
Kuching	1	<i>Diploma in Environmental Health – KA 11033</i>
	2	<i>Diploma in Pharmacy – KA 11086</i>

Please refer to Sections 7 and 12 of this Prospectus for detailed information on our Group and our Group's business.

3.2 COMPETITIVE STRENGTHS, FUTURE PLANS, STRATEGIES AND PROSPECTS

3.2.1 *Competitive Strengths*

- (i) Market leader in the Malaysian nursing and allied health education industry:
 - Largest nursing and allied health education provider by student enrolment;
 - Significant student capacity; and
 - Strong presence and brand recognition in Malaysia
- (ii) Quality nursing and allied health education:
 - Emphasis on quality;
 - Proprietary and industry relevant curriculum;
 - Qualified teaching staff;
 - Innovative technology and comprehensive teaching facilities;
 - Locally accredited programmes; and
 - Internationally relevant qualifications.
- (iii) Moderate barriers to entry:
 - Requirements on student intake quotas for nursing programme; and
 - Extensive network of clinical training sites.
- (iv) Highly scalable operating model:
 - Standardised operating procedures and in-house curriculum;
 - Enlarged campus capacity strategically located across Malaysia; and
 - Economies of scale.
- (v) Robust financial profile with proven track record:
 - Proven track record; and
 - High visibility in earnings and cash flows.
- (vi) Experienced management team and strong working relationships:
 - Experienced management; and
 - Strong working relationships with industry participants.

3. SUMMARY (Cont'd)

3.2.2 Future Plans and Strategies

- (i) Continue to pursue organic growth;
- (ii) Launch a university college campus offering degree level programmes and introducing new diploma programmes;
- (iii) Maximise auxiliary income and enhancing operational efficiencies;
- (iv) Increase our foreign student intake;
- (v) Establish overseas job placement alliances and presence;
- (vi) Diversify curriculum beyond nursing and allied health; and
- (vii) Strategic acquisitions in Malaysia and overseas.

Please refer to Sections 7.2 and 7.3 of this Prospectus respectively for detailed information on our competitive strengths and our future plans and strategies.

3.3 FINANCIAL INFORMATION

3.3.1 Audited Consolidated Income Statements

	← FPE →	← FYE →	
	2007	2008	2009
	(RM 000 except for share and margin data)		
Revenue	126,492	202,884	273,385
Cost of services	(43,290)	(77,642)	(102,373)
Gross profit	83,202	125,242	171,012
Administration expenses	(17,965)	(30,843)	(38,517)
Other operating expenses	(8,505)	(14,160)	(20,089)
Other operating income	1,221	1,014	99
Operating profit	57,953	81,253	112,505
Interest expense	(1,668)	(1,933)	(1,294)
Interest income	200	738	1,078
PBT	56,485	80,058	112,289
Taxation	(5,072)	(7,988)	(14,907)
PAT	51,413	72,070	97,382

3. SUMMARY (Cont'd)

	←-----FPE-----→	←-----FYE-----→	
	2007	2008	2009
	(RM 000 except for share and margin data)		
Amortisation of prepaid lease	-	92	78
Depreciation	6,229	8,647	11,095
EBITDA ⁽¹⁾	64,182	89,992	123,678
<u>Basic</u>			
No. of ordinary shares (000)	100	100	100
Gross EPS ⁽²⁾ (sen)	56,485	80,058	112,289
Net EPS ⁽³⁾ (sen)	51,413	72,070	97,382
<u>Diluted</u>			
Weighted average no. of ordinary shares and ICPS (000)	70,100	73,467	73,781
Gross EPS ⁽⁴⁾ (sen)	80.6	109.0	152.2
Net EPS ⁽⁵⁾ (sen)	73.3	98.1	132.0
No. of Shares assumed in issue ⁽⁶⁾ (000)	409,906	409,906	409,906
Gross EPS ⁽⁷⁾ (sen)	13.8	19.5	27.4
Net EPS ⁽⁸⁾ (sen)	12.5	17.6	23.8
Gross profit margin (%)	65.8	61.7	62.6
PBT margin (%)	44.7	39.5	41.1
PAT margin (%)	40.6	35.5	35.6
EBITDA margin (%)	50.7	44.4	45.2

Notes:

- (1) *EBITDA refers to our earnings before interest income, interest costs, taxation, depreciation and amortisation. Our EBITDA presented in this document is a supplemental measure of our performance and liquidity and is not required by, or presented in accordance with, financial reporting standards in Malaysia and should not be considered as an alternative to PAT, operating income, or any other performance measures derived in accordance with financial reporting standards in Malaysia or as an alternative to our cash flows or as a measure of our liquidity. In addition, EBITDA is not a standardised term; hence a direct comparison between companies using such a term may not be possible. Other companies may calculate EBITDA differently to us, limiting its usefulness as a comparative measure.*

We believe that presentation of EBITDA facilitates operating performance comparisons from period to period and from company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses) and the age and book depreciation of tangible assets (affecting relative depreciation expense).

3. SUMMARY (Cont'd)

The following is a reconciliation of our PBT to EBITDA:

	←---FPE--->	←-----FYE----->	
	2007	2008	2009
	RM 000	RM 000	RM 000
PBT	56,485	80,058	112,289
Amortisation of prepaid lease	-	92	78
Depreciation	6,229	8,647	11,095
Interest expense	1,668	1,933	1,294
Interest income	(200)	(738)	(1,078)
EBITDA	64,182	89,992	123,678

- (2) Computed as consolidated PBT divided by the number of ordinary shares.
- (3) Computed as consolidated PAT divided by the number of ordinary shares.
- (4) Computed as consolidated PBT divided by the number of ordinary shares and ICPS.
- (5) Computed as consolidated PAT divided by the number of ordinary shares and ICPS.
- (6) Being the number of MEGB Shares based on the enlarged issued and paid-up share capital after the Public Issue.
- (7) Computed as consolidated PBT divided by the number of MEGB Shares based on the enlarged issued and paid-up share capital after the Public Issue.
- (8) Computed as consolidated PAT divided by the number of MEGB Shares based on the enlarged issued and paid-up share capital after the Public Issue.

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3. SUMMARY (Cont'd)

3.3.2 Audited Consolidated Cashflow Statements

	←FPE→ 2007 RM 000	←FYE→ 2008 2009 RM 000 RM 000	
CASHFLOWS FROM OPERATING ACTIVITIES			
PBT	56,485	80,058	112,289
Adjustments for:			
Amortisation of prepaid lease payments	-	92	78
Depreciation	6,229	8,647	11,095
Loss on disposal of property, plant and equipment	109	98	-
Interest expense	1,668	1,933	1,294
Interest income	(200)	(738)	(1,078)
Property, plant and equipment written off	146	-	39
Operating profit before working capital changes	<u>64,437</u>	<u>90,090</u>	<u>123,717</u>
Changes in working capital:			
Inventories	(763)	857	-
Receivables, deposits and prepayments	(46,480)	(44,505)	(31,301)
Payables and accruals	23,825	17,479	22,638
Irredeemable convertible preference shares	-	12,885	-
Cash generated from operating activities	<u>41,019</u>	<u>76,806</u>	<u>115,054</u>
Income tax paid	(9,010)	(7,084)	(13,753)
Interest paid	(1,668)	(1,933)	(1,294)
Interest received	200	738	1,078
Net cash generated from operating activities	<u>30,541</u>	<u>68,527</u>	<u>101,085</u>
CASHFLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries	(69,279)	-	-
Pledged deposits placed with licensed banks	(12,697)	(435)	12,384
Proceeds from disposal of property, plant and equipment	145	**	-
Purchase of property, plant and equipment	(44,787)	(46,233)	(64,118)
Addition to prepaid lease	(6,409)	-	-
Proceeds from issuance of shares to minority interest	*	-	-
Net cash used in investing activities	<u>(133,027)</u>	<u>(46,668)</u>	<u>(51,734)</u>
* Represents RM30.00			
** Represents RM1.00			
CASHFLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of irredeemable preference shares	70,000	1,660	-
Proceeds from issue of ordinary shares	100	-	-
Proceeds from borrowings/ (Repayment of borrowings)	35,052	(21,118)	(4,360)
Proceeds from finance lease	491	3,118	(920)
Net cash from/ (used in) financing activities	<u>105,643</u>	<u>(16,340)</u>	<u>(5,280)</u>
Net increase in cash and cash equivalents	3,157	5,519	44,071
Cash and cash equivalents at date of incorporation/ 1 January	***	3,157	8,676
Cash and cash equivalents at 31 December	<u>3,157</u>	<u>8,676</u>	<u>52,747</u>
Cash and cash equivalents			
Deposits placed with licensed banks	12,697	14,122	35,738
Cash and bank balances	3,157	7,686	17,757
	<u>15,854</u>	<u>21,808</u>	<u>53,495</u>
Less: Deposits pledged with licensed banks	(12,697)	(13,132)	(748)
Cash and cash equivalents	<u>3,157</u>	<u>8,676</u>	<u>52,747</u>
*** Represents RM2.00			

3. SUMMARY (Cont'd)

3.3.3 Audited Consolidated Balance Sheets

	<-----As at 31 December----->		
	2007	2008	2009
	(RM 000 except for share data)		
Non-current assets			
Property, plant and equipment	70,017	107,504	163,164
Prepaid lease payments	6,409	6,316	6,239
Intangible assets	42,237	42,237	42,237
Total non-current assets	118,663	156,057	211,640
Current assets	84,517	134,392	197,883
Total current assets	84,517	134,392	197,883
Total assets	203,180	290,449	409,523
Equity			
Share capital	70,100	70,635	70,635
Share premium	-	1,124	1,124
Retained earnings	51,413	123,483	220,865
Total shareholders equity/NA	121,513	195,242	292,624
Non-current liabilities			
Borrowings	22,690	20,832	17,774
Deferred tax liabilities	1,765	2,943	4,600
Total non-current liabilities	24,455	23,775	22,374
Current liabilities	57,212	71,432	94,525
Total current liabilities	57,212	71,432	94,525
Total liabilities	81,667	95,207	116,899
Total equity and liabilities	203,180	290,449	409,523
Basic			
No. of ordinary shares (000)	100	100	100
NA per share ⁽¹⁾ (RM)	1,215.1	1,952.4	2,926.2
Diluted			
No. of ordinary shares and ICPS (000)	70,100	73,781	73,781
NA per share ⁽²⁾ (RM)	1.7	2.6	4.0
No. of Shares assumed in issue ⁽³⁾ (000)	409,906	409,906	409,906
NA per share ⁽⁴⁾ (RM)	0.3	0.5	0.7

Notes:

- (1) Computed as consolidated NA divided by the number of ordinary shares.
- (2) Computed as consolidated NA divided by the number of ordinary shares and ICPS.
- (3) Being the number of MEGB Shares based on the enlarged issued and paid-up share capital after the Public Issue.
- (4) Computed as consolidated NA divided by the number of MEGB Shares based on the enlarged issued and paid-up share capital after the Public Issue.

3. SUMMARY (Cont'd)

Please refer to Section 8 of this Prospectus for detailed financial information relating to us.

3.4 DIVIDEND POLICY

The declaration and recommendation of interim dividends and final dividends are subject to the discretion of our Board and any final dividend for a particular year is subject to the approval of our shareholders. It is our Directors' intention to pay dividends to our shareholders in the future to allow them to participate in our profits. However, our ability to pay dividends or make other distributions to our shareholders will depend upon a number of factors, including our earnings, capital requirements, general financial condition and our distribution reserves.

Considering our current financial position, our Directors intend to adopt a progressive dividend policy, subject to the factors stated in Section 8.2.2 of this Prospectus and in the absence of any circumstances which might reduce the amount of revenue reserve available to pay dividends, whether by losses, capital reduction or otherwise, we intend to begin paying dividends for the FYE 2010, and anticipate annual dividend payouts of approximately 50% to 60% of PAT from cash generated by our operations after setting aside the necessary funds for our expansion and working capital needs.

You should note that the foregoing statements are merely statements of our present intention and does not constitute a legally binding obligation in respect of our future dividends. Our dividend policy is subject to modification at our Directors' sole and absolute discretion.

No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

Please refer to Section 8.8 of this Prospectus for detailed information on our dividend policy.

3.5 DETAILS ON THE IPO

IPO: The Offer for Sale and the Public Issue.

Offer for Sale: Offer for sale by the Selling Shareholders of up to 164,000,000 Offer Shares at the Institutional Price to be determined by way of bookbuilding, subject to clawback and reallocation, to be allocated in the following manner:

- (i) 41,000,000 Offer Shares made available to Bumiputera institutional and selected investors approved by the MITI; and
- (ii) up to 123,000,000 Offer Shares made available to Malaysian institutional and selected investors and foreign institutional and selected investors outside the United States in reliance on Regulation S under the US Securities Act.

3. SUMMARY (Cont'd)

Public Issue: Public Issue of 41,000,000 Issue Shares, subject to clawback and reallocation, to be allocated in the following manner:

- (i) 25,500,000 Issue Shares made available to the Malaysian Public, our eligible employees and our Eligible Graduates at the Retail Price pursuant to the Retail Offering; and
- (ii) 15,500,000 Issue Shares made available to Malaysian institutional and selected investors and foreign institutional and selected investors outside the United States in reliance on Regulation S under the US Securities Act at the Institutional Price pursuant to the Institutional Offering.

Final Retail Price: The Retail Price is RM3.50 per Share. However, the Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date pursuant to a bookbuilding exercise. The Final Retail Price will be equal to the lower of:

- (i) the Retail Price; and
- (ii) 95% of the Institutional Price,

subject to rounding to the nearest sen.

In the event the Final Retail Price is lower than the Retail Price, the difference will be refunded to successful applicants without any interest thereon. The refund, which will be in the form of cheques will be despatched to successful applicants at their own risk.

Please refer to Section 4 of this Prospectus for detailed information relating to our IPO.

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3. SUMMARY (Cont'd)

3.6 UTILISATION OF PROCEEDS

Our Company will not receive any proceeds from the Offer for Sale. The gross proceeds from the Offer for Sale of up to RM574,000,000* arising from the Offer for Sale of up to 164,000,000 Offer Shares will accrue entirely to the Selling Shareholders.

The expected gross proceeds of RM143,500,000* arising from the Public Issue are expected to be fully utilised for our core business in the following manner:

	RM 000
Purchase of land and construction of buildings	115,000
Campus expansion	20,000
Working capital	3,000
Estimated listing expenses	5,500
Total gross proceeds	143,500

Note:

* We have assumed the Institutional Price and the Final Retail Price will be the Retail Price of RM3.50 per Share in arriving at this figure.

Please refer to Section 4.13 of this Prospectus for detailed information on the utilisation of proceeds from our Public Issue.

3.7 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risks of such an investment as summarised below. The following is not an exhaustive list of challenges that we currently face or that may develop in the future.

3.7.1 Risks relating to our Business and Operations

- (i) Regulatory;
- (ii) Financial aid;
- (iii) Affiliations, collaborations and strategic alliances;
- (iv) Reliance on our Directors and key management personnel;
- (v) Reliance on and supply of academic staff;
- (vi) Failure to improve or introduce new programmes and curriculum;
- (vii) Competition from local and foreign education providers;
- (viii) Dependence on ICT infrastructure;
- (ix) Infringement of intellectual property rights by third parties;

3. SUMMARY (Cont'd)

- (x) A decline in student enrolments will have a cyclical effect on our revenue;
- (xi) Failure to manage the expansion of our campus network;
- (xii) Failure to implement our growth strategy;
- (xiii) Dependency on suppliers;
- (xiv) SARS, avian flu, Influenza A (H1N1) and other infectious diseases;
- (xv) Capital commitments and interest rate fluctuations;
- (xvi) Insurance coverage; and
- (xvii) Risks relating to our Cheras campus.

3.7.2 Risks Relating to Our Shares

- (i) No prior trading market for our Shares;
- (ii) The volatility of the market price of our Shares;
- (iii) Control by existing shareholders;
- (iv) Delay or failure in our Listing; and
- (v) Payment of dividends.

3.7.3 Other Risks

- (i) Political, economic and social developments.

Please refer to Section 5 of this Prospectus for a detailed discussion on the risks associated with investing in our Company.

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4. DETAILS OF OUR INITIAL PUBLIC OFFERING

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, the IPO Shares are expected to be allocated/ transferred in the manner described below, subject to the clawback and reallocation provisions as set out in Section 4.3.3 of this Prospectus.

4.1 OPENING AND CLOSING OF APPLICATION

The bookbuilding for the Institutional Offering will begin on 22 April 2010 and will close on 5 May 2010 at such times or on such other dates as our Directors, the Selling Shareholders and the Joint Global Co-ordinators and Joint Bookrunners may decide in their absolute discretion.

Application for the Issue Shares under the Retail Offering will open at 10.00 a.m. on 26 April 2010 and will remain open until 5.00 p.m. on 3 May 2010 or such other date or dates as our Directors, the Retail Underwriter and the Joint Global Co-ordinators and Joint Bookrunners may decide in their absolute discretion.

In the event that the closing date and time for applications of either the Institutional Offering or the Retail Offering are extended, the closing date for the applications, the Price Determination Date and dates for the balloting of the Issue Shares, the allotment of the Issue Shares and the transfer of the Offer Shares and our Listing will be extended accordingly. We will announce any extension in a widely circulated Bahasa Malaysia language daily newspaper and a widely circulated English language daily newspaper within Malaysia.

4.2 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative dates:

Events	Date
Opening of Institutional Offering	22 April 2010
Issuance of Prospectus/Opening of Retail Offering	10.00 a.m., 26 April 2010
Closing of Retail Offering	5.00 p.m., 3 May 2010
Closing of Institutional Offering	5 May 2010
Price Determination Date	5 May 2010
Balloting of applications for the Issue Shares pursuant to the Retail Offering	6 May 2010
Allotment/Transfer of the IPO Shares to successful applicants	14 May 2010
Listing	18 May 2010

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (Cont'd)

4.3 OUR IPO

Our IPO comprises:

4.3.1 The Offer for Sale

An Offer for Sale by the Selling Shareholders of 67,000,000 Shares (in the case of Minimum Scenario) up to 164,000,000 Shares (in the case of Maximum Scenario) at the Institutional Price to be determined by way of bookbuilding, subject to clawback and reallocation, to be allocated in the following manner:

- (i) 41,000,000 Offer Shares (in the case of both Minimum Scenario or Maximum Scenario), representing 10.00% of the enlarged issued and paid up share capital of our Company to be made available to Bumiputera institutional and selected investors approved by the MITI; and
- (ii) 26,000,000 Offer Shares (in the case of Minimum Scenario) up to 123,000,000 Offer Shares (in the case of Maximum Scenario), representing 6.34% (in the case of Minimum Scenario) up to 30.01% (in the case of Maximum Scenario) of the enlarged issued and paid up share capital of our Company to be made available to Malaysian institutional and selected investors and foreign institutional and selected investors outside the United States in reliance on Regulation S under the US Securities Act.

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4. DETAILS OF OUR INITIAL PUBLIC OFFERING (Cont'd)

The details of the Shares offered by the Selling Shareholders in the Offer for Sale are as follows:

Minimum Scenario

Selling Shareholders	←----- Before IPO -----→		←----- Offer Shares -----→		←----- After IPO -----→	
	No. of Shares	%	No. of Offer Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
MCL	7,707,485	2.09	7,707,485	1.88	-	-
MHL	169,199,855	45.87	11,415,435	2.78	157,784,420	38.49
Dato' Sri Edmund Santhara	106,947,310	28.99	3,581,301	0.87	103,366,009	25.22
AHHL	17,042,920	4.62	1,781,697	0.43	15,261,223	3.72
REMA Capital Holdings	11,960,870	3.24	1,047,531	0.26	10,913,339	2.66
N3 (Cayman) Ltd	12,903,025	3.50	1,128,110	0.28	11,774,915	2.87
N4 (Cayman) Ltd	2,973,580	0.81	2,973,580	0.73	-	-
FEL	25,417,280	6.89	25,417,280	6.20	-	-
REMA II	3,800,160	1.03	3,800,160	0.93	-	-
AEIL	1,475,000	0.40	125,346	0.03	1,349,654	0.34
Ladang Naga	9,478,295	2.57	8,022,075	1.96	1,456,220	0.36
Total	N/A	N/A	67,000,000	16.35	N/A	N/A

Note:

(1) Based on the enlarged issued and paid-up capital of 409,905,780 Shares, i.e. after the Public Issue.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (Cont'd)

Selling Shareholders	<----- Before IPO ----->		<----- Offer Shares ----->		<----- After IPO ----->	
	No. of Shares	%	No. of Offer Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
MCL	7,707,485	2.09	7,707,485	1.88	-	-
MHL	169,199,855	45.87	80,991,485	19.76	88,208,370	21.51
Dato' Sri Edmund Santhara	106,947,310	28.99	16,396,231	4.00	90,551,079	22.09
AHHL	17,042,920	4.62	8,157,125	1.99	8,885,795	2.17
REMA Capital Holdings	11,960,870	3.24	4,795,898	1.17	7,164,972	1.75
N3 (Cayman) Ltd	12,903,025	3.50	5,164,813	1.26	7,738,212	1.89
N4 (Cayman) Ltd	2,973,580	0.81	2,973,580	0.73	-	-
FEL	25,417,280	6.89	25,417,280	6.20	-	-
REMA II	3,800,160	1.03	3,800,160	0.93	-	-
AEIL	1,475,000	0.40	573,868	0.14	901,132	0.22
Ladang Naga	9,478,295	2.57	8,022,075	1.96	1,456,220	0.36
Total	N/A	N/A	164,000,000	40.02	N/A	N/A

Note:

(1) Based on the enlarged issued and paid-up capital of 409,905,780 Shares, i.e. after the Public Issue.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (Cont'd)

Further details on each of our Selling Shareholders are set out below, except for MHL, Dato' Sri Edmund Santhara, AHHL and FEL, whose details are set out in Sections 13.3.2(i), 13.1.1(i), 13.3.2(ii) and 13.3.2(vii) of this Prospectus respectively.

(a) MCL

MCL is a shareholder of the Company and has been involved in the affairs and business of the Company since 29 November 2006. MCL was incorporated in the Cayman Islands on 30 August 2006 as a special purpose vehicle for the sole purpose of investing in MEGB. MCL has an authorized share capital of USD100,000, comprising 70,000 preferred shares of USD1.00 par value each and 30,000 ordinary shares of USD1.00 par value each, and a paid-up capital of USD2 comprising 2 ordinary shares of USD1.00 par value each.

As at the date of this Prospectus, the sole shareholder of MCL is Close Trustees (Cayman) Limited and the directors of MCL are Richard Scanlon and David Hand.

(b) REMA Capital Holdings

REMA Capital Holdings ("REMA") is an investment fund company registered in the Cayman Islands on 24 June 2008. Its registered address is at 1034 Georgetown, 4th Floor Harbour Place, 103 South Church Street, Grand Cayman KY1-1102, Cayman Islands. The fund is a special purpose vehicle established for the sole purpose of accumulating investor funds for investment. REMA has an authorised share capital of USD50,000 comprising of 49,000 Class A non-voting shares of USD1.00 par value each and 1,000 Class B voting shares of USD1.00 par value each. REMA has a total issued and paid up capital of USD2.00. As at the date of this Prospectus, the shareholder of REMA's voting shares and the sole director of REMA is Wee Jee Lan, Luana.

(c) N3 (Cayman) Ltd

N3 (Cayman) Ltd ("N3") is an investment fund company registered in the Cayman Islands on 11 June 2008. Its registered address is at 1034 Georgetown, 4th Floor Harbour Place, 103 South Church Street, Grand Cayman KY1-1102, Cayman Islands. The fund is a special purpose vehicle established for the sole purpose of accumulating investor funds for investment. N3 has an authorised share capital of USD50,000 comprising 49,000 Class A non-voting shares of USD1.00 par value each and 1,000 Class B voting shares of USD1.00 par value each. N3 has a total issued and paid up capital of USD2.00. As at the date of this Prospectus, the shareholder of N3's voting shares and the sole director of N3 is Sandro Alessandro Raniolo.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (Cont'd)

(d) N4 (Cayman) Ltd

N4 (Cayman) Ltd ("N4") is an investment fund company registered in the Cayman Islands on 17 June 2008. Its registered address is at 1034 Georgetown, 4th Floor Harbour Place, 103 South Church Street, Grand Cayman KY1-1102, Cayman Islands. The fund is a special purpose vehicle established for the sole purpose of accumulating investor funds for investment. N4 has an authorised share capital of USD50,000 comprising 49,000 Class A non-voting shares of USD1.00 par value each and 1,000 Class B voting shares of USD1.00 par value each. N4 has a total issued and paid up capital of USD2.00. As at the date of this Prospectus, the shareholder of N4's voting shares and the sole director of N4 is Sandro Alessandro Raniolo.

(e) REMA II Ltd

REMA II Ltd ("REMA II") is an investment fund company registered in the Cayman Islands on 29 December 2009. Its registered address is at Close Brothers (Cayman) Limited, Harbour Place, 103 South Church Street, P.O. Box 1034, Grand Cayman KY1-1102, Cayman Islands. The fund is a special purpose vehicle established for the sole purpose of accumulating investor funds for investment. REMA II has an authorised share capital of USD50,000 comprising 49,000 Class A non-voting shares of USD1.00 par value each and 1,000 Class B voting shares of USD1.00 par value each. REMA II has a total paid up capital of USD2.00. As at the date of this Prospectus, the shareholder of REMA II's voting shares and the sole director of REMA II is Wee Jee Lan, Luana.

(f) Asian Education Investments Ltd

Asian Education Investments Ltd ("AEIL") was incorporated in the Cayman Islands on 26 September 2007 and is principally an investment holding company. Its registered address is at 1034 Georgetown, 4th Floor Harbour Place, 103 South Church Street, Grand Cayman KY1-1102, Cayman Islands. AEIL has an authorised share capital of USD50,000, comprising 50,000 ordinary shares of USD1.00 par value each and an issued share capital of USD2 comprising 2 ordinary shares of USD1.00 par value each. As at the date of this Prospectus, the shareholders and directors of AEIL are John Michael Larson and Keith Kyoichi Ogata, each holding one (1) share in AEIL.

(g) Ladang Naga

Ladang Naga is a shareholder of the Company. Ladang Naga was incorporated in Malaysia on 15 September 2006 under the Act as a private limited company. The principal activity of Ladang Naga is investment holding.

As at the date of this Prospectus, the authorised share capital of Ladang Naga is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each, whereas the issued and paid-up share capital is RM2.00 comprising 2 ordinary shares of RM1.00 each. As at the date of this Prospectus, the shareholders and directors of Ladang Naga are YM Raja Azmi and Faridah binti Ahmad Kusasi, each holding one (1) share in Ladang Naga.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (Cont'd)

4.3.2 The Public Issue

The Public Issue of 41,000,000 Issue Shares, subject to clawback and reallocation, to be allocated in the following manner:

- (i) 25,500,000 Issue Shares, representing 6.22% of the enlarged issued and paid up share capital of our Company to be made available to the Malaysian Public, our eligible employees and Eligible Graduates at the Retail Price pursuant to the Retail Offering to be allocated via ballot; and
- (ii) 15,500,000 Issue Shares, representing 3.78% of the enlarged issued and paid up share capital of our Company to be made available to Malaysian institutional and selected investors and foreign institutional and selected investors and foreign institutional and selected investors outside the United States in reliance on Regulation S under the US Securities Act at the Institutional Price pursuant to the Institutional Offering.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date, and will equal the lower of:

- (i) the Retail Price; and
- (ii) 95% of the Institutional Price;

subject to rounding to the nearest sen.

In the event that the Final Retail Price per Share is lower than the Retail Price, the difference will be refunded to the successful applicants pursuant to the Retail Offering, without any interest thereon. The refund in the form of cheques will be despatched to the successful applicants at their own risk.

The Retail Price per Share, payable in full on application, is subject to refund of the difference in the event that the Final Retail Price is less than the Retail Price.

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4. DETAILS OF OUR INITIAL PUBLIC OFFERING (Cont'd)

In summary, the Offer Shares and Issue Shares will be allocated and allotted in the following manner:

Minimum Scenario

Categories	<-----Offer for Sale----->		<----- Public Issue----->		<-----Total----->	
	No. of Shares	% of enlarged share capital	No. of Shares	% of enlarged share capital	No. of Shares	% of enlarged share capital
Retail Offering						
Malaysian public (via balloting)						
- Bumiputera	-	-	10,250,000	2.50	10,250,000	2.50
- Non-Bumiputera	-	-	10,250,000	2.50	10,250,000	2.50
Eligible employees	-	-	3,000,000	0.73	3,000,000	0.73
Eligible Graduates	-	-	2,000,000	0.49	2,000,000	0.49
			25,500,000	6.22	25,500,000	6.22
Institutional Offering						
Bumiputera investors approved by MITI	41,000,000	10.00	-	-	41,000,000	10.00
Other investors	26,000,000	6.34	15,500,000	3.78	41,500,000	10.12
	67,000,000	16.34	15,500,000	3.78	82,500,000	20.12
Total	67,000,000	16.34	41,000,000	10.00	108,000,000	26.34

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4. DETAILS OF OUR INITIAL PUBLIC OFFERING (Cont'd)

Maximum Scenario

Categories	<-----Offer for Sale----->		<----- Public Issue----->		<-----Total----->	
	No. of Shares	% of enlarged share capital	No. of Shares	% of enlarged share capital	No. of Shares	% of enlarged share capital
Retail Offering						
Malaysian public (via balloting)						
- Bumiputera	-	-	10,250,000	2.50	10,250,000	2.50
- Non-Bumiputera	-	-	10,250,000	2.50	10,250,000	2.50
Eligible employees	-	-	3,000,000	0.73	3,000,000	0.73
Eligible Graduates	-	-	2,000,000	0.49	2,000,000	0.49
			25,500,000	6.22	25,500,000	6.22
Institutional Offering						
Bumiputera investors approved by MITI	41,000,000	10.00	-	-	41,000,000	10.00
Other investors	123,000,000	30.01	15,500,000	3.78	138,500,000	33.79
	164,000,000	40.01	15,500,000	3.78	179,500,000	43.79
Total	164,000,000	40.01	41,000,000	10.00	205,000,000	50.01

All the 25,500,000 Issue Shares offered under the Retail Offering have been fully underwritten. All the Shares offered under the Institutional Offering will be sold via a book-building exercise and have not been underwritten.

Details of the brokerage, placement fees, commission and others fees relating to the IPO are set out in Section 4.7 of this Prospectus.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (Cont'd)

4.3.3 Clawback and Reallocation

Any of the Issue Shares not taken up by our eligible employees and Eligible Graduates will be re-offered to our other eligible employees and Eligible Graduates. Any of the re-offered Issue Shares which are not taken up will be made available for application by the Malaysian Public under the Public Issue.

The Retail Offering and Institutional Offering shall be subject to the following clawback and reallocation provisions:

- (i) If the Shares allocated to the Bumiputera institutional and selected investors approved by MITI are not fully taken up by the said Bumiputera investors, subject to satisfying the excess demand of up to 10,250,000 Shares by Bumiputera retail investors under the Retail Offering as mentioned below, the Shares which are not taken up will be made available to other institutional investors in the manner approved by the relevant authorities;
- (ii) Subject to Section 4.3.3(i) above and in the event of an over-subscription in the Retail Offering (other than the offering to Bumiputera retail investors) and a corresponding under-subscription in the Institutional Offering (other than the offering to Bumiputera investors approved by MITI), the Shares may be clawed back from the Institutional Offering and allocated to the Retail Offering; and
- (iii) If there is an under-subscription in the Retail Offering and there is a corresponding over-subscription in the Institutional Offering, the Shares may be clawed back from the Retail Offering and allocated to the Institutional Offering.

The clawback and reallocation shall not apply in the event of over-subscription in both the Retail Offering and the Institutional Offering.

The SC has in its letter dated 18 March 2010 approved the clawback arrangement set out above subject to compliance with the letter of undertaking by MEGB dated 15 March 2010 whereby MEGB undertakes to the SC that in the event of an over-subscription of Shares in the Bumiputera balloting tranche under the Retail Offering ("**Bumiputera Retail Tranche**") and a corresponding under-subscription of Shares from the 41,000,000 Offer Shares offered to Bumiputera institutional investors approved by MITI ("**Bumiputera Institutional Tranche**"), up to 10,250,000 Shares will be clawed back from the shortfall under the Bumiputera Institutional Tranche and allotted to satisfy the excess demand under the Bumiputera Retail Tranche; and subject to satisfying the above condition, all the excess Shares not allotted under Bumiputera Institutional Tranche will be clawed back and allocated to other institutional investors under the Institutional Offering.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (Cont'd)

4.4 DETAILS OF OUR RETAIL OFFERING

We are offering 25,500,000 Issue Shares, representing 6.22% of our enlarged issued and paid-up share capital, under the Retail Offering to the following:

- (i) 20,500,000 Issue Shares, representing 5.00% of our enlarged issued and paid-up share capital, are available for application by Malaysian citizens, companies, co-operatives, societies and institutions, comprising the following:
 - (a) 10,250,000 Issue Shares, representing 2.50% of our enlarged issued and paid-up share capital, are set aside for Bumiputera individuals, companies, co-operatives, societies and institutions; and
 - (b) 10,250,000 Issue Shares, representing 2.50% of our enlarged issued and paid-up share capital, are available to Malaysian citizens, companies, co-operatives, societies and institutions.
- (ii) 3,000,000 Issue Shares, representing 0.73% of our enlarged issued and paid-up share capital, have been reserved for our 707 eligible employees who have been our confirmed employees since 30 June 2009 and have not submitted their resignation as at the Latest Practicable Date. The allocation to our eligible employees is based on their duration of service with us, their job grade and their contribution to our Group; and
- (iii) 2,000,000 Issue Shares, representing 0.49% of our enlarged issued and paid-up share capital, have been reserved for our 5,166 Eligible Graduates. Our graduates are eligible to apply for the Issue Shares if (i) they have been conferred with diplomas for programmes by Masterskill College of Nursing and Health or Masterskill University College of Health Sciences as at the Latest Practicable Date or (ii) completed their programmes as at 31 December 2009 but have yet to be conferred with their diplomas for programmes by Masterskill College of Nursing and Health or Masterskill University College of Health Sciences.

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4. DETAILS OF OUR INITIAL PUBLIC OFFERING (Cont'd)

4.5 SHARE CAPITAL

Upon the completion of the IPO, our share capital would be as follows:

	No. of Shares	RM
Authorised		
1,000,000,000 Shares	<u>1,000,000,000</u>	<u>200,000,000</u>
Issued and fully paid-up as at the date of this Prospectus	368,905,780	73,781,156
To be issued and fully paid-up pursuant to the Public Issue	<u>41,000,000</u>	<u>8,200,000</u>
Enlarged share capital upon Listing	<u>409,905,780</u>	<u>81,981,156</u>
Minimum Scenario		
To be offered pursuant to the Offer for Sale*	<u>67,000,000</u>	<u>13,400,000</u>
Maximum Scenario		
To be offered pursuant to the Offer for Sale*	<u>164,000,000</u>	<u>32,800,000</u>

Note:

* *The Offer for Sale would not have an effect on our issued and paid-up share capital as the Offer Shares are already in existence prior to the IPO.*

Based on the Retail Price, the market capitalisation of our Company on the Main Market of Bursa Securities upon Listing would be RM1.4 billion.

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4. DETAILS OF OUR INITIAL PUBLIC OFFERING (*Cont'd*)

4.6 CLASSES OF SHARES AND RANKINGS

As at the date of this Prospectus, we only have one (1) class of shares, being ordinary shares of RM0.20 each. The Issue Shares will, upon allotment and issue, rank equally in all respects with our other existing issued and paid-up ordinary shares including voting rights and will be entitled to all rights and dividends and distribution that may be declared subsequent to the date of allotment of the Issue Shares.

The Offer Shares will rank equally in all respects with our other existing issued and paid-up ordinary shares including voting rights and will be entitled to all rights and dividends and distribution that may be declared.

Upon allotment and issue, and subject to any special rights attaching to any shares that 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 in the form of dividends and other distributions and any surplus in the event of our liquidation, in accordance with our Articles.

At every general meeting, each of our shareholders shall be entitled to vote in person, by proxy or by attorney, and on a show of hands, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote and on a poll, every one of our shareholders present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each Share held. A proxy may but need not be a member of our Company.

4.7 BROKERAGE, PLACEMENT FEE AND UNDERWRITING FEE

Brokerage is payable by us in respect of the Issue Shares under the Retail Offering, at the rate of 1.0% of the Final Retail Price per Issue Share under the Public Issue for all successful applications which bear the stamp of either CIMB, a member of Bursa Securities, a member of the Association of Banks in Malaysia, a member of Malaysian Investment Banking Association or the Issuing House.

The Joint Global Co-ordinators and Joint Bookrunners are entitled to charge brokerage to successful applicants under the Institutional Offering. For avoidance of doubt, brokerage commission under the Institutional Offering will not be payable by us.

As stipulated in the Retail Underwriting Agreement, the Retail Underwriter has agreed to underwrite the Issue Shares issued or offered under the Retail Offering for an underwriting commission calculated at the rate of 2.5% of the Retail Price multiplied by the number of Shares issued or offered under the Retail Offering.

We and the Selling Shareholders will pay the Joint Global Co-ordinators and Joint Bookrunners a placement fee and selling commission of 2.5% and a discretionary fee of up to 0.5% of the amount equal to the Institutional Price multiplied by the number of Shares offered pursuant to the Institutional Offering on a pro-rated basis.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (Cont'd)

4.8 DETAILS OF THE UNDERWRITING AND LOCK-UP ARRANGEMENTS

4.8.1 Retail Underwriting

We and the Selling Shareholders have entered into a Retail Underwriting Agreement with the Retail Underwriter for the underwriting of the 25,500,000 Issue Shares to be offered under the Retail Offering.

Details of the Retail Underwriting Agreement and underwriting commission are set out in Sections 4.7 and 15 of this Prospectus respectively.

4.8.2 Placement

The Shares under our Institutional Offering are underwritten in respect of settlement risk by the Joint Global Co-ordinators and Joint Bookrunners as set out in the Placement Agreement.

4.8.3 Lock-up Arrangement

- (i) In connection with the Offering, our Company has agreed that it shall not, without the consent of the Joint Global Co-ordinators and Joint Bookrunners, during the period from the date hereof to the date falling 180 days from the date that the Shares are admitted to the Official List of the Main Market of Bursa Securities (both dates inclusive), issue, allot, offer, sell, contract to sell, hypothecate, pledge, mortgage, charge, assign, issue or sell options or contracts to purchase in respect of, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, or create any encumbrance over, lend or otherwise transfer or dispose of, or agree to transfer or dispose of, directly or indirectly, conditionally or unconditionally, or announce an offering or sale of, or file any registration statement with respect to, any Shares or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, the Shares (or any interest therein or in respect thereof) or enter into any swap, hedge or derivatives or other transaction or arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares (or any securities exercisable or exchangeable for or convertible into or that represents the right to receive, or are substantially similar to, the Shares), or deposit any Shares (or any securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, the Shares) in any depositary receipt facilities, whether any such transaction described above is to be settled by delivery of Shares or such other securities, in cash or otherwise or agree to do or publicly announce any intention to do, any of the foregoing. The foregoing restrictions do not, however, apply in respect of Shares to be issued by our Company pursuant to the Offering.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (Cont'd)

- (ii) In connection with the Offering, certain existing shareholders, namely Dato' Sri Edmund Santhara, AHHL, MHL and Ladang Naga have also entered into a shareholder lock-up agreement under which they have agreed that they shall not, and shall procure that their shareholders, affiliates and nominees or trustees holding Shares on trust for them or on their behalf shall not, without the consent of the Joint Global Co-ordinators and Joint Bookrunners, during the period from the date hereof to the date falling 180 days from the date that the Shares are admitted to the Official List of the Main Market of Bursa Securities (both dates inclusive), (a) offer, sell, contract to sell, hypothecate, pledge, mortgage, charge, assign, issue or sell options or contracts to purchase in respect of, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, or create any encumbrance over, lend or otherwise transfer or dispose of or agree to transfer or dispose of, directly or indirectly, conditionally or unconditionally, or announce an offering or sale of, or file any registration statement with respect to, any of the Shares owned by them or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, the Shares (or any interest therein or in respect thereof) or enter into any swap, hedge or derivatives or other transaction or arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares (or any securities exercisable or exchangeable for or convertible into or that represents the right to receive, or are substantially similar to, the Shares), or deposit any Shares (or any securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, the Shares) in any depositary receipt facilities, whether any such transaction described above is to be settled by delivery of Shares or such other securities, in cash or otherwise or agree to do or publicly announce any intention to do, any of the foregoing or (b) sell, transfer or otherwise dispose of any interest in any shares or interest in any company or other entity controlled by them which is directly, or through another company or other entity indirectly, the beneficial owner of any of such Shares. The foregoing restrictions do not, however, apply in respect of Shares to be sold pursuant to the Offering.

The Joint Global Co-ordinators and Joint Bookrunners at their sole discretion will be permitted to release any of the Shares or securities subject to these lock-up arrangements at any time without notice or consent.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (*Cont'd*)

4.9 OBJECTIVES OF OUR IPO

The objectives of our IPO are as follows:

- (i) to achieve listing status for our Company;
- (ii) to enhance the stature of our Company to market our services and expand our market position and student base;
- (iii) to enable us to access the capital markets for cost effective capital raising in order to give us the financial flexibility to pursue future growth opportunities;
- (iv) to provide an opportunity for the investing community, including the public and our eligible employees and Eligible Graduates to become our shareholders and participate in our future performance by way of equity participation; and
- (v) to raise funds for the purposes stated in Section 4.13 of this Prospectus.

4.10 BASIS OF ARRIVING AT THE RETAIL PRICE, FINAL RETAIL PRICE AND REFUND MECHANISM

4.10.1 Retail Price

With regard to the Retail Offering, applicants will initially pay the Retail Price of RM3.50 per Issue Share, which was determined and agreed upon by our Directors, the Principal Adviser, the Retail Underwriter and the Joint Global Co-ordinators and Joint Bookrunners after taking into consideration the following factors:

(i) Financial performance and history

Our Group's net EPS of 12.5 sen, 17.6 sen and 23.8 sen (based on our enlarged issued and paid up capital after the Public Issue) for FPE 2007, FYE 2008 and FYE 2009, respectively. For more details on our financial performance and history, please refer to Sections 8 and 9 of this Prospectus respectively.

(ii) Prospects of the industry

The future growth and outlook of the industry in which we operate, which is supported by factors such as the domestic deficit of nurses and allied health professionals relative to the MOH's targeted requirements, and the continuing need to train nurses and pharmacists as the Malaysian population is projected to increase. For more details, please refer to Section 6.8 of this Prospectus.

(iii) Competitive strengths, business strategies and future plans of MEGB

Our competitive strengths, including, among others, our position as the market leader in the Malaysian nursing and allied health education industry, and our business strategies and future plans such as the continuing pursuit of organic growth. For more details, please refer to Sections 7.2 and 7.3 of this Prospectus.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (Cont'd)

The Final Retail Price will be determined after the Institutional Price is determined on the Price Determination Date, and will be the lower of:

- (i) the Retail Price; and
- (ii) 95% of the Institutional Price;

subject to rounding to the nearest sen.

In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded to successful applicants, without any interest thereon. Please refer to Section 4.10.3 of this Prospectus for further details on the refund mechanism.

Prospective retail investors should be aware that the Final Retail Price will not in any event be higher than the Retail Price of RM3.50 per Share or lower than the par value of the Shares.

The Final Retail Price and the Institutional Price are expected to be announced within two (2) Market Days from the Price Determination Date in a widely circulated Bahasa Malaysia and English language daily newspaper within Malaysia. In addition, all successful applicants will be given written notice of the Final Retail Price and the Institutional Price together with the notices of allotment.

Applicants should also note that the market price of the Shares upon Listing is subject to the vagaries of market forces and other uncertainties which may affect the price of the Shares.

4.10.2 Institutional Price

The Institutional Price will be determined by a bookbuilding process wherein prospective institutional investors will be invited to bid for portions of the Institutional Offering by specifying the number of IPO Shares they would be prepared to acquire and the price they would be prepared to pay for the acquisition. This bookbuilding process commenced on 22 April 2010 and will end on 5 May 2010 or such date or dates as the Directors, the Selling Shareholders and the Joint Global Co-ordinators and Joint Bookrunners in their absolute discretion may decide. Upon the completion of the bookbuilding process, the Institutional Price will be fixed via agreement between our Directors and the Selling Shareholders in consultation with the Joint Global Co-ordinators and Joint Bookrunners on the Price Determination Date.

4.10.3 Refund Mechanism

In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded without any interest thereon. The refund will be made by cheques, which will be despatched by ordinary mail to the address of successful applicants as stated in the Bursa Depository's records for applications made via the Application Form, Electronic Share Application or Internet Share Application, within ten (10) Market Days from the final ballot of the application, at the successful applicants' own risk.

Prior to the IPO, there has been no trading market for our Shares within or outside Malaysia. You should also note that the market price of our Shares upon the Listing is subject to the vagaries of market forces and other uncertainties. You are reminded to consider carefully the risk factors as set out in Section 5 of this Prospectus.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (Cont'd)

4.11 DILUTION

Dilution is the amount by which the price paid by retail and institutional investors for our Shares exceeds our NA per Share after the IPO. Our NA per Share as at FYE 2009, as adjusted for the conversion of 73,681,156 ICPS into 73,681,156 ordinary shares of RM1.00 each in MEGB that was effected on 24 March 2010 ("**ICPS Conversion**") and the share split of one (1) existing ordinary share of RM1.00 each in MEGB held into five (5) Shares that was effected on 27 March 2010 ("**Share Split**") was approximately RM0.80.

After giving effect to the issue of 41,000,000 new Shares under the Public Issue, and after further adjusting for the estimated listing expenses, our proforma NA per Share as at FYE 2009 (based on an enlarged issued and paid-up share capital of 409,905,780 Shares) would have been RM1.08 per Share. This represents an immediate increase in NA per Share of RM0.25 to our existing shareholders and an immediate dilution in NA per Share of RM2.42, representing 69.1% of the Retail Price and the Institutional Price (assuming the Institutional Price and the Final Retail Price will be the Retail Price), to our retail and institutional investors. For NA per Share figures, please refer to Section 8.7 of this Prospectus.

The following table illustrates such dilution on a per Share basis assuming the Retail Price is equal to the Final Retail Price and Institutional Price:

	RM
Retail Price	3.50
Institutional Price	3.50
NA per Share as at FYE 2009 (as adjusted for the ICPS Conversion and the Share Split)	0.83
Proforma NA per Share as at FYE 2009 after giving effect to the IPO	1.08
Increase in NA per Share to existing shareholders	0.25
Dilution in NA per Share to retail investors	2.42
Dilution in NA per Share to institutional investors	2.42
Dilution in NA per Share to retail investors as a percentage to the Retail Price	69.1%
Dilution in NA per Share to institutional investors as a percentage to the Institutional Price	69.1%

The following table summarises the total number of shares acquired by our Directors, key management, substantial shareholders or persons connected to them during the period of three (3) years prior to the Latest Practicable Date and, the total consideration and the average price per share paid by each of them:

	No. of Shares	Consideration	Average price per Share
		RM	RM
MCL	7,707,485	1,930,337	0.25
Dato' Sri Edmund Santhara	106,947,310	26,784,894	0.25
MHL	169,199,855	42,376,009	0.25
AHHL	17,042,920	4,268,390	0.25
FEL	25,417,280	6,365,743	0.25
Ladang Naga	9,478,295	21,436,000	2.26

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (Cont'd)

Note:

The number of shares, consideration and average price per share disclosed above has been adjusted to take into account the share split.

Save as disclosed above, there has been no acquisition of any of our existing Shares by the Directors, key management, substantial shareholders or persons connected to them.

4.12 SUBSCRIPTION AMOUNT

In order to comply with the public spread requirement of Bursa Securities, the minimum subscription in terms of the number of shares to be acquired will be at least 108,000,000 Shares, being the number of Shares necessary to meet the minimum public shareholding spread required under the Bursa Securities LR.

The completion of the Retail Offering and Institutional Offering are inter-conditional and are subject to the occurrence of the minimum subscription as follows:-

- (i) full subscription of the 41,000,000 Issue Shares under the Public Issue; and
- (ii) the subscription of a least 67,000,000 Offer Shares under the Offer for Sale.

The minimum subscription amount had been determined based on the minimum estimated level of funds to be raised from the IPO and the number of shares required to meet the minimum public shareholding spread.

If the IPO Shares are not allotted pursuant to the IPO, monies paid in respect of any application for the IPO Shares will be returned in full without interest and if such monies are not returned in full within fourteen (14) days after we and/or the Selling Shareholders become liable to do so, we and the Selling Shareholders, shall be jointly and severally liable to return such monies in full with interest at the rate of 10% per annum pursuant to sub-section 243(2) of the CMSA or such other rate as may be prescribed by the SC upon expiration of that period until full refund is made.

4.13 UTILISATION OF PROCEEDS

Our Company will not receive any proceeds from the Offer for Sale. The gross proceeds from the Offer for Sale of up to RM574,000,000* arising from the Offer for Sale of up to 164,000,000 Offer Shares will accrue entirely to the Selling Shareholders.

The expected gross proceeds of RM143,500,000* arising from the Public Issue are expected to be fully utilised for our core business in the following manner:

	RM 000	%
Purchase of land and construction of buildings ⁽¹⁾	115,000	80.2
Campus expansion ⁽²⁾	20,000	13.9
Working capital ⁽³⁾	3,000	2.1
Estimated listing expenses ⁽⁴⁾	5,500	3.8
Total gross proceeds	143,500	100.0

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (Cont'd)

Notes:

* We have assumed the Institutional Price and the Final Retail Price will be the Retail Price of RM3.50 per Share in arriving at this figure.

(1) We propose to use part of the proceeds raised from the issue of the Issue Shares, together with internally generated funds and/or borrowings, to fund the purchase of land and the construction of buildings for our main campus. We are in the midst of identifying a suitable plot of land to acquire within the Klang Valley with a land size of approximately 50 acres for the construction of our main campus. We expect that our main campus will comprise an academic block of approximately 700,000 sq ft in built-up area and hostel facilities of approximately 1 million sq ft in built-up area. We estimated that the cost for the acquisition of the land and the construction of our main campus will be approximately RM30 million and RM250 million, respectively. All proceeds are expected to be utilised within a period of twenty four (24) months or be reallocated for use as working capital thereafter.

(2) We propose to use part of the proceeds raised from the Issue Shares to fund our campus expansion and improvement projects at our campuses including, without limitation, building extra classrooms and laboratories, and upgrading and providing additional facilities and equipments. Any proceeds not utilised within a period of twenty four (24) months will be reallocated for use as working capital.

(3) The remaining gross proceeds after allocating for purchase of land and construction of buildings, campus expansion and estimated listing expenses will be allocated for working capital purposes. If the actual listing expenses are higher than budgeted, the deficit will be funded out of working capital. However, if the actual listing expenses are lower than budgeted, the excess will be utilised for general working capital purposes for our Group to support our business operations, which include financing of daily operations, disbursing staff and student-related costs, other administration and operating expenses.

(4) Estimated Expenses of the IPO

The expenses of our IPO to be borne by us are estimated to be RM5.5 million and will comprise the following:

	RM million
Estimated professional fees	1.30
Brokerage, placement and underwriting fees	2.58
Other fees and expenses such as printing, advertising, travel and roadshow expenses incurred in connection with the IPO	1.02
Miscellaneous expenses and contingencies	0.60
Total estimated listing expenses	5.50

We expect to fully utilise the proceeds from the Public Issue to defray estimated expenses of the IPO within six (6) months from the date of Listing.

The Selling Shareholders will be bearing their own professional fees and miscellaneous expenses in respect of our IPO amounting to an estimate of RM12.5 million on a pro-rated basis, and the placement fee and selling commission and miscellaneous expenses in respect of the Offer for Sale amounting to an estimate of RM21.0 million on a pro-rated basis. Please refer to Section 4.7 of this Prospectus for details of the brokerage, placement fee and underwriting fee.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (Cont'd)

4.14 FINANCIAL IMPACT FROM UTILISATION OF PROCEEDS

Our utilisation of the proceeds from the Public Issue is expected to have the following financial impact on our Group:

(a) Increased Capacity

Part of our proceeds from the Public Issue will be allocated towards constructing a new purpose-built university campus, called Masterskill University College of Health Sciences, with an expected capacity to accommodate at least 20,000 students in addition to our campuses' current total capacity of 36,000 students and the expected capacity provided by our Seri Alam, Johor campus of 2,000 students. We are planning to offer at this university college four year degree level programmes, post-graduate programmes as well as top-up programmes for diploma students wishing to obtain a degree. Our revenue and profits are expected to increase in tandem with the potential increase in the number of students.

(b) Interest Savings

Part of the proceeds from the Public Issue will be used to finance our new purpose-built university campus and expand our campuses. With the IPO proceeds, we would enjoy savings in interest, which we would otherwise have to incur on incremental borrowings of approximately RM102 million to fund our new university campus and expansion plans. Based on an assumed interest rate of 4.5% per annum, we expect to enjoy interest savings of approximately RM4.6 million per annum.

(c) Enhancement of Capital Structure

With an increase in our shareholders' funds, our gearing is expected to drop. It is our objective to minimise our gearing to enable our Group to have the flexibility to expand our operations locally or overseas and to raise financing as and when attractive opportunities arise.

4.15 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon listing and quotation on Bursa Securities, the IPO Shares will be traded through Bursa Securities and settled by book-entry settlement through CDS, which is operated by Bursa Depository. This will be effected in accordance with the Rules of Bursa Depository for the operation of CDS accounts, as amended from time to time and the provisions of the SICDA. Accordingly, we will not deliver share certificates to subscribers for, or purchasers of, the IPO Shares.

Beneficial owners of Shares are required under the Rules of Bursa Depository to maintain the IPO Shares in CDS accounts, either directly in their name or through authorised nominees. Persons whose names appear in the Records of Depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective securities accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10.00 payable for each transfer not transacted on the market.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (Cont'd)

Shares held in CDS accounts may not be withdrawn from the CDS except in the following instances:

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List of Bursa Securities;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances determined by Bursa Depository from time to time, after consultation with SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares are required to trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the third (3rd) Market Day following the transaction date, and payment for the securities is generally settled on the third (3rd) Market Day following the transaction date.

It is expected that the Shares offered in the IPO will not commence trading on Bursa Securities until approximately twelve (12) Market Days after the close of the Retail Offering. Subscribers of the Shares will not be able to sell or otherwise deal in the Shares (except by way of book-entry transfer to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

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5. RISK FACTORS

Before investing in our Shares, you should pay particular attention to the fact that we, and to a large extent our operations, are subject to the legal, regulatory and business environment in Malaysia. Our business is subject to a number of factors, many of which are outside our control. Before making an investment decision, you should carefully consider, along with the other matters in this Prospectus, the risks and investment considerations set out below. The risks and investment considerations set out below are not an exhaustive list of the challenges that we currently face or may develop in the future. These and other risks, whether known or unknown, may have a material adverse effect on us or our Shares.

5.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS

5.1.1 Regulatory

We are subject to extensive regulation by governmental regulatory agencies and professional bodies such as the MOHE, the MQA and the Nursing Board of Malaysia. See Section 6.7 of this Prospectus for details of regulations on our business. The laws, regulations, standards and policies of the governmental regulatory agencies and professional bodies are subject to change, and changes in, or new interpretations of, applicable laws, regulations, standards or policies, or our non-compliance with any applicable laws, regulations, standards and policies, could have a material adverse effect on our registrations, licenses, accreditations, operations or business costs or our students' ability to participate in financial aid programmes. Furthermore, findings of non-compliance with these laws, regulations, standards and policies could also result in our being subject to fines, penalties, injunctions, limitations on our operations, termination of our registrations and approvals, revocation of the accreditation of our programmes or other censure that could have a material adverse effect on our business, financial conditions, results of operations and prospects.

Specific laws, regulations, standards and policies that have a material effect on our operations include:

(i) **Registration**

As a private institution of higher education in Malaysia, we are required to be registered with and licensed by the MOHE under the Private Higher Education Institutions Act 1996 for each of our campuses. However, we may not be able to obtain new registrations or maintain or renew our existing registrations with the MOHE, and if this occurs we may not be able to expand or be forced to suspend our operations temporarily or indefinitely. See Section 6.7.1 of this Prospectus for details of MOHE registration requirements.

(ii) **Accreditation**

Although accreditation is not a requirement for any programme to be offered by an institution of higher education, it is a formal recognition that a programme is in compliance with the higher standards prescribed by the MQA and is an important distinguishing factor of our business. The MQA may impose conditions on an accredited programme and may revoke a programme's accreditation if these conditions are breached. See Section 6.7.2 of this Prospectus for details of MQA's quality standards.

5. RISK FACTORS (Cont'd)

All programmes that we currently conduct are either accredited or provisionally accredited by the MQA and our student enrolment, to a large extent, depends on our ability to maintain such accreditation with the MQA. The revocation of accreditation of any of our programmes would result in our students under such programmes not being eligible for loans from PTPTN. Since most of our students rely on such loans to fund their education, this will in turn, adversely affect our enrolment of students in such programme. Further, the accreditation of a programme may be a factor considered by employers in their recruitment process and the absence of accreditation may be a disadvantage to graduates in their applications for employment. As such, programmes which lack accreditation would be less attractive to prospective students.

For the above reasons, particularly because 94.9% of our students received loans from PTPTN as at 31 December 2009, it is critical that we maintain the accreditation of our programmes and procure the accreditation of our future programmes. While we are currently in compliance with MQA's requirements, there can be no assurance that we will be able to continue doing so or to comply with any changes to the conditions or any additional conditions imposed. A revocation of the accreditation of one or more of our programmes may materially and adversely affect our reputation, business, financial conditions, results of operations and prospects.

(iii) Ratio

We are subject to certain ratio requirements in relation to certain programmes set by the relevant bodies such as the Nursing Board of Malaysia and the MQA.

(a) Bed-to-Student Ratio

For our nursing programmes, the MOH has specified a minimum ratio of hospital beds to students undergoing clinical attachment at government and private hospitals and healthcare providers (the "**Bed-to-Student Ratio**"). See Section 6.7.4 of this Prospectus for details on the Bed-to-Student Ratio requirement. As such, the number of students who can undergo nursing clinical attachment depends on the number of hospital beds made available to us in government and private hospitals and by other healthcare providers. While we currently have sufficient clinical attachment spaces for our nursing students, there can be no assurance that we will be able to continue to procure sufficient clinical attachment spaces for all our nursing students or that there will not be any reduction to the Bed-to-Student Ratio imposed. If this were to occur, we will not be able to increase the number of our nursing students and may even have to reduce the number of such students.

5. RISK FACTORS (Cont'd)

(b) Teaching Ratio

The MQA has specified a minimum ratio on the number of lecturers or clinical instructors to students for each class ("Teaching Ratio"). While we endeavour to ensure that the conduct of our classes are within the Teaching Ratio, our ability to recruit additional students depends on whether we are able to recruit the necessary lecturers and clinical instructors to ensure that we are within the Teaching Ratio imposed. If we are unsuccessful in recruiting additional lecturers or clinical staff, our ability to increase our student enrolment will be affected and this may materially and adversely affect our growth and prospects. In addition, although continuous efforts have been made to retain our existing academic staff and recruit suitable new lecturers or clinical instructors, we cannot assure you that such measures will be successful or effective.

(c) Student Quota

The Nursing Board of Malaysia also imposes a quota on the number of students that may be enrolled in a nursing diploma programme each year based on the number of lecturers/clinical instructors at an institution and other factors. Currently, the quota for all our campuses in aggregate is 3,140 students a year. See Section 6.7.4 of this Prospectus for further details on the nursing student quota. Our ability to recruit more nursing students and generate additional revenue from our nursing programme is limited by such quota, which may inhibit our growth and adversely affect our prospects. While we will endeavour to increase the number of our lecturers/clinical instructors, there can be no assurance that the quota imposed by the Nursing Board of Malaysia will be increased accordingly or that it will not be reduced.

5.1.2 Financial Aid

As almost all of our students depend on loans from PTPTN or sponsorships from public and private hospitals in order to finance their tuition fees, we are heavily dependent on such entities continuing to grant study loans or sponsorships. We are particularly dependent on PTPTN as 94.9% of our students relied on student loans from this agency as at 31 December 2009. The Malaysian government and the public and private hospitals may from time to time review their policies and eligibility criteria relating to the giving of loans or sponsorships. If these policies or eligibility criteria are varied such that it becomes more difficult for our students to obtain the loans or sponsorships that they need or limit the availability of such loans or sponsorships to our students or if PTPTN's student loan scheme is discontinued for whatever reason, and no equivalent national higher education fund is set up in its place, our business, financial condition, results of operations and prospects would be adversely affected. For further details on PTPTN's student loans, please refer to Section 6.7.6 of this Prospectus.

5. RISK FACTORS (Cont'd)

5.1.3 Affiliations, collaborations and strategic alliances

Currently, we benefit from various affiliations, collaborations and strategic alliances with Malaysian governmental and private hospitals and various parties involved in the higher education or healthcare industries (“Affiliations”). Our Affiliations with Malaysian governmental and private hospitals and healthcare providers offer our students the benefit of practical experience under the supervision of instructors in a clinical setting. The ability to provide our students with such practical training is critical to our business as it is a mandatory component of our nursing programme imposed by the Nursing Board of Malaysia. Our Affiliations with foreign education institutions enable our students to enrol in and graduate from foreign programmes awarded by such foreign institutions locally at an affordable cost.

While we currently have strong working relationships with these hospitals and institutions, there can be no assurance that such Affiliations will continue or be renewed. In addition, some of the Affiliations impose certain terms and conditions on us or require us to comply with certain minimum standards of operation in respect of the programmes we conduct. If we fail or are unable to abide by the terms and conditions of the Affiliations, they may be terminated. If any of our Affiliations are terminated or if we are unable to renew any Affiliations when the agreements governing them expire, our business, financial condition and prospects may consequently be materially and adversely affected.

5.1.4 Reliance on our Directors and key management personnel

Our success thus far has been achieved with the contributions of our Directors and key management and our continued success depends to a significant extent, upon their abilities and continued efforts. Please refer to Sections 13.1.1. and 13.2.1 of this Prospectus for the profiles of our Directors and key management personnel and their respective experience within our industry. If we lose any of our Directors or key management personnel without a suitable replacement or are unable to attract and retain qualified personnel, our business, financial conditions, results of operations and prospects could be adversely affected.

In particular, we rely on our Group Chief Executive Officer, Dato’ Sri Edmund Santhara, who has overseen our rapid growth over the last five (5) years since he joined us in October 2004. Dato’ Sri Edmund Santhara is a leading entrepreneur whose leadership and business skills have been recognised not just within our industry. He was awarded the Ernst & Young Entrepreneur of the Year award, Malaysia and Ernst & Young Emerging Entrepreneur of the Year award in 2007 and in 2008, he was awarded the Outstanding Young Malaysian Award, Outstanding Young Malaysian Award World Champion and Technology Business Review ASEAN Award 2008 for Leadership in the Manpower Development Sector. If we were to lose the services of Dato’ Sri Edmund Santhara and are unable to recruit a suitable replacement with similar leadership qualities and ability, our success or growth may be adversely affected.

5. RISK FACTORS *(Cont'd)*

5.1.5 Reliance on and supply of academic staff

Our academic staff is critical to maintaining the quality of our programmes as well as our brand and reputation. We must continue to attract qualified academic staff who have a strong command of the subject areas to be taught and meet our qualification requirements. We also seek to hire academic staff who are capable of delivering innovative and inspirational instruction. There is limited number of academic staff in Malaysia with the necessary experience to teach our programmes and we must provide competitive compensation packages to attract and retain these qualified academic staff. To maintain the academic quality of our academic staff, we also need to provide continuous training to our academic staff so that they can stay abreast of changes in student demands, admissions and assessment tests, admission standards and other key trends necessary to effectively teach their respective programmes.

We may not be able to hire, train and retain sufficient qualified academic staff to keep pace with our anticipated growth while maintaining consistent teaching quality across our multiple campuses and programmes. If we fail to maintain and grow our team of academic staff and ensure that they are qualified and equipped with the necessary skills to train our students, the quality of our programmes and our ability to attract new students will be adversely affected. This will in turn materially and adversely affect our business, financial conditions, results of operations and prospects.

As highlighted in Section 5.1.1(iii)(b) of this Prospectus, we are required to maintain the Teaching Ratio specified by the MQA. If we are unable to retain our academic staff or are unable to increase our team of academic staff in line with our growth, our Teaching Ratio would fall and if it falls below the Teaching Ratio prescribed by the MQA, the accreditation of our programmes could be revoked by the MQA. This would also have an adverse affect on our ability to attract new students and could adversely affect our business, financial conditions, results of operations and prospects.

5.1.6 Failure to improve or introduce new programmes and curriculum

Unforeseen trends and demands in the global economy and rapid developments in the nursing and allied health industry may change the type of skills expected of a nursing and allied health professional in the marketplace. This requires us to continually develop, update and enhance our teaching programmes, programme curriculum and programme materials and to tailor them to the needs and demands of the nursing and allied health job market. We may not be able to update our programmes or develop new programmes on a cost-effective basis or in a timely manner, or at all, to keep pace with changes in market expectation. If we fail to track and respond to these changes, our teaching programmes could become less attractive to students and cause us to lose our market share, which could in turn have a material and adverse effect on our business, financial conditions, results of operations and prospects.

5. RISK FACTORS (Cont'd)

5.1.7 Competition from local and foreign education providers

While the provision of nursing and allied health education may be a specialised and niche market, we are not the sole provider of nursing and allied health education and are subject to competition from other institutions of higher education offering similar programmes. Our current competitors include both private (local and foreign) and public universities and colleges located in Malaysia. Our direct competitors are principally exclusive providers of nursing and allied health education who compete with us within the same market.

In addition, we also compete with multi-disciplinary institutions of higher education, which may increase their capacities and diversify their programmes to include nursing and allied health programmes, thus directly competing with us. Some of these institutions have significantly greater financial and other resources than we do and there can be no assurance that we will be able to effectively compete with such institutions should they choose to focus on programmes covering nursing and allied health.

In addition, globalisation and increased affluence in Malaysia has made access to foreign education providers more affordable. As such, we also face competition from foreign universities and colleges. Our future plans include expanding our campuses to operate outside Malaysia (whether directly or indirectly) and we expect to face increased direct competition from foreign universities and colleges in the jurisdictions that we expand to.

5.1.8 Dependence on ICT infrastructure

We depend on ICT throughout all our campuses in our day to day business and operations. The use of ICT in our customised administration system, for example, enables us to manage the movement of students on clinical attachments at various hospitals and healthcare centres, monitor the availability of classrooms as well as record the attendance of students. Our lectures and classes are enhanced by the use of our wireless teaching aids in science laboratories and LCD projectors, all of which draw upon the teaching materials from our servers. An extensive network of closed-circuit television surveillance cameras in all our campuses also provides a safer environment for our students and staff.

Any damage to or failure of any part of our ICT infrastructure could result in interruptions in our classes and business operations. Repairs or restoration works may be costly and time consuming depending on the severity of such damage or failure. Should the damage or failure persist, the administration and operation of our campuses could be materially and adversely affected.

While we have in place such measures as set out in Section 7.9 of this Prospectus, we cannot assure you that such measures will be sufficient to mitigate the damage or failures which we might experience or that we will be successful in reducing the frequency or duration of the damage or failure of our ICT infrastructure.

5. RISK FACTORS (Cont'd)

We are also exposed to the risk of unauthorised access, computer viruses, accidental or intentional actions and other disruptions in our ICT infrastructure. Despite a variety of network security and alternative measures taken by us, such as the installation of firewalls and virus protection systems, we cannot assure you that the steps taken by us are sufficient to protect our ICT infrastructure. Advances in computer capabilities, new discoveries in the field of cryptography or other developments may result in a compromise or breach of the technology that we use to protect the data stored on our computers and servers.

If we are unable to address any attacks, damage or failure in our ICT infrastructure effectively and in a timely manner, our business and operations may be materially and adversely affected.

5.1.9 Infringement of intellectual property rights by third parties

We have developed and used various intellectual property in connection with our business, such as our internally developed software applications for college management, the content of our curriculum, including teaching materials, and our clinical practice manuals. In order to strengthen our brand, we have also applied to register our brand name and logo, "Masterskill," and other associated logos and marks. Further details on our intellectual property are set out in Section 7.18 of this Prospectus.

While measures have been taken to safeguard our intellectual property rights and such intellectual property are protected by Malaysian law, there can be no assurance as to their adequacy and effectiveness in preventing third parties from infringing our intellectual property rights by copying or pirating our intellectual property. Further, if there are any disputes as to the ownership of an intellectual property right, the resolution of such disputes, by litigation or otherwise, may be time consuming and costly. Due to the nature of the intellectual property that we create, we are also susceptible to claims by third parties that we have infringed their intellectual property rights. If we are found to be in violation of a third party's intellectual property right, we may be required to pay damages to the third party as well as cease using such intellectual property. This could have an adverse effect on our business, financial condition and operations.

As we have plans to set up campuses in various other jurisdictions such as Indonesia, China and the Indian sub-continent, there is also a risk that intellectual property infringements may occur in those countries. There can be no assurance that our intellectual property rights will be or are capable of being protected in other jurisdictions.

5.1.10 A decline in student enrolments will have a cyclical effect on our revenue

The programmes which we offer are designed to be completed within a particular timeframe of generally three (3) years. As such, the effect of a drop in student enrolments in a year for a particular programme on our financial condition would persist for the remaining years of the programme due to the recurring nature of education revenue. We have sought to minimise this risk by increasing the number of intakes a year. This measure is further reinforced by our marketing initiatives. However, there can be no assurance that our efforts to minimise this risk and to increase the number of intakes each year will be successful.

5. RISK FACTORS (Cont'd)

5.1.11 Failure to manage the expansion of our campus network

We have increased the number of our campuses in Malaysia from one (1) in Cheras in 2004 to five (5) as at the Latest Practicable Date. These campuses are located in different parts of East and Peninsular Malaysia in Ipoh, Kota Bahru, Kota Kinabalu and Kuching. We also expect our sixth campus, located in Seri Alam, Johor, to commence operations in 2010 and plan to expand our operations overseas. The expansion of our campus network over the last five (5) years has resulted, and will continue to result, in substantial demands on our management, faculty, operational, technological and other resources. Our planned expansion will also require greater co-ordination and place significant demands on us to maintain the consistency of our teaching quality and our culture to ensure that our brand does not suffer as a result of any reduction, whether actual or perceived, in our teaching quality. To manage and support our growth, we must improve our existing operational, administrative and technological systems and financial and management controls, and recruit, train and retain additional qualified academic staff and management personnel as well as other administrative and sales and marketing personnel, particularly as we expand into new markets. We cannot assure you that we will be able to effectively and efficiently manage the growth of our business, recruit and retain qualified academic staff and management personnel and integrate new schools and learning centres into our operations. Any failure to effectively and efficiently manage our expansion may materially and adversely affect our ability to capitalise on new business opportunities, which in turn may have a material adverse impact on our financial condition and results of operations.

5.1.12 Failure to implement our growth strategy

Successful implementation of our growth strategy is important to our long-term success. Our growth strategy includes expanding overseas, introducing new programmes, further pursuing organic growth, establishing overseas student placement alliances and franchising our programmes overseas. These plans will require our management's attention and the allocation of significant resources. If our growth strategy is not implemented successfully, our growth may be impaired and resources that have been expended may not yield any return for us, both of which may materially and adversely affect our business, financial condition, results of operations and prospects.

Our expansion plan includes operating our business outside Malaysia. However, we do not have any experience operating outside Malaysia and may face challenges caused by distance, language and cultural differences as well as legal and regulatory restrictions, among others.

5.1.13 Dependency on suppliers

We are dependent on our suppliers for student hostel accommodation and transportation services. In particular, we are dependent on one major supplier, West Mount Logistics Sdn Bhd, which rents accommodations to us which we use as student hostel accommodation for students at our Cheras campus. Our payments to West Mount Logistics Sdn Bhd accounted for more than 10% of our purchases during the FYE 2008 to 2009 as detailed in Section 7.17 of this Prospectus.

5. RISK FACTORS (Cont'd)

Our success and growth depend on, among others, the availability of affordable accommodation for our students and reliable transportation services for our students between their place of accommodation, our campus and clinical posting sites. Increases in rent and the cost of transportation will affect our profitability, business operations and future prospects.

There can be no assurance that there will always be available student accommodation that is affordable and close to our campuses or that any of our suppliers will be able to continue identifying accommodation acceptable to us for use as student hostel in the future. There can also be no assurance that our suppliers will continue to renew their contracts to provide accommodation and transportation services to us. Any failure to procure acceptable, affordable and/or reliable student hostel accommodation or transportation services for our students may materially and adversely affect our business, reputation, financial condition, results of operations and prospects.

5.1.14 SARS, avian flu, Influenza A (H1N1) and other infectious diseases

Countries in Asia, including Malaysia, have been adversely affected by outbreaks of infectious diseases over the past decade. The outbreak in 2003 of Severe Acute Respiratory Syndrome ("SARs"), a highly contagious form of a typical pneumonia, in China and other parts of Asia, including Malaysia, had a significant adverse impact on a variety of businesses and the economy generally. During the last three (3) years, large parts of Asia have also experienced outbreaks of the H5N1 virus ("avian influenza"). Several cases of bird-to-human transmission of avian influenza have been reported. The World Health Organisation (the "WHO") and other agencies continue to issue warnings of a potential avian influenza pandemic if there are sustained human-to-human transmissions. No fully effective avian flu vaccines have been developed and an effective vaccine may not be discovered in time to protect against a potential pandemic.

More recently, in 2009, there was a global outbreak of the H1N1 influenza A virus ("swine flu"). In May 2009, the first cases were detected in Asia, and in June 2009, the WHO raised the swine flu alert to its highest level, stating that the avian flu virus had spread to enough countries to be considered a global pandemic.

Due to the nature of our business, which involves the gathering of our academic staff and students in confined areas and the potential exposure of our nursing students to viruses at hospitals and health centres, an outbreak of avian flu, SARs, swine flu or other infectious disease may result in the quarantine of our staff and students, the temporary closure of one or more of our campuses or the suspension of our programmes.

The outbreak of an infectious disease in Malaysia or elsewhere could also have a negative influence on potential students when they decide whether or not to pursue a career in nursing or allied health because of the association of such professions with hospitals and clinics where there is a higher concentration of patients with such infectious diseases.

If any of the above were to occur, our business, financial condition, results of operations and prospects could be materially and adversely affected.

5. RISK FACTORS (Cont'd)

5.1.15 Capital commitments and interest rate fluctuations

We have received certain banking facilities for purposes of our expansion and the development of our local campuses. Although these facilities are Islamic banking facilities, the profit rates charged by the bank are pegged against the bank's cost of funds, which are subject to fluctuation. Accordingly, we are exposed to changes in the bank's cost of funds. We may also from time to time obtain banking facilities which may expose us to fluctuations in interest rates. While our management endeavours to keep itself informed of the interest rate environment and takes steps which it considers appropriate and cost-effective in order to minimise our exposure to the risk of interest rate fluctuations and ensure that the purpose for which the funds are used will cover the cost of our investment, there can be no assurance that financing at low rates of interests will be available.

5.1.16 Insurance coverage

As with any business, we are subject to various risks in relation to our business and assets, including the risk of damage or destruction due to fire, burglary, loss or damage to our machinery, equipment and property such as our medical and laboratory equipment and ICT equipment, public liability with regard to accidents at our premises, and claims in relation to the negligence of our students attending practical training at designated hospitals.

While we maintain insurance policies to cover many of these risks, if any of these events were to occur, there can be no assurance that our insurance coverage would be adequate to offset the potential financial loss in its entirety and the loss of reputation relating to the reliability of our colleges or that all possible risks have been covered by the insurance policies we maintain. As such, we may have to bear the financial costs of any uninsured amount and any consequential losses arising from the loss of our reputation, which could materially and adversely affect our financial condition and/or business operations.

5.1.17 Risk relating to our Cheras campus

As at the Latest Practicable Date, we are party to two (2) court proceedings relating to properties which form part of our Cheras campus, namely our auditorium and six (6) property units. Details of these litigation matters are set out in Sections 19.6(i) and (ii) of this Prospectus. There can be no assurance that these proceedings will be resolved in our favour. In the event that the courts rule against us in any or both these proceedings, the operations at our Cheras campus may be partially disrupted or we may have to pay substantial damages in connection with the proceedings.

5. RISK FACTORS (Cont'd)

5.2 RISKS RELATING TO OUR SHARES**5.2.1 No prior trading market for our Shares**

There has been no prior market for our Shares and there can be no assurance as to the liquidity of any market that may develop for our Shares, the ability of holders to sell our Shares or the prices at which holders would be able to sell our Shares. We, the Promoters and Selling Shareholders, and the Retail Underwriter have no obligation to make a market in the Shares.

Application will be made to Bursa Securities for the listing of and quotation for our entire share capital (including the Offer Shares) on the Main Market and it is expected that there will be an approximate twelve (12) Market Day gap between closing of the Retail Offering and trading of our Shares. There can be no assurance that there will be no event or occurrence that will have an adverse impact on the securities markets, our industry or us during this period that would adversely affect the market price of our Shares when they begin trading.

5.2.2 The volatility of the market price of our Shares

The market price of our Shares could be affected by numerous factors, including:

- (i) general market, political and economic conditions;
- (ii) trading liquidity of our Shares;
- (iii) changes in earnings estimates and recommendations by financial analysts;
- (iv) changes in market valuations of listed shares in general and other securities exchanges' shares in particular;
- (v) changes in government policy, legislation or regulation; and
- (vi) general operational and business risks.

In addition, many of the risks described elsewhere in this Prospectus could materially and adversely affect the market price of our Shares. Accordingly, there can be no assurance that our Shares will not trade at prices lower than the Retail Price.

Over the past few years, the Malaysian, regional and global equity markets have experienced significant price and volume volatility that have affected the share prices of many companies. Share prices of many companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. There can be no assurance that the price and trading of our Shares will not be subject to fluctuation.

5. RISK FACTORS (Cont'd)

5.2.3 Control by existing shareholders

Upon the Listing, we anticipate that our substantial shareholders, namely Dato' Sri Edmund Santhara and Sami Sindi, will directly or indirectly collectively own between 187,645,244 Shares representing 45.8% (assuming Maximum Scenario) and 276,411,652 Shares representing 67.4% (assuming Minimum Scenario) of the enlarged issued and paid-up share capital of our Company after the IPO. These substantial shareholders, would be able to significantly influence the outcome of any corporate proposals which require the vote of our shareholders unless they are required to abstain from voting by law and/or by the relevant authorities.

5.2.4 Delay or failure in our Listing

The occurrence of certain events, including the following, may cause a delay in or termination of our Listing:

- (i) we are unable to meet the minimum public spread requirements as determined by Bursa Securities, i.e. having at least 25% of our issued and paid-up Shares in the hands of at least 1,000 public shareholders holding at least 100 Shares each at the point of Listing; or
- (ii) we are not able to obtain the approval of Bursa Securities for the Listing for whatever reason.

In such an event, investors will not receive any IPO Shares and we and the Selling Shareholders shall be jointly and severally liable to return in full, all monies paid in respect of any application for the IPO Shares and if such monies are not paid within fourteen (14) days after we and the Selling Shareholders become liable to repay it, then pursuant to sub-section 243(2) of the CMSA, we, our officers, the Selling Shareholders and officers of the Selling Shareholders shall be jointly and severally liable to repay the monies with interest at the rate of 10% per annum or such other rate as may be prescribed by the SC upon expiration of that period until full refund is made.

5.2.5 Payment of dividends

Malaysian laws generally provide that, subject to certain exceptions, no dividend shall be payable to the shareholders of any company except out of profits. We are a holding company incorporated in Malaysia and currently operate our core business through our Subsidiaries in Malaysia. Therefore, our ability to pay dividends or make other distributions to our shareholders depends upon dividends or other distributions that we receive from our Subsidiaries. In turn, our Subsidiaries' ability to pay dividends or make other distributions to us is subject to the availability of distributable reserves, applicable legal restrictions contained in their loan agreements and their having sufficient funds which are not needed to fund their operations, other obligations or business plans.

If our Subsidiaries incur debt or losses, such indebtedness or losses may impair their ability to pay dividends or other distributions to us. As a result, our ability to pay dividends will be restricted. In addition, changes in Malaysian GAAP may affect the ability of our Subsidiaries (and consequently, our ability) to declare and pay dividends.

5. RISK FACTORS (Cont'd)

Our ability to pay dividends or make other distributions to our shareholders is subject to the factors set out in Section 8.8 of this Prospectus. There is no assurance that we will be able to distribute dividends to our shareholders as a result of such factors. There is also no assurance that we will be able to record profits and have sufficient funds above our funding requirements, other obligations and business plans to declare dividends to our shareholders. Please refer to Section 8.8 of this Prospectus for details on our dividend policy.

5.3 OTHER RISKS

5.3.1 Political, economic and social developments

We are subject to political and social developments in countries which we operate or have business relationships in. Any adverse political and social developments in those countries may lead to political or social instability which may materially and adversely affect our business, financial condition, operations and prospects. These include, but are not limited to outbreak of disease, risks of war, riots, demonstrations, protests, nationalisation, renegotiation or nullification of existing contracts and arrangements, inflation and global economic downturn. We may also be affected by changes in governmental policies such as changes in interest rates and methods of taxation, currency exchange controls and changes in regulations or other legal, administrative, political, economic or social developments resulting in a more restrictive environment for our business operations including, without limitation, the industry thereby becoming highly regulated, rising costs of operations or even increased competition.

There can be no assurance that any changes to these factors will not have an adverse effect on our business and financial performance. The success of the IPO also depends to a certain extent on the prevailing market conditions which can be unpredictable and volatile.

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6. INDUSTRY OVERVIEW

6.1 THE GLOBAL NURSING AND ALLIED HEALTH WORKFORCE

Many countries worldwide are experiencing a persistent shortage of qualified healthcare workers. According to the International Council of Nurses (“**ICN**”) and the World Health Organisation (“**WHO**”), this deficit is manifest in skills imbalances and worker maldistribution. For most countries, the shortage of nurses and allied health professionals, most of whom are the front-line caregivers, is a constant human resource challenge. A 2006 WHO Report cites the deficit of trained nurses and healthcare workers as being one of the most serious public health crises facing the healthcare industry worldwide (*Source: WHO*).

In another report the ICN and WHO estimated that many countries, spanning both developed and developing markets, were experiencing a critical shortage of healthcare professionals in 2005, defined as less than 2.28 health workers per 1,000 population. It was estimated that the world had a deficit of almost 2 million nurses and midwives in 2005. Within the South-East Asian region alone (according to the WHO’s definition, the South-East Asian region comprises Bangladesh, Bhutan, India, Indonesia, Maldives, Myanmar, Nepal, North Korea, Sri Lanka, Thailand and Timor-Leste), the estimated size of the deficit of nurses and midwives was 954,000 at that time, the largest among all the regions surveyed. This manpower deficit is expected to reach 1.4 million by 2015, accounting for 49% of the worldwide shortage by that time.

Based on the MOH’s targeted ratio of 1 nurse for every 200 population (or 5.0 nurses per 1,000 population) and the WHO’s World Health Statistics 2009, there is a shortfall of nurses in 6 of the 10 ASEAN countries, namely Malaysia, Myanmar, Laos, Cambodia, Indonesia and Vietnam. This shortfall is also evident in several larger emerging countries in Asia such as China and India.

It is expected that the current shortage of nurses and other allied health professionals and the measures and programmes that alleviate this shortage will ultimately lead to increased demand for nursing and allied health education in Malaysia as well as other Asian countries.

6.2 THE MALAYSIAN NURSING AND ALLIED HEALTH WORKFORCE

The Malaysian healthcare system is facing a critical shortage of trained healthcare professionals. The data-points below highlight the scope of Malaysia’s problem.

Nursing:

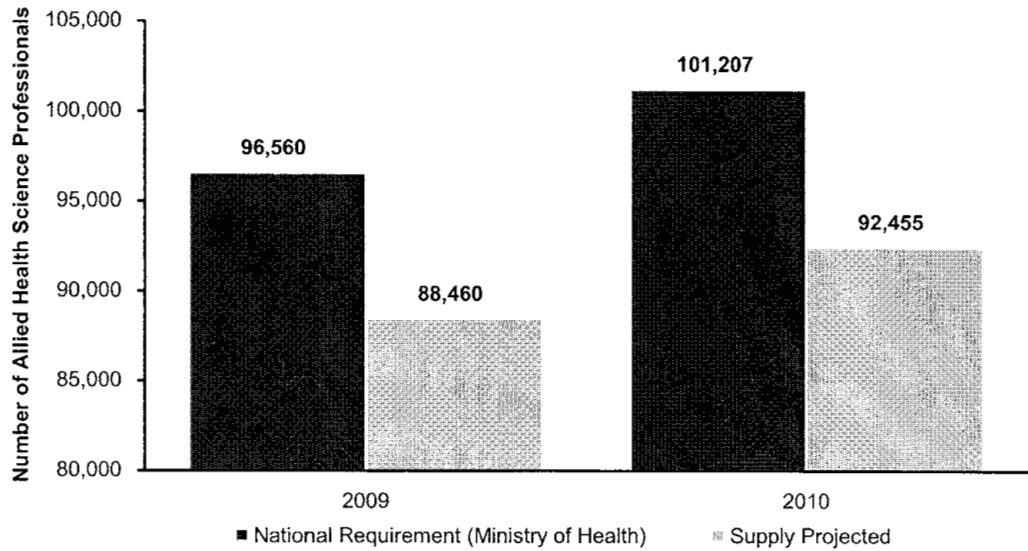
Based on the MOH’s targeted ratio of one nurse for every 200 population, the shortfall of registered nurses in Malaysia was approximately 84,000 in 2008.

6. INDUSTRY OVERVIEW (Cont'd)

Allied Health:

The MOH forecasts that in 2009, the MOH will have 88,460 allied health professionals (excluding pharmacists) in its workforce compared to a total requirement of 96,560 allied health professionals, which represents a shortfall of 8,100. In 2010, the MOH forecasts that it will have 92,455 allied health professionals (excluding pharmacists) in its workforce as compared to a total requirement of 101,207 allied health professionals. Based on these projections, the MOH will have a shortfall of 8,752 allied health professionals in 2010 (Source: MOH).

Projected Deficit of Allied Health Professionals



(Source: MOH)

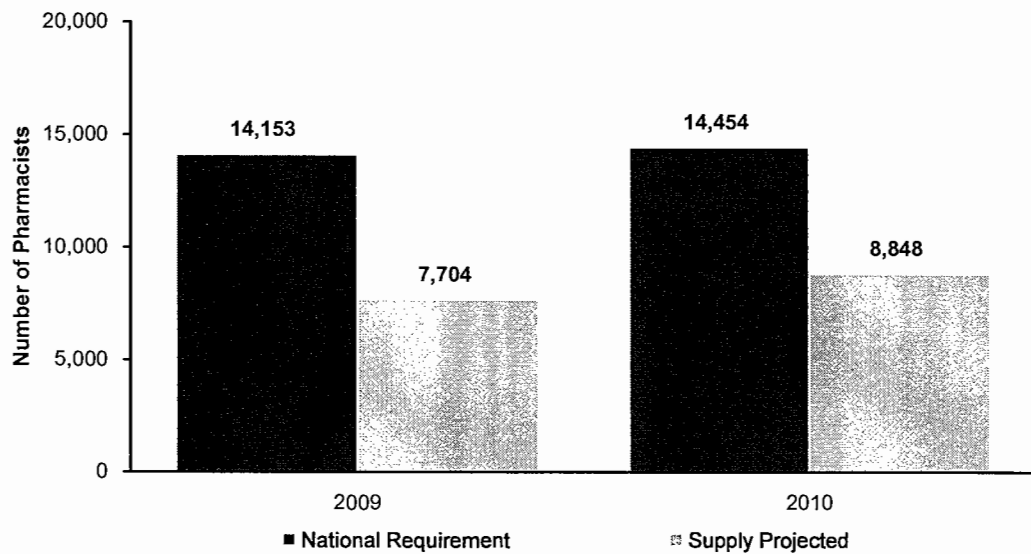
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6. INDUSTRY OVERVIEW (Cont'd)

Pharmacists:

The MOH forecasts that there will be 7,704 pharmacists in the workforce as compared to the total requirement of 14,153 pharmacists nationally in 2009. Based on these projections, there will be a shortfall of 6,449 pharmacists in that year. In 2010, the MOH forecasts that there will be a requirement for 14,454 pharmacists nationally, compared to a workforce of 8,848 pharmacists. The MOH forecasts that there will be a shortfall of 5,606 pharmacists in 2010 (Source: MOH).

Projected Deficit of Pharmacists



(Source: MOH)

Malaysia's shortage of both nurses and allied health professionals will underpin the growth of the nursing and allied health education industry as the country seeks to address this manpower deficit by training more healthcare practitioners to work in its public and private hospitals and clinics nationwide.

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6. INDUSTRY OVERVIEW (Cont'd)

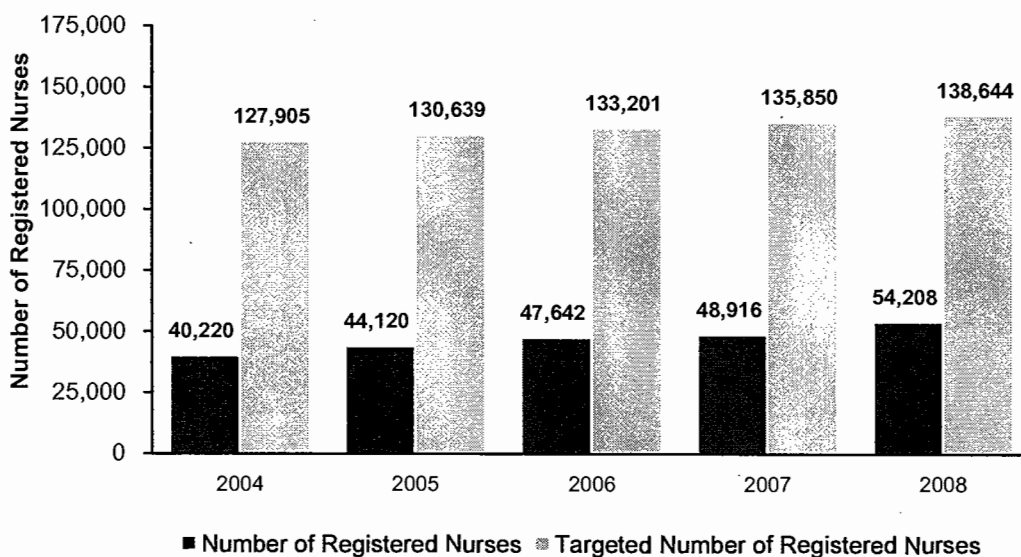
6.3 HISTORICAL - SUPPLY AND DEMAND CONDITIONS

The past performance of the nursing and allied health education industry can be inferred from the historical growth in the supply of Malaysia's nursing and allied health professionals, both in absolute terms and relative to Malaysia's total population, as well as the development of Malaysia's healthcare infrastructure, which requires such professionals to operate its facilities.

Number of Registered Nurses and Nurse to Population Ratio

The total number of registered nurses in Malaysia grew at an average annual rate of 7.7% between 2004 and 2008. In 2008, there were 54,208 registered nurses in Malaysia, 71.2% of whom worked in the public sector and the remaining 28.8% in the private sector (*Source: MOH*).

Number of Registered Nurses against targeted number

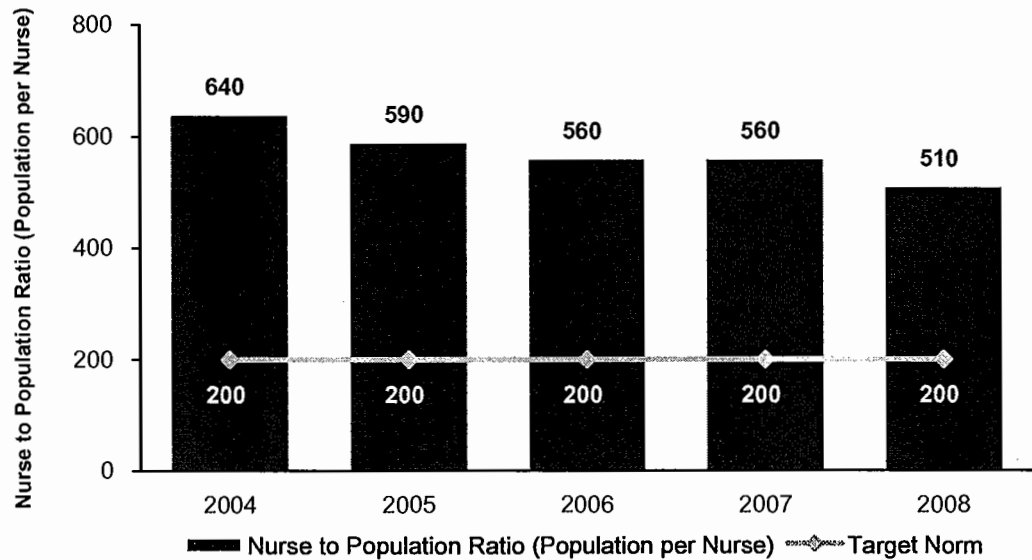


Note: The targeted number of registered nurses for a particular year is calculated by dividing the estimated population in Malaysia as at 30 June for the respective year by 200.

(Sources: MOH and DOS, calculated by Vital Factor)

6. INDUSTRY OVERVIEW (Cont'd)

According to the MOH, the Government targets to achieve a ratio of one nurse for every 200 population. While the nurse to population ratio in Malaysia has improved by approximately 20% from one nurse for every 640 population in 2004 to one nurse for every 510 population in 2008, it remains short of the MOH's targeted nursing ratio.

Low Nurse to Population Ratio

Note: The nurse to population ratio for a particular year is calculated by dividing the estimated population in Malaysia as at 30 June for the respective year by the number of registered nurses for the end of the respective year.

(Sources: MOH and DOS, calculated by Vital Factor)

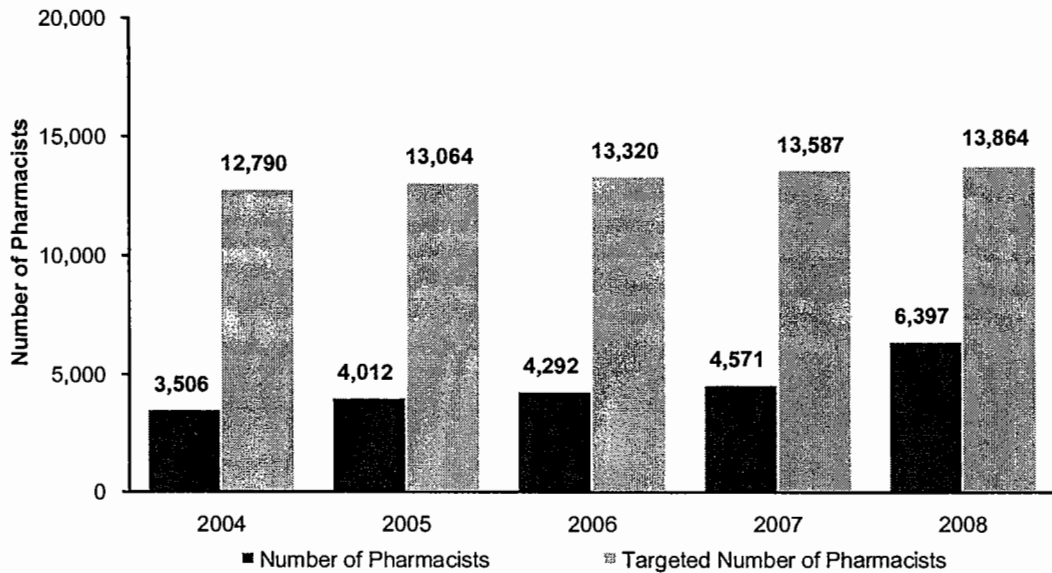
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6. INDUSTRY OVERVIEW (Cont'd)

Number of Pharmacists and Pharmacist to Population Ratio

The total number of pharmacists in Malaysia increased at an average annual rate of 16.2% between 2004 and 2008, totalling 6,397 in 2008 (Source: MOH).

Number of Pharmacists against targeted number



Note: The targeted number of pharmacists for a particular year is calculated by dividing the estimated population in Malaysia as at 30 June for the respective year by 2,000.

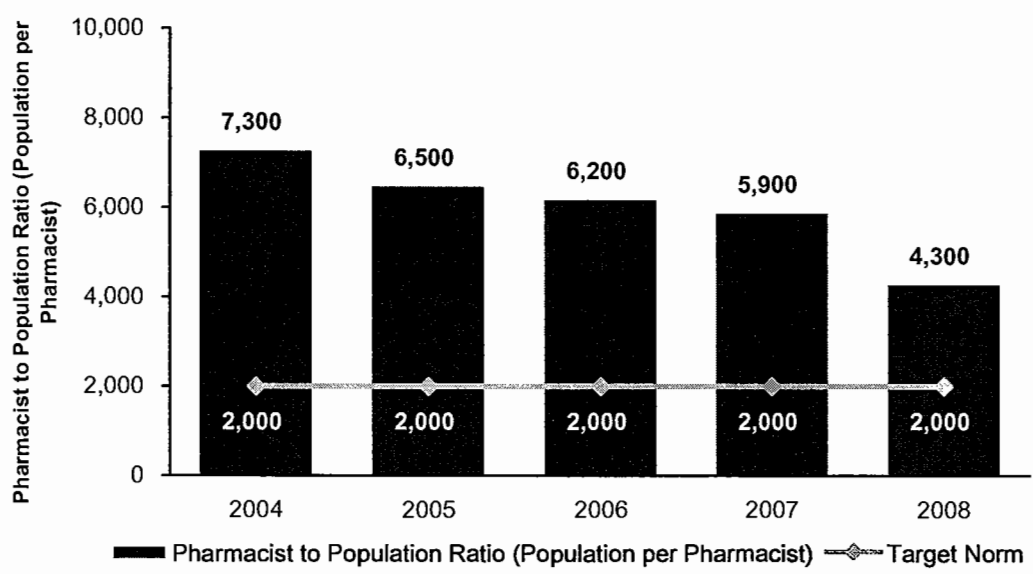
(Sources: MOH and DOS, calculated by Vital Factor)

According to the MOH, the Government targets to achieve a ratio of one pharmacist for every 2,000 population. While the pharmacist to population ratio in Malaysia has improved by approximately 41% from one pharmacist for every 7,300 population in 2004, to one pharmacist for every 4,300 population as at 2008, it remains short of the MOH's targeted ratio.

This shortage of pharmacists creates demand for pharmacists and assistant pharmacists. Students who graduate from a higher educational institution with a degree in pharmacy are qualified to work as pharmacists, and students who graduate with a diploma in pharmacy are qualified to work as assistant pharmacists.

6. INDUSTRY OVERVIEW (Cont'd)

Low Pharmacist to Population Ratio



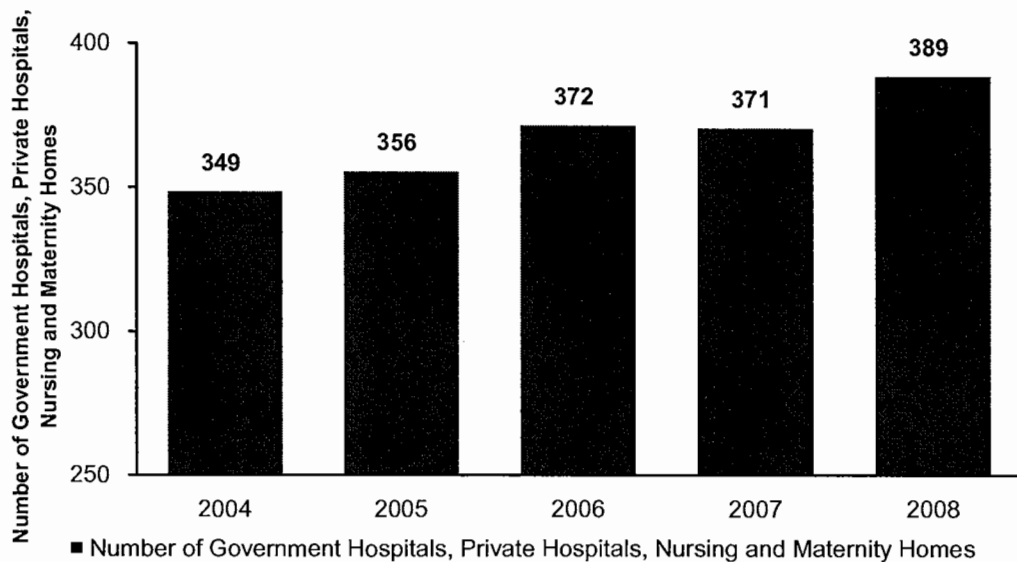
Note: The pharmacist to population ratio for a particular year is calculated by dividing the estimated population in Malaysia as at 30 June for the respective year by the number of pharmacists for the end of the respective year.

(Sources: MOH and DOS, calculated by Vital Factor)

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6. INDUSTRY OVERVIEW (Cont'd)**Number of Government Hospitals, Private Hospitals, Nursing and Maternity Homes**

The total number of Government hospitals, private hospitals, nursing and maternity homes increased at an average annual rate of 2.7% between 2004 and 2008, totalling 389 in 2008 (*Source: MOH*).

Number of Government Hospitals, Private Hospitals, Nursing and Maternity Homes

(*Source: MOH*)

Number of Hospital Beds and Nurse to Hospital Bed Ratio

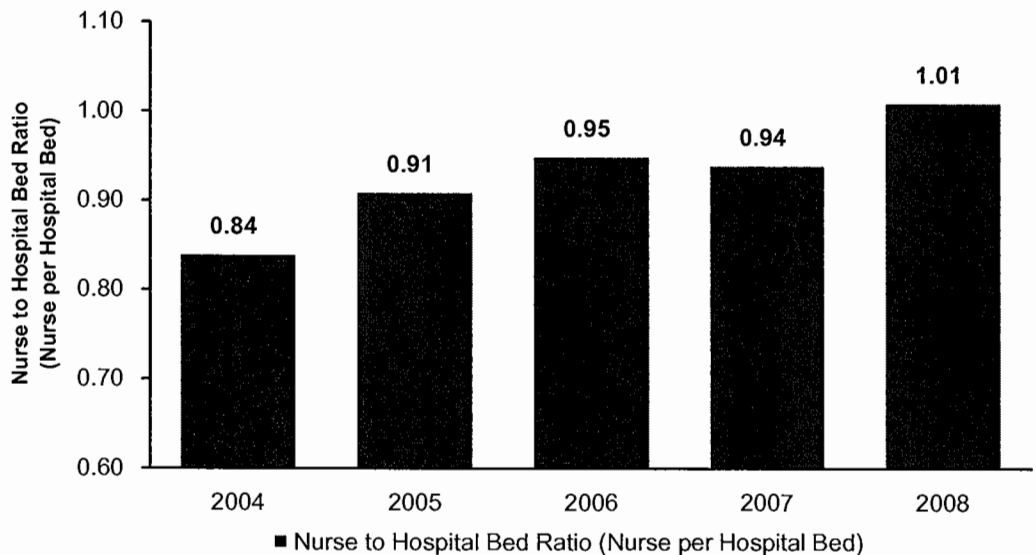
The total number of hospital beds at Government and private hospitals, nursing homes and maternity homes in Malaysia increased at an average annual rate of 2.8% between 2004 and 2008, totalling 53,414 beds in 2008. In 2008, 77.2% of all beds were located in Government hospitals, with the balance found in private healthcare facilities (*Source: MOH*).

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6. INDUSTRY OVERVIEW (Cont'd)

Under the Private Healthcare Facilities and Services (Private Hospitals and Other Private Healthcare Facilities) Regulations 2006, private healthcare facilities (a "healthcare facility" is defined by the Private Healthcare Facilities and Services Act 1998 as "any premises in which one or more members of the public receive healthcare services") are required to maintain a ratio of at least one nursing staff or personal care aide - to two patients under the general provisions for standards of the Private Healthcare Facilities and Services (Private Hospitals and Other Private Healthcare Facilities) Regulations 2006. At least 45% of the total nursing staff and personal care aides must be registered nurses, while the remainder may comprise of registered assistant nurses, registered community nurses, registered midwives or personal care aides. Private healthcare facilities that provide long-stay, geriatric, rehabilitation, psychiatric or convalescent care are required to maintain a ratio of one nursing staff, medical assistant and/or personal care aide to four patients with at least 40% comprising registered nurses. (Source: *Private Healthcare Facilities and Services (Private Hospitals and Other Private Healthcare Facilities) Regulations 2006*). These staffing requirements mean that new healthcare facilities should not open beds to patients without the requisite staffing levels. As at 2008, the registered nurse to hospital bed ratio in Malaysia was 1.01 nurses per hospital bed (Source: *MOH*).

Nurse to Hospital Bed Ratio on the Rise

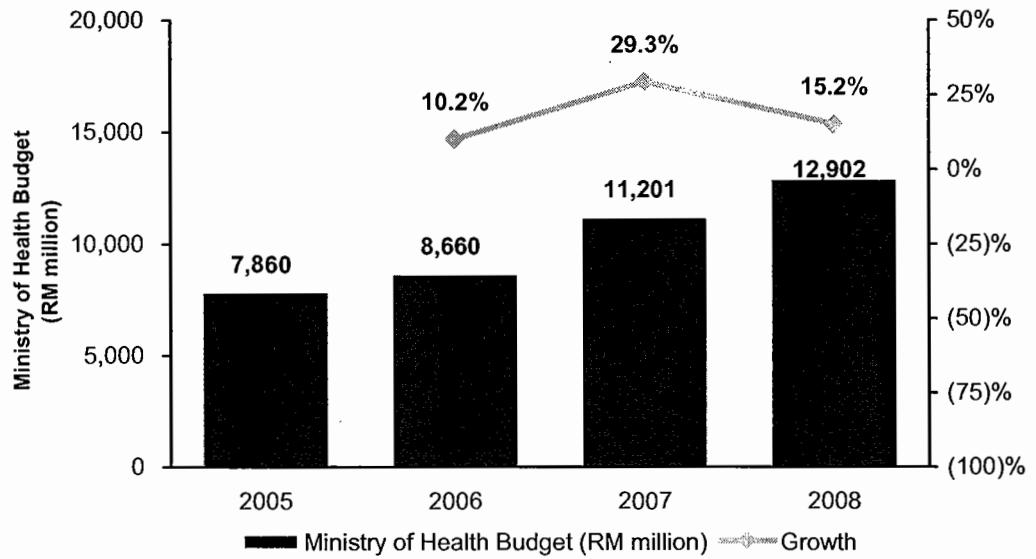


Note: The nurse to hospital bed ratio for a particular year is calculated by dividing the number of hospital beds for the respective year by the number of registered nurses for the respective year.

(Source: *MOH, calculated by Vital Factor*)

6. INDUSTRY OVERVIEW (Cont'd)

Public Sector Expenditure on Health



(Source: MOH)

Between 2005 and 2008, the MOH budget increased at an average annual rate of 18.0%. In 2008, the MOH budget increased by 15.2% to reach RM12.9 billion (Source: MOH).

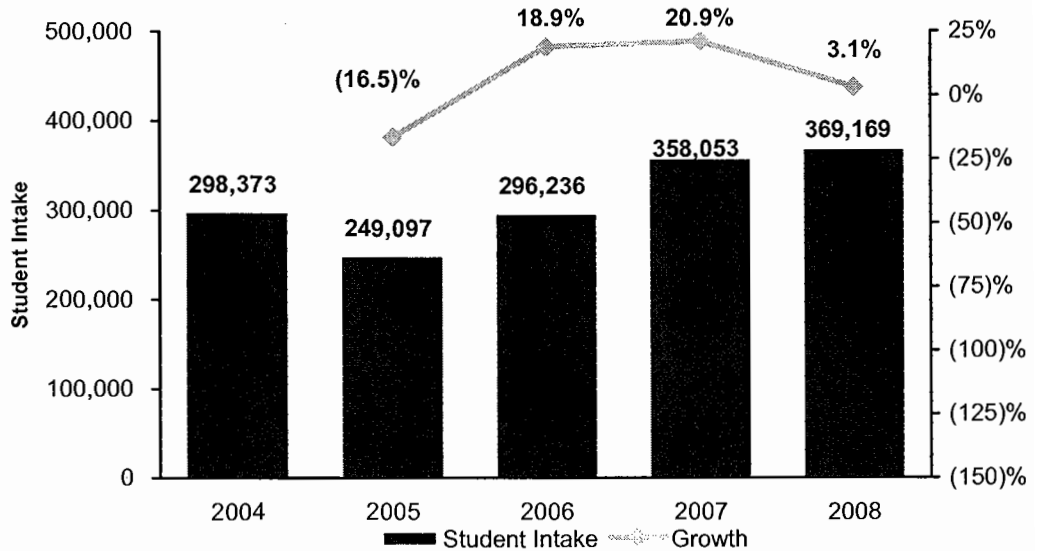
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6. INDUSTRY OVERVIEW (Cont'd)

Total Student Intake at Higher Educational Institutions

Between 2004 and 2008, the total annual student intake at higher educational institutions in Malaysia (covering programmes of study culminating in the award of all types of academic qualifications) increased at an average annual rate of 5.5%. In 2008, the total annual student intake at higher educational institutions increased by 3.1% to 369,169 students (Source: MOHE).

Total Student Intake at Higher Educational Institutions



(Source: MOHE)

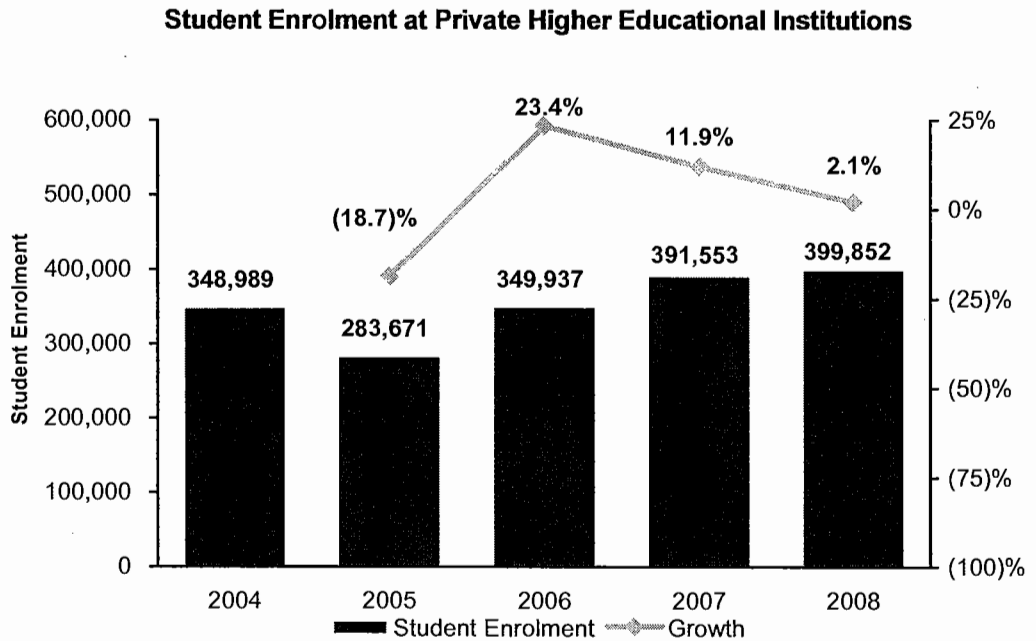
In 2008, private higher educational institutions received the largest number of new students and accounted for 50.3% of the total student enrolment at higher educational institutions in that year. Public higher educational institutions, polytechnics and community colleges accounted for 36.1%, 11.0% and 2.6%, respectively, of the total student enrolment at higher educational institutions during the same period (Source: MOHE).

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6. INDUSTRY OVERVIEW (Cont'd)

Student Enrolment at Private Higher Educational Institutions

Between 2004 and 2008, the total student enrolment at private higher educational institutions (covering programmes of study culminating in the award of all types of academic qualifications) grew at an average annual rate of 3.5%. In 2008, the total annual student enrolment at private higher educational institutions grew by 2.1% to 399,852 students (Source: MOHE).



(Source: MOHE)

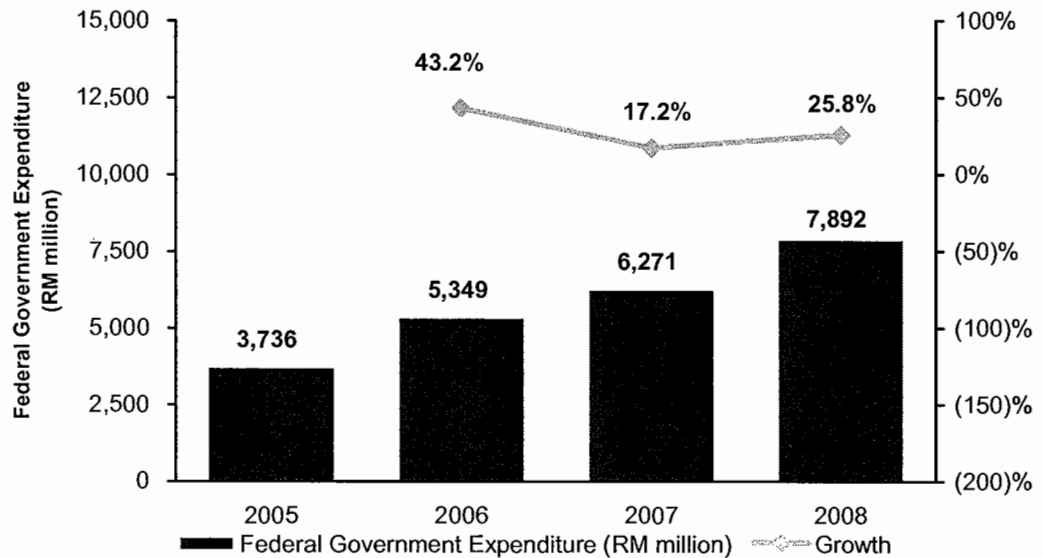
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6. INDUSTRY OVERVIEW (Cont'd)

Average Monthly Household Expenditure on Education

Between 1998/1999 and 2004/2005, average monthly household expenditure on education increased at an average annual rate of 3.5%. In 2004/2005, average monthly household expenditure on education was RM38 per month (*Source: DOS*).

Public Sector Expenditure on Education



(*Source: Accountant General Office*)

Between 2005 and 2008, Government expenditure on education increased at an average annual rate of 28.3%. In 2008, Government expenditure on education increased by 25.8% to reach RM7.9 billion (*Source: Accountant General Office*).

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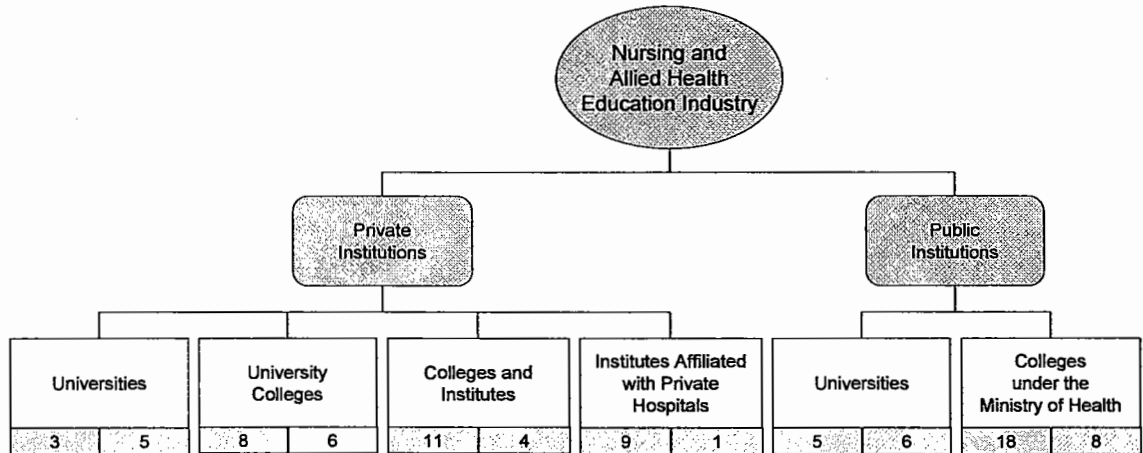
6. INDUSTRY OVERVIEW (Cont'd)

6.4 THE MALAYSIAN NURSING AND ALLIED HEALTH EDUCATION INDUSTRY

6.4.1 Industry Structure and Players

There are six (6) types of educational institutions that provide nursing and allied health education as depicted in the diagram below:

Types of Nursing and Allied Health Education Institutions



Notes:

- 1) Higher Educational Institutions that offer courses in both nursing and allied health are included in the tabulation of Higher Educational Institutions that offer courses in Nursing, and Higher Educational Institutions that offer courses in Allied Health.
- 2) Higher Educational Institutions that have more than one campus are counted as a single institution in this tabulation.

Key

- Higher Educational Institutions Offering Courses in Nursing
- Higher Educational Institutions Offering Courses in Allied Health

6.4.2 Types of Higher Educational Institutions

Universities are higher educational institutions that are able to confer their own bachelor's degrees. Many universities also conduct post-graduate programmes that culminate with the award of master's degrees and/or doctor of philosophy degrees. Some universities in Malaysia are branch campuses of foreign universities whereby degrees awarded are identical to those of their parent university overseas.

University Colleges play a dual role of conferring their own degrees as well as collaborating with third parties to jointly confer degrees and other qualifications.

Private colleges and institutes offer programmes of studies leading to certificates, diplomas or degrees. Certificates and diplomas may be awarded by the college or institute itself or in collaboration with third parties. Degrees are conferred in collaboration with third party universities.

Institutes affiliated with private hospitals are higher educational institutions affiliated with private hospitals that offer diploma programmes in nursing and allied health. These institutes are closely linked to their affiliated private hospital.

In Malaysia, there are also a number of colleges operated by the MOH that offer programmes in nursing and allied health.

6. INDUSTRY OVERVIEW (Cont'd)

6.4.3 Academic Qualifications in Nursing and Allied Health

Educational institutions in the nursing and allied health education industry award the following types of academic qualifications pursuant to the field of study:

- Certificates;
- Diplomas;
- Bachelor's degrees; and/or
- Post-graduate degrees (Master's degree and Doctor of Philosophy).

The academic qualification required in nursing and allied health industry varies from field to field. Certain fields within the allied health industry, such as health management and leadership and critical care require only a certificate. Most positions in the nursing and allied health industry, however, require at least a diploma in the relevant field. For the nursing and pharmacy professions, practitioners must also be registered with the Nursing Board of Malaysia or the Pharmacy Board of Malaysia, respectively. Such registration requires the passing of the relevant certificate examination after obtaining the relevant diploma or degree from a recognised higher educational institution.

In Malaysia, bachelor's degrees in nursing or allied health are primarily offered by public universities. Only selected private universities, university colleges and Malaysian branches of foreign universities offer a bachelor's degree in nursing or allied health. A bachelor's degree in nursing or allied health is generally regarded as an advanced qualification necessary for those practicing as specialists or serving as managers.

Post-graduate degrees in nursing and allied health are generally offered by public universities. Such degrees are usually obtained by academic professionals who teach nursing or allied health.

6.4.4 Curriculum content

The quality of programme curricula is critical to proper nursing and allied health education. In Malaysia, such programme curricula is either developed in-house by the educational institution or licensed from other local or overseas sources.

Educational institutions that develop their own programme curricula do not rely on third party intellectual property and therefore have a competitive advantage.

6.4.5 Competition

Nature of Competition

Operators in the nursing and allied health education industry in Malaysia face normal competitive conditions within a regulated environment.

6. INDUSTRY OVERVIEW (Cont'd)

Competition among providers of nursing and allied health education is based on a number of factors, including:

- Availability of places for clinical training;
- Student intake quota from the Nursing Board of Malaysia and Pharmacy Board of Malaysia;
- Lecturer to student ratio;
- Branding and market reputation;
- Proximity to potential students; and
- Variety of programmes.

Availability of Places for Clinical Training: Operators who wish to offer nursing and pharmacy programmes need to secure clinical training places at healthcare facilities for their students. These spaces are required to enable operators to provide their students with practical training. Operators who fail to secure adequate spaces will be restricted in their ability to expand their nursing and pharmacy programmes.

Student Intake Quota from the Nursing Board of Malaysia and Pharmacy Board of Malaysia: The number of students that a higher educational institution is allowed to enrol in its nursing programmes each year is limited to the quota set by the Nursing Board of Malaysia. Similarly, the Pharmacy Board of Malaysia sets the enrolment quota for the pharmacy programmes each year. Accordingly, a higher education institution with a larger quota is in a better competitive position than one with a smaller quota.

Lecturer to Student Ratio: Higher educational institutions must maintain a certain ratio of lecturers to students. This is particularly important in certain fields of study, such as in nursing and in pharmacy, as the ratio is an important factor in determining the student enrolment quotas set by the Nursing Board of Malaysia and the Pharmacy Board of Malaysia. Higher educational institutions that do not have enough qualified lecturers will not be able to expand their enrolment.

Branding and Market Reputation: A strong brand and market reputation for quality education is an important consideration for potential students. A higher educational institution with a strong brand and market reputation attracts more students since it is generally regarded as having a higher education quality and offers better career prospects for its graduates. The brand name and market reputation of an institution are usually established through long standing track records of its certificate examination passing rate, employment prospects for its graduates, academic awards and honours it has received and publications and researches of its academic staff, and marketing activities such as print advertisements, billboards and roadshows.

Proximity to Potential Students: Campus location of a higher educational institution is another important consideration for potential students. Campuses located in close proximity to their potential student base have a recruitment advantage from a cost savings and convenience perspective. Operators with multiple campus locations have the potential to tap from a larger student base than operators with a single campus location.

Variety of Programmes: The ability to offer a wide range of programmes is also an important competitive advantage as it allows a higher educational institution to address the interests of a wider pool of students and therefore attract a large number of students.

6. INDUSTRY OVERVIEW (Cont'd)

6.5 ESTIMATED MARKET COVERAGE, POSITION AND SHARE IN 2010

In February 2010, the market size for nursing education in Malaysia based on student enrolment in public and private higher educational institutions was estimated at approximately 32,000 students, out of which approximately 23,000 students were enrolled in private higher educational institutions.

Market share among the operators in the nursing education industry appears to be concentrated. As at February 2010, the ten (10) largest private higher educational institutions that offer programmes in nursing collectively accounted for an estimated 55% of students enrolled in nursing programmes at public and private higher educational institutions, and colleges under the MOH.

In February 2010, the Group ranked first in Malaysia among all providers of nursing education in terms of student enrolment, with an estimated market share of 16% (based on the total student enrolment in public and private higher educational institutions).

In February 2010, the Group also ranked first in Malaysia with an estimated market share of 22% among providers of nursing education based on student enrolment in private higher educational institutions.

In February 2010, the Group ranked first in Malaysia among providers of allied health education in terms of the number of student enrolled in allied health programmes at public and private higher education institutions, and colleges under the MOH.

(Source: Vital Factor)

6.6 RELIANCE ON AND VULNERABILITY TO IMPORTS

In general, operators in the nursing and allied health education industry rely on imported curricula or teaching materials for some of their programmes. Some operators rely on overseas higher educational institutions for curricula or teaching materials for their bachelor's degree and post-graduate programmes.

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6. INDUSTRY OVERVIEW (Cont'd)

6.7 REGULATORY BODIES AND INDUSTRY REGULATIONS

The education industry in Malaysia is closely regulated and operators in the nursing and allied health education industry are subject to legislation and regulations governing the industry as well as policies and standards imposed by various government regulatory agencies and professional bodies. These regulations, policies and standards cover many critical aspects of the operations of such operators, including their educational programmes, facilities, academic staff, lecturer to student ratio and recruitment of students.

Institutions of higher education are required to be registered with the MOHE and their programmes must satisfy the quality standards prescribed by the MQA. In addition, institutions that offer nursing and pharmacy programmes are also subject to the requirements, policies and standards of the Nursing Board of Malaysia and the Pharmacy Board of Malaysia, respectively.

6.7.1 Registration and License

The MOHE is the governing authority for tertiary education in Malaysia, overseeing all institutions of higher education including public and private universities, university colleges, colleges, community colleges and polytechnic institutions.

Prior approval of the MOHE is necessary before a private higher educational institution may be established or maintained under the Private Higher Education Institutions Act 1996 and the operation of the private higher educational institution may be subject to, among others, the conditions of such approval. In order to apply for such approval, an applicant must, among other things, submit to the Registrar General the required application materials, including a comprehensive plan for the establishment and maintenance of the proposed private higher educational institution and the necessary application fees. Such plan includes the proposed programmes of study, a copy of the draft of the constitution of the proposed private higher educational institution, a copy of its constituent document and composition of its shareholders and directors.

Each private higher educational institution needs to register with the MOHE according to the Private Higher Education Institutions Act 1996 within three (3) years from the date of the approval for its establishment. If the private higher educational institution is not registered within the three-year period, the approval granted for its establishment is deemed to have been withdrawn unless an extension of time is granted by the Minister. A private higher educational institution may submit an application to the Registrar General for renewal of its registration not later than six (6) months prior to the expiry of the registration.

6. INDUSTRY OVERVIEW (Cont'd)

6.7.2 Quality Standards and Programme Approvals

The MQA, which was established under the Malaysian Qualifications Agency Act 2007, is an agency which monitors and oversees tertiary education quality. It is responsible for implementing the Malaysian Qualifications Framework ("MQF"), which consists of qualifications, criteria and standards applicable to higher educational institutions and their academic programmes. The MQA conducts institutional audits and reviews of higher education programmes to ensure their quality and grants accreditation to qualified programmes based on a set of criteria and standards, including learning outcomes achieved and credits based on students' academic load.

6.7.2.1 Programme Approvals

All programmes offered by an institution of higher education must be approved by the MOHE. If an institution offers a programme at different campus locations, each campus is required to obtain a separate approval for such programme. The MQA conducts the initial review of a programme and either recommends that the MOHE approve or reject an institution's application for such programme based on criteria such as the curriculum of the programme, sufficiency of qualified and experienced lecturers, facilities and the students' academic learning outcomes. The MOHE then makes the final determination based on the MQA's recommendation. Once an approval is granted, an institution is entitled to offer the programme for five (5) years, subject to renewal of the approval at the end of this period and provided there has been no violation of the law or conditions of the approval during this period. The relevant authorities or bodies conduct audits regularly from time to time to ensure continued compliance by the institution.

6.7.2.2 Quality Standards

The MQA assures the quality of the higher educational programmes offered by institutions of higher education. The process involves the granting by the MQA of a provisional accreditation followed by full accreditation on satisfaction of the criteria imposed by the MQA in accordance with the MQF.

Provisional accreditation indicates that the programme has fulfilled the minimum requirements for it to be offered. The validity period for such provisional accreditation varies from one institution to another, but it may be extended by the MQA upon application by the relevant institution. The provisional accreditation process helps an institution to enhance the standards and quality of its programme and eventually achieve full accreditation, which is a conferment to denote that a programme has met all the criteria and standards set for that purpose and in compliance with the MQF.

Each programme that satisfies the full accreditation requirements receives a certificate of accreditation from the MQA upon application by the institution of higher education. If an institution offers a programme at different campus locations, each campus needs to go through a separate accreditation process for such programme.

6. INDUSTRY OVERVIEW (Cont'd)

Although accreditation is not mandatory for higher education programmes, it serves as an important affirmation of a programme's quality and therefore the quality of a student's education. Accordingly, many colleges and universities depend, in part, on accreditation in evaluating transfers of credit and applications to graduate schools. Similarly, employers rely on the accreditation status of programmes when evaluating a candidate's credentials, and students and corporate and government sponsors under tuition reimbursement programmes look to accreditation for assurance that a programme meets the standards of the MQA. Significantly, in order to be eligible to participate in the PTPTN Education Loan Scheme and seek employment in the public sector, students need to enrol in an accredited programme.

The MQA may revoke the accreditation of a programme if the institution of higher education has breached any condition(s) attached to the certificate of provisional accreditation or if the institution of higher education fails to comply with any provision of the MQF or if it breaches any condition(s) of the certificate of accreditation.

In addition, the MQA may, at the time of or at any time after issuing a certificate of accreditation, impose such conditions or impose new or additional conditions to the certificate of accreditation.

6.7.3 Teaching Ratio

To ensure the quality of institutions of higher education, the MQA may set a minimum ratio of the number of lecturers or clinical instructors to students for all professional programmes (including engineering, law, pharmacy and nursing) approved by it and the MOHE. Accordingly, if such ratio of an institution for a particular programme is equal or close to the ratio prescribed by the MQA, in order to increase the number of students in the programme, the institution would have to increase the number of its lecturers and/or clinical instructors.

6.7.4 Additional Requirements for Nursing Programmes

In addition to the requirements prescribed by the MOHE and the MQA, nursing programmes offered by institutions of higher education in Malaysia are also subject to regulation by the Nursing Board of Malaysia, a division under the MOH responsible for regulating the nursing profession in Malaysia. The MQA in consultation with the Nursing Board of Malaysia approves and accredits the nursing programmes. The Nursing Board of Malaysia also administers the nursing certificate examination. In order for a person to be registered and to practice as a nurse in Malaysia, he or she has to graduate with a diploma or degree programme approved by the Nursing Board of Malaysia and pass the nursing certificate examination.

6.7.4.1 Student Enrolment Quota

As part of its approval, the Nursing Board of Malaysia imposes an annual quota on the number of students that may be enrolled in a nursing diploma or programme offered by an institution of higher education. This quota is based on a number of factors, including the number of lecturers/clinical instructors employed by the institution, facilities of the institution, and hospital networks. Such quota may be reviewed and adjusted by the Nursing Board of Malaysia from time to time.

6. INDUSTRY OVERVIEW (Cont'd)

6.7.4.2 Bed-to-Student Ratio and Clinical Training

The Nursing Board of Malaysia also requires that each nursing education programme includes at least 48 weeks of clinical training at governmental and private hospitals and healthcare providers in order to ensure that students receive the necessary practical training to equip them for their future profession.

6.7.5 Additional Requirements for the Pharmacy Programmes

Pharmacy programmes offered by institutions of higher education are subject to additional requirements prescribed by the Pharmacy Board of Malaysia, a division under the MOH established under the Registration of Pharmacists Act 1951. The Pharmacy Board's roles include, among others, the recognition of pharmacy degrees, setting guidelines and standards relating to the recognition of pharmacy degrees, approval of premises for training, setting and conducting pharmacy jurisprudence examination and registration and deregistration of pharmacists.

The recognition process involves evaluation of a detailed submission of the pharmacy programme and may include a visit by a panel. The Pharmacy Board will only recognise and register pharmacy degrees that fulfil the criteria and standards set by the Pharmacy Board. The Pharmacy Board monitors the approved pharmacy programmes yearly until the degree is fully recognised. A pharmacy programme that has successfully obtained recognition of its degree is re-evaluated every 5 years.

6.7.6 PTPTN

PTPTN was established under the National Higher Education Fund Act 1997 (Act 566), and began operating on 1 November 1997. The main function of PTPTN is to manage the disbursement of funds to assist Malaysians to obtain higher education in Malaysia. PTPTN also designs and manages higher education savings schemes, and collects repayments for study loans.

The PTPTN Education Loan Scheme was established to provide qualified Malaysian students who wish to pursue tertiary education programmes at higher educational institutions in Malaysia with student loans. These loans enable students to fully or partially pay for their programme fees, and provide living allowances for eligible students during the course of their tertiary education. The student is required to repay the loan after he or she leaves the programme of study.

Among the criteria of eligibility of a student for education loans under the PTPTN Education Loan Scheme are:

- he or she must be a Malaysian citizen; and
- he or she is registered to pursue a programme approved by the IPT Management Department (IPTA/IPTS), Polytechnic and Community College Management Department of the MOHE.

The quantum of loan amount which may be given to an eligible student per year depends on the programme of study being undertaken and the type of higher educational institution such programme of study is being undertaken at.

(Source: PTPTN)

6. INDUSTRY OVERVIEW (Cont'd)

6.8 FUTURE GROWTH AND INDUSTRY OUTLOOK

The outlook of the nursing and allied health education industry in Malaysia is favourable, supported by the following factors which should underpin sustained demand for qualified nurses and allied health professionals in Malaysia:

- domestic deficit of nurses and allied health professionals relative to the MOH's targeted requirements;
- continuing need to train nurses and pharmacists as the population is projected to increase;
- growing number of healthcare facilities and hospital beds in Malaysia;
- rising elderly population;
- increasing expenditure on healthcare; and
- government commitment to healthcare, health education and training

Domestic deficit of nurses and allied health professionals relative to the MOH's targeted requirements

As detailed in Section 6.2 of the Prospectus, in 2008, there was an estimated shortfall of 84,000 nurses in Malaysia. In 2010, the MOH projects that it will have a shortfall of 8,752 allied health professionals, while on a national level the MOH projects that there will be a shortfall of 5,606 pharmacists practicing in Malaysia. Overcoming the shortfall between the projected supply and national requirements of nurses and other allied health professionals in Malaysia will continue to underpin demand for nursing and allied health education.

Continuing need to train nurses and pharmacists as the population is projected to increase

According to the DOS, the Malaysian population is projected to increase by 1.9% on average per annum to 35 million people in 2020. Such population growth should place increasing demands on nursing and pharmacy services and give rise to the need for more qualified nursing professionals and pharmacists in Malaysia. Based on this projection, Malaysia is expected to require a total of 175,000 registered nurses in 2020 to meet the MOH's targeted nursing ratio, representing a shortfall of approximately 121,000 nurses compared to the number of registered nurses in Malaysia in 2008. As such, the number of registered nurses will have to increase by approximately 10,100 registered nurses per year between 2009 and 2020 to bridge this shortfall.

Malaysia will require a total of 17,500 pharmacists in 2020 to meet the MOH's targeted ratio. This represents a shortfall of approximately 11,100 pharmacists compared to the number of pharmacists in Malaysia in 2008. The number of pharmacists will have to increase by approximately 950 pharmacists per year between 2009 and 2020 to meet the targeted ratio.

Growing number of healthcare facilities and hospital beds in Malaysia

As highlighted in Section 6.3 of the Prospectus, in 2008 there were a total of 389 Government hospitals, private hospitals, nursing and maternity homes in Malaysia, housing a total 53,414 hospital beds.

The increasing number of healthcare facilities and hospital beds is anticipated to generate demand for nursing and allied health education to train the requisite nurses and other allied health professionals to staff these new facilities.

6. INDUSTRY OVERVIEW (Cont'd)

Rising elderly population

Malaysia's population is relatively young. In 2008, it was estimated that 32.0% of Malaysia's population was aged 14 years or younger, with an additional 18.4% of the population aged between 15 and 24 years (*Source: DOS*). Elderly persons (defined as any person over the age of 60, in accordance with the convention adopted at the United Nations World Assembly on Ageing held in Vienna in 1982) accounted for an estimated 7.0% of Malaysia's population in 2008 (*Source: DOS*).

However, based on population projections, between 2006 and 2020, the elderly population is forecast to grow at an average annual rate of 4.8%, and the average life expectancy in Malaysia is expected to rise (*Source: DOS*). The projected increase in the elderly population in Malaysia is likely to place greater demands on nursing and allied health services and nursing and allied health professionals, which in turn should underpin demand for nursing and allied health education.

Increasing expenditure on healthcare

As economies become wealthy, per capita health expenditure generally rises. With increasing wealth, there is generally an increased demand for healthcare and a corresponding need for more healthcare workers to deliver better healthcare services. This is evidenced by the higher nursing density levels found among countries with a higher Gross National Product ("GNP") per capita (PPP international \$). According to the WHO's World Health Statistics 2009, the United States and United Kingdom have a GNP per capita of USD45,850 and USD33,800, respectively, and a corresponding high nursing and midwifery personnel density (per 1,000 population) levels of 9.4 and 12.8. By contrast, China, India and Malaysia have a GNP per capita of USD5,370, USD2,740, and USD13,570 respectively, and a corresponding low nursing and midwifery personnel density (per 1,000 population) levels of 1.0, 1.3, and 1.8. Thus an increase in wealth in Malaysia should result in higher per capita healthcare expenditure and nursing density levels as Malaysians seek out more and better healthcare services.

With economic development, improved hygiene and higher standards of living also comes an 'epidemiological transition' in the leading causes of death. Malaria, cholera and diarrhoea - conditions that are inexpensive and episodic to treat - are replaced by heart disease and cancer which are chronic, long-term and expensive illnesses. The WHO estimates such communicable diseases which accounted for 29.7% of all deaths globally in 2005 will fall to 21.2% by 2030 with the gap filled by the rise in non-communicable diseases. Accordingly economic progress brings with it an escalating burden of disease which in turn will contribute to the increased demand for healthcare and qualified healthcare personnel.

Government commitment to healthcare, health education and training

The Government's commitment to the promotion of healthcare, health education and training is manifest in the following ways:

- increased budget allocations under the current Ninth Malaysia Plan (2006-2010);
- promotion of healthcare tourism; and
- development of regional centre for education.

6. INDUSTRY OVERVIEW (Cont'd)

Increased budget allocations under the current Ninth Malaysia Plan (2006-2010): The Government's Vision 2020 plan identifies health and education as two focus industries in its ambition to attain developed nation status by 2020. The prevailing five-year economic budget, the Ninth Malaysia Plan (2006 to 2010) reflects this objective and identifies investments in education and human resource development as one of its priorities to cultivate a Malaysian workforce on par with developed nations by 2020. In particular, the allocation of government expenditures on healthcare training and health service increased to RM1.05 billion and RM10.3 billion, respectively, under the Ninth Malaysia Plan, as compared to the expenditures of RM364.5 million and RM9.5 billion, respectively, under the Eighth Malaysia Plan (Source: *Economic Planning Unit*).

Promotion of healthcare tourism: The Government has established a Health Tourism Unit within the MOH to promote Malaysia as a regional healthcare centre and attract foreigners to seek private healthcare in Malaysia (Source: *"Health tourism in Malaysia and its implication on primary health care, MOH; Economic Planning Unit*).

Development of regional centre for education: The Government has a stated ambition to become a regional centre for higher education attracting both foreign education institutions and foreign students to Malaysia as well as upgrading local institutions to produce graduates of comparable quality. To this end, the MOHE hopes to double foreign student enrolment at Malaysian-based universities to 100,000 by 2010, continue to attract overseas universities to open campuses in Malaysia, and encourage local colleges and universities to take their programmes overseas (Source: *Speech by the Deputy Prime Minister of Malaysia at "The Globalising Higher Education in Malaysia Conference"*).

6.9 OVERVIEW AND OUTLOOK OF THE MALAYSIAN ECONOMY

6.9.1 Overview

The Malaysian economy registered a positive growth of 4.5% in the fourth quarter of 2009 (3Q 09: -1.2%), amid strengthened domestic and external demand. Sustained growth in private consumption and increased public sector spending contributed to higher domestic demand. The implementation of the fiscal stimulus measures had gained further momentum during the fourth quarter of 2009, providing an additional impetus to growth. Meanwhile, Malaysia's export performance benefited from improvements in external demand, particularly from the regional economies, and from stronger commodity prices. On the supply side, all economic sectors recorded positive growth, with the exception of the mining sector. For the year as a whole, the Malaysian economy contracted by 1.7% (2008: +4.6%).

During the fourth quarter of 2009, domestic demand increased by 3% (3Q 09: 0.4%) following sustained growth in private consumption and higher public sector spending. Private consumption spending, which expanded by 1.7% (3Q 09: 1.5%), was supported by better conditions in the labour market, a low level of inflation and higher spending for the year-end festive season amid improved consumer sentiments. The public sector continued to provide impetus to growth, with public consumption expanding by 1.3% due to higher expenditure on emoluments and supplies and services.

6. INDUSTRY OVERVIEW (Cont'd)

On the supply side, all economic sectors registered improved performance during the quarter. In the services sector, growth was higher at 5.1% (3Q 09: 3.4%), driven primarily by strong performance in the finance and insurance, wholesale and retail trade, and real estate and business services sub-sectors. The manufacturing sector recovered to record a positive growth of 5.3% during the quarter (3Q 09: -8.6%), reflecting improvements in both external and domestic demand. Meanwhile, the construction sector expanded further by 9.2% (3Q 09: 7.9%), supported mainly by the continued progress in the implementation of projects under the stimulus packages. Growth in the agriculture sector was driven mainly by higher production of industrial crops, while the mining sector contracted at a slower pace due to lower production of crude oil.

The headline inflation rate, as measured by the change in the Consumer Price Index, declined at a more moderate annual rate of 0.2% in the fourth quarter (3Q 09: -2.3%). The decline in consumer prices was largely attributed to the continuing but waning effect of the cumulative downward adjustments in retail fuel prices in the second half of 2008. The international reserves of Bank Negara Malaysia amounted to RM331.3 billion (equivalent to USD96.7 billion) as at 31 December 2009, and increased marginally to RM332.1 billion (equivalent to USD96.9 billion) as at 12 February 2010. The reserves position is sufficient to finance 9 months of retained imports and is 4.1 times the short term external debt.

The Overnight Policy Rate was left unchanged at 2.00% in the fourth quarter. Inter-bank rates for all maturities were relatively stable during the quarter. In terms of lending rates, the average base lending rate remained unchanged from the previous quarter, while the average lending rate continued to decrease to a historic low of 4.83% in December 2009. Financing extended to the business and household sectors expanded significantly in the fourth quarter following the improvement in the economy, coupled with the prevailing low interest rate environment.

(Source: Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2009, Bank Negara Malaysia)

6.9.2 Outlook

The recovery in the global economy had improved further in the fourth quarter of 2009. The advanced economies experienced a gradual pick-up in growth benefiting from the policy support, while the regional economies recorded a stronger recovery supported by favourable domestic demand and an increase in intra-regional trade. This positive trend is expected to continue in 2010, although the pace of the global recovery is expected to be gradual and uneven. The prospect for sustained global growth will depend primarily on the recovery in private sector demand, particularly when the effects of policy measures begin to diminish.

6. INDUSTRY OVERVIEW (Cont'd)

The Malaysian economy has recovered from the global crisis and turned around to record a positive growth in the fourth quarter. Going forward, the improvement experienced in the second half of 2009 is expected to strengthen in 2010. Higher domestic demand, particularly private consumption spending, is expected given the stable labour market conditions, improved consumer and business confidence, and continued access to financing. Further improvements in external demand, following the gradual recovery in the global economy, is also expected to provide further impetus to the domestic economy.

(Source: Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2009, Bank Negara Malaysia)

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7. BUSINESS OF OUR GROUP

7.1 HISTORY AND BUSINESS OVERVIEW

Our Company was incorporated in Malaysia under the Act on 11 September 2006 as a private limited company under the name of Biogem Development Sdn Bhd. Our Company was dormant prior to the acquisition of Masterskill in November 2006. On 7 December 2007, our Company changed its name to Masterskill Education Group Sdn Bhd. On 18 July 2008, our Company was converted into a public limited company and adopted our present name.

The following sets out the acquisitions/ subscriptions of shares in our subsidiaries by our Company and Masterskill:

Acquisitions of/ subscriptions into subsidiaries by our Company

Name	Date of acquisition/ subscription	No. of ordinary shares of RM1.00 each	Consideration (RM)	Type of consideration
Masterskill	27 November 2006*	5,000,000	70,000,000	Cash
MCMSB	28 July 2008 [#]	999,999	999,999	Cash
	1 August 2008*	1	1	Cash

Acquisitions of/ subscriptions into subsidiaries by Masterskill

Name	Date of acquisition/ subscription	No. of ordinary shares of RM1.00 each	Consideration (RM)	Type of consideration
MUCHSB	28 July 2008 [#]	9,999	9,999	Cash
	1 August 2008*	1	1	Cash
MRSB	27 February 2008*	10	10	Cash
MWMSB	27 February 2008*	10	10	Cash
MISB	30 January 2008 [#]	70	70	Cash
	5 June 2008*	30	30	Cash
MESB	26 October 2007 [#]	70	70	Cash
	2 June 2008*	30	30	Cash
MPRC	27 June 2008 [#]	9	9	Cash
	15 July 2008*	1	1	Cash
MDSB	3 March 2010 [#]	99	99	Cash
	5 March 2010*	1	1	Cash

Notes:

- * Acquisition
- # Subscription

7. BUSINESS OF OUR GROUP (Cont'd)

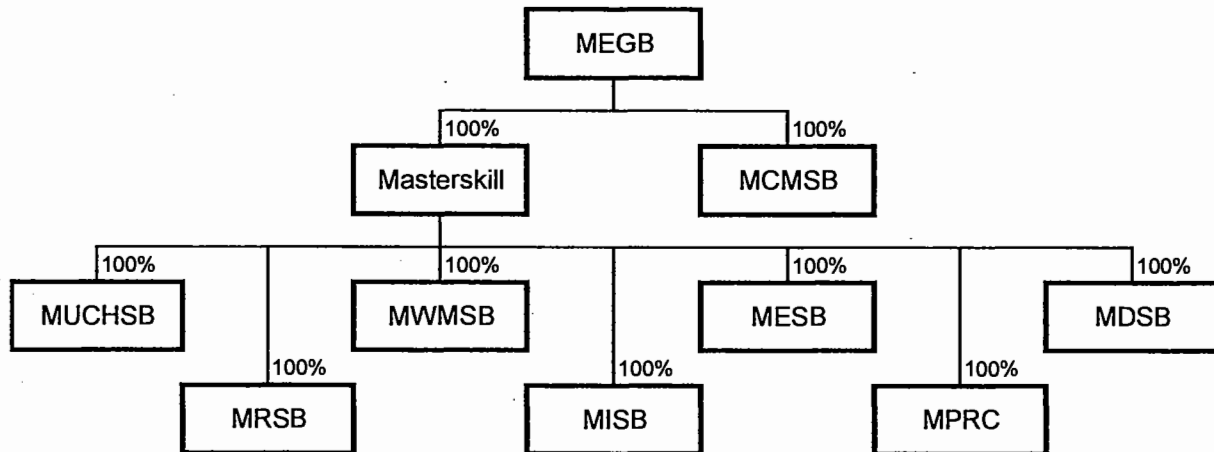
Our Company's principal activities are investment holding and the provision of management services and our Group is principally engaged in the provision of higher education and training in nursing and allied health. The principal activities of our subsidiaries are as follows:

Name	Date and place of incorporation	Principal activities/ Intended principal activities
Masterskill	11 August 1997 (Malaysia)	Provision of education in nursing and allied health sciences in the healthcare industry
MCMSB	28 July 2008 (Malaysia)	Dormant <i>Operation of colleges involved in nursing and allied health education</i>
MUCHSB	28 July 2008 (Malaysia)	Dormant <i>Conducting corporate training courses</i>
MRSB	12 December 2006 (Malaysia)	Dormant <i>Provision of support services</i>
MWMSB	12 December 2006 (Malaysia)	Dormant <i>Provision of education and training, management consultation and investment holding</i>
MISB	30 January 2008 (Malaysia)	Dormant <i>Provision of international procurement services</i>
MESB	26 October 2007 (Malaysia)	Dormant <i>Provision of ambulance and emergency medical assistance services</i>
MPRC	27 June 2008 (Malaysia)	Dormant <i>Provision of physiotherapy and rehabilitation services</i>
MDSB	3 March 2010 (Malaysia)	Dormant <i>Provision of dialysis services and facilities</i>

As at the date of this Prospectus, we have an authorised share capital of RM200,000,000 comprising 1,000,000,000 Shares and our issued and paid-up share capital is RM73,781,156 comprising 368,905,780 Shares.

7. BUSINESS OF OUR GROUP (Cont'd)

Our Group structure can be depicted as follows:



Our history can be traced back to 1997 with the incorporation of Masterskill Training Sdn Bhd with the mission of becoming a premier college dedicated in providing nursing and allied health education for the national and international healthcare industry. The name of the company was changed to Masterskill (M) Sdn Bhd on 29 July 2000. In October 2000, our School of Nursing and Healthcare was approved by the Nursing Board of Malaysia to conduct a Diploma in Nursing programme at the premises of another institution with an annual intake quota of 70 students. In 2001, the Masterskill School of Nursing and Healthcare operated as a nursing training centre.

In October 2004, Dato' Sri Edmund Santhara, our current Group Chief Executive Officer, joined our Group. Since joining us, Dato' Sri Edmund Santhara and our management team have been instrumental in driving our rapid growth and development.

In December 2004, the MOHE registered the Masterskill College of Nursing and Health as a PHEI. We started the School of Allied Health in 2005 with the launch of five (5) diploma programmes in allied health. We subsequently introduced one (1) diploma programme in allied health in 2006. In 2007, we introduced three (3) diploma programmes in allied health. In 2008, we introduced one (1) bachelor's degree programme in nursing and two (2) bachelor's degree programmes and one (1) additional diploma programme in allied health. In 2009, we introduced six (6) degree programmes in allied health of which one (1) is a master's degree level programme and one (1) foundation programme.

In 2009, due to the rapid expansion of our School of Allied Health, we split our School of Allied Health into three (3) specialised schools, namely the School of Therapeutic Science, the School of Biomedicine and Health and the School of Pharmacy. In addition to these three (3) schools and our School of Nursing, we have also established the Centre for General Studies which caters to foundation studies in health science.

7. BUSINESS OF OUR GROUP (Cont'd)

We have been providing our services from our campus in Cheras, Selangor since June 2004. Since then, we have expanded the capacity of our Cheras campus from 1,000 to 15,000 as at the Latest Practicable Date and have established four (4) additional campuses in Peninsular and East Malaysia, located in Ipoh, Perak; Kota Kinabalu, Sabah; Kota Bharu, Kelantan; and Kuching, Sarawak to cater to students living in those regions. These additional campuses, which began accepting students in April 2008, April 2008, June 2008 and January 2010, respectively, currently provide additional capacity of approximately 21,000 students. We are currently in the process of establishing a university college branch campus in Seri Alam, Johor which we expect will commence operations in 2010.

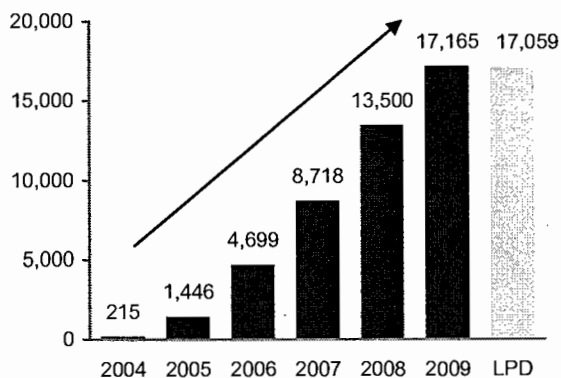
Our Cheras college campus was registered as a university college in July 2008. We intend to acquire and build new premises for the university college which will be funded partly from the proceeds of our IPO and expect to start operations in our purpose-built flagship campus in 2012.

We firmly believe in being a good corporate citizen and place a high degree of importance on our CSR activities. Over the years, we have contributed generously towards various educational, social and nation-building causes. In recognition for our contributions, we received the Prime Minister's CSR Award 2007 – Small Company Category from the Ministry of Women, Family and Community Development in 2007.

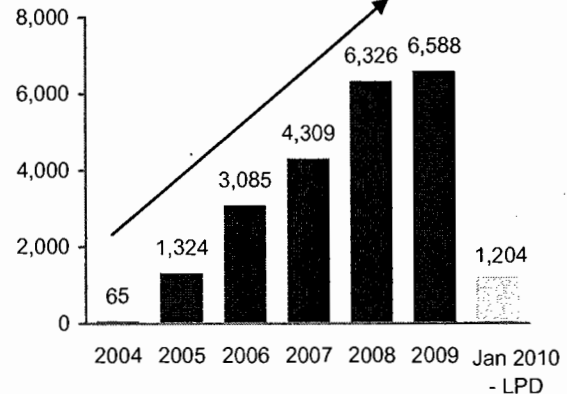
We are the leading operator in the nursing and allied health education industry in Malaysia, with a total of 17,059 full-time students enrolled in our diploma and degree programmes as at the Latest Practicable Date.

The growth in our total students, net student intake, student capacity and cumulative number of programme approvals from the FYE 2004 to the Latest Practicable Date are as follows:

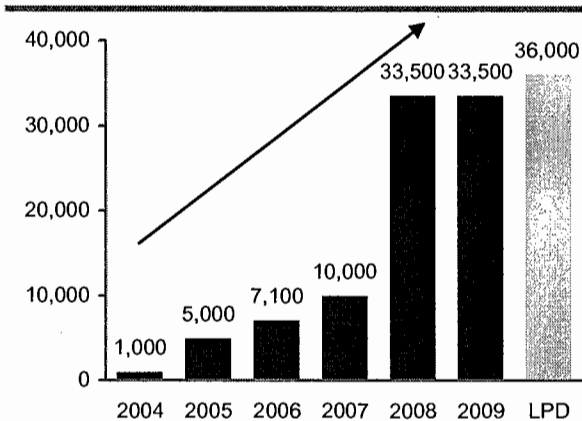
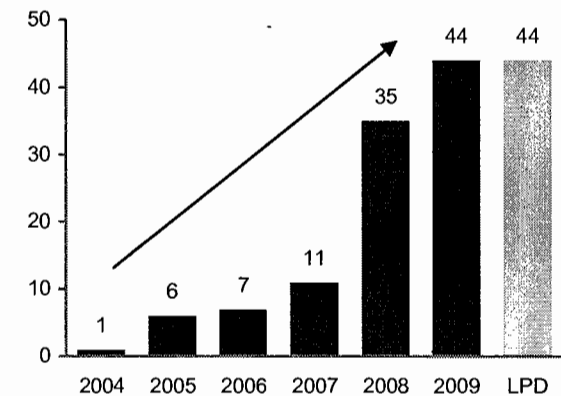
Total students⁽¹⁾ (FYE 2004–LPD)



Net student intake⁽²⁾ (FYE 2004–LPD)



7. BUSINESS OF OUR GROUP (Cont'd)

Student capacity ⁽³⁾ (FYE 2004–LPD)Cumulative programme approvals ⁽⁴⁾ (FYE 2004–LPD)**Notes:**

- (1) Represents end of period student population.
 (2) Defined as gross student intake net of students withdrawn during the year/period.
 (3) Total student capacity in Cheras (15,000), Ipoh (12,500), Kota Kinabalu (3,500), Kota Bharu (2,500) and Kuching (2,500) campuses. Our Seri Alam, Johor campus has planned student capacity of 2,000 students and is expected to begin operations in 2010.
 (4) Includes programme approvals obtained by different campuses. As at the Latest Practicable Date, the new programmes submitted to the MQA which are being assessed are as follows:

Campus	Programmes
Cheras	1 Diploma in Child Development - KA 10514
	2 Bachelor of Science (Hons) Forensic Science - KA 9832
	3 Bachelor of Pharmacy (Hons) - KA 10056
	4 Bachelor of Health Informatics (Hons) - KA 10243
	5 Bachelor of Science (Hons) Nursing - KA 10368
	6 Bachelor of Science (Hons) Paramedic Science - KA 10367
	7 Bachelor of Science (Hons) Occupational Therapy - KA 10554
	8 Bachelor of Rehabilitation Care (Hons) - KA 10876
	9 Master in Nursing Community Health - KA 9906
	10 Master of Science by Research, School of Nursing - KA 10984
	11 Master of Science by Research, School of Pharmacy - KA 10985
	12 Master of Science by Research, School of Therapeutic Science - KA 10986
	13 Master of Science by Research, School of Biomedicine and Health - KA 10987
	14 Master of Science by Research, School of Health Science and Technology Studies - KA 10988
	15 Doctorate in Healthcare Management - KA 10943
	16 PhD by Research - KA 11044
Kuching	1 Diploma in Environmental Health - KA 11033
	2 Diploma in Pharmacy - KA 11086

7. BUSINESS OF OUR GROUP (Cont'd)

We are a rapidly growing provider of private healthcare education. Since 2005, when our current management team, headed by Dato' Sri Edmund Santhara, was installed, we have increased our total student population from 1,446 in 2005 to 17,059 as at the Latest Practicable Date and our net annual student intake has increased from 1,324 in 2005 to 6,588 in 2009. During the FYE 2005 to 2007, our operations were concentrated at our campus in Cheras, Selangor. Starting in the FYE 2008, we also operated from our Ipoh, Kota Bharu and Kota Kinabalu campuses. Please see Section 7.7 of this Prospectus for details on our student population, capacity and utilisation rate.

In the FYE 2010, our annual student intake and total student population are expected to increase with the establishment of our new campuses in Seri Alam, Johor and Kuching. Please see Section 7.5.7 of this Prospectus for details on our campus locations and facilities.

As at the Latest Practicable Date, we offer nine (9) degree programmes including one (1) top-up degree programme and one (1) master's degree programme, eleven (11) diploma programmes and one (1) foundation programme. We continuously develop and introduce new programmes in response to market demand and requirements. We believe that as we further expand our selection of programmes, we will attract a larger student base, both locally and internationally. Please see Section 7.3 of this Prospectus for details on our future plans and strategies.

In July 2008, we received the MOHE's approval for the establishment of the Masterskill University College of Health Sciences and are actively developing four (4) year bachelor's degree programmes and post-graduate programmes for this university college. We are also developing top-up programmes, which can serve as an avenue for diploma graduates to pursue degree level specialisation and enhance their career prospects upon graduation. These degree and top-up programmes typically attract higher fees and have longer programme duration. Our large existing student population is a natural recruitment pool for our university college.

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7. BUSINESS OF OUR GROUP (Cont'd)

7.2 COMPETITIVE STRENGTHS AND ADVANTAGES

We believe we have the following competitive strengths and advantages:

(i) **Market leader in the Malaysian nursing and allied health education industry**

We have established a strong brand name and reputation as a leading provider of nursing and allied health education in Malaysia.

- *Largest nursing and allied health education provider by student enrolment*

In February 2010, we had an estimated market share of 22% among PHEIs that provide nursing education in Malaysia based on student enrolment. As at the Latest Practicable Date, we had 17,059 active students, which made us the largest nursing and allied health education provider in Malaysia based on student enrolment.

(Source: Vital Factor)

- *Significant student capacity*

We have a significant student capacity which can accommodate up to 36,000 students, more than double our current number of students. Our campus in Cheras is equipped to handle up to 15,000 students and our four (4) other campuses in Malaysia can support an additional capacity of approximately 21,000 students. In addition, our Seri Alam, Johor campus has a total planned student capacity of 2,000 students and is expected to commence operations in 2010.

- *Strong presence and brand recognition in Malaysia*

We have engaged in various marketing and brand building activities and believe we have a strong presence and brand recognition in Malaysia in view that 82% of our students come from Bumiputera backgrounds as at the Latest Practicable Date. Please refer to Sections 7.12 and 7.13 of this Prospectus for further information on our awards and recognition and marketing strategies.

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7. BUSINESS OF OUR GROUP (Cont'd)

(ii) Quality nursing and allied health education

- *Emphasis on quality*

- We are committed to train and develop quality healthcare professionals that are competent and competitive in the workplace, whether locally or internationally. We provide 60 weeks of clinical training, which is above the 48 weeks of clinical training as required by the Nursing Board of Malaysia. Furthermore, we have exceeded and intend to continue to exceed the industry standards expected of our students in Malaysia.
- We have high entry requirements for student applicants. While the Nursing Board of Malaysia guidelines require a minimum of three credits in Sijil Pelajaran Malaysia (which is the Malaysian equivalent to the school leaving certificate after completing secondary education), we require our applicants to have obtained a minimum of four (4) credits. In addition, applicants for our Diploma in Pharmacy programme must have obtained at least an additional credit in Biology or Chemistry.
- We have achieved ISO 9001:2008 quality management system certifications from Moody International Certification (Malaysia) Sdn Bhd for the scope of "Provision of Nursing and Allied Health Educational and Training Programs" for our Ipoh campus and for the scope of "Provision of Medical and Health Sciences Educational and Training Programmes" for our Cheras campus. This internationally recognised certification is a testament to the quality of our programmes. We have also received the NAPEI Award for Education Excellence 2008 – University College Category from National Association of Private Educational Institutions.
- We invest in both our staff and teaching infrastructure such as our computer based teaching infrastructure to maintain our high quality standards.

- *Proprietary and industry relevant curriculum*

We have our own range of textbooks published by Prentice-Hall and Oxford Fajar among others. These textbooks and their corresponding programme curricula are adapted by our in-house experts to suit local requirements. As such, we are not dependent on any external party for the supply and development of curricula for our diploma and degree programmes curricula (other than the Bachelor of Health Science/Master of Physiotherapy Practice 4+0 programme that we conduct in collaboration with La Trobe University). We believe our in-house capability to develop our own programme material is a competitive differentiating factor as this provides us the flexibility to revise teaching materials efficiently and cost effectively in response to prevailing industry requirements. Only a few private nursing colleges or institutions in Malaysia have the ability or expertise to do so.

7. BUSINESS OF OUR GROUP (Cont'd)

- *Qualified teaching staff*

Our academic staffs are our most valuable human capital. All our lecturers are required to have at least a bachelor's degree and relevant industry experience. Our academic staffs have also published numerous academic articles in their respective fields of expertise in various internationally recognised journals. We encourage our staff to further their studies and as at the Latest Practicable Date, we are sponsoring 54 of our staff to further their studies.

- *Innovative technology and comprehensive teaching facilities*

- We believe that the use of modern technology and new teaching facilities promote quality learning environment and facilitate the training of our students.
- Our campuses are equipped with full teaching facilities including seminar and tutorial rooms, computer labs with broadband internet access, science and anatomy labs, bedded and simulated wards and a library. We have also invested in medical equipment utilising a wide spectrum of technologies to ensure that our students are exposed and trained to deal with various types of real world healthcare environments.
- The teaching of our students is enhanced through the use of information technology. We have a centralised database to host proprietary curriculum modules and our lecture notes can be accessed in any classroom on a real time basis. These systems also ensure programme standardisation and continuity.

- *Locally accredited programmes*

Programme accreditation is one of the main criteria for a student to obtain a student loan from PTPTN. All of the programmes that we conduct have at least a provisional accreditation from the MQA. Please refer to Section 10.3 of this Prospectus for information on accredited programmes offered by us. As such, all of our Malaysian students are eligible to apply for PTPTN student loans. Furthermore, accreditation by the MQA is an important confirmation of the quality of our programmes and enables us to meaningfully differentiate our programmes from those of our competitors.

- *Internationally relevant qualifications*

Our nursing and allied health programmes enable our graduates to obtain the necessary practical and theoretical skills to practice as registered nurses and allied health professionals in Malaysia as well as other Commonwealth countries and the USA, subject to local licensing requirements. With the increasing global demand for nurses and allied health professionals, our graduates have the opportunity to work in Malaysia and abroad. To enhance the employment marketability of our graduates, we also provide English classes for our students to enhance their skill sets and marketability.

7. BUSINESS OF OUR GROUP (Cont'd)

(iii) Moderate Barriers to Entry

- *Requirements on student intake quotas for nursing programme*
 - The Nursing Board of Malaysia limits the annual student intake for each campus based on qualitative and quantitative criteria, such as the number of hospital beds available for student clinical training, past students' performance, expertise and number of teaching staff as well as the quality of the college's facilities and infrastructure.
 - We have been allocated a relatively high Diploma in Nursing student intake quota by the Nursing Board of Malaysia. In addition, despite the stringent requirements for increasing student intake quotas, we have successfully increased our quota every year since our nursing programme was accredited in 2005. As at the Latest Practicable Date, our Cheras, Ipoh, Kota Kinabalu and Kota Bharu campuses have a total student intake quota of 3,140 Diploma in Nursing students per annum.
- *Extensive network of clinical training sites*
 - Clinical training is an integral part of the curriculum for nursing and most fields of allied health and our students are provided with 'real world' hospital based clinical training as part of their coursework. As at the Latest Practicable Date, we have an extensive student clinical training network with access to 65 public hospitals, 131 health clinics, 37 district health departments and 10 Welfare Departments across Malaysia. In addition, as at the Latest Practicable Date, we have access to 122 private medical centres, clinics and other healthcare facilities in Malaysia as clinical training sites for our students.
 - Our extensive network is augmented by our Memorandum of Understanding with the Chettinad Hospital & Research Institute for clinical training in nursing, medical imaging, physiotherapy, pharmacy and medical laboratory technology and Hospital Affiliation Agreement with Kovai Medical Centre and Hospital for clinical training in physiotherapy. Both of these medical institutions are located in Chennai, India.
 - Our extensive network with hospitals and healthcare providers creates a barrier to entry for potential entrants as this indirectly limits the availability of clinical training slots available to other nursing and allied health schools.

(iv) Highly scalable operating model

- *Standardised operating procedures and in-house curriculum*

Our operating procedures are streamlined to increase our operational efficiency and lower our operating costs. Since 2008, our core operational and management functions have been centralized in our Cheras campus. We also have a centralised database to host our proprietary curriculum modules. In this way, we are able to successfully replicate our operating model to expand our geographical footprint through our integrated infrastructure and standardised operating procedures.

7. BUSINESS OF OUR GROUP (Cont'd)

- *Enlarged campus capacity strategically located across Malaysia*

- Our infrastructure is able to support more than double our current number of students. Please refer to Section 7.2 (i) of this Prospectus.
- We have five (5) campuses strategically located in Malaysia to broaden our reach to potential students and to penetrate untapped markets such as suburban and rural areas in Malaysia.
- In addition to our five (5) existing campuses, which are located in the East Coast and Northern region of Peninsular Malaysia and East Malaysia, we are in the process of establishing a campus in Seri Alam, Johor to serve the southern region of Peninsular Malaysia. This campus is expected to begin operations in 2010.

- *Economies of scale*

Our financial performance is directly linked to our ability to increase our student intake across our campuses. We believe that our extended network of campuses, in-house curriculum and effective marketing strategy, have led to an increase in our student population, thus achieving economies of scale as we leverage on our standardised operating model.

(v) Robust Financial Profile with Proven Track Record

- *Proven track record*

Our revenue increased from RM126.5 million in FPE 2007 to RM273.4 million in FYE 2009 as a result of strong growth in our student enrolment. In addition, we have demonstrated a track record of relatively high and consistent margins.

- *High visibility in earnings and cash flows*

Most of our students are enrolled in our programmes for at least three (3) years and have qualified for financing from PTPTN. As at 31 December 2009, 94.9% of our students were under the PTPTN Education Loan Scheme. This provides us with a secure revenue stream, reduces payment delinquencies and generates strong cash flows throughout the enrolment period of our students. With our university college status, our average programme duration is expected to increase as our students pursue degree programmes that are longer in duration. Furthermore, we have a relatively low proportion of fixed costs, which allows us to achieve consistent margins.

7. BUSINESS OF OUR GROUP (Cont'd)

(vi) Experienced management team and strong working relationships

- *Experienced management*

As at the Latest Practicable Date, our key management team has an average of 10 years of experience in the relevant fields of the education industry in Malaysia. Since 2005, they have successfully managed the growth of our student population to ensure our business is operated effectively. We believe that our senior management team's experience and understanding of the Malaysian education market has enabled us to become a leading provider of education in the nursing and allied health industry.

We value human capital, and our excellence in the human resource area is demonstrated through the awards that we have attained, such as the Human Resource Minister's Award 2009 by the Ministry of Human Resources, Outstanding Contribution of the field of HR Development in Organisation Category by Asia HRD Congress and the Bronze Award for HR Excellence Category by the Malaysian Institute of Human Resource Management in 2009.

- *Strong working relationships with industry participants*

We work closely with the regulatory authorities to ensure that our programmes comply with and where possible exceed regulatory standards. Our current management also has a good track record with the key regulatory bodies such as the MOHE, the MOH, the Nursing Board of Malaysia and the Pharmacy Board of Malaysia. In addition, our good working relationship with public and private hospitals has provided us with important access to hospital beds for hospital-based clinical training for our students and job placement opportunities for our graduates.

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7. BUSINESS OF OUR GROUP (Cont'd)

7.3 FUTURE PLANS AND STRATEGIES

Our goal is to augment our leadership position within the nursing and allied health education industry in Malaysia and to expand our business both locally and internationally. The following are our strategies to achieve this objective:

(i) Continue to pursue organic growth

We intend to continue growing our student base and business in Malaysia by leveraging on our brand and existing infrastructure to further drive domestic organic growth. We believe that there are significant growth opportunities in Malaysia and plan to expand our geographic presence and open new campuses in untapped markets where there is potential demand.

We also plan to increase student enrolments and profitability at our existing campuses by attracting foreign students to enroll at such campuses. In addition, we intend to pursue aggressive marketing efforts to reach a broader target base of students, mainly working adults and other healthcare professionals in Malaysia and selected regional markets.

We see an opportunity to implement additional modes of delivery to enhance our leading market position in the nursing and allied health education industry. Such initiatives include promoting part time and top-up programmes to broaden knowledge of existing healthcare professionals and creating an open learning pathway via distributed learning centres and electronic resources to allow open and distance learning.

In addition, we intend to open a dedicated medical campus at our university college branch campus in Seri Alam, Johor, which will allow us to leverage on the shortage of healthcare professionals in Johor and Singapore.

(ii) Launch a university college campus offering degree level programmes and introducing new diploma programmes

We remain focused on the continuous development of our programme offerings and the university college status we successfully secured from the MOHE in July 2008 for our Cheras campus. Accordingly, we plan to construct a purpose-built university campus called Masterskill University College of Health Sciences with a capacity to accommodate approximately 20,000 students, with construction scheduled to commence in the second half of 2010.

As at the Latest Practicable Date, 98.3% of our students are enrolled in diploma programmes. We plan to develop and market additional bachelor's degree programmes, post-graduate programmes as well as top-up programmes for diploma students wishing to extend their studies. Students who are eligible to enrol in our degree programmes are relatively distinct from the students who apply for our diploma programmes as the entry requirements are higher. Further, we believe that the large existing student population enrolled in our diploma programmes is a natural recruitment pool for our university college.

7. BUSINESS OF OUR GROUP (Cont'd)

We expect to continue devoting significant resources to enhancing our current programme offerings and developing new programmes that are responsive to the evolving market needs. Based on our assessment of the demands of the healthcare market, we intend to continue introducing programmes in the allied health sector as well as specialised professional programmes for corporate clients in the healthcare industry. We believe that as we expand our programme offerings, we will be able to attract a larger student base both locally and internationally, which will further enhance our brand and drive our growth and performance.

For further information on the programmes we are currently developing, please refer to Section 7.10.4 of this Prospectus.

(iii) Maximise auxiliary income and enhancing operational efficiencies

Due to space constraints, most auxiliary services required by our students, including food, communications, entertainment and health and beauty services, are provided off-campus by third-party vendors. As our student population and campus capacity grow, we plan to provide more of these auxiliary services on-campus. To minimize the diversion of management time from our core business of providing education services, we will focus on generating revenues from rental and revenue-sharing agreements with third party vendors.

We are making concerted efforts to implement several cost reduction measures to further improve our cost-efficiency and potentially enhance our margins. These include increasing occupancy rates in our student hostel accommodation to reduce fixed hostel expenses per student. Over the medium-term, we intend to construct our own on-campus accommodation at our new purpose-built flagship campus in Selangor as well as at our Ipoh campus, which we expect to significantly reduce both student hostel expenses and student transportation costs once it is completed. We believe that reducing costs through efficient cost management is essential for margin preservation and our ability to deliver strong financial performance.

(iv) Increase our foreign student intake

We plan to continue to attract foreign students through our marketing efforts to maintain our market leadership. Given the current global shortage of nursing and allied health professionals, we believe our competitive programme offerings will allow us to actively recruit foreign students interested in pursuing careers in nursing and allied health. We intend to attract students holding diplomas from Indonesia, China and the Indian sub-continent within the next two (2) to three (3) years to enrol in our degree programmes.

(v) Establish overseas job placement alliances and presence

We see the opportunity for our students to broaden their career opportunities overseas. Within the next two (2) years, we plan to establish alliances with overseas institutions, including hospitals in the Gulf Cooperative Council region and North America; to expand student placement options upon our students' graduation. The wage differential between Malaysia and these regions makes it attractive for our Malaysian graduates to work in these regions. By being able to facilitate overseas employment for our graduates, we believe that our programmes will become more attractive to potential students in the future as well as provide an avenue for us to boost our earnings via placement fees earned from the employers.

7. BUSINESS OF OUR GROUP (Cont'd)

Excess demand and insufficient supply of nurses globally provides us with opportunities to diversify our revenues by tapping into larger and higher growth markets. We have received invitations and indications of interest from various potential partners to explore education collaborations/partnerships in their countries and we intend to enter into an agreement with a local Indian partner to operate a health science school in India. In the mid to long term, we intend to expand to other growth markets such as Indonesia, China and the Indian sub-continent.

(vi) Diversify curriculum beyond nursing and allied health

We aim to leverage our leadership position in the nursing and allied health field, strong brand recognition and current infrastructure to venture into other fields of education. We will start our diversification through areas which are extensions of our current programme offering, including hospitality, health tourism and management. We expect to attract students through our existing marketing strategy with minimal incremental costs.

It will be important to maintain the quality standards of these new programmes. We believe we can attract high quality teaching talent in these new academic fields by utilizing our brand name, strong financial profile and by procuring recommendations from our existing staff. We also believe that we can be cost competitive relative to other private colleges due to our strong management expertise and our ability to derive economies of scale from our large student population.

(vii) Strategic acquisitions in Malaysia and overseas

We continually evaluate acquisition opportunities within Malaysia and overseas which will provide meaningful scale and attractive future income growth. Our management's industry knowledge and relationships provide a competitive advantage with respect to identifying, evaluating and acquiring schools. We believe that combining synergistic schools can augment our economies of scale and also allow us to increase our capacity, student base and market share in the Malaysian education industry. Acquisitions may also provide a quick route to establish new programmes outside of nursing and allied health to achieve the diversification strategy described above. However, prior to committing ourselves to such strategic acquisitions, our Board will exercise prudence and discipline in its decision-making to ensure that such acquisitions will yield positive returns to us and any material adverse effect on our future financial performance is minimised.

7. BUSINESS OF OUR GROUP (Cont'd)

7.4 KEY MILESTONES AND ACHIEVEMENTS

Our key milestones and achievements are as follows:

Year	Key Milestone
1997	Masterskill Training Sdn Bhd was incorporated.
2000	We established the Masterskill School of Nursing and Healthcare, and launched our School of Nursing offering a Diploma in Nursing programme.
2001	The MOH appointed the Masterskill School of Nursing and Healthcare as a nursing training centre for the MOH's outsourcing programme for Diploma in Nursing. We began accepting students sponsored by the MOH and several private Malaysian hospitals.
2004	Dato' Sri Edmund Santhara joined Masterskill Group.
2004	The Masterskill School of Nursing and Healthcare was registered as a private higher educational institution by the MOHE, and was subsequently renamed Masterskill College of Nursing and Health.
2004	Our campus in Cheras, Selangor commenced operations.
2005	Our Diploma in Nursing programme was fully accredited by the National Accreditation Board (whose function was assumed by the MQA in 2007).
2005	We launched our School of Allied Health, initially offering five (5) diploma programmes in allied health science.
2005	We signed a Memorandum of Agreement with the MOH which gave us access to public hospitals, health clinics, district health departments and welfare departments for clinical training.
2006	Our School of Allied Health introduced one (1) additional diploma programme in allied health.
2006	We signed a Memorandum of Understanding with Chettinad Hospital & Research Institute located in Chennai, South India to collaborate in clinical training areas for our students.
2006	We were awarded "A Class" status by PTPTN following an audit.
2006	We received the Business of the Year Award 2005 under the category of Potential Company awarded by SMI & SME Worldwide Network.
2007	Our Diploma in Medical Imaging, Diploma in Physiotherapy, Diploma in Medical Laboratory Technology and Diploma in Environmental Health programmes offered at our Cheras campus received full accreditation by the MQA.
2007	Our School of Allied Health introduced three (3) additional diploma programmes in allied health.
2007	Our Diploma in Occupational Therapy, Diploma in Occupational Safety and Health and Diploma in Health Informatics programmes offered at our Cheras campus received provisional accreditation from the MQA.
2007	We established the Masterskill Examination Syndicate to set, moderate and mark examinations for our Group as well as third party colleges.
2007	We received the 6 th Asia Pacific International Entrepreneur Excellent Award 2007 for Excellent Brand awarded by the Entrepreneur Development Association Malaysia.

7. BUSINESS OF OUR GROUP (Cont'd)

Year	Key Milestone
2007	We received the Enterprise 50 Award Programme 2007 awarded by the Small Medium Industries Development Corporation (SMIDEC) and Deloitte Malaysia.
2007	We received the NAPEI Award for Education Excellence 2007 – Large IPTS ¹ Category awarded by the National Association of Private Education Institutions (NAPEI).
2007	We received the Prime Minister's CSR ² Award 2007 – Small Company Category awarded by the Ministry of Women, Family and Community Development.
2008	We received the Social Responsibility Award awarded by the Nursing Board of Malaysia.
2008	Our campuses in Ipoh, Perak, Kota Kinabalu, Sabah and Kota Bharu, Kelantan commenced operations.
2008	Masterskill University College of Health Sciences was registered as a University College on 28 July 2008.
2008	Our Diploma in Healthcare and Diploma in Pharmacy programmes received full accreditation by the MQA.
2008	Our Diploma in Paramedic Science (Pre-Hospital Care), Foundation in Health Sciences, Bachelor of Pharmacy (Honours) 4+0 programme in collaboration with La Trobe University, Australia and Bachelor of Health Science/ Master of Physiotherapy Practice in collaboration 4+0 with La Trobe University, Australia programmes offered at our Cheras campus; Diploma in Medical Laboratory Technology, Diploma in Nursing, Diploma in Physiotherapy, Diploma in Pharmacy and Diploma in Healthcare programmes offered at our Ipoh campus; and Diploma in Nursing, Diploma in Medical Laboratory Technology, Diploma in Physiotherapy, Diploma in Healthcare, Diploma in Environmental Health and Diploma in Pharmacy programmes offered at Kota Kinabalu campus; Diploma in Physiotherapy, Diploma in Healthcare and Diploma in Environmental Health programmes offered at our Kota Bharu campus, received provisional accreditation from MQA.
2008	We produced the first group of graduates from diploma in Environmental Health, Medical Imaging, Pharmacy, Medical Lab Technology and Physiotherapy.
2008	We received the BrandLaureate – SMEs Chapter Award 2007 for brand excellence in the Education Category – Nursing & Skills awarded by The BrandLaureate.
2008	We received the NAPEI Award for Education Achievement 2008 awarded by the National Association of Private Educational Institutions (NAPEI).
2008	We obtained ISO 9001:2000 quality management system certification for the scope of the "Provision of Nursing and Allied Health Educational and Training Programs" issued by Moody International Certification (Malaysia) Sdn Bhd for MUCH (Cheras campus).
2009	Our Bachelor of Science (Hons) in Environmental Health and Safety, Bachelor of Biomedical Science (Hons), Bachelor of Physiotherapy (Hons), Bachelor of Medical Imaging and Radiotherapy, Bachelor of Science (Hons) in Healthcare Management and Master of Science in Healthcare Management offered at Cheras campus received MOHE approval.

7. BUSINESS OF OUR GROUP (Cont'd)

Year	Key Milestone
2009	Our Bachelor of Physiotherapy (Hons), Bachelor of Science (Hons) in Healthcare Management and Bachelor of Nursing (Hons) in collaboration with University of Sunderland, UK (Top-up Programme) programmes offered at our Cheras campus; Foundation in Health Sciences programme offered at our Ipoh campus; and Diploma in Nursing and Diploma in Medical Laboratory Technology programmes offered at our Kota Bharu campus, received provisional accreditation from MQA.
2009	We produced the first group of Diploma in Healthcare graduates.
2009	We signed a Sale and Purchase Agreement with Seri Alam Properties Sdn Bhd for the purchase of our University College branch campus building located at Seri Alam, Johor.
2009	We were awarded the Bronze Award for Human Resource Excellence Category, Malaysia HR Awards 08-09 by the Malaysian Institute of Human Resource Management.
2009	We received Outstanding Contribution to the field of Human Resource Development – Organisation Category awarded by Asia HRD Congress 2009.
2009	We were awarded the Human Resource Minister's Award 2009 by the Ministry of Human Resources under large company category.
2009	We obtained ISO 9001:2008 quality management system certification for the scope of the "Provision of Nursing and Allied Health Educational and Training Programs" issued by Moody International Certification (Malaysia) Sdn Bhd for Masterskill College of Nursing and Health (Ipoh campus).
2010	Our Masterskill College of Nursing and Health campus in Kuching, Sarawak commenced operations.
2010	We obtained ISO 9001:2008 quality management system certification for the scope of the "Provision of Medical and Health Sciences Educational and Training Programmes" issued by Moody International Certification (Malaysia) Sdn Bhd for MUCH (Cheras campus).

Notes:

- (1) IPTS = Private Higher Educational Institution;
(2) CSR = Corporate Social Responsibility

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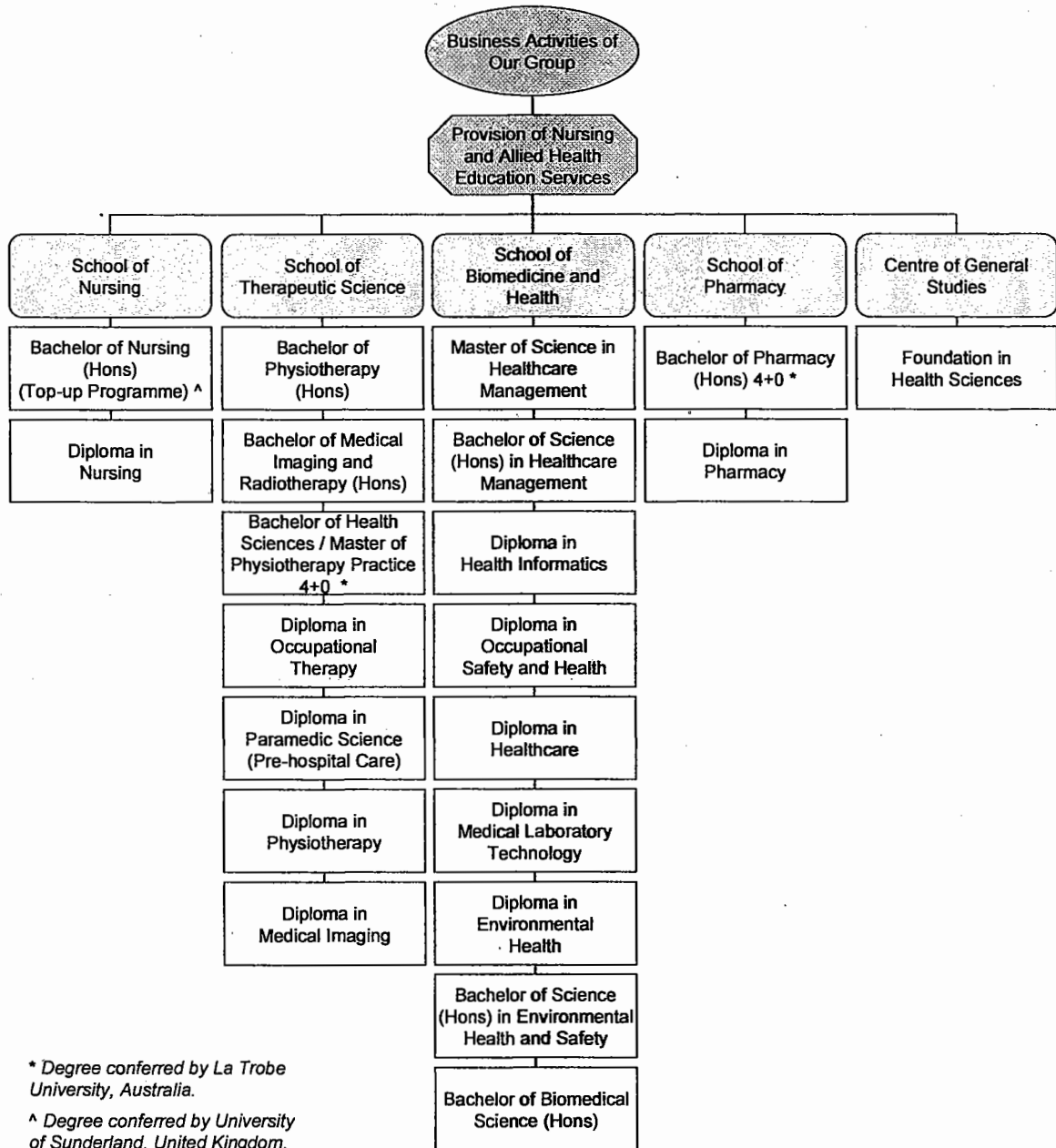
7. BUSINESS OF OUR GROUP (Cont'd)

7.5 PRINCIPAL BUSINESS ACTIVITIES

7.5.1 Description of our business activities

We provide nursing and allied health education as depicted in the diagram below:

Masterskill's Business Profile



7. BUSINESS OF OUR GROUP (Cont'd)

The breakdown of our revenue by business activity for FYE 2009 is as follows:

Revenue Breakdown by Business Activities for FYE 2009

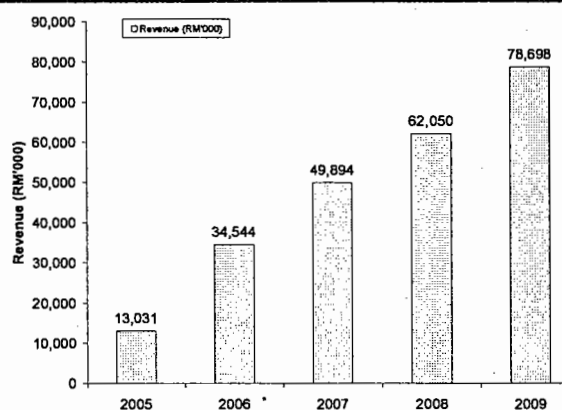
Business Activities	FYE 2009	
	Revenue (RM'000)	%
Nursing Education	78,698	29.8
Allied Health Education	185,223	70.2
TOTAL	263,921	100.0

We currently offer a Diploma in Nursing programme which is fully accredited by the MQA and a Bachelor of Nursing degree in collaboration with the University of Sunderland, United Kingdom (Top-up Programme). The Diploma in Nursing programme is a full-time three-year programme comprising of nine (9) semesters and the top-up degree programme is a 12 to 15 month programme comprising of three (3) to four (4) semesters.

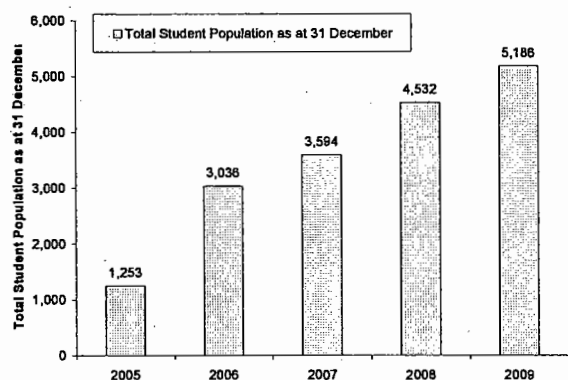
Based on an assessment of our physical facilities, teaching staff and other factors, the Nursing Board of Malaysia has granted us an annual quota to enrol up to 1,800 nursing students for our Cheras campus, 600 nursing students for our Kota Kinabalu campus, 500 students for our Ipoh campus, and 240 students for our Kota Bharu campus. However, it is possible for us to apply for an increase in quota on an ad-hoc basis subject to us fulfilling the requirements of the Nursing Board of Malaysia.

Revenue of Masterskill and Total Student Population for Nursing Programmes

Revenue of Masterskill – Nursing



Total Student Population - Nursing



7. BUSINESS OF OUR GROUP (Cont'd)

Allied Health Education

As at the Latest Practicable Date, we conduct the following allied health programmes:

- **School of Therapeutic Science**
 - Bachelor of Physiotherapy (Hons)
 - Bachelor of Medical Imaging and Radiotherapy (Hons)
 - Bachelor of Health Science/ Master of Physiotherapy Practice 4+0 in collaboration with La Trobe University, Australia
 - Diploma in Physiotherapy
 - Diploma in Medical Imaging
 - Diploma in Occupational Therapy
 - Diploma in Paramedic Science (Pre-Hospital Care)
- **School of Biomedicine and Health**
 - Master of Science in Healthcare Management
 - Bachelor of Science (Hons) in Healthcare Management
 - Bachelor of Science (Hons) in Environmental Health and Safety
 - Bachelor of Biomedical Science (Hons)
 - Diploma in Environmental Health
 - Diploma in Healthcare
 - Diploma in Medical Laboratory Technology
 - Diploma in Health Informatics
 - Diploma in Occupational Safety and Health
- **School of Pharmacy**
 - Bachelor of Pharmacy (Hons) 4+0 in collaboration with La Trobe University, Australia
 - Diploma in Pharmacy
- **School of Foundation**
 - Foundation in Health Science

The diploma programmes listed above are all full-time three (3)-year programmes comprising of nine (9) semesters.

Students who obtain a diploma in one of the allied health sciences are eligible to enter the workforce and are not subject to any certification examination like their nursing counterparts in Malaysia.

We currently offer five (5) bachelor's degree programmes developed by us in the fields of healthcare management, physiotherapy and medical imaging and radiotherapy, environmental health and safety and biomedical science. Our degree programmes are four (4) years (two (2) semesters per year) in length. The curricula for these programmes were developed by us, and the degrees are awarded by MUCH.

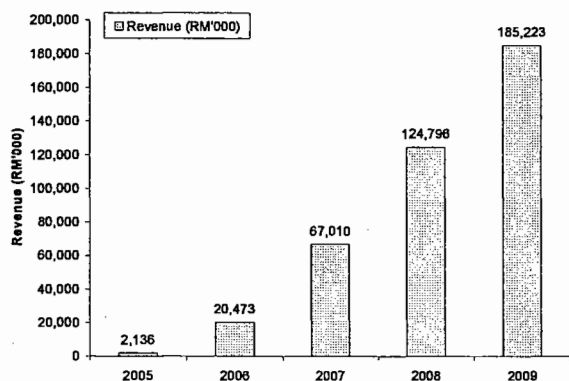
We also offer bachelor's degree programmes in collaboration with overseas universities, namely Bachelor of Pharmacy (Honours) 4+0 in collaboration with La Trobe University, Australia and Bachelor of Health Science/ Master of Physiotherapy Practice in collaboration 4+0 with La Trobe University, Australia. These four (4)-year programmes (two (2) semesters per year) are approved by the MOHE to be conducted in Malaysia until graduation. The degrees for these programmes are awarded by the overseas university.

MUCH offers a Master of Science in Healthcare Management programme.

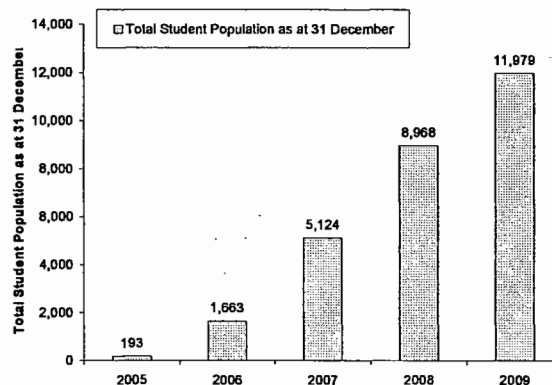
7. BUSINESS OF OUR GROUP (Cont'd)

Revenue of Masterskill and Student Population for Allied Health Programmes

Revenue of Masterskill – Allied Health



Total Student Population - Allied Health



7.5.2 Description of the types of programmes provided by us

Diploma in Nursing

Our Diploma in Nursing programme curriculum covers nursing sciences, health science, behavioural science and clinical placement. The programme provides comprehensive nursing education that trains students to deliver holistic care in fulfilling the needs of patients, their families and the community.

Students who graduate with a Diploma in Nursing are eligible to sit for the Nursing Board of Malaysia certification examination to enable them to practice as registered nurses.

Diploma in Healthcare

Our Diploma in Healthcare programme curriculum covers basic sciences, allied health sciences/behavioural sciences, healthcare management and professional development.

Successful graduates of our Diploma in Healthcare programme will be able to be employed in administrative positions in the government or private sectors.

7. BUSINESS OF OUR GROUP (Cont'd)

Diploma in Pharmacy

A pharmacist counsels patients on the proper usage and side effects of prescribed medication. They also advise physicians and other health practitioners on the selection, dosages, interactions and side effects of medications.

Our Diploma in Pharmacy programme curriculum covers basic sciences, pharmaceuticals and pharmacology.

Successful graduates of our Diploma in Pharmacy programme will be able to be employed as pharmacy assistants in hospitals or healthcare centres, or work as product and application specialists with multinational pharmaceutical companies.

Diploma in Medical Laboratory Technology

A medical laboratory technologist is a person who conducts clinical laboratory diagnostic analysis to identify various types of problems in the human blood, urine, body fluids and other specimens.

Our Diploma in Medical Laboratory Technology programme curriculum covers medical laboratory technology, health sciences and behavioural sciences.

Successful graduates of our Diploma in Medical Laboratory Technology programme will be able to be employed as medical laboratory technicians.

Diploma in Medical Imaging

Medical imaging technicians are professionals who operate machines such as X-Rays, Magnetic Resonance Imaging (MRI), Ultra-Scan and CT scan equipment to generate medical images.

Our Diploma in Medical Imaging programme curriculum covers radiographic techniques, health sciences and imaging sciences.

Successful graduates of our Diploma in Medical Imaging programme will be able to be employed as assistant radiographers, and are generally qualified to pursue careers as radiographers thereafter.

Diploma in Physiotherapy

Physiotherapy (also known as physical therapy) is concerned with the prevention and management of movement disorders arising from medical conditions, injury and diseases.

Our Diploma in Physiotherapy programme curriculum covers health sciences, behavioural sciences and physiotherapy sciences.

Successful graduates of our Diploma in Physiotherapy programme will be able to be employed as physiotherapists.

7. BUSINESS OF OUR GROUP (Cont'd)

Diploma in Occupational Safety and Health

Occupational health is concerned with protecting the safety, health and welfare of people engaged in work or employment. Occupational health professionals also seek to protect co-workers, family members, employers, customers, nearby communities, or other members of the public who are impacted by the workplace environment.

Our Diploma in Occupational Safety and Health programme curriculum covers occupational safety and health science, management and practical training.

Successful graduates of our Diploma in Occupational Safety and Health programme will be able to be employed as occupational safety and health officers in any of the manufacturing, service or healthcare sectors.

Diploma in Environmental Health

Environmental health is concerned with all aspects of the natural and built environment that may affect human health. Environmental health is also concerned with the theory and practice of assessing and controlling factors in the environment that can potentially affect health.

Our Diploma in Environmental Health programme curriculum covers basic sciences, environmental health sciences and environmental health quality.

Successful graduates of our Diploma in Environmental Health programme will be able to be employed as assistant environmental health officers.

Diploma in Health Informatics

Health informatics is a relatively new field of allied health that seeks to combine information technology with the requirements that are specific to healthcare provision and management.

Our Diploma in Health Informatics programme curriculum covers health information technology, health information systems and health informatics management and practical.

Successful graduates of our Diploma in Health Informatics programme will be able to be employed as researchers, programmers, system analyst or educators for hospitals, health systems and health information technology system. A health information technology system refers to a system that electronically stores the medical information that is usually contained in the patient's charts by medical professional.

7. BUSINESS OF OUR GROUP (Cont'd)

Diploma in Occupational Therapy

Occupational therapy refers to the use of meaningful and therapeutic activities to rehabilitate people with physical or emotional disabilities to achieve independence, health and quality of life.

Occupational therapy professionals commonly work with a variety of people with a range of disabilities to enable them to maximise their skills and abilities. As a result occupational therapy professionals may be employed in schools (including schools for children with special needs), rehabilitation centres, mental health facilities, children's clinics, and private homes.

Our Diploma in Occupational Therapy programme curriculum covers various subjects, including anatomy and physiology, neuroscience, biomechanics, community based rehabilitation, geriatrics, and behavioural science.

Successful graduates of our Diploma in Occupational Therapy programme will be able to work as occupational therapy officers.

Since we only recently introduced our Diploma in Occupational Therapy, there were no corresponding revenues generated or students enrolled for this programme for FYE 2005 to 2007.

Diploma in Paramedic Science (Pre-Hospital Care)

Paramedics are medical professionals, usually members of the emergency medical service, who primarily provide pre-hospital advanced and trauma care.

Our Diploma in Paramedic Science (Pre-Hospital Care) programme provides students with an in-depth knowledge and skills on providing emergency on-scene treatment, crisis intervention, life-saving stabilisation and, when appropriate, transport of ill or injured patients to hospitals and trauma centres.

This is a three (3) year diploma programme with nine (9) semesters.

Foundation in Health Sciences

Our Foundation in Health Science programme is a one year preparatory programme specifically designed for students who wish to pursue a bachelor's degree. Students who complete the Foundation in Health Science can seek admission into the first year of any health science related bachelor's degree programme.

The programme components are health sciences, English and Mathematics.

7. BUSINESS OF OUR GROUP (Cont'd)

Bachelor of Science (Hons) in Environmental Health and Safety

Our Bachelor of Science (Hons) in Environmental Health and Safety programme provides students with the necessary tools they need to be productive in management roles in their current occupations as well as advance their careers in new directions.

The programme is designed to provide graduates with the necessary skills to make managerial decisions and provide leadership in the field of environmental health and safety.

The programme is offered on both a full-time (four (4) years) and a part-time (six (6) years) basis. Programme components are Science and Business Concepts.

Bachelor of Biomedical Science (Hons)

Our Bachelor of Biomedical Science (Hons) programme is designed for those who enjoy science and its practical application, particularly in healthcare or related research.

In this programme, students will study life processes to gain an understanding of health and the methods for diagnosing, analysing and treating disease.

The programme is offered on both a full-time (four (4) years) and a part-time (six (6) years) basis.

Bachelor of Science (Hons) in Healthcare Management

Our Bachelor of Science (Hons) in Healthcare Management programme is designed to provide students with the education and practical experience needed to work at the forefront of the healthcare industry.

Healthcare managers organise and oversee the daily operations of hospitals, doctors' offices, and special care facilities. As the structure of the healthcare industry evolves, healthcare management professionals are facing the challenge of improving both the efficiency and the quality of care while controlling costs.

The programme is offered on both a full-time (four (4) years) and a part-time (six (6) years) basis.

Bachelor of Pharmacy (Honours) 4+0 in collaboration with La Trobe University, Australia

In 2008, we established our School of Pharmacy with the introduction of a Bachelor of Pharmacy programme in collaboration with La Trobe University, Australia.

The Bachelor of Pharmacy programme, a full-time four (4)-year programme, is the first off-shore pharmacy degree programme to be offered in Malaysia. The MOHE has granted us the approval to conduct all four (4) years of this programme in Malaysia.

Upon successful completion of the programme, students will receive a Bachelor of Pharmacy (Honours) degree from La Trobe University, Australia. Students who graduate with a Bachelor of Pharmacy (Honours) are eligible to register as pharmacists with the Pharmacy Board of Malaysia.

7. BUSINESS OF OUR GROUP (Cont'd)

Bachelor of Nursing (Hons) in collaboration with University of Sunderland, UK (Top-up Programme)

The Bachelor of Nursing (Hons) (Top-up Programme) is conducted in collaboration with the University of Sunderland, United Kingdom. This programme serves to provide the opportunity for greater and more specialised training for nurses through education, training, research and the transfer of knowledge. It enables students to access the resources facilities of the University of Sunderland whilst undertaking a foreign programme with local fees.

The programme ranges from a minimum of two (2) years to a maximum of three (3) years. The programme facilitator is from University of Sunderland, as are all of the teaching materials. Students who complete the programme receive a Bachelor of Nursing (Hons) degree conferred by University of Sunderland.

Bachelor of Physiotherapy (Hons)

Our Bachelor of Physiotherapy (Hons) programme is a self-developed programme that is designed to equip students with the knowledge and skills for the treatment, maintenance and rehabilitation of a person's impaired physical activities that may be caused by ageing, disease or injury to joints and muscles.

The programme is offered both on a full-time (four (4) years) and a part-time (six (6) years) basis. The programme components include physiotherapy sciences, health sciences, behavioural sciences and professional development.

Bachelor of Medical Imaging and Radiotherapy (Hons)

Our Bachelor of Medical Imaging and Radiotherapy (Hons) programme is designed to equip students with the practical and personal skills necessary to work as a member of a diagnostic imaging services team and wider healthcare team comprising other healthcare professionals.

The programme is offered both on a full-time (four (4) years) and a part-time (six (6) years) basis. The programme components include radiotherapy sciences, imaging sciences, health sciences, professional development involving areas such as communication, management, administrative and leadership skills, and computer sciences.

Bachelor of Health Science/ Master of Physiotherapy Practice 4+0 in collaboration with La Trobe University, Australia

The Bachelor of Health Science/ Master of Physiotherapy Practice programme is a collaborative programme conducted with La Trobe University, Australia. It is the first foreign graduate entry master's degree programme offered in Malaysia.

Students who enrol in this physiotherapy degree programme have access to La Trobe University's library resources and learning management system. Students who complete the programme receive a Bachelor of Health Science/ Master of Physiotherapy Practice degree conferred by La Trobe University.

7. BUSINESS OF OUR GROUP (Cont'd)

Master of Science in Healthcare Management

Our Master of Science in Healthcare Management programme is a self-developed programme that is closely related to many of our degree programmes. This programme is specifically designed for healthcare personnel who aspire to create a vast and varied career pathway in this field. It provides students with a unique blend of knowledge that bridges the world of health care and the world of finance, marketing, accounting and management. The objective of this programme is to enable graduate students to work effectively at a managerial or executive level in both public and private healthcare settings.

We offer full-time and part-time programme for the Master of Science in Healthcare Management. The full-time programme is conducted over a minimum of 12 months and the part-time programme is conducted over a minimum of 24 months.

7.5.3 Accredited and Approved Programmes

All of the programmes conducted by us are approved by the MOHE and either provisionally or fully accredited by the MQA and recognised by the relevant Government and professional bodies.

The programmes with full accreditation are Diploma in Nursing, Diploma in Medical Imaging, Diploma in Environmental Health, Diploma in Pharmacy, Diploma in Physiotherapy, Diploma in Healthcare and Diploma in Medical Laboratory Technology. These programmes have been conducted for at least a period of four (4) semesters at our Cheras campus before an application is made for the MQA's assessment for full accreditation of the programme.

All of the remaining programmes conducted by us have received provisional accreditation from the MQA.

Programme approval and accreditation are crucial as PTPTN student loans are only available to qualified students who enrol in programmes that are either provisionally or fully accredited by the MQA.

7.5.4 Value-added Skills Development

In addition to conducting our core curriculum, we also require all our students to develop value-added skills by enrolling in our computer-based training and English language programmes. We believe that our students benefit from these skills, which make them more marketable not only in Malaysia but globally as well.

7.5.5 Curriculum Development

Curriculum development is one of our core activities. All curricula used in our diploma programmes and degree programmes other than the degree programmes we conduct in collaboration with La Trobe University and University of Sunderland, are proprietary and developed in-house by our panel of experienced subject specialist group and teaching staff. We own the intellectual property rights to these curricula and hence, no payment in the form of royalties is required for the curricula that we use in our programmes.

7. BUSINESS OF OUR GROUP (Cont'd)

7.5.6 Academic Staff

We carefully select our academic staff as we believe that a dedicated, experienced and high quality stream of academic staff is one of the key elements of a successful educational institution. As at the Latest Practicable Date, we had a total of 801 academic staff (including part-time academic staff) comprising 607 lecturers and 194 clinical instructors. Many of our lecturers also act as clinical instructors.

We typically recruit experienced academic staff from local and overseas universities and hospitals. As at the Latest Practicable Date, of our total academic staff (including part-time academic staff), 696 were recruited locally and 105 were recruited overseas, principally from India. Our foreign academic staff are primarily recruited on a contractual basis for a minimum period of two (2) years. Their continued employment in Malaysia is subject to Malaysian immigration laws and policies as well as their respective employment contract. Most of our local academic staff are full-time employees. Of our total 801 academic staff (including part-time academic staff), 167 academic staff are recruited on a contractual basis.

In order to retain our academic staff, we regularly review our remuneration packages and benefits to ensure that they remain competitive. As we also believe in the personal development of our academic staff as part of our human resources strategy, we encourage our existing academic staff to further their studies through our sponsorships. The academic staff whom we sponsor are bonded to work with us for a certain period of time upon the completion of their programme.

We strive to extend the culture and philosophy of care, discipline and harmony inherent in the healthcare industry to our workplace to create an overall pleasant working environment and encourage our staff to continue their employment with us.

To ensure classroom instruction is continuously upgraded, we encourage our academic staff to conduct independent research as well as further their studies in higher level academic programmes.

Our academic staff as well as academic advisors have published various articles in academic journals and contributed to seminars. Some examples of the articles accepted for publication and abstracts prepared for presentation by us and our staff are:

Dr. J. Anbu Jeba Sunilson, Program Manager, School of Pharmacy

Title of Research Paper or Presentation	Publication or Event	Year
Hepatoprotective Activity of <i>Coccinia grandis</i> leaves against Carbon tetrachloride induced hepatic injury in rats.	<i>International Journal of Pharmacology</i> , 5 (3): 222-227.	2009
Analgesic and Antipyretic effects of <i>Sansevieria trifasciata</i> leaves.	<i>African journal of traditional and complementary medicine</i> , 6(4): 529-533.	2009

7. BUSINESS OF OUR GROUP (Cont'd)

Title of Research Paper or Presentation	Publication or Event	Year
Cytotoxic effect of <i>Cayratia camosa</i> leaves on human breast cancer cell lines.	<i>International Journal of Cancer Research</i> . 5 (3): 115-122.	2009
In vitro Antimicrobial Evaluation of <i>Zingiber officinale</i> , <i>Curcuma longa</i> and <i>Alpinia galanga</i> Extracts as Natural Food Preservatives.	<i>American Journal of Food Technology</i> . 4 (5): 192-200.	2009
Preliminary phytochemical Analysis, Elemental Determination and Antibacterial Screening of <i>Codium decortiatum</i> - A Marine Green Algae.	<i>International Journal of Biological Chemistry</i> . 3(2): 84-89.	2009
Anthelmintic Activity of Aqueous Extract of <i>Pongamia pinnata</i> Linn.	<i>Asian Journal of Chemistry</i> . 21(2).	2009
Evaluation of Herbal Tooth Pastes Against Dental Pathogens.	<i>International Journal of Pharmacology and Biological Sciences</i> . 3(2): 65-67.	2009
Anti ulcer activity of <i>Hibiscus vitifolius</i> Linn roots.	<i>Iranian Journal of pharmacology and therapeutics</i> . (Communicated)	2009
Preliminary phytochemical and antiulcer studies of <i>Hibiscus rosa sinensis</i> Linn.	<i>International Journal of Green Pharmacy</i> . (Accepted for publication)	2009
<i>In vitro</i> screening of antilice Activity of <i>Pongamia pinnata</i> Linn.	<i>Korean Journal of Parasitology</i> . (Accepted for publication)	2009
Antidiarrhoeal activity of leaves of <i>Melastoma malabathricum</i> Linn.	<i>Indian Journal of Pharmaceutical Sciences</i> . (Accepted for publication)	2009
Formulation and screening of herbal wound healing ointment.	<i>International journal of pharmacology and Biological science</i> . 2 (3): 17-19.	2008
Gastroprotective and antioxidant activities of the roots of <i>Hibiscus aculeatus</i> Roxb.	<i>International journal of pharmacology</i> . 4 (2): 1-6.	2008
Antibacterial and wound healing activities of <i>Melastoma malabathricum</i> Linn.	<i>African Journal of infectious diseases</i> . 2 (2): 71-76.	2008
Antioxidant and hepatoprotective effect of the roots of <i>Hibiscus esculentus</i> linn.	<i>International journal of green pharmacy</i> . 2 (3): 113-117.	2008
Anti-tumor activity of <i>Hibiscus tiliaceus</i> .	<i>Iranian journal of pharmacology and therapeutics</i> . 7 (1): 8-12.	2008

7. BUSINESS OF OUR GROUP (Cont'd)

Asst. Professor. Hajjah Aminah Binti Hashim, Deputy Dean, School of Nursing

Title of Research Paper or Presentation	Publication or Event	Year
Perceptions of quality Nursing care with Satisfaction in Relation to Cancer Pain.	<i>Masterskill International scientific Conference, Malaysia, 6-8th November 2009.</i>	2009

Professor Dato' Dr. Prom @ Proom Promwichit, Deputy Vice Chancellor, Research and Innovations

Title of Research Paper or Presentation	Publication or Event	Year
Hepatoprotective Activity of <i>Coccinia grandis</i> leaves against Carbon tetrachloride induced hepatic injury in rats.	<i>International Journal of Pharmacology. 5 (3): 222-227.</i>	2009
Preliminary phytochemical Analysis, Elemental Determination and Antibacterial Screening of <i>Codium decortatum</i> - A Marine Green Algae.	<i>International Journal of Biological Chemistry. 3(2): 84-89.</i>	2009

Professor Ahmad Pauzi Md. Yusof, Deputy Vice Chancellor, Academic

Title of Research Paper or Presentation	Publication or Event	Year
Role of supraspinal vasopressin neurons in the effects of atrial natriuretic peptide on sympathetic nerve activity	<i>Autonomic Neuroscience: Basic and Clinical 148, 50-54.</i>	2009

Mr. K. Anandarajagopal, Lecturer, School of Pharmacy

Title of Research Paper or Presentation	Publication or Event	Year
Antiepileptic and Antimicrobial Activities of Novel 1-(unsubstituted/substituted)-3,5-dimethyl-1H-pyrazole .	<i>International Journal of Chem Tech Research.</i> (Accepted for publication)	2009

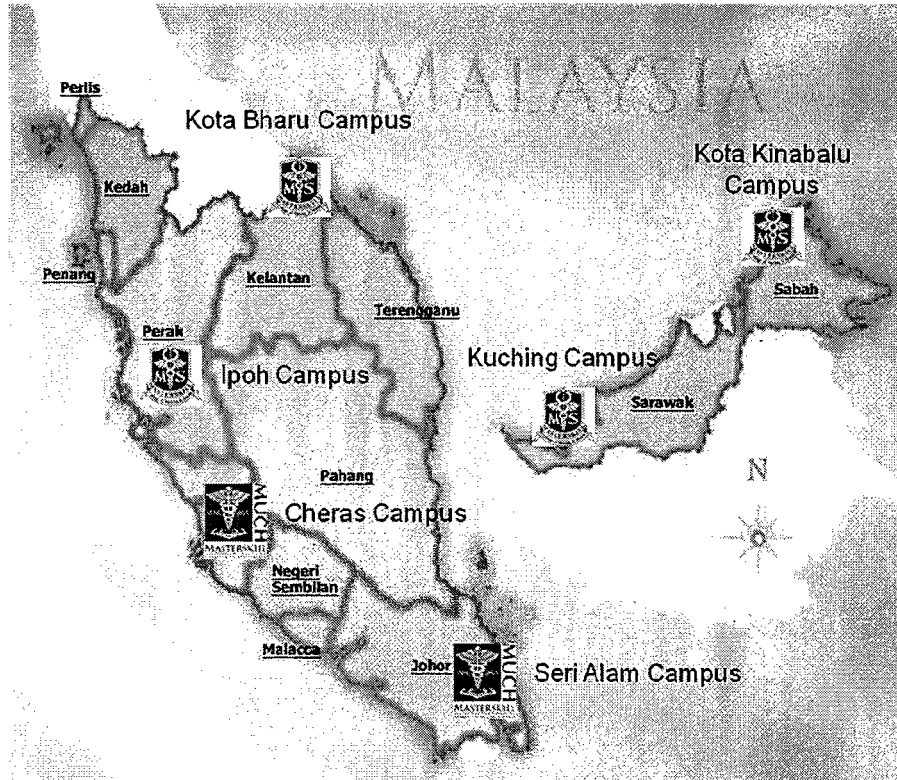
Note:

"Communicated" means that the research papers have been sent to the relevant publications; "Accepted for publication" means that the research papers have undergone peer review and will be published in due course.

7. BUSINESS OF OUR GROUP (Cont'd)

7.5.7 Campus Location and Facilities

Masterskill Campus Locations



Campuses

Our Group's education services are currently provided at the following campuses in Malaysia:

- Our university college campus in Cheras, Selangor;
- Our campus in Ipoh, Perak;
- Our campus in Kota Bharu, Kelantan;
- Our campus in Kota Kinabalu, Sabah; and
- Our campus in Kuching, Sarawak.

Additionally, our university college branch campus in Seri Alam, Johor is expected to begin operations in 2010.

7. BUSINESS OF OUR GROUP (Cont'd)

As at Latest Practicable Date, the major academic and student facilities located at our campuses and physiotherapy centre include the following:

Masterskill Academic and Student Facilities

Major Facilities	MUCH Cheras campus	Ipoh campus	Kota Kinabalu campus	Kota Bharu campus	Kuching campus
Science Lab/ Preparation Room	13	9	3	5	4
Mock Wards	2	2	1	1	1
Computer Labs	9	8	3	3	2
Skill Labs	9	9	5	2	2
Seminar/ Tutorial Rooms	61	67	29	16	15
Lecture Hall	18	-	-	-	-
Library	2	1	1	1	1
Examination Hall	2	-	-	-	-
Auditorium/Lecture theatre	1	5	6	-	-
Multi Purpose Hall	-	1	-	-	-
Discussion Room	2	3	2	3	1
Counselling Room	1	2	1	1	2
Physiotherapy Lab	2	1	1	1	1
Clinic	3	-	1	-	-

We are currently developing a MUCH university college branch campus in Seri Alam, Johor. This campus is expected to begin operations in 2010.

We believe our wide geographical coverage and close proximity to our potential student base attract students from different parts of Peninsular and East Malaysia and is an important factor contributing to the increase in our total enrolment.

Facilities

We utilise proprietary information technology to enhance our curriculum delivery and facilitate our college administration. Classroom instruction is enhanced through the use of computer based training, while our Masterskill Administration System Software streamlines our administrative activities.

All of our classrooms and lecture halls are equipped with computers connected to our servers. Lecturers and instructors can access programme material online and present it to students through Liquid Crystal Display ("LCD") projectors.

7. BUSINESS OF OUR GROUP (Cont'd)

The programme profile for each of our campuses is set out in the following table:

Programme	MUCH Cheras campus	Masterskill College of Nursing and Health			
		Ipoh campus	Kota Kinabalu campus	Kota Bharu campus	Kuching campus
School of Nursing					
Bachelor of Nursing (Hons) in collaboration with University of Sunderland, UK (Top-Up Programme)	√				
Diploma in Nursing	√	√	√	√	
School of Therapeutic Science					
Bachelor of Physiotherapy (Hons)	√				
Bachelor of Medical Imaging and Radiotherapy (Hons)	√				
Diploma in Physiotherapy	√	√	√	√	
Diploma in Medical Imaging	√	√	√	√	
Diploma in Occupational Therapy	√				
Diploma in Paramedic Science (Pre-Hospital Care)	√				
School of Biomedicine and Health					
Master of Science in Healthcare Management	√				
Bachelor of Biomedical Science (Hons)	√				
Bachelor of Science (Hons) in Environmental Health & Safety	√				
Bachelor of Science (Hons) in Healthcare Management	√				
Bachelor of Health Sciences / Master of Physiotherapy Practice 4+0 in collaboration with La Trobe University, Australia	√				
Diploma in Environmental Health	√	√	√	√	
Diploma in Healthcare	√	√	√	√	√
Diploma in Medical Laboratory Technology	√	√	√	√	
Diploma in Health Informatics	√				
Diploma in Occupational Safety and Health	√				
School of Pharmacy					
Bachelor of Pharmacy (Hons) 4+0 in collaboration with La Trobe University, Australia	√				
Diploma in Pharmacy	√	√	√	√	
School of Foundation					
Foundation in Health Sciences	√	√			
Student Capacity	15,000	12,500	3,500	2,500	2,500
Student Hostel Accommodation	Provided	Provided	Provided	Provided	Provided

Notes:

- √ MOHE approval to carry out programme granted.
 * We are currently in the process of establishing a university college branch campus in Seri Alam, Johor which we expect will commence operations in 2010.

7. BUSINESS OF OUR GROUP (Cont'd)

Based on MOHE's letter of approval for the establishment of MUCH's Seri Alam, Johor campus (Ref. No. JPT/BPP(U)1000-801/81(21)) dated 9 September 2009, the following programmes shall be offered at our Seri Alam, Johor campus according to the faculties:

Programmes	Faculty
Radiotherapy Orthotics and prosthetics Podiatry Speech therapy and audiology Sports science and fitness Sports therapy	Health Science Faculty
Biomedicine Pharmacology science Analysis and forensic science Psychology Optometry Food and nutrition Food technology	Life Science Faculty
Biomolecular science Manipulative science Homeopathy science	Complementary Medicine Faculty
Medicine	Medical Faculty
Dentistry	Dental Faculty

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7. BUSINESS OF OUR GROUP (Cont'd)

7.5.8 Clinical Training

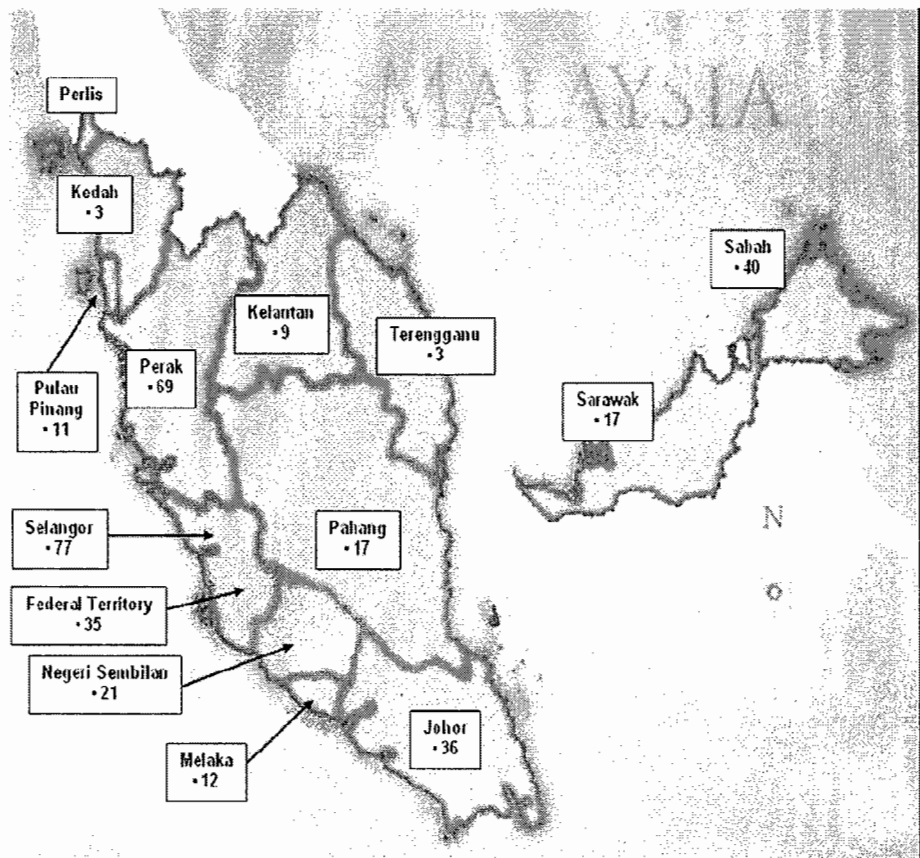
We have secured places for student clinical training at both local and overseas hospitals and other healthcare facilities.

Our Diploma in Nursing programme includes a 64-week minimum hospital-based clinical training component. Nursing students are required to fulfil 100% of the programme's hospital-based clinical training before they are allowed to sit for the final Nursing Board of Malaysia certification examination.

We also have in-house clinical training resources, such as mock wards and skill labs, to supplement our external clinical training arrangements. The number of mock wards and skill labs in our respective campuses is disclosed in Section 7.5.7 of this Prospectus.

As at the Latest Practicable Date, we have access to use 65 public hospitals, 131 health clinics, 37 district health departments and 10 Welfare Departments in Peninsular and East Malaysia for clinical training. This network of public healthcare facilities is augmented by additional clinical training placements secured at private hospitals and healthcare providers in Malaysia. As at the Latest Practicable Date, we have access to 122 private medical centres, clinics and other healthcare facilities in Malaysia as clinical training sites for our students.

The locations of the clinical training sites available to our students at public hospitals, community polyclinics, district health departments and welfare departments in Peninsular and East Malaysia are summarised in the map below:



7. BUSINESS OF OUR GROUP (Cont'd)

In 2006, we signed a Memorandum of Understanding with the 1,200-bed Chettinad Hospital & Research Institute located in Chennai, South India for clinical training collaboration in various fields. Further in 2009, we have also entered into a Hospital Affiliation Agreement with the 500-bed Kovai Medical Centre and Hospital for clinical training collaboration in physiotherapy.

Our network of clinical training facilities is an important competitive advantage in sustaining our success, as clinical training is a crucial component of nursing and allied health education.

7.5.9 Financial Aid

All of our Malaysian students meet the academic requirements for Government funded PTPTN student loans, which cover the full cost of our nursing and allied health programmes.

The ready availability of Government funding for qualifying students reduces the financial impediments of undertaking a diploma in nursing or allied health with us. Accordingly, we are able to attract a steady stream of new students to sustain and grow our business.

Please see sections 5.1.2, 6.7.6 and 8.2.2(iii) of this Prospectus for further information on PTPTN student loans and our reliance on such loans being provided to our students.

7.5.10 Career Placement

As a value-added service for our students, we provide career placement assistance for our graduating students during their final semesters as well as after their graduation. We assist our students in their job search process, organise placement interviews and provide potential employers with resumes and contact information of our graduating students.

In 2009, all of our graduates who sought our assistance for career placement succeeded in securing offers for employment in their relevant fields within public and private hospitals, and other healthcare providers in Malaysia.

While we do not currently place graduating students for employment overseas, we intend to do so as part of our future plans.

7.6 OUR PRINCIPAL MARKETS

For the FYE 2009, our revenue was derived exclusively within Malaysia.

As at the Latest Practicable Date, we have a student population of 17,059 students of whom more than 99% are Malaysian nationals.

We currently accept primarily Malaysian students for our nursing programmes. The Nursing Board of Malaysia limits the total student intake for our nursing programmes at our Cheras, Ipoh, Kota Bharu and Kota Kinabalu campuses to 3,140 students per year. Although we are not prohibited from accepting foreign students to our nursing programmes, we wish to train as many Malaysian nurses as possible to help meet the shortage of nurses in the country and to provide as many opportunities as possible for Malaysians to pursue a career in nursing.

7. BUSINESS OF OUR GROUP (Cont'd)

7.7 OUR STUDENT POPULATION, CAPACITY AND UTILISATION RATE

As at the Latest Practicable Date, the student population, capacity (maximum student enrolment) and utilisation rate of each of our existing campuses were as follows:

Student Population, Capacity and Utilisation Rate of Campuses

Campus	Student Population	Commencement	Capacity – Maximum Student Enrolment	Utilisation Rate (%)
Cheras campus	9,667	June 2004	15,000	64.4
Ipoh campus	2,228	April 2008	12,500	17.8
Kota Kinabalu campus ⁽¹⁾	3,165	April 2008	3,500	90.4
Kota Bharu campus	1,843	June 2008	2,500	73.7
Kuching campus ⁽²⁾	156	January 2010	2,500	6.2
TOTAL	17,059		36,000	47.4

Notes:

- (1) We have undertaken to extend our Kota Kinabalu campus.
- (2) The students at our Kuching campus are currently undergoing their studies and will be sitting for their semester examinations at our Cheras campus to enable them to experience the facilities at our Cheras campus. We will take the opportunity to upgrade and complete certain facilities at our Kuching campus such as medical labs and student rest area during the time the students are at our Cheras campus. The students are expected to resume their classes at our Kuching campus at the end of June 2010 or early July 2010, after their semester break.

7.8 SEASONALITY

Our business does not experience any material seasonality.

7.9 TECHNOLOGY USED

7.9.1 Relevant Technologies

We utilise information technology to enhance our curriculum delivery and facilitate college administration.

Curriculum delivery is enhanced through the use of computer based teaching technology while our college administration is facilitated by our proprietary Masterskill Administration System Software.

In view of our reliance on our information and communications technology, we have made provisions and taken steps to minimise the occurrence of the failure of such facilities by performing regular maintenance and upkeep of our ICT infrastructure, including system updates and upgrades. We also have in place a disaster recovery system which carries out automated periodic back-ups and are in the process of setting up the necessary infrastructure to link our campuses to commence regular back-ups off-site. Apart from such automated back-ups, we also undertake periodic back-ups of our critical computers and servers housing our database.

7. BUSINESS OF OUR GROUP (Cont'd)

7.9.2 Computer Based Teaching

We utilise computer based teaching to enhance curriculum delivery to our students.

All of the classrooms and lecture halls at our campuses are equipped with computer-based presentation equipment comprising networked computers and LCD projectors. Our science laboratories are equipped with wireless Internet networks.

All lectures and presentations for nursing and allied health programmes are fully digitised in the form of computer-based slide presentations and videos. The content is stored in electronic format in centralised servers accessible by lecturers and authorised personnel from any of our lecture rooms and other teaching facilities, enabling them to present such information directly using LCD projectors.

As lectures and presentations are prepared based on our centralised curriculum for each programme of study, individual programme lecturers are able to substitute for other lecturers in the same programme should there be a need to do so. This also provides flexibility for students to attend different classes and lectures with minimal disruption.

We utilise licensed "Ellis Academy" English language training software to provide our students with value-added English language programme. Language programmes are carried out in computer-enabled language laboratories using Ellis Academy language training software. The Ellis Academy language training software includes computer-assisted speaking and pronunciation exercises, as well as student performance and attendance tracking capability.

7.9.3 Masterskill Administration System Software

We utilise proprietary Masterskill Administration System Software to facilitate our college administration.

The Masterskill Administration System Software is used to store and track an individual student's academic performance throughout the programme's duration. The software alerts teachers and administrators if it detects that a student's performance falls below the required standard, and remedial actions such as additional coaching and tutoring can then be arranged.

In addition, the Masterskill Administration System Software is also used to monitor a lecturer's performance. Such information is used in determining performance-based compensation.

We own the source code for the Masterskill Administration System Software, and continuously make improvements to the system in response to our expanding and changing administrative needs.

7. BUSINESS OF OUR GROUP (Cont'd)

7.10 RESEARCH AND DEVELOPMENT

7.10.1 Policies of Research and Development

Research and Development ("R&D") has an important role in our business, particularly in creating and sustaining our competitive advantages in the following ways:

- developing new curricula for new diploma programmes of study;
- developing new curricula for new degree and post-graduate degree programmes of study;
- improving our proprietary Masterskill Administration System Software; and
- maintaining and improving the quality of teaching provided by us.

Through R&D, we aim to realise the following benefits:

- growing our business by expanding our suite of nursing and allied health programme offerings;
- upgrading our academic credentials by offering programmes of study that culminate in degrees conferred by us;
- enhancing and improving the standard of teaching and instruction through our Computer Based Training system;
- improving our college administration through continuous development of our proprietary Masterskill Administration System Software; and
- leveraging upon our intellectual property comprising proprietary curricula and Masterskill Administration System Software to expand our business in Malaysia and overseas.

7.10.2 Research and Development Facilities and Personnel Involved

As our principal R&D activities involve the development of programme curricula for diploma and degree programmes, we currently do not have any specialised R&D facilities or a dedicated R&D team.

Our existing field experts and academic staff, comprising both lecturers and clinical instructors, undertake our curricula development and improvement. As at the Latest Practicable Date, we had a total of 801 academic staff (including part-time academic staff). The technology development of our Masterskill Administration System Software is primarily carried out by our information technology personnel with content input coming from our field experts and academic staff.

7.10.3 Achievements in Research and Development

Curriculum Development

All of the curricula used in our nursing and allied health diploma programmes are developed by our panel of experienced field experts and teaching staff. We own the intellectual property rights to these curricula.

7. BUSINESS OF OUR GROUP (Cont'd)

The curricula for our diploma programmes comprise the following materials:

- overall programme outline;
- selection of third-party reference material;
- Clinical Training Manual;
- presentations and slides for lectures;
- materials for presentation;
- assessment and examination questions;
- skills training modules; and
- clinical training modules.

The Clinical Training Manual as well as other programme materials used by our students are proprietary and developed by us. We own the copyright and intellectual property rights associated with these materials.

7.10.4 Present Research and Development Activities

We are currently developing curricula for new programmes of study that we plan to introduce as part of our future plans. The programmes of study currently under development include:

Masterskill University College of Health Sciences – MUCH and MUCH's Seri Alam, Johor campus

No	Programme	Intended Date of Completion of Development
Degree Programmes		
1	Dietetics*	2010
2	Bachelor of Medicine and Bachelor of Surgery (Twinning Programme)*	2010
3	Pharmacological Science	2010
4	Psychology	2010
5	Medical Lab Technology	2010
6	Food Technology	2010
7	Food and Nutrition	2010
8	Sports Therapy	2010
9	Analytic and Forensic Science	2011
10	Sports Science and Exercise	2011
11	Traditional and Complementary Medicine <ul style="list-style-type: none"> • Herbal Therapy • Traditional Medicine <ul style="list-style-type: none"> - Chinese - Indian - Malay • Homeopathic Medicine • Aromatherapy • Ayurvedic Medicine • Acupuncture • Hypnotherapy Therapy 	2010 2011 2012 2012 2012 2012 2012
12	Optometry	2012

7. BUSINESS OF OUR GROUP (Cont'd)

No	Programme	Intended Date of Completion of Development
13	Prosthetic	2013
Master Programmes		
1	Physiotherapy	2011
2	Pharmacy	2011
3	Biomedicine	2011
4	Lab Management	2011
5	Medical Imaging	2011
6	Dietetics	2011
7	Gerontology	2011
8	Environmental Health	2012
9	Occupational Safety and Health	2012
10	Paramedic Science	2012
11	Sports Science and Therapy	2012

Note:

* *Development completed.*

Ipoh campus

No	Programme	Intended Date of Completion of Development
Degree Programmes		
1	Bachelor of Medicine and Bachelor of Surgery (Twinning Programme)	2011

7.10.5 Future Research and Development Activities***Developing Curricula for Degree Programmes***

In line with the upgrade of our Cheras campus to a university college, we plan to develop curricula for programmes of study that culminate in degrees conferred by us in the fields of nursing and allied health.

We believe that our ability to develop curricula for diploma programmes, coupled with our prior experience in providing classroom and clinical training, creates a strong foundation for us to develop degree-level curricula for nursing and allied health.

7. BUSINESS OF OUR GROUP (Cont'd)

7.10.6 Research and Development Expenditure

Our expenditure on research, development and training from the FYE 2007 to FYE 2009 are as follows:

Year	Expenditure (RM)
FYE 2007	⁽¹⁾ 553,659
FYE 2008	1,213,674
FYE 2009	1,310,257

Note:

(1) Inclusive of RM250,000 pledge for the Physiotherapy Education Research Grant to Malaysian Physiotherapy Association.

In 2007, we allocated research grants totalling RM0.5 million (inclusive of a RM250,000 pledge to Malaysian Physiotherapy Association as Physiotherapy Education Research Grant) as part of our CSR programme.

7.11 QUALITY ASSURANCE POLICY

We strive to provide high quality education services to our students.

We obtained ISO 9001:2000 quality management system certification for the scope of "Provision of Nursing and Allied Health Educational and Training Programs" issued by Moody International Certification (Malaysia) Sdn Bhd in 2008 for our Cheras campus.

In 2009 and 2010, we obtained ISO 9001:2008 quality management system certifications from Moody International Certification (Malaysia) Sdn Bhd for the scope of "Provision of Nursing and Allied Health Educational and Training Programs" for our Ipoh campus and for the scope of "Provision of Medical and Health Sciences Educational and Training Programmes" for our Cheras campus respectively.

7.12 AWARDS AND RECOGNITION

In recognition of our achievements, we have received a number of awards including the following:

Awards and Recognitions Received by Our Group

Award/Recognition	Awarding Body	Year Awarded
Business of the Year Award 2005 under the category of Potential Company	SMI & SME Worldwide Network	2006
6 th Asia Pacific International Entrepreneur Excellence Award 2007 for Excellence Brand	Entrepreneur Development Association of Malaysia	2007
Enterprise 50 Award Programme 2007	Small Medium Industries Development Corporation (SMIDEC) and Deloitte, Malaysia	2007

7. BUSINESS OF OUR GROUP (Cont'd)

Award/Recognition	Awarding Body	Year Awarded
NAPEI Award for Education Excellence 2007 – Large IPTS ¹ Category	National Association of Private Educational Institutions (NAPEI)	2007
Prime Minister's CSR ² Award 2007 – Small Company Category	Ministry of Women, Family and Community Development	2007
Social Responsibility Award	Nursing Board of Malaysia (Ministry of Health)	2007
The BrandLaureate-SMEs Chapter Award – Education: Nursing & Skills 2007	The BrandLaureate	2007
ISO 9001:2000 quality management system certification for the scope of "Provision of Nursing and Allied Health Educational and Training Programs" for MUCH (Cheras campus)	Moody International Certification (Malaysia) Sdn Bhd.	2008
NAPEI Award for Education Excellence 2008 – University College Category	National Association of Private Educational Institutions (NAPEI)	2008
Bronze Award for HR Excellence Category, Malaysia HR Awards 08-09	Malaysian Institute of Human Resource Management	2009
Outstanding Contribution to the field of Human Resource Development Organisation Category	Asia HRD Congress 2009	2009
Winner of Human Resource Minister's Award 2009 under large company category	Ministry of Human Resources	2009
ISO 9001:2008 quality management system certification for the scope of the "Provision of Nursing and Allied Health Educational and Training Programs" for Masterskill College of Nursing and Health (Ipoh campus)	Moody International Certification (Malaysia) Sdn Bhd.	2009
The BrandLaureate-SMEs Chapter Awards – Nursing Education 2009	The BrandLaureate	2009
The BrandLaureate-SMEs Chapter Awards – Brand Culture (CSR) 2009	The BrandLaureate	2009
ISO 9001:2008 quality management system certification for the scope of the "Provision of Medical and Health Sciences Educational and Training Programmes" for MUCH (Cheras campus)	Moody International Certification (Malaysia) Sdn Bhd.	2010

Notes:

- (1) IPTS = Private Higher Educational Institution;
(2) CSR = Corporate Social Responsibility.

7. BUSINESS OF OUR GROUP (Cont'd)

The achievements of Dato' Sri Edmund Santhara, our current Group Chief Executive Officer, have also been recognised and he has received a number of awards, including the following:

Awards and Recognitions Received by Dato' Sri Edmund Santhara

Award/Recognition	Awarding Body	Year Awarded
Young Indian Entrepreneur Award 2007	Social Entrepreneur Network (SENET)	2007
6 th Asia Pacific International Entrepreneur Excellence Award 2007 for Excellence Leadership	Entrepreneur Development Association of Malaysia	2007
Ernst & Young Entrepreneur of the Year Malaysia 2007	Ernst & Young, Malaysia	2007
Ernst & Young Emerging Entrepreneur of the Year 2007	Ernst & Young, Malaysia	2007
Anugerah Belia Negara 2007 (Special Award)	Malaysian Government	2008
JCI Creative Young Entrepreneur Award	JCI Creative Young Entrepreneur Award (Malaysia) 2008	2008
World Creative Young Entrepreneur Award	Junior Chamber World Congress 2008	2008
BrandLaureate Brand Personality Award	Asia Pacific Brands Foundation and The BrandLaureate	2008
Technology Business Review ASEAN Awards 2008 for Leadership in the ASEAN Manpower Development Sector	Technology Business Review	2008
Darjah Indera Mahkota Pahang (DIMP) which carries the title Dato'	Sultan of Pahang	2008
Darjah Paduka Mahkota Perak (DPMP) which carries the title Dato'	Sultan of Perak	2009
The Outstanding Young Malaysian Award	Junior Chamber International Malaysia	2009
Malaysia Business Leadership Awards 2009 - Masterclass Entrepreneur of the Year	Kuala Lumpur Malay Chamber of Commerce	2009
Outstanding Strathclyde Alumni Malaysia Award	University Strathclyde Alumni Malaysia	2009
Yang Amat Dimulia – Peringkat Pertama Darjah Kebesaran Sultan Ahmad Shah Pahang, Sri Sultan Ahmad Shah Pahang (SSAP) Award	Sultan of Pahang	2009

7. BUSINESS OF OUR GROUP (Cont'd)

7.13 MARKETING STRATEGIES AND RECRUITMENT NETWORK

For the FYE 2009, we spent approximately RM11.4 million, which accounted for 4.2% of our total revenue, on promotions and advertisements as part of our ongoing brand building activities.

We believe that our marketing activities have successfully leveraged our education facilities and quality of instruction to build our brand and entrench our reputation as a provider of high quality education.

7.13.1 Marketing Strategies

Our marketing strategy is to position ourselves as the premier provider of nursing and allied health education in Malaysia.

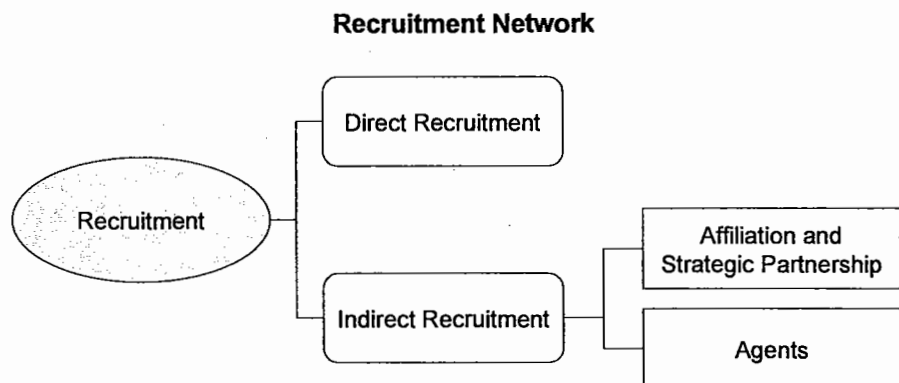
Specific marketing strategies that we have employed include:

- raising interest and awareness in our brand through radio and print advertisements, and our internet website;
- providing opportunities for students and parents to meet with our staff through interactive road shows and talks organised by us;
- raising awareness in our nursing and allied health programmes by sponsoring scholarships for deserving Malaysian students;
- promoting ourselves as a responsible corporate citizen by engaging in CSR activities such as awarding scholarships, giving donations to deserving individuals and organisations, sponsoring national and sporting events;
- publicising awards and recognitions awarded to us and our senior executives to raise brand awareness;
- continuing development and introduction of new programmes of study to attract new students; and
- enhancing the career prospects of our students by providing value-added education services such as English language training, computer-based training and job placement services to graduating students.

As at the Latest Practicable Date, we have a 47-member marketing and recruitment team that focuses on brand and business development in our Marketing and Recruitment Department.

7.13.2 Recruitment Network

Our recruitment strategy uses direct and indirect recruitment strategies as depicted in the diagram below:



7. BUSINESS OF OUR GROUP (Cont'd)

We employ direct recruitment strategies for our recruitment activities in Malaysia, while our efforts in overseas countries rely mainly on indirect recruitment strategies. The direct recruitment approach is executed by our Marketing and Recruitment Department.

In Malaysia, we place billboard, radio and print advertisements to raise brand awareness and to inform potential students of the programmes offered by us. Our internet website complements these by providing additional detailed information on our programmes.

We regularly organise road shows and seminars throughout Malaysia to enable potential students and their parents to meet our marketing and recruitment staff in person. This gives potential students and their parents an opportunity to personally discover and understand more about us and our programmes.

We also maintain customer service centres in Alor Setar, Kedah, Puchong, Selangor and Kuching, Sarawak to carry out student recruitment and other business and brand development activities in these areas.

We undertake indirect recruitment strategies to attract overseas students by building awareness of our brand through affiliations and strategic partnerships with reputable higher education institutions overseas. We plan to augment this by appointing select overseas agents to assist in overseas student recruitment.

7.14 SALIENT TERMS OF CONTRACTS/ARRANGEMENTS

In carrying out our business, we have entered into various contracts and arrangements, including (i) contracts and arrangements with government entities and health care providers to allow our students to receive clinical training at certain public and private hospitals and health clinics and (ii) contracts and arrangements with foreign universities to obtain licenses from them in order to offer their bachelor's or master's degree programmes, including top-up programmes, in Malaysia.

We entered into two (2) agreements with the Government of Malaysia, both dated 19 January 2010, pursuant to which we are allowed to use government hospitals and community polyclinics for the purpose of teaching and training our students who are pursuing nursing programmes at degree and/or diploma levels for the period commencing 21 February 2010 to 20 February 2015 as well as those pursuing allied health sciences programmes at diploma level for the period commencing 14 January 2010 to 13 January 2015. As at the Latest Practicable Date, we have access to 65 public hospitals, 131 health clinics, 37 district health departments and 10 Welfare Departments across Malaysia.

7.15 INTERRUPTIONS IN BUSINESS FOR THE PAST 12 MONTHS

There has not been any material interruption to our business activities during the past 12 months.

7. BUSINESS OF OUR GROUP (Cont'd)

7.16 MAJOR CUSTOMERS

No individual customer or organisation accounted for 10% or more of our total revenue for the FYE 2007 to 2009.

Our target customers are primarily secondary school leavers while our existing customer base is our currently enrolled students. Our students may be classified into the following groups:

- individually enrolled students;
- students with scholarships or who are sponsored by third-party organisations;
- students with scholarships or who are sponsored by us; and
- students under the MOH who are sponsored by the Public Services Department.

7.17 MAJOR SUPPLIERS

The value of purchases from our suppliers that accounted for more than 10% of our purchases during any of the FYE 2007 to 2009 are as follows:

Suppliers Accounting for 10% or more of Our Total Purchases for the FYE 2007 to 2009

Supplier Name	Length of relationship	Supply	As a percentage of Group's purchases		
			FYE 2007	FYE 2008	FYE 2009
Shinsei SMT Sdn Bhd	2 years	Student hostel accommodation	23.9%	8.1%	Nil
West Mount Logistics Sdn Bhd	3 years	Student hostel accommodation	9.4%	23.0%	28.0%
Diversified Express (M) Sdn Bhd	3 years	Student transportation services	6.4%	23.0%	19.3%

We also engage other service providers to provide us with the above services. These providers include Civic Logistics Sdn Bhd and Solid Transactions Sdn Bhd which we expect to be among our major suppliers in this present financial year. However as at the Latest Practicable Date, only Civic Logistics Sdn Bhd is a major supplier of student transportation services, which accounted for approximately 11.8% of our Group's purchases. Please refer to Section 5.1.13 of this Prospectus for the risk in relation to our dependency on suppliers.

7.18 LICENCES, PATENTS, TRADE MARKS, BRAND NAMES, TECHNICAL ASSISTANT AGREEMENTS, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS

Save as disclosed below, we do not have any material licences, patents, trade marks, brand names, technical assistant agreements, franchises and other intellectual property rights:

We rely on a combination of copyright protection, trademark and domain name registration to establish and protect our intellectual property, brand name, logos and internet domain name.

7. BUSINESS OF OUR GROUP (Cont'd)

(i) Copyright



Our Group's copyright is in relation to the content of our website www.masterskill.edu.my, customised software and applications developed by third party vendors for us in relation to our visitor management system, clinical posting system, e-Admin, e-HCM, Lab Inventory System and College Administration System; our class attendance system and learning management system which was developed in-house by our IT team; and Clinical Manual for Nursing, Pharmacy Practice and Physiotherapy Practice which was developed in-house by our academic staff.

Under the Copyright Act 1987, Malaysia copyright is the exclusive right to control in Malaysia the reproduction in any material form, the performance, showing or playing in public, the broadcasting, the communication by cable and the distribution of the copies to the public by sale, rental, lease or lending, of the whole or substantial part thereof, either in its original or derivative form. The copyright shall subsist during the life of the author and fifty (50) years after his death.

Copyright of a work shall vest initially with the author. Nevertheless, where a work is commissioned by a person which is not the author's employer under a contract of service or apprenticeship or is made in the course of the author's employment, the copyright shall be deemed to be transferred to the person who commissioned the work or the author's employer, subject to any agreement between the parties excluding or limiting such transfer. The aforesaid software and applications were authored by either our employees who did so in the course of their employment or a third party software vendor who had been commissioned by us to do so.

(ii) Trademarks

We have taken steps to protect our trademarks and logos in Malaysia by applying for the registration of the following trademarks/logos and they are at various stages of consideration for registration in Malaysia:

<u>Trademark</u>	<u>Date of application</u>
(a) "MASTERSKILL™"	16 May 2008
(b) 	16 May 2008
(c) "PREMIER.RECOGNISED.TRUSTED™"	16 May 2008
(d) 	16 May 2008
(e) "YOUR NO.1 CHOICE IN HEALTHCARE AND EDUCATION™"	16 May 2008