

7. BUSINESS OF OUR GROUP (Cont'd)

	<u>Trademark</u>	<u>Date of application</u>
(f)	 	29 May 2008
(g)		30 April 2009
(h)	 	30 April 2009
(i)	 	30 April 2009
(j)	 	30 April 2009
(k)	 	30 April 2009
(l)	 	30 April 2009
(m)	 	30 April 2009

Applications for the trademarks/logos set out above have been made under Class 41. All of these applications are still pending approval. The registration of trademarks/logos may take one (1) to three (3) years.

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**7. BUSINESS OF OUR GROUP (Cont'd)**

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(iii) Domain Name

We have registered the following domain names: "[www.masterskill.edu.my](http://www.masterskill.edu.my)", "[www.unihealth.edu.my](http://www.unihealth.edu.my)", "[www.mic.edu.my](http://www.mic.edu.my)", "[www.medicexpress.com.my](http://www.medicexpress.com.my)", "[www.kuskem.edu.my](http://www.kuskem.edu.my)", "[www.mcnh.edu.my](http://www.mcnh.edu.my)", "[www.kukm.edu.my](http://www.kukm.edu.my)", "[www.medicexpress.com.my](http://www.medicexpress.com.my)", "[www.much.edu.my](http://www.much.edu.my)", "[www.msprc.com.my](http://www.msprc.com.my)" and "[www.much-healthconference.com](http://www.much-healthconference.com)". At present, we only utilise [www.masterskill.edu.my](http://www.masterskill.edu.my), [www.msprc.com.my](http://www.msprc.com.my) and [www.much-healthconference.com](http://www.much-healthconference.com) which is registered under the Masterskill College of Nursing and Health.

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## 8. FINANCIAL INFORMATION

### 8.1 HISTORICAL AUDITED CONSOLIDATED FINANCIAL INFORMATION

The following tables summarise our historical audited consolidated financial statements for the respective financial period/year ended 31 December 2007, 2008 and 2009 based on the audited financial statements of our Company and our Subsidiaries and are extracted from the Accountants' Report as set out in Section 9 of this Prospectus.

There has been no audit qualification on the audited financial statements of our Company and any of our Subsidiaries for all the financial period/years under review. Our consolidated financial statements were prepared in accordance with approved accounting standards in Malaysia and have been audited by our Reporting Accountants, Messrs. KPMG.

You should read the audited consolidated financial statements in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations and the Accountants' Report with the accompanying notes and bases as set out in Sections 8.2 and 9 of this Prospectus, respectively. In particular, you should note that in this Prospectus, references to our FPE 31 December 2007 are for the period from 11 September 2006, when our Company was incorporated, to 31 December 2007.

#### 8.1.1 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

## 8. FINANCIAL INFORMATION (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 <sup>(1)</sup>	64,182	89,992	123,678
<u>Basic</u>			
No. of ordinary shares (000)	100	100	100
Gross EPS <sup>(2)</sup> (sen)	56,485	80,058	112,289
Net EPS <sup>(3)</sup> (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 <sup>(4)</sup> (sen)	80.6	109.0	152.2
Net EPS <sup>(5)</sup> (sen)	73.3	98.1	132.0
No. of Shares assumed in issue <sup>(6)</sup> (000)	409,906	409,906	409,906
Gross EPS <sup>(7)</sup> (sen)	13.8	19.5	27.4
Net EPS <sup>(8)</sup> (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).*

**8. FINANCIAL INFORMATION (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	<u>64,182</u>	<u>89,992</u>	<u>123,678</u>

- (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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## 8. FINANCIAL INFORMATION (Cont'd)

## 8.1.2 Audited Consolidated Cashflow Statements

	<--FPE--> 2007 RM 000	<-----FYE-----> 2008 RM 000	2009 RM 000
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
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>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>			
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			
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>			
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>
<b>Cash and cash equivalents</b>			
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			

## 8. FINANCIAL INFORMATION (Cont'd)

## 8.1.3 Audited Consolidated Balance Sheets

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

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**8. FINANCIAL INFORMATION (Cont'd)**

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**8.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion and analysis of our financial condition and results of operations for the respective financial period/year ended 31 December 2007, 2008 and 2009 should be read in conjunction with the Accountants' Report, together with the notes and bases thereto, as set out in Section 9 of this Prospectus.

This discussion and analysis contains forward-looking statements that involve risks and uncertainties and reflect our current views with respect to future events and financial performance. Our actual results may differ significantly from those anticipated in the forward-looking statements. Factors that might cause future results to differ significantly from those stated on the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly in "Forward Looking Statements" and "Risk Factors" under Section 5 of this Prospectus.

Except as otherwise indicated, the statistical and certain other information relating to the nursing and allied health education industry in Malaysia contained in this section are based on or are derived from data prepared by Vital Factor. The information has not been independently verified by us or any other person.

Our audited financial statements have been prepared and presented in accordance with Malaysian GAAP.

**8.2.1 Overview**

We are the leading operator in the nursing and allied health education industry in Malaysia based on the number of full-time students enrolled in our diploma and degree programmes, with an estimated market share of 16% based on the total student enrolment in public and private higher educational institutions as at February 2010 according to Vital Factor. 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 students to 17,059 students as at the Latest Practicable Date and our net annual student intake has increased from 1,324 students to 6,588 students in the FYE 2009.

In addition, we have in the last two (2) years expanded our geographical presence in Malaysia from our main campus in Cheras, to four (4) campuses in various parts of Peninsula and East Malaysia. Our Ipoh campus commenced operation in April 2008, our Kota Kinabalu campus commenced operations in April 2008, our Kota Bharu campus commenced operations in June 2008 and our Kuching campus commenced operations in January 2010. In addition, we expect a new campus in Seri Alam, Johor to commence operations in 2010.

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 degree programmes, post-graduate programmes as well as top-up programmes for diploma graduates wishing to extend their studies in their respective disciplines. As at the Latest Practicable Date, we offered 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.



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**8. FINANCIAL INFORMATION (Cont'd)**

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Further details of our business operations are set out in Section 7 of this Prospectus.

**8.2.2 Significant Factors Affecting our Results of Operations****(i) Industry trends**

According to Vital Factor, the outlook of the nursing and allied health education industry in Malaysia is expected to be favourable. This is supported by the fact that many countries worldwide, including Malaysia, have experienced and are currently experiencing a persistent shortage of nurses and allied health professionals. Based on the MOH's targeted ratio of one (1) nurse for every 200 population, the shortfall of registered nurses in Malaysia was approximately 84,000 in 2008. With respect to allied health professionals (excluding pharmacists), the MOH forecasts that there will be a shortage of 8,752 allied health professionals in Malaysia in 2010, while on a national level the MOH projects that there will be a shortfall of 5,606 pharmacists practicing in Malaysia in 2010. Based on the projections on Malaysian population growth for the next decade by the DOS, significant numbers of nurses, pharmacists and other allied health professionals will need to enter the workforce in order to reach the MOH's targeted ratios for such professionals 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.

The shortage of nursing and allied health professionals is also the result of the growing number of healthcare facilities and hospital beds which require trained nurses and other allied health professionals to staff these new facilities, as well as the projected increase in the elderly population and life expectancies which has led to and is expected to increase the need for more qualified nurses. According to the DOS, the elderly population is forecast to grow at an average annual rate of 4.8% between 2006 and 2020.

On the Government front, the Government has in the Ninth Malaysia Plan announced in 2006 increased the allocation of government expenditures on healthcare training and health service to RM1.05 billion and RM10.3 billion, respectively, as compared to the total expenditures of RM364.5 million and RM9.5 billion, respectively, under the Eight Malaysian Plan. In order to promote healthcare tourism, the Government has also 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.

We believe that the factors mentioned above will underpin sustained demand for our programmes, and will serve to support and increase our current number of students, in particular, as the country seeks to address the manpower deficit by training more healthcare practitioners to work in public and private hospitals nationwide. For further details on our industry, please see Section 6 of this Prospectus.

## 8. FINANCIAL INFORMATION (Cont'd)

### (ii) Number of students enrolled in our programmes

Our revenue is mainly driven by the number of students enrolled in our programmes. The students enrolled in our nursing and allied health programmes typically seek employment as nurses, pharmacists and other allied health professionals upon their graduation and we believe that the increase in the number of our students for the financial years under review has been mainly attributable to the strong demand for healthcare professionals in Malaysia.

The table below sets out the number of active students enrolled in our nursing and allied health programmes (net of students who drop-out during the whole programme) as at the end of the periods indicated:

	← as at 31 December →		
	2007	2008	2009
Nursing Programmes	3,594	4,532	5,186
Allied Health Programmes	5,124	8,968	11,979
Total	8,718	13,500	17,165
Growth rate (%)	85.5	54.9	27.1

The significant increase in the number of students from the FPE 2007 to FYE 2009 was mainly due to the demand for healthcare professionals and our marketing activities and brand building to attract new students following our registration as PHEI in 2004. However, there are other important factors that contributed to this increase and the demand for our programmes, such as the accreditation or provisional accreditation of all our programmes, the expansion of our campus network and our increased programme offerings.

As our programme fees are non-refundable after the first three (3) weeks following the beginning of a programme, most of the students who drop out from our programmes do so during this three (3) – week period. In FYE 2009, our average drop-out rate after the first three (3) weeks has been approximately 6.6%.

Due to the nature of our business, where our programme fees are completely financed on behalf of almost all of our students by PTPTN, our diploma programme and degree programme students generally provide us with predictable cash flows for three (3) years and four (4) years, respectively.

**8. FINANCIAL INFORMATION (Cont'd)****(iii) Financing available to our students**

The breakdown of our programme fees by sources of financing is as follows:

By source of financing	← FPE →		← FYE →			
	2007 RM 000	%	2008 RM 000	%	2009 RM 000	%
PTPTN	113,174	93.1	180,407	96.6	252,020	95.5
Sponsorships and Scholarships from private foundations (including Masterskill) and private and public hospitals	8,081	6.7	6,048	3.2	10,617	4.0
Self-financing	234	0.2	391	0.2	1,284	0.5
<b>Grand total</b>	<b>121,489</b>	<b>100.0</b>	<b>186,846</b>	<b>100.0</b>	<b>263,921</b>	<b>100.0</b>

Our students finance their programme fees through loans from PTPTN, sponsorships and scholarships from private foundations (including Masterskill) and public and private hospitals and through self-financing. PTPTN became the main source of financing for our students beginning in the FYE 2005 after Masterskill was registered as PHEI in the FYE 2004. Since then, PTPTN loans granted to our students have increased, which is consistent with the growth of our student enrollment. PTPTN loans are beneficial to our students as they cover all of the programme fees for most of our students, including their living expenses. We typically assist our students by making the loan application on their behalf and receive payments for programme fees directly from PTPTN. As our admission criteria are higher than the PTPTN's standards for academic eligibility, all of our Malaysian students are eligible for PTPTN loans. The timing of payment from PTPTN depends on the academic calendar of the programmes and is conditioned on the students maintaining a minimum cumulative GPA of 2.0 every semester. The availability of such student loans reduces the financial impediments to undertake our nursing and allied health programmes and ensures a steady stream of students and revenue to sustain as well as to grow our business.

Due to the importance of PTPTN loans to our business, any variation by PTPTN of its policies or eligibility criteria that makes it more difficult for students to obtain the loans that they need or that limits the availability of such loans to students in the fields of nursing or allied health will have a material adverse effect on our business, financial condition, results of operations and prospects. Please see Section 5.1.2 of this Prospectus for more information.

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**8. FINANCIAL INFORMATION (Cont'd)**

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**(iv) Legislation, regulations and policies and quotas prescribed by Government agencies and professional bodies**

The education industry is subject to legislation and regulations and conditions, policies, standards and quotas imposed by Government agencies and professional bodies such as the MOHE, the MQA, the Nursing Board of Malaysia (in the case of our nursing programmes) and the Pharmacy Board of Malaysia (in the case of our pharmacy programmes). These legislation, regulations, conditions, policies, standards and quotas can have an impact on, among other things, the demand for our programmes, the number of students we can enroll and the number of academic staff that we require.

As discussed in greater detail in Section 6.7 of this Prospectus, although our programmes do not need to be accredited, such accreditation confers recognition that the courses we offer meet the minimum standards set by the MQA and is an important factor contributing to the demand for our programmes. If we are unable to obtain accreditation for our future programmes or if the MQA revokes the accreditation of any of our programmes, our students will not be eligible to obtain study loans from PTPTN and the demand for our programmes would be materially and adversely affected.

In addition, we are subject to certain student quotas, teaching ratios and programme requirements imposed by the MQA and the Nursing Board of Malaysia. These quotas, ratios and requirements can, among other things, limit our ability to increase our students in certain programmes and/or require us to increase our academic staff, thereby affecting our business and results of operations. Further, changes to any of these quotas, ratios and requirements could cause our cost of services to change. For a more detailed description of these regulatory requirements and the risks related to them, please see Sections 5.1.1 and 6.7 of this Prospectus.

**(v) Number of academic staff**

We are dependent on our academic staff for a number of reasons. Firstly, since our team of academic staff serves as educators and instructors to our students, they form the backbone of our programmes and business. Furthermore, our team of academic staff participates in the development of our curriculum and new programmes and are therefore the source of new products for our business.

Because of the ratios and quotas (which are in part related to the number of academic staff that we have) imposed on us by the MQA and the Nursing Board of Malaysia, a shortage in academic staff in our Group could limit our ability for expansion and/or adversely affect our regulatory compliance, thereby subjecting us to sanction and the possibility of our licences and approvals being revoked. Any shortage of academic staff may impede us from developing new programmes, thus, limiting our revenue to existing programmes only.

**8. FINANCIAL INFORMATION (Cont'd)**

The table below sets forth the number of lecturers/tutors as at 31 December 2007, 2008 and 2009:

	←-----31 December----->		
	2007	2008	2009
Year-end number of lecturers/tutors	308	569	702

As reflected in the table above, the number of our academic staff has increased significantly in the last 3 years. We increased the size of our team of academic staff during this period primarily due to the increase in our number of students, the commencement of operations of our three (3) campuses in the FYE 2008 and in preparation for the commencement of operations of our new campuses in Kuching and Seri Alam, Johor in 2010, as well as to develop curriculum for the new degree programmes that we are currently planning to offer.

**(vi) Number of campuses**

Although increasing the number of our campuses as part of our strategy to broaden our reach to potential students and to penetrate untapped markets in Malaysia has led to an increase in our number of students, the number of campuses that we operate has a direct impact on our costs and also the capital expenditure that we need to expand. Since we own many of the properties and buildings in which our campuses are located and capitalize the cost of acquiring such properties and the purchase of furniture and fittings, computer equipments, clinical and ward furniture and office and medical equipments at these campuses, our depreciation charged on property, plant and equipment increases whenever we acquire and fit out a new campus. In addition, we have to incur additional staff costs due to additional staff that we hire to operate such new campuses and bear additional operating expenses such as security fees and office and equipment maintenance expenses.

The table below sets forth our campuses and when they commenced their operations:

Campus	Commencement of operations
Cheras	June 2004
Ipoh	April 2008
Kota Kinabalu	April 2008
Kota Bharu	June 2008
Kuching	January 2010

We may incur additional administration expenses and other operating expenses in 2010 and 2011 as a result of the commencement of operations at our Kuching and Seri Alam, Johor campuses in 2010.

**8. FINANCIAL INFORMATION (Cont'd)****(vii) Hostel and transportation costs**

We provide accommodation and transportation services to our students as part of the programme fees that we receive and these are two (2) of our most significant costs, accounting for 32.7% and 21.6% of our cost of services, respectively, in the FYE 2009. We outsource the provision of these services and our student hostel expenses and student transportation costs are dependent on the number of students enrolled in our programmes as well as changes in rent and transportation charges that we have to pay to our service providers. For the period under review, our student hostel expenses and student transportation costs have consistently increased with the increase in our number of students and we expect this trend to continue as we plan to attract more students to our programmes.

Save as disclosed above and in Section 5 of this Prospectus and to the best of our Director's knowledge and believe, there are no other known trends, factors, demands, commitment, events or uncertainties that are reasonably likely to have a material effect on the financial condition and results of operations of our Group. However, the factors affecting our financial position and operation as set out above and in Section 5 of the Prospectus are not exhaustive.

**8.2.3 Description of Key Line Items****(i) Revenue**

Our revenue is made up of programme fees, registration fees, processing fees and administration fees.

The table below sets forth the breakdown of our revenue by types of fees for the respective financial years:

	← FPE →		← FYE →			
	2007	%	2008	%	2009	%
	RM 000		RM 000		RM 000	
<b>By activities</b>						
Programme fees	121,489	96.0	186,846	92.1	263,921	96.5
Registration fees, processing fees and administration fees	9,612	7.6	17,338	8.5	18,125	6.6
Discounts given	(4,609)	(3.6)	(1,300)	(0.6)	(8,661)	(3.1)
<b>Grand total</b>	<b>126,492</b>	<b>100.0</b>	<b>202,884</b>	<b>100.0</b>	<b>273,385</b>	<b>100.0</b>

***Programme fees***

Programme fees are the fees that we charge for the programmes that we offer. They form the largest component of our revenue and are recognised upon commencement of each semester and over the term of a programme. During the financial years under review, our programme fees have consistently contributed to more than 90% of our total revenue.

## 8. FINANCIAL INFORMATION (Cont'd)

The programme fees that we charge our students for most of our programmes have been consistent during the three (3) FYE 2009 until June 2009, when we increased the programme fees for new students for certain of our programmes. Although we have introduced some degree programmes which have higher programme fees, the fees are generally higher due to the longer average term of the programmes. The 117.2% increase in our revenues from programme fees between the FPE 2007 and the FYE 2009 has therefore largely been driven by an increase in total students.

A breakdown of our programme fees by the type of programme is as follows:

	← FPE →		← FYE →			
	2007		2008		2009	
By courses	RM 000	%	RM 000	%	RM 000	%
Nursing Education	52,773	43.4	62,050	33.2	78,698	29.8
Allied Health Education	68,716	56.6	124,796	66.8	185,223	70.2
<b>Grand total</b>	<b>121,489</b>	<b>100.0</b>	<b>186,846</b>	<b>100.0</b>	<b>263,921</b>	<b>100.0</b>

As at the Latest Practicable Date, we offered a total of 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.

The revenue generated from our nursing programmes increased in each of the three (3) FYE 2009. Nevertheless, the revenue contribution of our nursing programmes in percentage terms has been on a downward trend in the three (3) FYE 2009 as a result of new allied health programmes offered by us and the relatively larger student populations that we have had for our allied health programmes as compared with our nursing programmes.

### Registration fees, processing fees and administration fees

Registration fees are either charged upon a new student's application to enrol in programmes offered by us or upon a student accepting an offer by us. Processing fees consist of fees charged for processing applications of new students, while administration fees include fees for student insurance, medical check-ups and immunisations. The registration fees, processing fees and administration fees vary across the various programmes. However, as the table below shows, our total registration, processing and administrative fees charged per student from the FPE 2007 to FYE 2009 have not changed significantly.

	← FPE →		← FYE →	
	2007		2008	2009
Range of total registration fees, processing fees and administrative fees charged per student	2,000		2,000 – 3,000	2,000 – 3,000

## 8. FINANCIAL INFORMATION (Cont'd)

The increase in the range of our total registration, processing and administrative fees charged per student in the FYE 2008 and the FYE 2009 was due to our introduction of degree programmes during these two (2) years.

### Discount given

Discount given relates to discounts granted to institutions or hospitals that send students to enroll in our programmes, including our hospital affiliation arrangements.

### (ii) Cost of services

The components of our cost of services are as follows:

Items	← FPE →		← FYE →			
	2007		2008		2009	
	RM 000	%	RM 000	%	RM 000	%
Student hostel expenses	13,394	30.9	23,668	30.5	33,422	32.7
Student transportation costs	7,797	18.0	21,274	27.4	22,127	21.6
Books	2,263	5.2	4,333	5.6	4,533	4.4
Student uniform	1,619	3.7	2,280	2.9	2,825	2.8
<i>Total student related costs</i>	<i>25,073</i>	<i>57.8</i>	<i>51,555</i>	<i>66.4</i>	<i>62,907</i>	<i>61.5</i>
Staff costs	8,868	20.5	15,382	19.8	27,019	26.4
Advertisement expenses	5,690	13.2	5,404	7.0	4,731	4.6
Medical tools and implements	555	1.3	877	1.1	1,962	1.9
Others	3,104	7.2	4,424	5.7	5,754	5.6
<b>Grand total</b>	<b>43,290</b>	<b>100.0</b>	<b>77,642</b>	<b>100.0</b>	<b>102,373</b>	<b>100.0</b>

The three (3) largest components of our cost of services are student hostel expenses, student transportation costs and staff costs. Student hostel expenses relate to the rent we pay for the accommodation provided to our students at residential properties close to our campuses. Student transportation expenses relate to transportation services provided to our students commuting between their hostels, the campuses and the hospital or centre where they undergo clinical placements. Staff costs under cost of services consist mainly of employee-related expenses such as salaries and wages, bonuses, allowances, overtime compensation and Employees Provident Fund and Social Security Organisation contribution incurred for our academic staff. Other cost of services consists of miscellaneous expenses such as consultation fees, permit/approval fees, scholarships and seminar and programme expenses.



**8. FINANCIAL INFORMATION (Cont'd)****(iii) Gross profit and gross profit margin**

The table below sets forth our gross profit and gross profit margin for the specified periods:

	← FPE → 2007	← FYE → 2008	← FYE → 2009
Gross profit (RM 000)	83,202	125,242	171,012
Gross profit margin (%)	65.8	61.7	62.6

We maintained relatively high gross profit margins throughout the financial periods/years under review.

In the FYE 2009, our gross profit increased to RM171.0 million mainly due to increase in student number as a result of higher number of programmes and new campuses. In the FYE 2009, our gross profit margin improved from 61.7% to 62.6% as a result of increase in revenue due to continuing efforts to improve efficiency and implementation of cost improvement initiatives.

Our gross profit margin for the FYE 2008 decreased by 4.1% to 61.7% from 65.8% in the FPE 2007 due to higher cost of services such as student hostel expenses, student transportation costs and other student related costs as well as staff costs.

**(iv) Administration expenses**

The components of our administration expenses are as follows:

	← FPE → 2007 RM 000	← FYE → 2008 RM 000	← FYE → 2009 RM 000
<b>Items</b>			
Depreciation	6,229	8,647	11,095
Insurance	703	829	946
Non-academic staff costs	9,377	10,096	15,048
Others	1,656	11,271	11,428
<b>Grand total</b>	<b>17,965</b>	<b>30,843</b>	<b>38,517</b>

Administration expenses primarily consist of depreciation charged on property, plant and equipment, insurance and non-academic staff costs. Depreciation on property, plant and equipment primarily relate to the depreciation of our property and the furniture, fittings, computer equipment, clinical and ward furniture and office and medical equipment in our campuses. Insurance expenses include general and fire insurance for our Group as well as group insurance policies taken out by us for the benefit of our academic and administration staff. Non-academic staff costs under administration expenses relate to costs incurred for non-academic, office and administrative staff and consist of salaries and wages, bonuses and Employees Provident Fund and Social Security Organisation contribution. Other administration expenses include utility expenses such as water, electricity, telephone and internet charges, legal fees, printing and stationery charges and allowance for doubtful debts.

**8. FINANCIAL INFORMATION (Cont'd)****(v) Other operating expenses**

The components of our other operating expenses are as follows:

Items	<---FPE--->	<-----FYE----->	
	2007 RM 000	2008 RM 000	2009 RM 000
Advertising, event and exhibition	1,506	2,897	6,672
Loss on disposal of PPE and PPE written off	255	98	39
Professional fees	1,025	490	1,107
Rental of office	1,030	1,731	1,313
Security fees	1,298	2,923	3,495
Staff welfare	346	831	1,761
Travelling and accommodation	704	1,021	1,040
Office and equipment maintenance	1,771	2,127	2,424
Others	570	2,042	2,238
<b>Grand total</b>	<b>8,505</b>	<b>14,160</b>	<b>20,089</b>

The biggest component of other operating expenses in the period under review is advertising, event and exhibition expenses, which relate to our branding activities and other marketing items such as brochures, flyers and exhibitions. Other expenses consist mainly of miscellaneous expenses such as expenses relating to our corporate social responsibility activities, student activities, refreshments and the purchase of medical tools.

**(vi) Other operating income**

The components of our other operating income are as follows:

Items	<---FPE--->	<-----FYE----->	
	2007 RM 000	2008 RM 000	2009 RM 000
Hostel rental and transportation income	760	910	-
Others	461	104	99
<b>Grand total</b>	<b>1,221</b>	<b>1,014</b>	<b>99</b>

Other operating income consists mainly of hostel rental income and transportation income received from KKM, to cover housing and transportation costs for students sponsored by KKM. There was no extraordinary income during the periods/years under review.

## 8. FINANCIAL INFORMATION (Cont'd)

### (vii) PBT and PBT margin

The table below sets forth our PBT and PBT margin for the specified periods:

	← FPE → 2007	← FYE → 2008	2009 →
PBT (RM 000)	56,485	80,058	112,289
PBT margin (%)	44.7	39.5	41.1

Our pre-tax profit margin improved from 39.5% in FYE 2008 to 41.1% in FYE 2009. This is consistent with the changes in gross margin highlighted in Section 8.2.3 (iii).

The fluctuations in pre-tax profit margin in the FYE 2007 and FYE 2008 were consistent with the changes in gross margin highlighted in Section 8.2.3 (iii).

### (viii) Taxation

Taxation consists primarily of the income tax payable by us. As part of the Government's Investment Tax Allowance ("ITA") scheme, we can claim qualifying capital expenditure, which includes any building, plant or machinery used in Malaysia in connection with and for the purposes of an activity relating to training or programmes. The ITA can be utilised to set-off 70.0% of a company's statutory income and any unutilised ITA can be carried forward and deducted against a company's statutory income in subsequent years. The amount of income exempted from tax is credited to a tax-exempt account from which exempt dividends can be declared. We are entitled to claim ITA effective from 16 January 2006 for a period of ten (10) years and due to our use of ITA, our effective tax rate during the period under review has been below the statutory tax rate.

## 8.2.4 Review of Past Performance

### (i) FYE 2009 compared to FYE 2008

#### Revenue

Our revenue for the FYE 2009 increased by 34.7% to RM273.4 million from RM202.9 million in the FYE 2008 mainly due to an increase in total number of students by 27.1% or 3,665 students, from 13,500 students in the FYE 2008 to 17,165 students in the FYE 2009.

The increase in the number of students was mainly due to the commencement of operations in our three (3) new campuses in 2008 as well as the commencement of various new programmes such as our certificate in Foundation in Health Sciences, degree programmes and top-up programme.

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**8. FINANCIAL INFORMATION (Cont'd)**

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Cost of services

Our cost of services for the FYE 2009 increased by 32.0% to RM102.4 million from RM77.6 million in the FYE 2008 mainly due to increases in student hostel expenses and staff costs. Student hostel expenses increased by 40.9% to RM33.4 million from RM23.7 million in the FYE 2008 primarily due to a significant increase in total students. Staff costs increased by 75.3% to RM27.0 million from RM15.4 million in the FYE 2008. The increase in staff costs was primarily due to an increase in academic staff in 2008 and 2009, which was a result of the significant increase in total students and the commencement of operations of our three (3) new campuses in 2008. Since the three (3) campuses commenced operations at various points in time in 2008 and we recruited new academic staff in 2008 and 2009 for these campuses as more students enrolled in programmes at these campuses, the full effect of the increase in academic staff for these campuses was only reflected in our staff costs in the FYE 2009.

Administration expenses

Administration expenses for the FYE 2009 increased by 25.0% to RM38.5 million from RM30.8 million in the FYE 2008 mainly due to increases in depreciation charged on property, plant and equipment and non-academic staff costs. Depreciation charged on property, plant and equipment increased by 29.1% to RM11.1 million from RM8.6 million in the FYE 2008. Non-academic staff costs increased by 48.5% to RM15.0 million from RM10.1 million in the FYE 2008, due to an increase in our non-academic staff in 2008 and 2009. Increases in each of these charges and costs were primarily driven by the three (3) new campuses that we acquired, fitted out, and commenced operations at in FYE 2008. Since the three (3) campuses commenced operations at various points in time in 2008, the full effect of the depreciation required by our acquisition and fitting out of these campuses and the increase in non-academic staff required to operate these campuses on non-academic staff costs was only reflected in our administration expenses in the FYE 2009.

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**8. FINANCIAL INFORMATION (Cont'd)**

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Other operating expenses

Our other operating expenses increased by 41.5% to RM20.1 million from RM14.2 million in the FYE 2008 mainly due to increases in advertisement, event and exhibition expenses, security fees and staff welfare. Advertisement, event and exhibition expenses increased by 131.0% to RM6.7 million from RM2.9 million in the FYE 2008 primarily due to increased marketing activities.

Security fees increased by 20.7% to RM3.5 million from RM2.9 million in FYE 2008 primarily due to the full effect of increased security fees incurred as a result of the commencement of operations at our three (3) new campuses in the FYE 2008. Staff welfare costs increased by 125.0% to RM1.8 million from RM0.8 million in FYE 2008 primarily due to increase expenditure on staff functions resulting from an increase in the number of our employees.

Other operating income

Our other operating income for the FYE 2009 decreased by 90% to RM0.1 million from RM1.0 million in the FYE 2008. This was mainly due to the absence of hostel and transportation income received from KKM sponsored students as this item was reclassified as part of revenue in 2009.

Interest expense

Our interest expense for the FYE 2009 decreased by 31.6% to RM1.3 million from RM1.9 million in the FYE 2008 mainly due to the repayment of certain outstanding amounts under our revolving credit facilities.

Interest income

Our interest income for the FYE 2009 increased by 57.1% to RM1.1 million from RM0.7 million in the FYE 2008 mainly due to the strengthening of cash position with additional funds placed in money market funds.

Tax expense

Our tax expense for the FYE 2009 increased by 86.3% to RM14.9 million from RM8.0 million in FYE 2008 due to an increase in profit before taxation, which was partially offset by ITA. Profit before taxation increased by 40.2% to RM112.3 million from RM80.1 million in the FYE 2008 and the ITA utilized for FYE 2009 was RM54.8 million.

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**8. FINANCIAL INFORMATION (Cont'd)**

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**(ii) FYE 2008 compared to FPE 2007****Revenue**

Our revenue for the FYE 2008 increased by 60.4% to RM202.9 million from RM126.5 million in the FPE 2007 mainly due to an increase in total number of students by 54.9% or 4,782 students from 8,718 students in the FPE 2007 to 13,500 students in the FYE 2008.

**Cost of services**

Our cost of services for the FYE 2008 increased by 79.2% to RM77.6 million from RM43.3 million in the FPE 2007 mainly due to increases in student hostel expenses, student transportation costs and staff costs. Student hostel expenses increased by 76.9% to RM23.7 million from RM13.4 million in the FPE 2007 primarily due to a significant increase in total students. Student transportation costs increased by 173.1% to RM21.3 million from RM7.8 million in the FPE 2007 primarily due to a significant increase in total students, greater distances that our students had to travel for their clinical training and a general increase in the amounts charged by our service provider in part due to higher fuel costs. Staff costs increased by 73.0% to RM15.4 million from RM8.9 million in FPE 2007 due to an increase in our academic staff. We increased our academic staff in 2008 primarily due to the significant increase in total students and the commencement of operations of our three (3) new campuses in 2008.

**Administration expenses**

Our administration expenses for the FYE 2008 increased by 71.1% to RM30.8 million from RM18.0 million in the FPE 2007 primarily due to higher depreciation charges on property, plant and equipment, non-academic staff costs and other administrative expenses. Depreciation charged on property, plant and equipment increased by 38.7% to RM8.6 million from RM6.2 million in the FPE 2007. Non-academic staff costs increased by 7.4% to RM10.1 million from RM9.4 million in the FPE 2007 due to an increase in our non-academic staff. Our other administrative expenses increased by 564.7% to RM11.3 million from RM1.7 million in the FPE 2007. Increases in each of these charges, costs and expenses were primarily driven by the three (3) new campuses that we acquired, fitted out, and commenced operations at in FYE 2008 as well as allowance for doubtful debts amounting to RM4.5 million.

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**8. FINANCIAL INFORMATION (Cont'd)**

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*Other operating expenses*

Our other operating expenses for the FYE 2008 increased by 67.1% to RM14.2 million from RM8.5 million in the FPE 2007 primarily due to increases in advertisement, event and exhibition expenses, security fees and other expenses. Advertisement, event and exhibition expenses increased by 93.3% to RM2.9 million from RM1.5 million in the FPE 2007 primarily due to increased marketing activities. Security fees increased by 123.1% to RM2.9 million from RM1.3 million in the FPE 2007 due to the commencement of operations of our three (3) new campuses in 2008. Other expenses increased by 233.3% to RM2.0 million from RM0.6 million primarily due to increase in expenses pertaining to corporate social responsibility, staff recruitment, student affairs' activities and staff training and development.

*Other operating income*

Our other operating income for the FYE 2008 decreased by 16.7% to RM1.0 million from RM1.2 million in the FPE 2007. This was due to the absence of certain exceptional income items that we recorded in 2007 which did not recur in the FYE 2008. This was offset by an increase in hostel rental and transportation income received from KKM sponsored students, which increased by 12.5% to RM0.9 million from RM0.8 million in the FPE 2007.

*Interest expense*

Our interest expense for the FYE 2008 increased by 11.8% to RM1.9 million from RM1.7 million in the FPE 2007 mainly due to the utilisation of additional revolving credit facilities to finance the acquisition of our three (3) new campuses and the capital expenditure requirements for these campuses in the FYE 2008.

*Interest income*

Our interest income for the FYE 2008 increased by 250% to RM0.7 million from RM0.2 million in the FPE 2007 mainly due to stronger cash position with additional funds placed in money markets.

*Tax expense*

Our tax expense for the FYE 2008 increased by 56.9% to RM8.0 million from RM5.1 million in the FPE 2007 primarily due to an increase in profit before taxation, which was partially offset by ITA. Profit before taxation increased by 41.8% to RM80.1 million from RM56.5 million in the FPE 2007 and the ITA utilised for FYE 2008 was RM53.1 million.

## 8. FINANCIAL INFORMATION (Cont'd)

### 8.3 LIQUIDITY AND CAPITAL RESOURCES

#### 8.3.1 Working Capital

Our principal sources of liquidity are cash generated from our operations and various credit facilities. As at 31 December 2009, we had cash and cash equivalents of RM52.7 million (including deposits placed with licensed banks of approximately RM35.7 million, of which RM0.7 million were pledged to secure a credit facility granted to us) and total borrowings of RM23.3 million.

A summary of our audited consolidated cashflow statements is as follows:

	← FPE →	← FYE →	
	2007	2008	2009
	RM 000	RM 000	RM 000
Net cash generated from operating activities	30,541	68,527	101,085
Net cash used in investing activities	(133,027)	(46,668)	(51,734)
Net cash from/(used in) financing activities	105,643	(16,340)	(5,280)
Net increase in cash and cash equivalents	3,157	5,519	44,071
Cash and cash equivalents at the beginning of the financial year	*	3,157	8,676
Cash and cash equivalents at the end of the financial period/year	3,157	8,676	52,747

\* Represents RM2.00

All our cash and cash equivalents are held in RM. Our Board is of the opinion that there are no legal, financial or economic restrictions on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends and/or loans or advances. Therefore, we are confident that we can meet our cash obligations.

#### Net cash generated from operating activities

In the FYE 2009, our net cash generated from operating activities increased by 47.6% to RM101.1 million from RM68.5 million in the FYE 2008. This increase was mainly attributable to the increase in profit before tax.

In the FYE 2008, our net cash generated from operating activities increased by 124.6% to RM68.5 million from RM30.5 million in the FPE 2007. This increase was primarily due to increases in profit before tax and adjustments for depreciation for property, plant and equipment. These increases were partially offset by, among other things, a decrease in payables and accruals to RM17.5 million in the FYE 2008 from RM23.8 million in the FPE 2007.



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**8. FINANCIAL INFORMATION (Cont'd)**

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**Net cash used in investing activities**

In the FYE 2009, our net cash used in investing activities increased to RM51.7 million from RM46.7 million in the FYE 2008. This increase was mainly due to the purchase of property, plant and equipment in relation to our new campuses in Kuching and Seri Alam, Johor, which commenced and is expected to commence operations in 2010, respectively.

In the FYE 2008, our net cash used in investing activities decreased to RM46.7 million from RM 133.0 million in the FPE 2007. This decrease was mainly due to the absence or significant decrease in the FYE 2008 of certain investing activities that we undertook in the FPE 2007, such as the acquisition of Masterskill in November 2006 for RM69.3 million, additions to prepaid lease of RM6.4 million and pledges of deposits placed with license banks of RM12.7 million. In the FYE 2008, our main investing activities were purchases of property, plant and equipment amounting to RM46.2 million as compared to RM44.8 million in the FPE 2007. The purchases in the FYE 2008 related primarily to our acquisition and fitting out of our three (3) new campuses.

**Net cash used in financing activities**

In the FYE 2009, our net cash used in financing activities was RM5.3 million compared to net cash used in financing activities of RM16.3 million in FYE 2008. The decrease was mainly due to our lower net repayment of borrowings, which correlates to proceeds from additional borrowings (from our revolving credit facility in particular) during the FYE 2009.

In the FYE 2008, our net cash used in financing activities was RM16.3 million compared to net cash generated from financing activities of RM105.6 million in FPE 2007. This decrease was primarily due to our repayment of borrowings of RM21.1 million in the FYE 2008 as compared to receiving proceeds from borrowings equal to RM35.1 million in the FPE 2007. In addition, we received RM1.7 million from the issue of ICPS in the FYE 2008 compared to RM70.0 million in the FPE 2007 and RM3.1 million from finance lease in the FYE 2008 compared to RM0.5 million in the FPE 2007.

Our Board is of the opinion that after taking into consideration the existing level of cash and cash equivalents, the banking facilities available to us, the expected funds to be generated from our operations and the gross proceeds from the Public Issue, our Group will have adequate working capital for a period of twelve (12) months from the date of this Prospectus. Our Board is also of the opinion that there are no economic restrictions on the ability of our Subsidiaries to transfer funds to the Company in the form of cash dividends, loans or advances to meet the cash obligations of our Company.

**8. FINANCIAL INFORMATION (Cont'd)****8.3.2 Borrowings**

As at 28 February 2010, our total outstanding borrowings (all of which are interest bearing) are as follows:

	RM 000
<b>Long-term borrowings</b>	
Hire purchase liabilities	5,883
Revolving credit (Islamic)	4,886
Term loan (Islamic)	7,589
	<u>18,358</u>
<b>Short-term borrowings</b>	
Hire purchase liabilities	1,522
Revolving credit (Islamic)	2,123
Term loan (Islamic)	2,163
	<u>5,808</u>
<b>Total borrowings</b>	<u>24,166</u>
Gearing ratio* (times)	0.1

**Note:**

\* Computed based on total borrowings as at 28 February 2010 divided by our Group's unaudited shareholders' funds as at 28 February 2010 of RM309.4 million.

As of 28 February 2010, we had outstanding bank borrowings of RM24.2 million, primarily under Masterskill's Islamic financing facility with CIMB Islamic Bank Berhad, which comprises a term financing facility of RM9.7 million, two (2) revolving financing facilities pursuant to which up to RM27.0 million may be borrowed and a bank guarantee facility of RM1.0 million. The proceeds from the facilities were primarily utilised to finance the acquisition of land and capital expenditure for our campuses and to refinance a pre-existing credit facility. The term loan and revolving credit facilities, which mature in 2014, bear interest at a rate of 1.5% per annum above the lender's cost of funds and Masterskill is required to make quarterly repayments during the tenor of the facilities. In addition to the Islamic secured financing facility, we have a RM28,000 bank guarantee facility with CIMB Bank Berhad. As of 28 February 2010, RM27,323 was outstanding under our bank guarantee facilities with CIMB Bank Berhad.

We have not defaulted on any payments of interest and/or principal sums on any borrowings throughout the past three (3) financial period/years and up to the date of this Prospectus.

Save as disclosed above, we do not have any other outstanding borrowings.

## 8. FINANCIAL INFORMATION (Cont'd)

We are not in breach of any terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our financial position or results or business operations, or the investment by holders of securities in our Group.

For further information on our indebtedness, please refer to Section 8.4 of this Prospectus.

### 8.3.3 Capital Expenditure

Our capital expenditure for the three (3) FYE 2009 up to 28 February 2010 is as follows:

Items	←FPE→	←FYE→		←FPE→
	2007 RM 000	As at 31 December 2008 RM 000		28 February 2010 RM 000
Freehold land	-	-	7,896	-
Buildings	-	2,300	-	-
Land and buildings	15,152	20,612	38,026	-
Leasehold Properties	6,409	-	-	-
Library Books	1,028	1,018	589	10
Motor vehicle	657	4,036	5,450	453
Furniture and fittings	1,478	777	3,321	613
Computer, LCD and overhead projector	859	3,416	837	1,189
Renovation and electrical installation	20,308	9,732	6,861	1,651
Office and medical equipment	3,752	4,342	3,815	878
Work-in-progress	1,553	-	-	-
<b>Grand total</b>	<b>51,196</b>	<b>46,233</b>	<b>66,795</b>	<b>4,794</b>

Between 1 January 2010 and 28 February 2010, we incurred capital expenditure of RM4.8 million. These capital expenditures were incurred primarily for the renovation and purchase of computer, LCD and overhead projector in respect of the expansion of Kota Bharu campus and opening of Kuching campus.

Our capital expenditure for the FYE 2009 was mainly for the acquisition of our campuses in Kota Bharu, Kuching and Johor, which amounted to RM45.9 million.

	RM 000
Cheras campus (including Mahkota Cheras)	31
Kota Bharu, Kelantan	7,316
Kuching, Sarawak	9,544
Bandar Seri Alam, Johor	29,031
	<u>45,922</u>

**8. FINANCIAL INFORMATION (Cont'd)**

For the FYE 2008, our capital expenditure was concentrated primarily in the acquisition of land and buildings for our campuses in Kota Kinabalu and Cheras, which amounted to RM22.9 million.

	<b>RM 000</b>
Cheras campus	7,885
Kota Kinabalu, Sabah	14,887
Ipoh, Perak	140
	<u>22,912</u>

In line with our expansion plans, we also embarked on substantial renovation and installation works for our campuses in Cheras, Mahkota Cheras, Ipoh, Kota Bharu and Kota Kinabalu.

For the FPE 2007, we embarked on substantial renovation and electrical installations in the FPE 2007 due to the setting up of our physiotherapy and rehabilitation centre at our Cheras campus and our three (3) campuses in Ipoh, Kota Bharu and Kota Kinabalu, which amounted to RM20.3 million.

	<b>RM 000</b>
Cheras campus (including Mahkota Cheras)	3,289
Ipoh, Perak	9,586
Kota Bharu, Kelantan	5,436
Kota Kinabalu, Sabah	1,997
	<u>20,308</u>

For the FPE 2007, RM15.2 million was spent on acquisition of buildings.

	<b>RM 000</b>
Cheras campus (including Mahkota Cheras)	1,990
Ipoh, Perak	11,031
Kota Bharu, Kelantan	2,131
	<u>15,152</u>

Our capital expenditures were financed by venture capital, internally generated funds and banking facilities procured.

**8.3.4 Material Commitments**

As at 28 February 2010, our material commitments approved and not provided for in our financial statements are as follows:

	<b>RM 000</b>
Property, plant and equipment	
Contracted but not provided for	61,269
Authorised but not contracted for	-
Total capital commitments	<u>61,269</u>
Other commitments approved and contracted for:	
Computer equipment (under operating lease)	1,976
Advertisement Billboard	2,382
Total material commitments	<u>65,627</u>

## 8. FINANCIAL INFORMATION (Cont'd)

Our future capital expenditure with respect to property, plant and equipment is expected to relate largely to the expansion of our campuses and the acquisition of land and the construction and fitting out of buildings for our new university college campus in the Klang Valley. Approximately RM10.0 million to RM20.0 million of the above commitments with respect to property, plant and equipment is expected to be financed by IPO proceeds while approximately RM25.0 million is expected to be financed by additional banking facilities procured and the balance to be financed by internally generated funds.

We provide accommodation and transportation services to our students as part of the programme fees that we receive. We outsource the provision of these services and have entered into long term contracts with our service providers. We are billed monthly for these services and most of our contracts with our service providers are cancellable with a relatively short notice period. Accordingly, while such commitments are significant, they are not reflected in the table above. For details on the amounts we spent on such services in the financial period/year ended 31 December 2007, 31 December 2008 and 31 December 2009, see Section 8.2.3(ii).

As at 31 December 2009, our total Islamic financing facilities available were RM41.9 million, out of which RM17.9 million has been utilised. Coupled with our cashflows from operating activities, our proceeds from the IPO and future banking facilities which we expect to obtain, our Directors expect that we should have the necessary funds available to fund the abovementioned material capital commitments.

### 8.3.5 Contingent Liabilities

Save as disclosed in Section 19.6 of this Prospectus, as at the Latest Practicable Date, our Directors are not aware of any contingent liabilities which, upon becoming enforceable, may have a material impact on our results of operations or financial condition.

### 8.3.6 Material Litigation

Save as set out in Section 19.6 of this Prospectus, neither we nor our subsidiaries are engaged in any litigation or arbitration, either as plaintiff or defendant, which may have a material effect on our results of operations or financial condition and our Directors do not know of any proceedings pending or threatened or any fact likely to give rise to any proceedings which might materially and adversely affect our financial condition or business.

### 8.3.7 Key Financial Ratios of our Group

The key financial ratios of our Group based on our latest audited financial statements for the FPE/FYE 2007-2009 are as follows:

	<---FPE--->	<-----FYE----->	
	2007	2008	2009
Trade receivables (RM 000)	54,361	90,694	110,402
Trade receivables turnover period	170 days	163 days	147 days
Trade Payable (RM 000)	1,519	2,842	367
Trade payable turnover period	14 days	13 days	1 day
Current ratio	1.5	1.9	2.1

## 8. FINANCIAL INFORMATION (Cont'd)

The aging analysis for trade receivables as at 31 December 2009 is as follows:

	←---Within credit period---→				Exceeded credit period	Total
	0 - 30 days	31 - 61 days	61 - 90 days	91 - 180 days	> 180 days	
Receivables (RM 000)	51,172	7,734	24,313	26,875	308	110,402

Trade receivables are calculated based on total outstanding accrued revenue from courses which have commenced but which have yet to be paid.

PTPTN makes scheduled payments to us semiannually. Based on the trade receivable aging analysis as at 31 December 2009, 0.3% of our trade receivables, which mainly consist of amounts due from PTPTN, exceeded the 180 days. As PTPTN is a Government agency, we believe the risk of non-payment by PTPTN to be minimal.

We are of the opinion that adequate allowance has been made for doubtful debts and the balance of the trade receivables are recoverable in full.

The aging analysis for payables as at 31 December 2009 is as follows:

	Credit period	←---Within credit period---→			Exceeded credit period		Total
		0 - 30 days	31 - 61 days	61 - 90 days	91 - 180 days	> 180 days	
Payables (RM 000)	30 to 90 days	278	-	1	88	-	367

Trade payables consist mainly of amounts due to suppliers of students' uniforms, providers of transport and accommodation services and medical equipment suppliers.

The credit periods granted to us by such suppliers and service providers range from 30 to 90 days.

As at 31 December, 2009, approximately 76.0% of the trade payables are within the credit period granted.

Further details on the key financial ratios are set out in Section 9 of this Prospectus.

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**8. FINANCIAL INFORMATION (Cont'd)**

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**8.3.8 Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements which are reasonably likely to have a current or future material effect on our financial condition, results of operations or capital resources.

**8.3.9 Financial Risk Management Objectives and Policies**

In the normal course of our business, we are exposed to a variety of market risks, including interest rate risk, credit risk and liquidity risk. Please refer to Section 9 for a description of our accounting policies and additional information.

**(i) Interest rate risk**

As at the date of this Prospectus, our exposure to interest rate risk arises predominantly from liabilities bearing variable interest rates. We are exposed to interest rate fluctuations on interest expense as well as interest earned on our cash balances and bank deposits with effective interest rates ranging from 1.5% to 4.1%. We manage our interest rate risk by placing such balances in deposits with varying maturities and interest rate terms.

Our debts include revolving credits term loan and finance lease liabilities. As our borrowings are all based on floating interest rates, we are exposed to interest rate fluctuations. We do not engage in any hedging activities with respect to such fluctuations.

**(ii) Credit risk**

We are exposed to the risk that our students do not pay their programme fees when they are due. During 2009, 99.5% of our students receive financing for their programme fees from PTPTN, KKM, private foundations and private and public hospitals. Accordingly, the credit risk that we are exposed to mainly relates to the 0.5% of our students, who are self-funding.

We place our cash with a number of financial institutions.

**(iii) Liquidity risk**

We monitor and maintain a level of cash and cash equivalents which our management believes is sufficient to finance our operations and mitigate the effects of potential fluctuations in our cashflows.

Save as disclosed above, we do not have nor are we using any financial instruments for hedging purposes.

## 8. FINANCIAL INFORMATION (Cont'd)

### 8.4 CAPITALISATION AND INDEBTEDNESS

The following information should be read in conjunction with the Accountants' Report and Reporting Accountants' Letter on Proforma Consolidated Balance Sheets set out in Sections 9 and 8.7 of this Prospectus.

The table below sets out our cash and cash equivalents as well as capitalisation and indebtedness:

- (i) based on our audited consolidated balance sheets as at 31 December 2009; and
- (ii) as adjusted for the net proceeds from the Public Issue and intended use of the proceeds from the Public Issue.

The proforma financial information below does not represent our actual capitalisation and indebtedness as at 31 December 2009 and is provided for information purposes only. The total indebtedness of our Group is not guaranteed by any third party.

	As at 31 December 2009 RM 000	Proforma After Public Issue and utilisation of proceeds RM 000
<b>Cash and cash equivalents</b>	<b>52,747</b>	<b>56,495</b>
<b>Indebtedness (Secured and non-guaranteed)</b>		
<i>Current</i>		
Term loan	2,163	2,163
Revolving credit	2,123	2,123
Hire purchase	1,202	1,202
<i>Non-current</i>		
Term loan	8,167	8,167
Revolving credit	5,445	5,445
Hire purchase	4,162	4,162
<b>Total indebtedness</b>	<b>23,262</b>	<b>23,262</b>
<b>Total shareholders' equity / capitalisation</b>	<b>292,624</b>	<b>411,484</b>
<b>Total capitalisation and indebtedness</b>	<b>315,886</b>	<b>434,746</b>
<b>Gearing ratio (times)</b>	<b>0.1</b>	<b>0.1</b>

### 8.5 EFFECTS OF INFLATION

Our Directors are of the view that inflation does not have a material impact on our business, financial condition or results of operations. However, in the future, any increase in inflation rate may affect our operations and performance if we are not able to fully offset the higher costs of services through higher course fees. Our failure or inability to do so may adversely affect our business, financial performance and results of operations.



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**8. FINANCIAL INFORMATION (Cont'd)**

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**8.6 PROSPECTS**

The results of our operations for the FYE 2010 have been and are expected to be primarily influenced by the following factors:

- Our ability to maintain our market share and grow our student base;
- The global and local demand of nurses and allied health professionals;
- The successful commencement of our sixth campus located in Seri Alam, Johor;
- Our ability to develop and introduce new curricula for new diploma, degree and post-graduate degree programmes of study; and
- Management of operating costs.

Subject to the factors described in this Section 8.6 of this Prospectus, our Directors expect the results of our operations for the FYE 2010 to be satisfactory. For future growth and industry outlook, please refer to Section 6.8 of this Prospectus.

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**8. FINANCIAL INFORMATION (Cont'd)**

**8.7 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS**

*(Prepared for inclusion in this Prospectus)*



**KPMG (Firm No. AF 0758)**  
Chartered Accountants  
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Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388  
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The Board of Directors  
Masterskill Education Group Berhad  
G-8, Jalan Kemacahaya 11  
Taman Kemacahaya, Batu 9  
43200 Cheras  
Selangor Darul Ehsan

29 March 2010

Dear Sirs

**Masterskill Education Group Berhad**  
**Reporting accountants' letter on the proforma consolidated balance sheets as at 31 December 2009**

We have reviewed the presentation of the proforma consolidated balance sheets of Masterskill Education Group Berhad ("MEGB") and its subsidiaries ("MEGB Group") as at 31 December 2009 which have been prepared for illustrative purposes only, for which the directors are solely responsible, as set out in the attachment (which we have stamped for the purpose of identification). The proforma consolidated balance sheets have been prepared for inclusion in the Prospectus in connection with the listing of MEGB on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and should not be relied upon for any other purposes.

The proforma consolidated balance sheets, together with the notes thereon incorporate the following:

**Pre-IPO Restructuring Scheme**

- i. Conversion of Irredeemable Convertible Preference Shares ("ICPS") of RM1.00 each in MEGB to ordinary shares at a conversion ratio of 1 ICPS to 1 ordinary share of RM1.00 each in MEGB. Following the conversion of 73,681,156 ICPS, the issued and paid up share capital of MEGB increased to RM73,781,156 comprising 73,781,156 ordinary shares of RM1.00 each.
- ii. Share split of every 1 existing ordinary share of RM1.00 each in MEGB to 5 ordinary shares of RM0.20 each in MEGB ("MEGB Shares"). Following the share split, the number of issued and paid up share capital of MEGB increased to 368,905,780 MEGB Shares.

8. FINANCIAL INFORMATION (Cont'd)



*Masterskill Education Group Berhad*  
*Reporting accountants' letter on the proforma consolidated balance sheets*  
*as at 31 December 2009*

**Proposed Listing Scheme**

iii. The initial public offering by MEGB as follows:

(a) Offer for sale by the Selling Shareholders\* of up to 164,000,000 MEGB Shares, subject to clawback and reallocation, to be offered to:

- Bumiputera institutional and selected investors approved by the Ministry of International Trade and Industry; and
- 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; and

(b) Public issue of 41,000,000 new MEGB Shares, subject to clawback and reallocation, to be offered in the following manner:

- 25,500,000 to the Malaysian public, eligible employees and eligible graduates of MEGB Group at the Retail Price of RM3.50 per share, payable in full upon application pursuant to the Retail Offering; and
- 15,500,000 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.

(c) 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:

- The Retail Price; and
- 95% of the Institutional Price

\* Collectively, 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.

iv. Upon completion of the above mentioned Pre-IPO restructuring Scheme and Proposed Listing Scheme, MEGB will seek the listing of and quotation for its entire issued and paid-up share capital of 409,905,780 MEGB Shares on the Main Market of Bursa Securities.

**8. FINANCIAL INFORMATION (Cont'd)**

*Masterskill Education Group Berhad*  
Reporting accountants' letter on the proforma consolidated balance sheets  
as at 31 December 2009

**Proposed Listing Scheme (continued)**

- v. The proceeds from the public issue of new ordinary shares will be utilised as follows:

	<b>RM 000</b>
Purchase of land and construction of building	115,000
Campus expansion	20,000
Working capital	3,000
Estimated listing expenses	5,500
	143,500
	143,500

- \* It is assumed that the Institutional Price and the Final Retail Price will be the Retail Price of RM3.50 per share in arriving at the proceeds.

**Responsibilities**

It is the responsibility solely of the Board of Directors of the Company to prepare the proforma consolidated balance sheets in accordance with the requirement of the Securities Commission's *Prospectus Guidelines* in respect of an initial public offering ("Guidelines"). Our responsibility is to form an opinion as required by the Guidelines on the proforma consolidated balance sheets and to report our opinion to you based on our work.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information in the Appendix used in the compilation of the proforma consolidated balance sheets, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

**Basis of our opinion**

Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing evidence supporting the adjustments, and discussing the proforma consolidated balance sheets with the Directors of the Company.

The proforma consolidated balance sheets, because of its nature, may not give a true picture of MEGB Group's actual financial position had the transactions or events occurred at the balance sheet date. Further, such information does not purport to predict MEGB Group's financial position.

**8. FINANCIAL INFORMATION (Cont'd)**



*Masterskill Education Group Berhad*  
*Reporting accountants' letter on the proforma consolidated balance sheets*  
*as at 31 December 2009*

**In our opinion**

- the proforma consolidated balance sheets have been properly compiled on the basis of preparation stated;
- such basis is consistent with the accounting policies adopted and disclosed by MEGB Group; and
- each material adjustment made to the information used in the preparation of the proforma consolidated balance sheets is appropriate for the purpose of preparing the proforma consolidated balance sheets.

Yours faithfully

A handwritten signature in black ink, appearing to be 'KPMG' or similar, written in a cursive style.

**KPMG**  
Firm No. AF 0758  
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Foong Mun Kong', written in a cursive style.

**Foong Mun Kong**  
Partner  
Approval Number: 2613/12/10(J)

## 8. FINANCIAL INFORMATION (Cont'd)



*Masterskill Education Group Berhad*  
Reporting accountants' letter on the proforma consolidated balance sheets  
as at 31 December 2009

**MASTERSKILL EDUCATION GROUP BERHAD ("MEGB")  
AND ITS SUBSIDIARIES ("MEGB GROUP")  
PROFORMA CONSOLIDATED BALANCE SHEETS  
AS AT 31 DECEMBER 2009**

The proforma consolidated balance sheets of MEGB as at 31 December 2009 as set out below have been prepared solely for illustrative purposes only and to show the effects of the transactions referred to in the notes:

	Audited As at 31 December 2009	Proforma I After conversion of ICPS	Proforma II After Proforma I and share split	Proforma III After Proforma II, offer for sale and public issue	Proforma IV After Proforma III and utilisation of proceeds
	RM 000	RM 000	RM 000	RM 000	RM 000
<b>NON CURRENT ASSETS</b>					
Property, plant and equipment	163,164	163,164	163,164	163,164	298,164
Prepaid lease payments	6,239	6,239	6,239	6,239	6,239
Intangible assets	42,237	42,237	42,237	42,237	42,237
	211,640	211,640	211,640	211,640	346,640
<b>CURRENT ASSETS</b>					
Receivables, deposits and prepayments	139,741	139,741	139,741	139,741	139,741
Current tax asset	4,647	4,647	4,647	4,647	4,647
Cash and cash equivalents	53,495	53,495	53,495	196,995	56,495
	197,883	197,883	197,883	341,383	200,883
Total assets	409,523	409,523	409,523	553,023	547,523
<b>EQUITY AND LIABILITIES</b>					
Equity attributable to share holders of the Company					
Share capital					
- ordinary shares	100	73,781	73,781	81,981	81,981
- irredeemable convertible preference shares	70,535	-	-	-	-
Share premium	1,124	10,863	10,863	140,663	140,663
Retained earnings	220,865	220,865	220,865	220,865	220,865
Total equity	292,624	305,509	305,509	443,509	443,509
<b>NON CURRENT LIABILITIES</b>					
Long term borrowings	17,774	17,774	17,774	17,774	17,774
Deferred tax liabilities	4,600	4,600	4,600	4,600	4,600
	22,374	22,374	22,374	22,374	22,374
<b>CURRENT LIABILITIES</b>					
Payables and accruals	76,152	76,152	76,152	81,652	76,152
Borrowings	5,488	5,488	5,488	5,488	5,488
Irredeemable convertible preference shares	12,885	-	-	-	-
	94,525	81,640	81,640	87,140	81,640
Total liabilities	116,899	104,014	104,014	109,514	104,014
Total equity and liabilities	409,523	409,523	409,523	553,023	547,523
No. of MEGB ordinary shares in issue (000)	100	73,781	368,906	409,906	409,906
NA (RM 000)	292,624	305,509	305,509	443,509	443,509
NTA (RM 000)	250,387	263,272	263,272	401,272	401,272
NA per share (RM)	2,926.2	4.1	0.8	1.1	1.1
NTA per share (RM)	2,503.9	3.6	0.7	1.0	1.0



(i)

**8. FINANCIAL INFORMATION (Cont'd)**

*Masterskill Education Group Berhad*  
*Reporting accountants' letter on the proforma consolidated balance sheets*  
*as at 31 December 2009*

**MASTERSKILL EDUCATION GROUP BERHAD ("MEGB")  
 AND ITS SUBSIDIARIES ("MEGB GROUP")**

**PROFORMA CONSOLIDATED BALANCE SHEETS  
 AS AT 31 DECEMBER 2009**

**1. Basis of preparation**

The proforma consolidated balance sheets of the MEGB Group are based on the audited financial statements of MEGB and its subsidiaries as at 31 December 2009. The accounting policies, basis and assumptions used in the preparation of the proforma consolidated balance sheets are consistent with those adopted by MEGB and its subsidiaries in the preparation of their audited financial statements.

The Group has not applied a series of accounting standards, amendments and interpretations which are effective on or after 1 July 2009 that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the Group. The initial application of a standard and amendment or an interpretation, which will be applied prospectively, is not expected to have any financial impact to the balance sheet at 31 December 2009 upon their first adoption.

The application of FRS 7 "Financial Instruments, Disclosures" and FRS139, "Financial Instruments: Recognition and Measurement" in the Group's financial statements for the year ending 2010 may have an impact on opening balances and comparatives. This impact has not been accounted for in the proforma consolidated balance sheets at 31 December 2009.

**2. Proforma consolidated balance sheets**

The proforma consolidated balance sheets are for illustrative purposes only and to incorporate the proposed transactions in conjunction with the following as set out below:

**Proforma I – Conversion of ICPS**

Conversion of ICPS to ordinary shares at a conversion ratio of 1 ICPS to 1 ordinary share of RM1.00 each in MEGB. Following the conversion of RM73,681,156 ICPS, the issued and paid up share capital of MEGB will increase from 100,000 ordinary shares of RM1.00 each to 73,781,156 ordinary shares of RM1.00 each.

**Proforma II – Share split**

Share split of every 1 existing ordinary share of RM1.00 each in MEGB to 5 MEGB Shares. Following the share split, the number of issued and paid up share capital of MEGB will increase from 73,781,156 ordinary shares of RM1.00 each to 368,905,780 MEGB Shares.



(ii)

8. FINANCIAL INFORMATION (Cont'd)



*Masterskill Education Group Berhad*  
*Reporting accountants' letter on the proforma consolidated balance sheets*  
*as at 31 December 2009*

**MASTERSKILL EDUCATION GROUP BERHAD ("MEGB")**  
**AND ITS SUBSIDIARIES ("MEGB GROUP")**

**PROFORMA CONSOLIDATED BALANCE SHEETS**  
**AS AT 31 DECEMBER 2009**

2. Proforma consolidated balance sheets (continued)

**Proforma III – Offer for sale and public issue**

The initial public offering by MEGB as follows:

- (i) Offer for sale by the Selling Shareholders\* of up to 164,000,000 MEGB Shares, subject to clawback and reallocation, to be offered to:
- Bumiputera institutional and selected investors approved by the Ministry of International Trade and Industry; and
  - 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; and
- (ii) Public issue of 41,000,000 MEGB Shares, subject to clawback and reallocation, to be offered in the following manner:
- 25,500,000 to the Malaysian public, eligible employees and eligible graduates of MEGB Group at the Retail Price of RM3.50 per share, payable in full upon application pursuant to the Retail Offering pursuant to the Retail Offering; and
  - 15,500,000 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.
- (iii) 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:
- The Retail Price; and
  - 95% of the Institutional Price

- \* Collectively, 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.



(iii)



**8. FINANCIAL INFORMATION (Cont'd)**

*Masterskill Education Group Berhad*  
Reporting accountants' letter on the proforma consolidated balance sheets  
as at 31 December 2009

**MASTERSKILL EDUCATION GROUP BERHAD ("MEGB")  
AND ITS SUBSIDIARIES ("MEGB GROUP")**

**PROFORMA CONSOLIDATED BALANCE SHEETS  
AS AT 31 DECEMBER 2009**

**2. Proforma consolidated balance sheets (continued)****Proforma IV – Utilisation of proceeds**

The proceeds from the public issue of new ordinary shares will be utilised as follows:

	<b>RM 000</b>
Purchase of land and construction of building	115,000
Campus expansion	20,000
Working capital	3,000
Estimated listing expenses	5,500
	143,500
	143,500

\* It is assumed that the Institutional Price and the Final Retail Price will be the Retail Price of RM3.50 per share in arriving at the proceeds.

**a. Movement in property, plant and equipment**

	<b>RM 000</b>
Balance at 31 December 2009	163,164
Effects of Proforma IV - Proposed utilisation of proceeds from public issue for campus expansion	135,000
	298,164
Proforma IV	298,164

**b. Movement in cash and cash equivalents**

	<b>RM 000</b>
Balance at 31 December 2009	53,495
Effects of Proforma III - Proposed public issue of new ordinary shares	143,500
	196,995
Proforma III	196,995
Effects of Proforma IV - Proposed utilisation of proceeds from public issue for:	
purchase of land and construction of building	(115,000)
campus expansion	(20,000)
estimated listing expenses	(5,500)
	56,495
Proforma IV	56,495



(iv)

## 8. FINANCIAL INFORMATION (Cont'd)



*Masterskill Education Group Berhad*  
Reporting accountants' letter on the proforma consolidated balance sheets  
as at 31 December 2009

**MASTERSKILL EDUCATION GROUP BERHAD ("MEGB")  
AND ITS SUBSIDIARIES ("MEGB GROUP")**

**PROFORMA CONSOLIDATED BALANCE SHEETS  
AS AT 31 DECEMBER 2009**

<b>2.</b>	<b>Proforma consolidated balance sheets (continued)</b>	<b>RM 000</b>
	<b>c. Movement in ordinary share capital</b>	
	Balance at 31 December 2009	100
	Effects of Proforma I - Proposed conversion of ICPS	73,681
		-----
	Proforma I	73,781
	Effects of Proforma II - Proposed share split	-
		-----
	Proforma II	73,781
	Effects of Proforma III - Proposed public issue of new ordinary shares	8,200
		-----
	Proforma III and IV	81,981
		=====
	<b>d. Movement in ICPS</b>	
		<b>RM 000</b>
	Classified as equity:	
	Balance at 31 December 2009	70,535
	Effects of Proforma I - Proposed conversion of ICPS	(70,535)
		-----
	Proforma I to IV	-
		=====
	Classified as liability:	
	Balance at 31 December 2009	12,885
	Effects of Proforma I - Proposed conversion of ICPS	(12,885)
		-----
	Proforma I to IV	-
		=====
	<b>e. Movement in share premium</b>	
		<b>RM 000</b>
	Balance at 31 December 2009	1,124
	Effects of Proforma I - Proposed conversion of ICPS	9,739
		-----
	Proforma I and II	10,863
	Effects of Proforma III - Proposed public issue of new ordinary shares	135,300
	Listing expenses set-off against share premium	(5,500)
		-----
	Proforma III and IV	140,663
		=====



(v)

## 8. FINANCIAL INFORMATION (Cont'd)



*Masterskill Education Group Berhad*  
*Reporting accountants' letter on the proforma consolidated balance sheets*  
*as at 31 December 2009*

**MASTERSKILL EDUCATION GROUP BERHAD ("MEGB")  
 AND ITS SUBSIDIARIES ("MEGB GROUP")**

**PROFORMA CONSOLIDATED BALANCE SHEETS  
 AS AT 31 DECEMBER 2009**

## 2. Proforma consolidated balance sheets (continued)

	RM 000
<b>f. Movement in payables and accruals</b>	
Balance at 31 December 2009	76,152
Effects of Proforma III – Estimated listing expenses (accruals)	5,500
	-----
Proforma III	81,652
Effects of Proforma IV - Proposed utilisation of proceeds from public issue for estimated listing expenses	(5,500)
	-----
Proforma IV	<u>76,152</u>



(vi)

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## 8. FINANCIAL INFORMATION (Cont'd)

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### 8.8 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.

Our Directors intend to consider the following factors when recommending dividends for approval by our shareholders or when declaring any interim dividends.

- (i) the level of our cash and indebtedness;
- (ii) our required and expected interest expense, cashflows, profits and return on equity and retained earnings;
- (iii) our expected results of operations and future level of operations;
- (iv) the availability of tax credits to frank dividends, where applicable; and
- (v) our projected levels of capital expenditure and other investment plans.

Considering our current financial position, our Directors intend to adopt a progressive dividend policy, subject to the factors stated in Section 8.2.2 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 50% to 60% of PAT from cash generated by our operations after setting aside the necessary funds for our expansion and working capital needs.

Nonetheless, future dividends may not be declared or paid if:

- (i) we are in a loss position for the relevant financial year;
- (ii) we have insufficient cashflows to meet any dividend payment;
- (iii) we have insufficient tax credits for distribution of dividends, where applicable;  
or
- (iv) we require further capital for our business expansion.

You should note that the foregoing statements are merely statements of our present intention and does not constitute legally binding obligation in respect of the 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.**

## 9. ACCOUNTANTS' REPORT

*(Prepared for inclusion in this Prospectus)*



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The Board of Directors  
Masterskill Education Group Berhad  
G-8, Jalan Kemacahaya 11  
Taman Kemacahaya, Batu 9  
43200 Cheras  
Selangor Darul Ehsan

29 March 2010

Dear Sirs,

### Accountants' Report

#### 1. Introduction

This report has been prepared by Messrs KPMG, an approved company auditor, for inclusion in the Prospectus of Masterskill Education Group Berhad ("MEGB" or "the Company") in connection with the listing of MEGB on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and should not be relied upon for any other purposes.

#### 2. General information

##### 2.1 Background

MEGB was incorporated in Malaysia in accordance with the Companies Act, 1965 as a private limited liability company under the name Biogem Development Sdn Bhd on 11 September 2006 and changed its name to Masterskill Education Group Sdn Bhd on 7 December 2007. It was converted into a public limited liability company on 18 July 2008 and changed its name from Masterskill Education Group Sdn Bhd to Masterskill Education Group Berhad. The principal activity of the Company is that of investment holding and provision of management services to its subsidiaries.

##### 2.2 Share capital

MEGB was incorporated with an authorised share capital of RM100,000 comprising 100,000 ordinary shares and the issued and paid up capital of RM2.00 represented by 2 ordinary shares of RM1.00 each.

MEGB increased its authorised share capital from RM100,000 comprising 100,000 ordinary shares of RM1.00 each to RM103,681,156 by the creation of an additional 29,900,000 new ordinary shares of RM1.00 each and 73,681,156 new irredeemable convertible preference shares ("ICPS") of RM1.00 each as follows:

- i) 70,000,000 ICPS of RM1.00 each on 27 November 2006;
- ii) 3,145,912 ICPS series II of RM1.00 each on 16 August 2007; and
- iii) 535,244 ICPS series III of RM1.00 each on 14 December 2007.

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## 2.2 Share capital (continued)

As part of the proposed listing of and quotation for the entire issued and paid up share capital of MEGB on the Main Market of Bursa Securities after completion of the Proposed Pre-IPO Restructuring and Listing Scheme as set out in Section 3, the Company has increased its authorised share capital to RM200,000,000 comprising 1,000,000,000 ordinary shares of RM0.20 each.

Details of the changes in MEGB's issued and fully paid up share capital since its date of incorporation up to the date of this report are as follows:

Date of allotment	Number of ordinary shares/ICPS issued	Par value per share RM	Purpose	Issued and fully paid up share capital		
				Ordinary shares RM	ICPS RM	Total RM
11.09.2006	2	1.00	Issued for cash as subscribers' shares	2	-	2
07.11.2006	99,998	1.00	Issued for cash as working capital	100,000	-	100,000
27.11.2006	70,000,000 <sup>N1</sup>	1.00	Issued for cash as working capital	100,000	70,000,000 <sup>N1</sup>	70,100,000
17.01.2008	3,145,912 <sup>N2</sup>	1.00	Issued for cash as working capital	100,000	73,145,912 <sup>N4</sup>	73,245,912
19.03.2008	535,244 <sup>N3</sup>	1.00	Issued for cash as working capital	100,000	73,681,156 <sup>N5</sup>	73,781,156
24.03.2010	-	1.00	Conversion of 1 ICPS to 1 ordinary share of RM1.00 each	73,781,156	-	73,781,156
27.03.2010	-	0.20	Share split of 1 ordinary share of RM1.00 each to 5 ordinary shares of RM0.20 each	73,781,156	-	73,781,156

<sup>N1</sup> Represents 70,000,000 ICPS of RM1.00 each

<sup>N2</sup> Represents 3,145,912 ICPS series II of RM1.00 each

<sup>N3</sup> Represents 535,244 ICPS series III of RM1.00 each

<sup>N4</sup> Represents <sup>N1</sup> and <sup>N2</sup> above

<sup>N5</sup> Represents <sup>N1</sup>, <sup>N2</sup> and <sup>N3</sup> above

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**9. ACCOUNTANTS' REPORT (Cont'd)**


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### **3. Pre-IPO Restructuring and Listing Scheme**

#### **3.1 Pre-IPO Restructuring Scheme**

In conjunction with, and as an integral part of the proposed listing of and quotation for the entire issued and paid up share capital of MEGB on the Main Market of Bursa Securities, the Company undertook the following Pre-IPO Restructuring Scheme:

##### **Conversion of ICPS**

Conversion of ICPS of RM1.00 each in MEGB to ordinary shares of RM1.00 each at a conversion ratio of 1 ICPS to 1 ordinary share of RM1.00 each in MEGB. Following the conversion of 73,681,156 ICPS, the issued and paid up share capital of MEGB increased to RM73,781,156 comprising 73,781,156 ordinary shares of RM1.00 each.

##### **Share split**

Share split of every 1 existing ordinary share of RM1.00 each in MEGB to 5 ordinary shares of RM0.20 each in MEGB ("MEGB Shares"). Following the share split, the number of issued and paid up share capital of MEGB increased to 368,905,780 MEGB Shares.

#### **3.2 Listing Scheme**

The Company's listing scheme will consist of the following:

- (a) Offer for sale by the Selling Shareholders\* of up to 164,000,000 MEGB Shares, subject to clawback and reallocation, to be offered to:
- Bumiputera institutional and selected investors approved by the Ministry of International Trade and Industry; and
  - 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; and
- (b) Public Issue of 41,000,000 new MEGB Shares, subject to clawback and reallocation, to be offered to:
- The Malaysian public, eligible employees and eligible graduates of MEGB Group at the Retail Price pursuant to the Retail Offering; and
  - 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.

\* Collectively, 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.

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**9. ACCOUNTANTS' REPORT (Cont'd)**

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**3.2 Listing Scheme (continued)**

**Listing and quotation**

Upon completion of the offer for sale and public issue, MEGB will seek the listing of and quotation for its entire issued and paid up share capital of RM81,981,156 comprising 409,905,780 MEGB Shares on the Main Market of Bursa Securities.

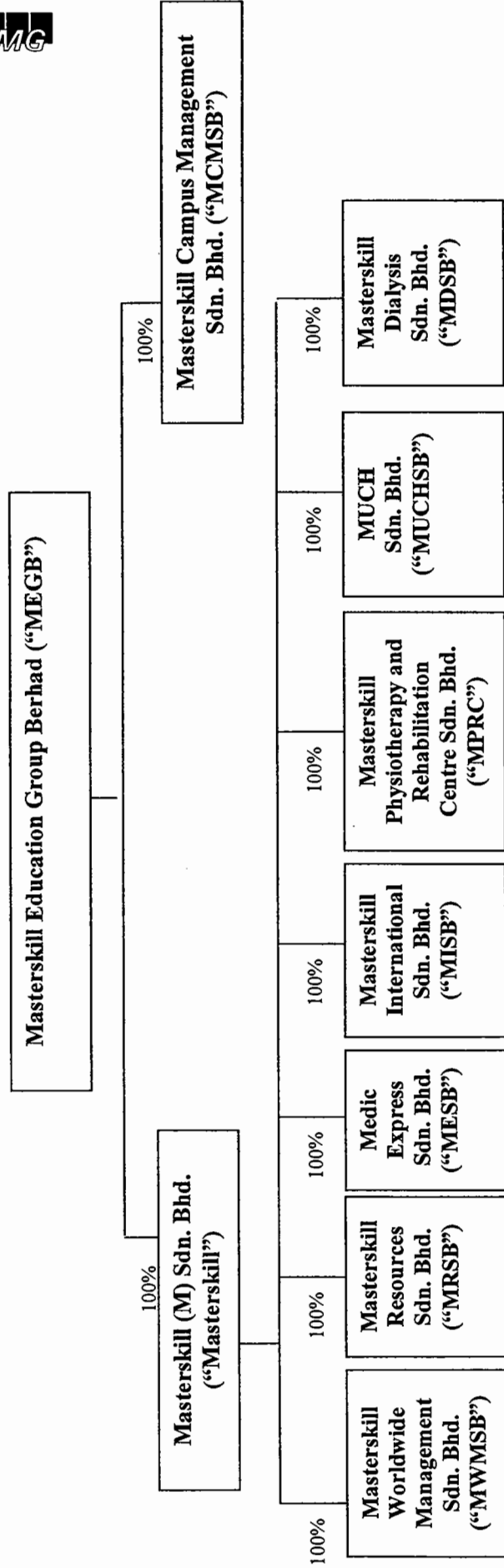


9. ACCOUNTANTS' REPORT (Cont'd)

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3.3 Group structure as at the date of this report



## 9. ACCOUNTANTS' REPORT (Cont'd)



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## 4. Information on subsidiaries

The MEGB Group was incorporated in Malaysia as private limited liability companies under the Companies Act, 1965. The MEGB Group under the Proposed Pre-IPO Restructuring Scheme as at the date of this report and their principal activities are as follows:

Name of company	Date of incorporation	Equity ownership interest	At 31 December 2009		Principal activities/Intended principal activities
			Authorised	Issued and fully paid up	
			<-----Share capital----->		
			RM	RM	
MCMSB	28.07.2008	100%	1,000,000	1,000,000	Dormant  <i>Operation of colleges involved in nursing and allied health education</i>
Masterskill	11.08.1997	100%	17,800,000	17,800,000	Provision of education in nursing and allied health sciences in the healthcare industry
<i>Subsidiaries of Masterskill</i>					
MWMSB	12.12.2006	100%	100,000	10	Dormant  <i>Provision of education and training, management consultation and investment holding</i>
MRSB	12.12.2006	100%	100,000	10	Dormant  <i>Provision of support services</i>
MESB	26.10.2007	100%	100,000	100	Dormant  <i>Provision of ambulance and emergency medical assistance services</i>

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## 4. Information on subsidiaries (continued)

Name of company	Date of incorporation	Equity ownership interest	At 31 December 2009		Principal activities/ <i>Intended principal activities</i>
			Authorized	Issued and fully paid up	
			RM	RM	
MISB	30.01.2008	100%	100,000	100	Dormant  <i>Provision of international procurement services</i>
MPRC	27.06.2008	100%	100,000	10	Dormant  <i>Provision of physiotherapy and rehabilitation services</i>
MUCHSB	28.07.2008	100%	100,000	10,000	Dormant  <i>Conducting corporate training courses</i>
MDSB	03.03.2010	100%	100,000	100	Dormant  <i>Provision of dialysis services and facilities</i>

## 5. Audited financial statements and auditors

The financial year end of MEGB and its subsidiaries is 31 December.

We are the auditors of MESB, MISB, MPRC, MUCHSB and MCMSB for the financial period/years ended 31 December 2008 and 31 December 2009.

We are the auditors of MEGB, MWMSB and MRSB for the financial period/years ended 31 December 2007 to 31 December 2009.

We are the auditors of Masterskill for the financial years ended 31 December 2007 to 31 December 2009.

The auditors' reports of all audited financial statements for the relevant financial period/years under review were not subject to any qualification. The audit reports of MEGB Group for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009 are included as Appendices 1, 2 and 3 respectively to the Accountants' Report.

This report is prepared on a basis consistent with the accounting policies adopted by MEGB as disclosed in section 7 of this report in accordance with applicable Financial Reporting Standards in Malaysia.

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**9. ACCOUNTANTS' REPORT (Cont'd)**

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**5.1 Accounting policies and standards**

The accounting policies adopted in the preparation of this report are set out in Section 7 and are consistent with the accounting policies adopted by MEGB and its subsidiaries in their latest audited financial statements.

The financial information presented in this report is based on the audited financial statements of MEGB and its subsidiaries for the financial period ended 31 December 2007, financial years ended 31 December 2008 and 31 December 2009, which have been prepared in accordance with Financial Reporting Standards issued by the Malaysian Accounting Standards Board ("MASB") in Malaysia.

There were no changes in the significant accounting policies adopted by the MEGB Group during the period covered in this report.

**5.2 Dividends**

MEGB and its subsidiaries have not paid or declared any dividends since their respective date of incorporations.

## 9. ACCOUNTANTS' REPORT (Cont'd)



Masterskill Education Group Berhad  
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## 6. Masterskill Education Group Berhad ("MEGB") and its subsidiaries ("MEGB Group" or "the Group")

### 6.1 Consolidated income statements

We set out below the audited consolidated income statements of the Group for the financial period/years ended 31 December 2007, 2008 and 2009.

	Period ended 2007# RM'000	Year ended 2008 RM'000	Year ended 2009 RM'000
Revenue	126,492	202,884	273,385
Cost of services	(43,290)	(77,642)	(102,373)
Gross profit	83,202	125,242	171,012
Administrative 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
Profit before tax	56,485	80,058	112,289
Tax expense	(5,072)	(7,988)	(14,907)
Net profit for the year	51,413	72,070	97,382
Effective tax rate (%)	8.4	10.4	13.5 *
Gross profit margin (%)	65.8	61.7	62.6
Pre-tax profit margin (%)	44.7	39.5	41.1
No. of ordinary shares of RM1.00 each in issue ('000)	100	100	100
Weighted average no. of ordinary shares of RM1.00 each ('000)	88	100	100
Weighted average no. of ordinary shares and ICPS during the period/year	70,100	73,467	73,781
Basic earnings per share (RM)			
- Gross	641.9	800.6	1,122.9
- Net	584.2	720.7	973.8

**9. ACCOUNTANTS' REPORT (Cont'd)**

*Masterskill Education Group Berhad*  
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**6.1 Consolidated income statements (continued)**

	Period ended 2007# RM'000	Year ended 2008 RM'000	Year ended 2009 RM'000
Diluted earnings per share (RM)			
- Gross	0.8	1.1	1.5
- Net	0.7	1.0	1.3
Net assets	121,513	195,242	292,624
Net assets per share (RM)	1,215.1	1,952.4	2,926.2
Current ratio (times)	1.5	1.9	2.1
Total borrowings	43,867	25,866	23,262
Gearing ratio (times)	0.4	0.1	0.1
Interest expense	1,668	1,933	1,294
Interest coverage ratio (times)	34.9	42.4	87.8
Gross dividend ratio (%)	-	-	-

# For the period from 11 September 2006 (incorporation date) to 31 December 2007

\* Excluded the effect arising from the "overprovision of current tax and deferred tax in prior period amounting to RM104,000 and RM200,000 respectively" which were reversed during the financial year ended 31 December 2009.

**Notes to consolidated income statements****6.1.1 Revenue**

Revenue can be further analysed as follows:

	Period ended 2007#		Year ended 2008		Year ended 2009	
	RM'000	%	RM'000	%	RM'000	%
Nursing Education	52,773	41.7	62,050	30.6	78,698	28.7
Allied Health Education	68,716	54.3	124,796	61.5	185,223	67.8
	<u>121,489</u>	96.0	<u>186,846</u>	92.1	<u>263,921</u>	96.5
Registration, processing, administrative and others	9,612	7.6	17,338	8.5	18,125	6.6
Discounts given	(4,609)	(3.6)	(1,300)	(0.6)	(8,661)	(3.1)
	<u><u>126,492</u></u>	100.0	<u><u>202,884</u></u>	100.0	<u><u>273,385</u></u>	100.0

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## Notes to consolidated income statements (continued)

## 6.1.2 Cost of services ("COS")

COS can be further analysed as follows:

	Period ended 2007#		Year ended 2008		Year ended 2009	
	RM'000	%	RM'000	%	RM'000	%
Student hostel expenses	13,394	30.9	23,668	30.5	33,422	32.7
Student transportation costs	7,797	18.0	21,274	27.4	22,127	21.6
Books	2,263	5.2	4,333	5.6	4,533	4.4
Student uniform	1,619	3.7	2,280	2.9	2,825	2.8
<i>Sub total of student related expenses</i>	<u>25,073</u>	<u>57.8</u>	<u>51,555</u>	<u>66.4</u>	<u>62,907</u>	<u>61.5</u>
Staff costs	8,868	20.6	15,382	19.8	27,019	26.4
Advertisement expenses	5,690	13.1	5,404	7.0	4,731	4.6
Medical tools and implements	555	1.3	877	1.1	1,962	1.9
Others	3,104	7.2	4,424	5.7	5,754	5.6
	<u>43,290</u>	<u>100.0</u>	<u>77,642</u>	<u>100.0</u>	<u>102,373</u>	<u>100.0</u>

# For the period from 11 September 2006 (incorporation date) to 31 December 2007

## 9. ACCOUNTANTS' REPORT (Cont'd)



Masterskill Education Group Berhad  
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## Notes to consolidated income statements (continued)

## 6.1.3 Effective tax rate

	Period ended 2007# RM'000	Year ended 2008 RM'000	Year ended 2009 RM'000
Taxation			
- current year	4,937	6,856	13,354
- prior year	(760)	(46)	(104)
	<u>4,177</u>	<u>6,810</u>	<u>13,250</u>
Deferred tax			
- current year	1,063	1,431	1,857
- prior year	(168)	(253)	(200)
	<u>895</u>	<u>1,178</u>	<u>1,657</u>
	<u>5,072</u>	<u>7,988</u>	<u>14,907</u>
Effective tax rate (%)	8.4	10.4	13.5 *
Statutory tax rate (%)	<u>27.0</u>	<u>26.0</u>	<u>25.0</u>

\* Excluded the effect arising from the "overprovision of current tax amounting to RM104,000 and deferred tax of RM200,000" which were reversed during the financial year ended 31 December 2009.

# For the period from 11 September 2006 (incorporation date) to 31 December 2007

The effective tax rate in FPE 2007, FYE 2008 and FYE 2009 was lower than the statutory tax rate mainly due to the utilisation of Investment Tax Allowance ("ITA"), a tax incentive granted under the Promotion of Investment Act, 1986, of approximately RM10,168,000, RM13,799,000 and RM13,712,000 respectively.

## 6.1.4 Earnings per share

## Basic earnings per ordinary share

The basic gross and net earnings per share are calculated based on the profit before and after tax attributable to shareholders over the weighted average number of ordinary shares outstanding during the period/years.

## Diluted earnings per ordinary share

The diluted gross and net earnings per share are calculated based on profit before and after tax attributable to shareholders over the weighted average number of shares outstanding after adjusting for the effects of all dilutive potential ordinary shares.



## 9. ACCOUNTANTS' REPORT (Cont'd)



Masterskill Education Group Berhad  
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## 6.2 Consolidated balance sheets

We set out below the summarised balance sheets of the Group as at 31 December 2007, 2008 and 2009.

		< -----As at 31 December ----- >		
		2007	2008	2009
		RM'0	RM'000	RM'000
	Note	00		
<b>Non current assets</b>				
Property, plant and equipment	6.2.1	70,017	107,504	163,164
Prepaid lease payments	6.2.2	6,409	6,316	6,239
Intangible assets	6.2.3	42,237	42,237	42,237
		118,66	156,057	211,640
		3		
Current assets	6.2.4	84,517	134,392	197,883
<b>Total current assets</b>		84,517	134,392	197,883
<b>Total assets</b>		203,18	290,449	409,523
		0		
<b>Equity</b>				
Share capital		70,1	70,635	70,635
		00		
Share premium		-	1,124	1,124
Retained earnings		51,4	123,483	220,865
		13		
		121,51		
Surplus in shareholders' funds		3	195,242	292,624
<b>Non-current liabilities</b>				
Borrowings		22,6	20,832	17,774
		90		
Deferred tax liabilities	6.2.10	1,76	2,943	4,600
		5		
<b>Total non-current liabilities</b>		24,4	23,775	22,374
		55		
Current liabilities	6.2.8	57,212	71,432	94,525
<b>Total current liabilities</b>		57,212	71,432	94,525
<b>Total liabilities</b>		81,667	95,207	116,899
<b>Total equity and liabilities</b>		203,18	290,449	409,523
		0		

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## Notes to consolidated balance sheets

## 6.2.1 Property, plant and equipment

	< -----As at 31 December ----- >		
	2007	2008	2009
	RM'000	RM'000	RM'000
Freehold land	697	697	8,593
Buildings	14,832	16,452	15,909
Land and buildings	15,117	35,021	71,657
Books	1,453	2,249	2,522
Motor vehicles	1,020	4,098	8,387
Furniture and fittings	3,646	3,939	6,655
Computer, LCD and overhead projectors	828	2,772	1,872
Renovation and electrical installation	23,214	31,480	34,453
Office and medical equipment	7,657	10,796	13,116
Work-in-progress	1,553	-	-
	<u>70,017</u>	<u>107,504</u>	<u>163,164</u>

## 6.2.2 Prepaid lease payments

	< -----As at 31 December ----- >		
	2007	2008	2009
	RM'000	RM'000	RM'000
Prepaid lease payments	<u>6,409</u>	<u>6,316</u>	<u>6,239</u>

## 6.2.3 Intangible assets

	< -----As at 31 December ----- >		
	2007	2008	2009
	RM'000	RM'000	RM'000
<b>Cost/carrying amounts</b>			
Goodwill	<u>42,237</u>	<u>42,237</u>	<u>42,237</u>

## 9. ACCOUNTANTS' REPORT (Cont'd)



Masterskill Education Group Berhad  
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## Notes to consolidated balance sheets (continued)

## 6.2.4 Current assets

Current assets consist of the following:

		< -----As at 31 December ----- >		
	Note	2007 RM'000	2008 RM'000	2009 RM'000
Inventories	6.2.5	857	-	-
Receivables, deposits and prepayments	6.2.6	63,935	108,440	139,741
Current tax asset		3,870	4,144	4,647
Cash and cash equivalents	6.2.7	15,855	21,808	53,495
<b>Total current assets</b>		<u>84,517</u>	<u>134,392</u>	<u>197,883</u>

## 6.2.5 Inventories

		< -----As at 31 December ----- >		
		2007 RM'000	2008 RM'000	2009 RM'000
Books		<u>857</u>	<u>-</u>	<u>-</u>

Inventories consists namely of reference books which would be distributed to students as learning kits. During the financial year ended 2008, the books were written off due to the change of the Group's policy to expense off the costs incurred for purchase of learning kits as cost of services effective 1 January 2008.

## 6.2.6 Receivables, deposits and prepayments

		< -----As at 31 December ----- >		
	Note	2007 RM'000	2008 RM'000	2009 RM'000
Trade receivables	6.2.6.1	54,361	90,694	110,402
Other receivables, deposits and prepayments	6.2.6.2	9,574	17,746	29,339
<b>Total receivables</b>		<u>63,935</u>	<u>108,440</u>	<u>139,741</u>

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## Notes to consolidated balance sheets (continued)

## 6.2.6.1 Trade receivables

	<-----As at 31 December----->		
	2007 RM'000	2008 RM'000	2009 RM'000
Trade receivables	54,568	95,377	118,398
Less: Allowance for doubtful debts	(207)	(4,683)	(7,996)
	<u>54,361</u>	<u>90,694</u>	<u>110,402</u>
Trade receivables turnover period (days)	<u>170</u>	<u>163</u>	<u>147</u>

	<-----As at 31 December 2009----->						Total RM'000	
	Credit period	<-----Within credit period granted----->				Exceeding credit period		
		0-30 days RM'000	31-60 days RM'000	61-90 days RM'000	91-180 days RM'000	> 180 days RM'000		
Trade receivables	30-180 days	<u>51,172</u>	<u>7,734</u>	<u>24,313</u>	<u>26,875</u>	<u>308</u>	<u>110,402</u>	
% of trade receivables		<u>46.4</u>	<u>7.0</u>	<u>22.0</u>	<u>24.3</u>	<u>0.3</u>	<u>100.0</u>	

## 6.2.6.2 Other receivables, deposits and prepayments

	<-----As at 31 December----->		
	2007 RM'000	2008 RM'000	2009 RM'000
Deposits	8,814	10,424	11,528
Other receivables	760	5,530	15,085
Prepayments	-	1,792	2,726
	<u>9,574</u>	<u>17,746</u>	<u>29,339</u>

## 6.2.7 Cash and cash equivalents

	<-----As at 31 December----->		
	2007 RM'000	2008 RM'000	2009 RM'000
Cash and bank balances	3,157	7,686	17,757
Deposits placed with licensed banks	<u>12,698</u>	<u>14,122</u>	<u>35,738</u>
	<u>15,855</u>	<u>21,808</u>	<u>53,495</u>

Deposits placed with licensed banks of RM748,000 (2008 – RM13,132,000; 2007 – RM12,698,000) have been pledged to licensed banks for a bank guarantee facility and to secure credit facility granted to a subsidiary.

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## Notes to consolidated balance sheets (continued)

## 6.2.8 Current liabilities

Current liabilities consist of the following:

	Note	<-----As at 31 December----->		
		2007 RM'000	2008 RM'000	2009 RM'000
Payables and accruals	6.2.9	36,034	53,513	76,152
Borrowings	6.2.10	21,178	5,034	5,488
Irredeemable convertible preference shares – series II	6.2.11	-	12,885	12,885
<b>Total current liabilities</b>		<u>57,212</u>	<u>71,432</u>	<u>94,525</u>

## 6.2.9 Payables and accruals

	Note	<-----As at 31 December----->		
		2007 RM'000	2008 RM'000	2009 RM'000
Trade payables	6.2.9.1	1,519	2,842	367
Other payables and accruals	6.2.9.2	34,515	50,671	75,785
<b>Total payables</b>		<u>36,034</u>	<u>53,513</u>	<u>76,152</u>

## 6.2.9.1 Trade payables

	<-----As at 31 December----->		
	2007 RM'000	2008 RM'000	2009 RM'000
Trade payables	<u>1,519</u>	<u>2,842</u>	<u>367</u>
Trade payables turnover period (days)	<u>14</u>	<u>13</u>	<u>1</u>

	Credit period	<-----As at 31 December 2009----->					
		<-----Within credit period----->			<-----Exceeding credit period----->		Total
		0-30 days RM'000	31-60 days RM'000	61-90 days RM'000	91-180 days RM'000	181-365 days RM'000	
Trade payables	30-90 days	<u>278</u>	<u>-</u>	<u>1</u>	<u>88</u>	<u>-</u>	<u>367</u>
% of trade payables		<u>75.7</u>	<u>-</u>	<u>0.3</u>	<u>24.0</u>	<u>-</u>	<u>100.0</u>

**9. ACCOUNTANTS' REPORT (Cont'd)**

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**Notes to consolidated balance sheets (continued)**

**6.2.9.2** Included in other payables and accruals of the Group is an amount of RM60,527,000 (2008 - RM42,888,000; 2007 - RM25,809,000) being registration fees received in advance and deferred course fee income.

**6.2.10 Borrowings (secured)**

	< -----As at 31 December ----- >		
	2007	2008	2009
	RM'000	RM'000	RM'000
Current liabilities			
- Term loan	1,623	2,163	2,163
- Revolving credit	19,416	2,123	2,123
- Finance lease liabilities	139	748	1,202
	<u>21,178</u>	<u>5,034</u>	<u>5,488</u>
Non-current liabilities			
- Term loan	12,979	10,369	8,167
- Revolving credit	9,359	7,603	5,445
- Finance lease liabilities	352	2,860	4,162
	<u>22,690</u>	<u>20,832</u>	<u>17,774</u>
	<u>43,868</u>	<u>25,866</u>	<u>23,262</u>

**6.2.11 Irredeemable convertible preference shares ("ICPS") series II**

The main characteristics of the ICPS are as follows:

- (a) The holders of the ICPS shall not have any voting rights as the holders of the ordinary shares of the Company.
- (b) The holders of ICPS shall be entitled to participate in any regular dividend declared for the ordinary shares of the Company to be paid out of the Company's unrestricted retained earnings (after all debts due and payable by the Company have been paid) at the same rate and upon the same terms as declared and paid to holders of ordinary shares.
- (c) The holders of ICPS shall be entitled to additional dividends as may be determined and approved by the Board of Directors of the Company.
- (d) No dividend shall be paid or declared and set apart for payment in respect of the ordinary shares unless dividends on all outstanding preference shares paid or declared and set apart for payment.
- (e) Unless consented to by the preference shareholders, no equity security shall be created or issued with preference as regards to participation in the profits of the Company or in the assets of the Company on a liquidation, dissolution or winding up or otherwise higher in priority to or pari passu with the preference shares.
- (f) Conversion of the preference shares into ordinary shares of the Company shall be exercised upon the instruction of two (2) of the Company Directors. Such instruction shall be given within the sole discretion of such Directors provided that such a conversion shall not cause the Company to be in breach of any laws, regulations, rules, guidelines or government approvals applicable to it (whether having force of law or otherwise).
- (g) Payments of dividends and any other distributions in respect of the preference shares shall be made in United States Dollars as permissible under Malaysian law and regulations.

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## Notes to consolidated balance sheets (continued)

## 6.2.11 Irredeemable convertible preference shares ("ICPS") series II (continued)

The salient features of the ICPS series II are as follows:

- (i) The holders of ICPS series II may convert the ICPS series II into ordinary shares of the Company on the basis of 1 ordinary share of the Company for every 1 ICPS series II held by the holder, at any time by notice in writing to the Company, subject to the approval of three directors of the Company which shall not be unreasonably withheld. ("Conversion")
- (ii) Where Conversion follows an enlargement of the total issued ordinary share capital of the Company other than pursuant to an employee share or share option scheme, the holders shall have the option of subscribing for additional shares in the Company to attain the percentage of the total issued ordinary share capital of the Company it would have attained, but for such enlargement, at the price based on the fair market value of the Company's assets and liabilities and its business as a going concern to be determined by a firm of independent valuers mutually appointed by the holders and the Company which will be paid to the Company pursuant to such enlargement. For the purpose of this term, "total issued ordinary share capital" shall include ordinary shares that may be issued upon conversion or exchange of any equity linked security issued by the Company.
- (iii) The ICPS series II will entitle the holders to a preferred dividend equal to 4.295% of all dividends declared in any financial year of the Company. Subject always to the availability of profits, the Company not having been listed on a recognised stock exchange yet and the ICPS series II not having been converted, the Company agrees and undertakes to declare and pay the dividends to the holders no later than 1 August 2010 and thereafter, on an annual basis.

Notwithstanding the above, in the event the Company fails to list itself on a recognised stock exchange by a specific date, the Company is obliged to declare a certain amount of dividends to the preference shareholders.

The ICPS series II is classified as a liability as the ICPS is redeemable by cash with a contingency beyond the control of the Company.

## 6.3 Consolidated statements of changes in equity

	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
At date of incorporation	*	-	-	*	-	*
Issue of ordinary shares	100	-	-	100	-	100
Issue of irredeemable convertible preference shares	70,000	-	-	70,000	-	70,000
Acquisition of subsidiary	-	-	-	-	**	**
Net profit for the period	-	-	51,413	51,413	(**)	51,413
At 31 December 2007/1 January 2008	70,100	-	51,413	121,513	-	121,513
Issue of irredeemable convertible preference shares	535	1,124	-	1,659	-	1,659
Net profit for the year	-	-	72,070	72,070	-	72,070
At 31 December 2008/1 January 2009	70,635	1,124	123,483	195,242	-	195,242
Net profit for the year	-	-	97,382	97,382	-	97,382
At 31 December 2009	70,635	1,124	220,865	292,624	-	292,624

\* Represents RM2 (2 ordinary shares of RM1.00 each)

\*\* Represents minority interest of RM30

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## 6.4 Consolidated cash flow statements

	Period ended 2007# RM'000	Year ended 2008 RM'000	Year ended 2009 RM'000
<b>Cash flows from operating activities</b>			
Profit before tax	56,485	80,058	112,289
Adjustments for:			
Depreciation for property, plant and equipment	6,229	8,647	11,095
Amortisation	-	92	78
Interest income	(200)	(738)	(1,078)
Interest expense	1,668	1,933	1,294
Loss on disposal of property, plant and equipment	109	98	-
Property, plant and equipment written off	146	-	39
Operating profit before changes in working capital	64,437	90,090	123,717
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 operations	41,019	76,806	115,054
Tax paid	(9,010)	(7,084)	(13,753)
Interest received	200	738	1,078
Interest paid	(1,668)	(1,933)	(1,294)
<b>Net cash generated from operating activities</b>	<b>30,541</b>	<b>68,527</b>	<b>101,085</b>
<b>Cash flow from investing activities</b>			
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)
Prepaid lease payments	(6,409)	-	-
Proceeds from issuance of shares to minority interest	*	-	-
<b>Net cash used in investing activities</b>	<b>(133,027)</b>	<b>(46,668)</b>	<b>(51,734)</b>

# For the period from 11 September 2006 (incorporation date) to 31 December 2007

\* Represents RM30.00

\*\* Represents RM1.00



## 9. ACCOUNTANTS' REPORT (Cont'd)



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## 6.4 Consolidated cash flow statements (continued)

	Period ended 2007# RM'000	Year ended 2008 RM'000	Year ended 2009 RM'000
<b>Cash flows from financing activities</b>			
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/(Repayment of finance lease)	491	3,118	(920)
<b>Net cash generated from/(used in) financing activities</b>	<b>105,643</b>	<b>(16,340)</b>	<b>(5,280)</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,157</b>	<b>5,519</b>	<b>44,071</b>
<b>Cash and cash equivalents at date of incorporation/ 1 January</b>	<b>***</b>	<b>3,157</b>	<b>8,676</b>
<b>Cash and cash equivalents at end of period/ year</b>	<b>3,157</b>	<b>8,676</b>	<b>52,747</b>

**Notes to cash flow statements****i) Purchase of property, plant and equipment**

The Group acquired property, plant and equipment with an aggregate cost of RM66,795,000 (2008 - RM46,233,000) of which RM2,676,000 (2008 - RM3,784,000) was acquired by means of finance lease.

**ii) Cash and cash equivalents**

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Period ended 2007# RM'000	Year ended 2008 RM'000	Year ended 2009 RM'000
Deposits placed with licensed banks	12,698	14,122	35,738
Cash and bank balances	3,157	7,686	17,757
Cash and cash equivalents	15,855	21,808	53,495
Less: Deposits pledged with licensed banks	(12,698)	(13,132)	(748)
<b>Cash and cash equivalents</b>	<b>3,157</b>	<b>8,676</b>	<b>52,747</b>

**iii) Non-cash transaction  
Financing activities**

During the financial year, the Group increased its investment in a subsidiary by RM12,800,000 via the capitalisation of amount owing from the subsidiary.

# For the period from 11 September 2006 (incorporation date) to 31 December 2007

\*\*\* Represents RM2.00

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## 7. Significant accounting policies

The significant accounting policies adopted by the Group are as follows:

## (a) Basis of consolidation

## (i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses.

## (ii) Changes in Group composition

When a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

## (iii) Minority interest

Minority interest at the balance sheet date, being the portion of the identifiable assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interest in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interest and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated with all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

**9. ACCOUNTANTS' REPORT (Cont'd)**

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**7. Significant accounting policies (continued)****(a) Basis of consolidation****(iv) Transactions eliminated on consolidation**

Intra-group balances and transactions arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

**(b) Property, plant and equipment****(i) Recognition and measurement**

Freehold land and work in progress are stated at cost. Other items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate item (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other operating expenses" respectively in the income statements.

**(ii) Subsequent costs**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statements as incurred.

**(iii) Depreciation**

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land and work-in-progress are not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## 7. Significant accounting policies (continued)

## (b) Property, plant and equipment (continued)

## (iii) Depreciation (continued)

The estimated useful lives for the current and comparative periods are as follows:

Buildings	3%
Books	10%
Motor vehicles	20%
Furniture and fittings	10%
Computer, LCD and overhead projectors	40%
Renovation and electrical installation	10%
Office and medical equipment	10%

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

## (c) Intangible assets

## (i) Goodwill

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the income statement.

## (ii) Impairment

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that they may be impaired.

**9. ACCOUNTANTS' REPORT (Cont'd)**

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**7. Significant accounting policies (continued)****(d) Leased assets****(i) Finance lease**

Leases in terms of which the Group or the Company assume substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

**(ii) Operating lease**

Leases, where the Group does not assume substantially all the risks and rewards of the ownership are classified as operating leases and the leased assets are not recognised on the Group's balance sheet.

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments.

Payments made under operating leases are recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

**(e) Receivables**

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

**(f) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, bank balances and deposits with banks. For the purpose of the cash flow statement, cash and cash equivalents are presented net of pledged deposits.

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**9. ACCOUNTANTS' REPORT (Cont'd)**

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**7. Significant accounting policies (continued)****(g) Payables**

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

**(h) Employee benefits**

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contributions to statutory pension funds are charged to the income statement in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

**(i) Impairment of assets**

The carrying amount of assets except for inventories, deferred tax assets and financial assets (other than investments in subsidiaries) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are group together into the smallest groups of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

An impairment loss is recognised in the income statement if the carrying amount of an asset or its cash-generating unit, exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

**9. ACCOUNTANTS' REPORT (Cont'd)**

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**7. Significant accounting policies (continued)****(i) Impairment of assets (continued)**

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statements in the year in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus. Where an impairment loss on the same revalued asset was previously recognised in the income statements, a reversal of that impairment loss is also recognised in the income statements.

**(j) Share capital*****Preference share capital***

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity. Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in the income statements.

**(k) Loans and borrowings**

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statements over the period of the loans and borrowings using the effective interest method.

**(l) Financing costs**

All interest and other costs incurred in connection with borrowings are expensed as incurred.

**(m) Tax expense**

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## 7. Significant accounting policies (continued)

## (m) Tax expense (continued)

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## (n) Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

## (o) Revenue

*Services rendered*

Revenue of the subsidiary represents course fees, registration fees, processing fees, administration fees and other fees.

Revenue from course fees is recognised over the period of the course in the income statement. Registration fees, processing fees, administration fees and other fees are recognised in the income statement upon commencement of the course.

## (p) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

## (q) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.



9. ACCOUNTANTS' REPORT (Cont'd)



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7. Significant accounting policies (continued)

(r) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

8. Events subsequent to the balance sheet dates

There were no significant events between the date of the last financial statements used in the preparation of the report and the date of this report which will affect materially the contents of this report.

Yours faithfully,

**KPMG**  
Firm Number: AF 0758  
Chartered Accountants

**Foong Mun Kong**  
Partner  
Approval Number: 2613/12/10(J)

9. ACCOUNTANTS' REPORT (Cont'd)

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**Report of the auditors to the members of  
Masterskill Education Group Sdn. Bhd.**

(Formerly known as Biogem Development Sdn. Bhd.)

(Company No. 746920-M)

(Incorporated in Malaysia)

We have audited the financial statements set out on pages 10 to 43. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board so as to give a true and fair view of:
  - i) the state of affairs of the Group and of the Company at 31 December 2007 and the results of their operations and cash flows for the period ended on that date; and
  - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiary of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

9. ACCOUNTANTS' REPORT (Cont'd)



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Company No. 746920-M

We have considered the financial statements of Medic Express Sdn. Bhd., which was incorporated on 26 October 2007 and consolidated with the Company's financial statements using unaudited management accounts.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit report on the financial statements of the subsidiary was not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

A handwritten signature in black ink, appearing to be 'KPMG'.

**KPMG**  
Firm Number: AF 0758  
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Foong Mun Kong'.

**Foong Mun Kong**  
Partner  
Approval Number: 2613/12/08(J)

Petaling Jaya,

Date: 13 June 2008

**9. ACCOUNTANTS' REPORT (Cont'd)**

**KPMG (Firm No. AF 0758)**  
Chartered Accountants  
Level 10, KPMG Tower  
8, First Avenue, Bandar Utama  
47800 Petaling Jaya  
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Telephone +60 (3) 7721 3388  
Fax +60 (3) 7721 3399  
Internet www.kpmg.com.my

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## **Independent auditors' report to the members of Masterskill Education Group Berhad**

(Formerly known as Masterskill Education Group Sdn. Bhd.)

(Company No. 746920-M)

(Incorporated in Malaysia)

### **Report on the Financial Statements**

We have audited the financial statements of Masterskill Education Group Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 46.

#### *Directors' Responsibility for the Financial Statements*

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG, a partnership established under Malaysian law and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

**9. ACCOUNTANTS' REPORT (Cont'd)**



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Company No. 746920-M

*Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of their financial performance and cash flows for the year then ended.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**KPMG**  
Firm Number: AF 0758  
Chartered Accountants

**Foong Mun Kong**  
Approval Number: 2613/12/10(J)  
Chartered Accountant

Petaling Jaya,  
Date: 25 May 2009



**KPMG (Firm No. AF 0758)**  
Chartered Accountants  
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## **Independent auditors' report to the members of Masterskill Education Group Berhad**

(Company No. 746920-M)  
(Incorporated in Malaysia)

### **Report on the Financial Statements**

We have audited the financial statements of Masterskill Education Group Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 50.

#### *Directors' Responsibility for the Financial Statements*

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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9. ACCOUNTANTS' REPORT (Cont'd)



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Company No. 746920-M

*Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2009 and of their financial performance and cash flows for the year then ended.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**KPMG**  
Firm Number: AF 0758  
Chartered Accountants

**Foong Mun Kong**  
Approval Number: 2613/12/10(J)  
Chartered Accountant

Petaling Jaya,  
Date: 2 February 2010

**10. OUR MAJOR LICENSES**

We have obtained all approvals, major licences and certifications necessary for our business and are in compliance with, and expect to continue to comply with, their terms and conditions. We are required to renew such approvals, licences and certifications from time to time and while we believe that we will be able to renew our approvals, licenses and certifications (where required), there can be no assurance that the relevant authorities/parties will approve these renewals, within the time frame required, or at all. If we fail to obtain the approvals, licenses and certifications that are necessary for our new programmes or our current approvals, licenses or certifications are not renewed, our business, results of operations, financial condition and prospects could be materially and adversely affected.

Details of our approvals, major licenses and certifications together with the main conditions attached and status of compliance are as follows:

**10.1 CERTIFICATES OF REGISTRATION OF CAMPUSES**

No.	Authority/ (Reference no.)	Date of issuance/ (expiry)	Type of business/ Transaction approved	Main conditions imposed	Compliance status
<b>A CHERAS CAMPUS (MASTERSKILL UNIVERSITY COLLEGE OF HEALTH SCIENCES – MUCH) (“MUCH”)</b>					
A1	MOHE/ (KPT/JPS/DFT/US/B 25)	28 July 2008/ (27 July 2013)	Registration under PHEIA	-	-
<b>B IPOH CAMPUS</b>					
B1	MOE (Private Higher Educational Institution, Department of Education, Perak)/ (A4P2524)	24 December 2007/ (31 December 2012)	Registration under PHEIA	-	-
<b>C KOTA KINABALU CAMPUS</b>					
C1	MOHE/ (S4P0004)	06 March 2008/ (05 March 2013)	Registration under PHEIA	-	-
<b>D KOTA BHARU CAMPUS</b>					
D1	MOHE/ (D4P1032)	24 July 2008/ (05 March 2013)	Registration under PHEIA	-	-
<b>E KUCHING CAMPUS*</b>					
E1	MOHE/ (Q4P2014)	06 January 2009/ (23 December 2013)	Registration under PHEIA	-	-

**Note:**

- \* Based on a letter dated 31 March 2010 from the MOHE, the MOHE has approved the move of the premises of our Kuching campus to Lot 51, Blok 218, NNLD, Jalan Stapok, Jalan Batu Kawah Junction, 93250 Kuching, Sarawak. Masterskill is in the midst of obtaining approvals from the relevant local authorities and other agencies in furtherance of obtaining the updated certificate of registration.



## 10. OUR MAJOR LICENSES (Cont'd)

## 10.2 APPROVAL FOR ESTABLISHMENT OF MUCH

No.	Authority/ (Reference no.)	Date of issuance/ (expiry)	Type of business/ Transaction approved	Main conditions imposed	Compliance status
1	MOHE/ (KPT(JPS)600- 07/81/Jld. 1 (7) as supplemented by KPT(JPS)600- 07/81/Jld. 1 (6) dated 24 July 2008)	24 July 2008/ (N/A)	To establish MUCH	(Please refer to Notes (1) and (2) below)	(Please refer to Notes (1) and (2) below)
2	MOHE/ (JPT/BPP(U)1000- 801/81(21) dated 9 September 2009)	9 September 2009/ (N/A)	To establish MUCH's Seri Alam, Johor campus	(Please refer to Note (1) below)	(Please refer to Note (1) below)

**Notes:**

- (1) The main conditions, among others, as imposed and of which we take note and/or have complied with are as follows:

**a. Equity holdings**

The Bumiputera equity holdings in Masterskill is RM2,550,000 (51%). The Non-Bumiputera equity holdings in Masterskill is RM735,000 (14.7%). The Foreign equity holdings in Masterskill is RM1,715,000 (34.3%).

**b. Chief executive**

i. Section 31 of the PHEIA in relation to the appointment and registration of the chief executive shall be complied with. The Registrar General of Private Higher Educational Institutions may refuse to register a chief executive pursuant to Section 31(3) of the PHEIA.

ii. Section 32 of the PHEIA in relation to the regulations on registration of chief executive shall be complied with.

iii. Section 37 of the PHEIA in relation to the powers of the Registrar General under Section 31(3) to deal with the chief executive shall be complied with.

iv. The provisions of Part VI (Management of Private Higher Educational Institutions) of the PHEIA shall be complied with.

v. Approval from the MOHE shall be obtained for any changes to the chief executive.

**c. Lecturers**

i. Priority shall be given to Malaysian citizens who are qualified and experienced in the programmes of study taught.

ii. All the lecturers shall have updated valid permits to teach and shall comply with Section 51 of the PHEIA.

iii. Foreign lecturers shall have valid employment passes and comply with the conditions imposed by Immigration Department of Malaysia and shall have valid teaching permits approved by MOHE.

iv. The number of lecturers shall be sufficient for every programme of study offered and priority shall be given to Malaysian citizens who are qualified and experienced.

**d. Programmes of study**

i. Masterskill University College of Health Sciences – MUCH and MUCH's Seri Alam, Johor campus shall only offer programmes of study at foundation, diploma, bachelor degree and masters degree suitable to be conducted at a private higher educational institution of college university status. Programmes of study at certificate level shall not be conducted at university college.

ii. The validity period of programmes of study shall be for five (5) years from the date of the approval letter from the Private Higher Education Management Sector, MOHE. Certification of Accreditation from the MQA shall be obtained for the programmes of study. The circular from Registrar General of Private Higher Educational Institutions, MOHE, Malaysia No. 8/2003: Need to obtain accreditation status for all programmes of study and foreign university's branch campus (Surat Pekeliling Ketua Pendaftar Institusi Pendidikan Tinggi Swasta, Kementerian Pengajian Tinggi Malaysia Bil. 8/2003: Keperluan mendapatkan Taraf Akreditasi bagi semua kursus pengajian dan Kampus Cawangan Universiti Luar Negara) dated 8 November 2003 (Reference: KP(JPS)5181/01/02/Jld.2(61), shall be complied with.

iii. Masterskill University College of Health Sciences – MUCH and MUCH's Seri Alam, Johor campus shall comply with Sections 38 and 39 PHEIA in relation to conduct of programmes of study at private higher educational institutions.

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**10. OUR MAJOR LICENSES (Cont'd)**

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**e. Physical facilities and equipments**

- i. The physical facilities and equipments provided shall be sufficient and suitable for the level of studies, programmes or programmes of study approved.*
- ii. Facilities for recreational and co-curricular activities shall be provided for use of the students.*
- iii. Regulation 10 of P.U. (A) 544 in relation to changes or renovations of the premises shall be complied with and the MOHE shall be informed.*
- iv. Section 93(1) of PHEIA in relation to the premises shall be complied with.*

**f. Constitution**

- i. Masterskill University College of Health Sciences – MUCH shall be strictly managed in accordance with its constitution.*
- ii. The Private Higher Education Management Sector, MOHE shall firstly be informed of and the approval from the Registrar General shall be obtained for any amendments to the constitution.*

**g. Discipline of students**

- i. Masterskill University College of Health Sciences – MUCH shall ensure that the discipline of the students is always preserved, taking into account the culture and national code of conduct. Part VII PHEIA shall be complied with.*
- ii. The chief executive shall be responsible for the discipline and conduct of the students as provided under Section 46(1) PHEIA.*
- iii. The prohibition on student, students' association, etc. associating with political party, unlawful society, etc. as provided under Section 47 PHEIA shall be complied with.*

**h. Provisions of law**

*The establishment of Masterskill University College of Health Sciences – MUCH and MUCH's Seri Alam, Johor campus is subject to the following provisions of law:*

- PHEIA and the regulations made thereunder.*
- Malaysian Qualifications Agency Act 2007 (Act 679) and the regulations made thereunder.*
- Circulars and/or instructions issued by the MOHE from time to time.*

**i. Registration of the institution**

- i. Masterskill University College of Health Sciences – MUCH and MUCH's Seri Alam, Johor campus shall respectively be registered in accordance with Section 24(1) PHEIA.*
- ii. Masterskill University College of Health Sciences – MUCH and MUCH's Seri Alam, Johor campus shall respectively not operate until the Certificate of Registration is issued by the MOHE. Masterskill University College of Health Sciences – MUCH and MUCH's Seri Alam, Johor campus are respectively not allowed to publish any advertisements (whether through print or electronic media) for recruitment of students and/or offering of programmes of study before it is registered.*
- iii. Programmes of study shall not be offered until the approval for the conduct of programmes of study is received from the MOHE. Sections 38 and 39 PHEIA shall be complied with.*
- iv. The approval from the MOHE shall be obtained prior to any changes to the conditions of approval.*

**Additional conditions:**

- a. The existing Masterskill College of Nursing and Health shall be considered closed once the approval for registration of MUCH has been obtained from the Private Higher Education Management Sector, MOHE (as stated only the approval for establishment of Masterskill University College of Health Sciences – MUCH only).*
- b. The number of students shall be appropriate to the number of lecturers in accordance with the lecturer:student ratio approved by the MQA. All lecturers (full-time/ part-time) shall have suitable academic qualifications. The institution shall also have a comprehensive academic staff development plan.*
- c. The management of MUCH and MUCH's Seri Alam, Johor campus shall respectively be modified to form the management of a higher educational institution with university college status immediately. The organisational structure of the university college shall be clear and the institution shall be managed by a management team with qualifications and high academic background as well as experience in the management of higher educational institution.*
- d. MUCH shall conduct research and development in stages and submit a report on the findings of the research to MOHE.*
- e. Masterskill University College of Health Sciences – MUCH and MUCH's Seri Alam, Johor campus shall respectively submit its strategic plan to MOHE within two (2) months from the respective dates of approval of establishment.*
- f. Masterskill shall be the company approved to operate MUCH and MUCH's Seri Alam, Johor campus. A new company known as Masterskill Campus Management Sdn Bhd shall be incorporated within six (6) months from the listing of MEGB on Bursa Malaysia Securities Berhad to operate Masterskill's Ipoh, Kota Kinabalu and Kota Bharu campuses.*

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10. OUR MAJOR LICENSES (Cont'd)

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g. MOHE may revoke the approval for establishment in the event of the following (amongst others):

- The operation and management of the institution is found to be inefficient and incompetent.
- The institution does not comply with the policy of Bumiputera equity holdings of 30% as determined by the government.
- The management of the institution such as the composition of the university's members of board of directors, senate and academic advisers is not in accordance with the government's policy on Bumiputera equity holdings.
- The institution does not offer or take steps to offer programmes using its homegrown curriculum.
- The institution is not able to provide qualified lecturers to teach the programmes of study offered. The lecturers at the institution (full-time/ part-time) shall have the qualifications determined by the MOHE.
- The institution does not have a satisfactory internal quality assurance system.

(2) The main conditions, among others, as imposed and of which we take note and/or have complied with are as follows:

**a. Compulsory subjects**

i. All private higher educational institutions shall teach the following subjects as provided under Section 43(1) PHEIA:

- Malaysian studies;
- studies relating to the teaching of Islamic religion for students professing the Islamic religion; and
- moral education for non-Muslim students.

The abovesaid programmes shall be taught in addition to other subjects or programmes of study taught at the university college.

ii. In the case of students who are citizens of Malaysia, a pass in Section 43(1)(a) to (c) PHEIA at a level determined by the authority referred to in Section 39 PHEIA shall be a prerequisite to the award of a certificate, diploma or degree of the private higher educational institution.

**b. Registration of the institution**

i. The certificate of registration of Masterskill College of Nursing and Health (Registration No. B4P4162 (Validity period: 1 December 2004 to 30 November 2009) shall be revoked once the certificate of registration for MUCH has been issued by MOHE.

**Additional conditions**

a. All programmes of study conducted at certificate level or in collaboration with local or foreign higher educational institutions (e.g. 2+1/ 3+0 programmes, etc.) shall be discontinued in stages. As a private higher educational institution with university college status, MUCH can award its own degrees.

b. The temporary premises of MUCH at No. G-8, Jalan Kemacahaya, Batu 9, 43200 Cheras, Selangor Darul Ehsan shall be upgraded to reflect a higher educational institution with university college status. MUCH shall shift to and operate from a permanent campus within two (2) years after the registration of the university college.

c. MOHE may revoke the approval for establishment in the event of the following (amongst others):

- A new company known as Masterskill Campus Management Sdn Bhd is not incorporated within six (6) months from the listing of MEGB on Bursa Malaysia Securities Berhad to operate Masterskill's Ipoh, Kota Kinabalu and Kota Bharu campuses (as stated only the approval for establishment of Masterskill University College of Health Sciences – MUCH only).

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## 10. OUR MAJOR LICENSES (Cont'd)

## 10.3 PROGRAMMES OF STUDY

Programmes	Type of business/ Transaction approved					
	(Note I)		(Note II)		(Note III)	
	MOHE Approval to conduct a programme of study		Provisional Accreditation from the MQA		Certificate of Accreditation from the MQA	
	Reference No.	Date of issuance/ (expiry)	Reference No.	Date of issuance/ (expiry)	Reference No.	Date of issuance/ (expiry)
<b>A CHERAS CAMPUS (MUCH)</b>						
A1. Bachelor of Science (Hons) in Environmental Health and Safety	JPT/BPP/(U)1000-801/81/Jld. I (10) as supplemented by JPT/BPP(U) 1000-801/81/Jld. I (19) dated 11 December 2009 (Please refer to Notes I (9)(a), (9)(b), (9)(c), (9)(e), (13) and (17))	24 November 2009/ (23 November 2014)	MQA/PA 10029 (8) (Please refer to Notes II (a) and (c))	1 February 2010/ (31 January 2014)	-	-
A2. Bachelor of Biomedical Science (Hons)	JPT/BPP/(U)1000-801/81/Jld. I (10) (Please refer to Notes I (9)(a), (9)(b), (9)(c), (9)(e) and (13))	24 November 2009/ (23 November 2014)	MQA/PA 10078 (8) (Please refer to Notes II (a) and (c))	1 February 2010/ (31 January 2014)	-	-
A3. Bachelor of Medical Imaging and Radiotherapy (Hons)	JPT/BPP (U) 1000-801/81 (23) (Please refer to Notes I (9)(a), (9)(b), (9)(c), (9)(e), (13) and (17))	28 September 2009/ (27 September 2014)	MQA/PA 9993 (8) (Please refer to Notes II (a) and (c))	15 January 2010/ (14 January 2014)	-	-
A4. Master of Science in Healthcare Management	JPT/BPP (U) 1000-801/81 (14) (Please refer to Notes I (9)(a), (9)(b), (9)(c), (9)(e) and (13))	18 August 2009/ (17 August 2014)	MQA/PA 9905 (7) (Please refer to Notes II (a) and (c))	15 January 2010/ (14 January 2014)	-	-
A5. Bachelor of Physiotherapy (Hons)	KPT/(JPS)60 0-07/81/Jld. III (17) as supplemented by JPT/BPP (U) 1000-801/81 (7) dated 31 July 2009 (Please refer to Notes I (9)(a), (9)(b), (9)(c), (9)(e) and (13))	15 July 2009/ (14 July 2014)	MQA/PA 9744 (8) (Please refer to Notes II (a) and (c))	11 September 2009/ (31 August 2013)	-	-

## 10. OUR MAJOR LICENSES (Cont'd)

Programmes	Type of business/ Transaction approved					
	(Note I)		(Note II)		(Note III)	
	MOHE Approval to conduct a programme of study		Provisional Accreditation from the MQA		Certificate of Accreditation from the MQA	
	Reference No.	Date of issuance/ (expiry)	Reference No.	Date of issuance/ (expiry)	Reference No.	Date of issuance/ (expiry)
A6. Bachelor of Science (Hons) in Healthcare Management	KPT/(JPS)600-07/81/Jld. III (17) (Please refer to Notes I (9)(a), (9)(b), (9)(c), (9)(e) and (13))	19 June 2009/ (18 June 2014)	MQA/PA 9630 (11) (Please refer to Notes II (a) and (c))	24 July 2009/ (14 August 2013)	-	-
A7. Bachelor of Nursing (Hons) in collaboration with University of Sunderland, UK (Top-up Programme)	KPT(JPS)600-07/81/ Jld. II(9) (Please refer to Notes I (9)(a), (9)(b), (9)(c), (9)(e), (12) and (13))	29 October 2008/ (28 October 2013)	PA 8505(8) (Please refer to Notes II (a) and (d))	16 February 2009/ (01 March 2011)	-	-
A8. Diploma in Paramedic Science (Pre-Hospital Care)	KPT(JPS)600-07/81/Jld.1(12) (Please refer to Notes I (9), (10) and (13))	11 August 2008/ (10 August 2013)	MQA(S)10/13 /1/2 Jld.27(68) (Please refer to Notes II (a) and (c))	04 November 2008/ (19 October 2011)	-	-
A9. Foundation in Health Sciences			Provisional accreditation extended via MQA/PA 8668 (26) (Please refer to Notes II (a) and (c))	25 January 2010/ (18 August 2010)	-	-
A10. Bachelor of Pharmacy (Honours) 4+0 programme in collaboration with La Trobe University, Australia	KPT(JPS)600-03/1302(89) (Please refer to Notes I (1) and (2))	11 February 2008/ (10 February 2013)	MQA(S)10/13 /01/02 Jld.21(68) (Please refer to Notes II (a) and (b))	09 April 2008/ (30 June 2012)	-	-
A11. Bachelor of Health Science/ Master of Physiotherapy Practice in collaboration 4+0 with La Trobe University, Australia	KPT(JPS)600-03/302(37) and KPT(JPS)600-07/81/Jld.II (28) dated 28 January 2009 (Please refer to Notes I (1)(b), (1)(c) and (3))	26 December 2007/ (25 December 2012)	MQA(S)10/13 /01/02 Jld.21 (69) (Please refer to Notes II (a) and (b))	09 April 2008/ (30 June 2012)	-	-

## 10. OUR MAJOR LICENSES (Cont'd)

Programmes	Type of business/ Transaction approved					
	(Note I)		(Note II)		(Note III)	
	MOHE Approval to conduct a programme of study		Provisional Accreditation from the MQA		Certificate of Accreditation from the MQA	
	Reference No.	Date of issuance/ (expiry)	Reference No.	Date of issuance/ (expiry)	Reference No.	Date of issuance/ (expiry)
A12. Diploma in Occupational Therapy	KPT(JPS)600-03/1302(53) (Please refer to Notes I (1) and (4))	03 September 2007/ (02 September 2012)	LAN(S)10/13/1/2/Jld.17(55) (Please refer to Notes II (a) and (b))	25 October 2007/ (01 January 2011)	-	-
A13. Diploma in Occupational Safety and Health	KPT(JPS)600-03/1302(29) (Please refer to Note I (1))	09 May 2007/ (08 May 2012)	LAN(S)10/13/1/2/Jld.14(38) (Please refer to Notes II (a) and (b))	26 June 2007/ (30 May 2010)	-	-
A14. Diploma in Health Informatics	KPT(JPS)600-03/1302(27) (Please refer to Note I (1))	08 May 2007/ (07 May 2012)	LAN(S)10/13/1/2/Jld.14(39) (Please refer to Notes II (a) and (b))	26 June 2007/ (30 May 2010)	-	-
A15. Diploma in Healthcare	KP(JPS)5195/IPTS/1302/Jld.11(95) (Please refer to Note I (1))	13 February 2006/ (12 February 2011)	N/A	N/A	02376	06 February 2008/ (05 February 2013)
A16. Diploma in Pharmacy	KP(JPS)5195/IPTS/1302/Jld.II(65) (Please refer to Note I (1))	19 August 2005/ (18 August 2010)	N/A	N/A	02329	25 April 2008/ (24 April 2013)
A17. Diploma in Physiotherapy	KP(JPS)5195/IPTS/1302/Jld.II(60) (Please refer to Note I (1))	08 August 2005/ (07 August 2010)	N/A	N/A	02377	01 October 2007/ (30 September 2012)
A18. Diploma in Medical Laboratory Technology	KP(JPS)5195/IPTS/1302/Jld.II(51) (Please refer to Note I (1))	24 June 2005/ (23 June 2010)	N/A	N/A	02478	03 October 2007/ (02 October 2012)
A19. Diploma in Medical Imaging	Approval renewed via JPT/BPP(U)1000-801/81/Jld.1(30) (Please refer to Note I (18))	29 January 2010/ (28 January 2015)	N/A	N/A	01952	17 September 2007/ (16 September 2012)
A20. Diploma in Environmental Health			N/A	N/A	02061	23 October 2007/ (22 October 2012)
A21. Diploma in Nursing	Approval renewed via JPT/BPP (U) 1000-801/81 (14) (Please refer to Notes I (9)(a), (9)(b), (9)(c), (9)(e), (13), (14) and (16))	18 August 2009/ (17 August 2014)	N/A	N/A	03655	27 January 2005/ (26 July 2010)

## 10. OUR MAJOR LICENSES (Cont'd)

Programmes	Type of business/ Transaction approved					
	(Note I)		(Note II)		(Note III)	
	MOHE Approval to conduct a programme of study	Provisional Accreditation from the MQA	Certificate of Accreditation from the MQA	Reference No.	Date of issuance/ (expiry)	Reference No.
<b>B IPOH CAMPUS</b>						
B1. Foundation in Health Sciences.	KPT(JPS)600-03/979(23) (Please refer to Notes I (1)(a), (1)(c) and (13))	23 February 2009/ (22 February 2014)	PA 9740 (8) (Please refer to Notes II (a) and (c))	23 March 2009/ (15 May 2010)	-	-
B2. Diploma in Medical Laboratory Technology	KPT(JPS)600-03/979(15) (Please refer to Notes I (1)(a), (1)(c) and (8))	25 September 2008/ (24 September 2013)	MQA(S)10/13 /1/2 Jld.28(61) (Please refer to Notes II (a) and (c))	10 December 2008/ (18 January 2012)	-	-
B3. Diploma in Nursing	KPT(JPS)600-03/979(13) (Please refer to Notes I (1) and (11))	31 July 2008/ (30 July 2013)	MQA(S)10/13 /1/2 Jld.27(66) (Please refer to Notes II (a) and (d))	04 November 2008/ (17 October 2011)	-	-
B4. Diploma in Physiotherapy	KPT(JPS)600-03/979(11) (Please refer to Notes I (1) and (8))	07 July 2008/ (06 July 2013)	MQA(S)10/13 /1/2 Jld.25(8) (Please refer to Notes II (a) and (b))	31 July 2008/ (13 July 2011)	-	-
B5. Diploma in Environmental Health	KPT(JPS)600-03/979(9) (Please refer to Notes I (1) and (6))	20 May 2008/ (19 May 2013)	PA 8957 (8) (Please refer to Notes II (a) and (b))	21 May 2009/ (25 April 2012)	-	-
B6. Diploma in Medical Imaging			-	-	-	-
B7. Diploma in Pharmacy			MQA(S)10/13 /1/2 Jld.25(11) (Please refer to Notes II (a) and (b))	31 July 2008/ (13 July 2011)	-	-
B8. Diploma in Healthcare	KPT(JPS)600-03/1249(13) (Please refer to Note I (1))	25 February 2008/ (24 February 2013)	MQA(S)10/13 /01/02 Jld.21(67) (Please refer to Notes II (a) and (b))	18 March 2008/ (04 June 2011)	-	-

## 10. OUR MAJOR LICENSES (Cont'd)

Programmes	Type of business/ Transaction approved					
	(Note I)		(Note II)		(Note III)	
	MOHE Approval to conduct a programme of study		Provisional Accreditation from the MQA		Certificate of Accreditation from the MQA	
	Reference No.	Date of issuance/ (expiry)	Reference No.	Date of issuance/ (expiry)	Reference No.	Date of issuance/ (expiry)
<b>C KOTA KINABALU CAMPUS</b>						
C1. Diploma in Nursing	KPT(JPS)600-03/700(34) (Please refer to Notes I (1)(a), (1)(c) and (14))	25 September 2008/ (24 September 2013)	MQA(S)10/13 /1/2 Jld.27(65) (Please refer to Notes II (a) and (d))	04 November 2008/ (17 October 2011)		
C2. Diploma in Medical Laboratory Technology			MQA(S)10/13 /1/2 Jld.28(63) (Please refer to Notes II (a) and (c))	10 December 2008/ (18 January 2012)		
C3. Diploma in Medical Imaging	KPT(JPS)600-03/700(32) (Please refer to Notes I (1) and (9)(d))	06 August 2008/ (05 August 2013)	-	-	-	-
C4. Diploma in Physiotherapy	KPT(JPS)600-03/700(32) (Please refer to Notes I (1) and (8))	08 July 2008/ (07 July 2013)	MQA(S)10/13 /01/02 Jld.25(12) (Please refer to Notes II (a) and (b))	31 July 2008/ (13 July 2011)	-	-
C5. Diploma in Healthcare			MQA(S)10/13 /01/02 Jld.25(14) (Please refer to Notes II (a) and (b))	31 July 2008/ (13 July 2011)	-	-
C6. Diploma in Environmental Health	KPT(JPS)600-03/700(30) (Please refer to Notes I (1) and (7))	20 May 2008/ (19 May 2013)	MQA(S)10/13 /1/2 Jld.25(4) (Please refer to Notes II (a) and (b))	31 July 2008/ (13 July 2011)	-	-
C7. Diploma in Pharmacy			MQA(S)10/13 /01/02 Jld. 29 (10) (Please refer to Notes II (a) and (c))	23 December 2008/ (18 October 2011)	-	-
<b>D KOTA BHARU CAMPUS</b>						
D1. Diploma in Nursing	KPT(JPS)600-03/619/ Jld. II (11) (Please refer to Notes I (1), (13) and (15))	20 January 2009/ (19 January 2014)	PA 9338 (8) (Please refer to Notes II (a) and (d))	03 March 2009/ (01 February 2012)	-	-



## 10. OUR MAJOR LICENSES (Cont'd)

Programmes	Type of business/ Transaction approved					
	(Note I)		(Note II)		(Note III)	
	MOHE Approval to conduct a programme of study		Provisional Accreditation from the MQA		Certificate of Accreditation from the MQA	
	Reference No.	Date of issuance/ (expiry)	Reference No.	Date of issuance/ (expiry)	Reference No.	Date of issuance/ (expiry)
D2. Diploma in Medical Laboratory Technology	KPT(JPS)519 5/619/Jld.1(33) (Please refer to Notes I (1)(a) and (1)(c))	25 September 2008/ (24 September 2013)	MQA(S)/10/13/1/2/ Jld. 28(25) (Please refer to Notes II (a) and (c))	24 November 2009/ (18 January 2012)	-	-
D3. Diploma in Medical Imaging	KPT(JPS)519 5/619/Jld.1(31) (Please refer to Notes I (1) and (9)(d))	06 August 2008/ (05 August 2013)	-	-	-	-
D4. Diploma in Physiotherapy	KPT(JPS)519 5/619/Jld.1(29) (Please refer to Notes I (1) and (8))	08 July 2008/ (07 July 2013)	MQA(S)10/13 /1/2 Jld.25(9) (Please refer to Notes II (a) and (b))	31 July 2008/ (13 July 2011)	-	-
D5. Diploma in Healthcare			MQA(S)10/13 /01/02 Jld.25(13) (Please refer to Notes II (a) and (b))	31 July 2008/ (27 July 2011)	-	-
D6. Diploma in Pharmacy			-	-	-	-
D7. Diploma in Environmental Health	KPT(JPS)519 5/619/Jld.1(27) (Please refer to Notes I (1) and (8))	20 May 2008/ (19 May 2013)	MQA(S)10/13 /01/02 Jld.25(92) (Please refer to Notes II (a) and (b))	25 August 2008/ (27 July 2011)	-	-
<b>E KUCHING CAMPUS</b>						
E1. Diploma in Healthcare	JPT/BPP(K)1 000-600/ Q1335 (6) (Please refer to Notes I (1) and (13))	06 August 2009/ (05 August 2014)	MQA/PA1045 3(10) (Please refer to Notes II (a) and (c))	4 December 2009/ (24 October 2012)	-	-

**Note I:**

The main conditions, among others, as imposed and of which we take note and have complied with are as follows:

- (1)
  - (a) The validity period of the approval is five (5) years from the date of approval. Application for renewal of the approval of the programme of study is to be submitted at least one (1) year prior to the expiry of the approval.
  - (b) The validity period for the programme is in accordance with Regulation 5(2) of Private Higher Educational Institutions (Conducting Courses of Study) Regulations 1997 P.U. (A) 546.
  - (c) The approved programme is for the institution only. Regulations (4a – 4c) of Private Higher Educational Institutions (Conducting Courses of Study) Regulations 1997 P.U. (A) 546 shall be complied with.
- (2)
  - (a) The college must ensure that the total number of students recruited does not exceed 50 students a year until the first cohort of students graduate.
  - (b) Certificate of accreditation of the programme of study shall be obtained from the MQA.
  - (c) The college shall ensure that the total number of students recruited does not exceed 50 students a year until the first cohort of students graduate.

## 10. OUR MAJOR LICENSES (Cont'd)

- (d) *The panel of Pharmacy Board of Malaysia shall conduct evaluation in Year 1 and Year 2. After the completion of Year 3, evaluation for provisional recognition shall be conducted. The evaluation for full recognition shall only be conducted after the first cohort graduates. After the programme has been given full recognition, evaluation on the renewal of the recognition shall be conducted every five (5) years.*
- (3) (a) *Accreditation certification of the programme of study shall be obtained from the MQA.*  
 (b) *Ensure that the number of physiotherapy lecturers to the number of students complies with the ratio of 1:8.*  
 (c) *The college must ensure that the total number of students recruited does not exceed 50 students a year until the first cohort of students graduate.*
- (4) (a) *The student quota set by the MQA is 100 students a year.*  
 (b) *Ensure that the credit hours of clinical placement satisfy the number of hours set by the World Federation of Occupational Therapists in the Minimum Standards for The Education of Occupational Therapists.*
- (5) (a) *The approved programme of study shall only be conducted at the registered premises of the institution only. (Regulation 4(a) of the Private Higher Educational Institutions (Conducting Courses of Study) Regulations 1997).*
- (6) **Diploma in Environmental Health**  
 (a) *The number of student intakes shall be limited to three (3) intakes a year in accordance with the semester dates of the programme of study.*  
 (b) *The total number of students recruited shall not exceed 100 students a year. The MQA shall be informed in the event the number of students recruited exceeds 100 students a year.*
- Diploma in Medical Imaging**  
 (a) *The number of student intakes shall be limited to three (3) intakes a year in accordance with the semester dates of the programme of study.*  
 (b) *Ensure that the number of lecturers (not inclusive of the preceptor at the hospital) to the number of students complies with the ratio of 1:15.*  
 (c) *The total number of students recruited shall not exceed 100 students a year. The MQA shall be informed in the event the number of students recruited exceeds 100 students a year.*
- (7) **Diploma in Environmental Health**  
 (a) *The number of student intakes shall be limited to three (3) intakes a year in accordance with the semester dates of the programme of study.*  
 (b) *The total number of students recruited shall not exceed 100 students a year. The MQA shall be informed in the event the number of students recruited exceeds 100 students a year.*
- Diploma in Pharmacy**  
 (a) *The number of student intakes shall be limited to three (3) intakes a year in accordance with the semester dates of the programme of study.*
- (8) *The number of student intakes shall be limited to three (3) intakes a year in accordance with the semester dates of the programme of study.*
- (9) (a) *Approval for accreditation for the programmes of study shall be obtained from the MQA.*  
 (b) *The validity period of the approval is five (5) years from the date of approval. Application for renewal of the approval of the programme of study is to be submitted six (6) months prior to the expiry of the approval.*  
 (c) *The approved programme is for the institution only and Regulation 4 of Private Higher Educational Institutions (Conducting Courses of Study) Regulations 1997 P.U. (A) 546 shall be complied with.*  
 (d) *The number of student intakes shall be limited to three (3) intakes a year in accordance with the semester dates of the programme of study in accordance with the student intake projections as set out in the application documents.*  
 (e) *Certificate of accreditation of the programme of study shall be obtained from the MQA.*
- (10) **Diploma in Paramedic Science (Pre-Hospital Care)**  
 (a) *The programme is also subject to the requirements set out by a Committee to be established in future.*

**10. OUR MAJOR LICENSES (Cont'd)**

- (11) (a) Comply with the student quota set by the Nursing Board of Malaysia of not more than 90 students per year. The quota is for one (1) academic year.
- (b) Ensure that the number of lecturers to the number of students in the study of theory complies with the ratio of 1:30.
- (c) Ensure that studies at the clinical sites are as follow:
- (i) The trainer : trainee ratio – 1 : 15 shall be fulfilled.
  - (ii) The trainee shall be supervised all times when on duty.
  - (iii) The suitability of the clinical site shall comply with the standards and guidelines of the Nursing Board of Malaysia.
- (12) Comply with the student quota set by the Nursing Board of Malaysia of not more than 50 students per intake, twice a year. This quota is for one academic year only and application has to be submitted again to the Nursing Board of Malaysia three (3) months before the next academic year.
- (13) The approved programme shall be conducted or student intake shall commence within two (2) years from the date of approval.
- (14) **Diploma in Nursing**
- (a) Ensure that studies at the clinical sites are as follow:
    - (i) The trainer: trainee ratio – 1 : 15 shall be fulfilled.
    - (ii) The trainee shall be supervised at all times when on duty.
    - (iii) The suitability of the clinical site shall comply with the standards and guidelines of the Nursing Board of Malaysia.
    - (iv) Prior written approval shall be obtained from Registrar of the Nursing Board of Malaysia before new clinical sites are used as practical centres.

**Diploma in Medical Laboratory Technology**

- (a) Ensure that student intake is limited to three (3) times a year in accordance with the semester of the programme of study.
- (15) (a) Comply with the student intake quota set by the Nursing Board of Malaysia which is not exceeding 120 students each intake, twice a year.
- (b) Ensure that the number of lecturers to the number of students in the study of theory complies with the ratio of 1:30
- (16) The approval for this programme of study is also subject to other conditions set by the Nursing Board of Malaysia under the Nurses Act 1950 and regulations. The approval can be revoked by the Nursing Board of Malaysia if any of the conditions in the approval are not complied with.
- (17) Ensure that the clinical instructors supervise the students during practical training at the clinical training site.
- (18) The validity period of the approval is five (5) years from the date of approval. Accreditation certification of the programme of study shall be obtained from the MQA. Application for renewal of the approval of the programme of study is to be submitted at least six (6) months prior to the expiry of the approval.

**Diploma in Environmental Health**

- (a) The number of student intakes shall be limited to three (3) intakes a year in accordance with the semester dates of the programme of study.

**Diploma in Medical Imaging**

- (a) Ensure that the number of lecturers (not inclusive of the preceptor at the hospital) to the number of students complies with the ratio of 1:15.

**Note II:**

The main conditions, among others, as imposed and of which we take note and have complied with are as follows:

- (a) Applications for full accreditation shall be made to the MQA (formerly known as Lembaga Akreditasi Negara ("LAN")) before the first cohort of students begins the last semester of the programme of study to ensure that the accreditation process can be completed before the students graduate, failing which the provisional accreditation will be revoked.
- (b) Full accreditation will only be achieved after the quality of the conduct of the programme of study has been improved and achieved the standards and criteria set. Monitoring of the programme of study shall be conducted within the time frame of the provisional accreditation.
- (c) The institution shall improve the quality of the conduct of the programme of study in order to obtain full accreditation. The conduct of the programme of study will be monitored by the MQA within the duration of the provisional accreditation.

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**10. OUR MAJOR LICENSES (Cont'd)**

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- (d) *Full accreditation is only achieved when the quality of the conduct of the programme is improved and satisfies the standard and criteria set by the Nursing Board of Malaysia. Provisional accreditation does not imply any recognition from the Nursing Board of Malaysia. The monitoring of the programme of study will be conducted within the duration of the provisional accreditation granted. The conduct of the programme of study will be monitored by the MQA within the duration of the provisional accreditation.*

**Note III:**

*The main conditions, among others, as imposed and of which we take note and have complied with are as follows:*

- (a) *Conferment of the certificate of accreditation is subject to the rules and conditions set by the MQA.*

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## 10. OUR MAJOR LICENSES (Cont'd)

## 10.4 APPROVALS IN RELATION TO ACQUISITION OF SHARES IN MASTERSKILL

No.	Authority/ (Reference no.)	Date of issuance/ (expiry)	Type of business/ Transaction approved	Main conditions imposed	Compliance status
1	Economic Planning Unit, Prime Minister's Department (3)UPE 3/1/14236)	18 October 2007/ (N/A)	Biogem Development Sdn Bhd's application to obtain the approval from the Foreign Investment Committee ("FIC") in relation to the proposed subscription of 3,145,912 non- redeemable convertible preference shares of RM1 each in Biogem Development Sdn Bhd by Ethos Capital One Sdn Bhd at a cash consideration of RM12,884,999.	a. The FIC through its letter, (12) UPE 3/1/11945, dated 17 November 2006 has approved the proposed acquisition of 100% of the paid-up capital of Masterskill by Biogem Development Sdn Bhd from Alloy Media Sdn Bhd and Dato' Sri Edmund Santhara at a price of RM70,000,000 subject to the following conditions:  i. Biogem Development Sdn Bhd retains at least 30% Bumiputera equity at all times.  ii. Approval from the FIC shall be obtained prior to any conversions of the non- redeemable convertible preference shares to ordinary shares.  b. The FIC has no objections against the proposal subject to the conditions set out above.	Complied  Noted  Noted
2	Economic Planning Unit, Prime Minister's Department (12)dlm. UPE 3/1/11945)	17 November 2006/ (N/A)	Biogem Development Sdn Bhd's application to obtain the approval from the FIC in relation to the proposed acquisition of 100% paid-up capital of Masterskill by Biogem Development Sdn Bhd from Alloy Media Sdn Bhd and Dato' Sri Edmund Santhara for a price of RM70,000,000 which will be settled via an allotment of 99,998 new ordinary shares of RM1 each in Biogem Development Sdn Bhd to Ladang Naga (49,998) and MCL (50,000) and 70,000,000 non- redeemable convertible preference shares of RM1 each to MCL.	a. The MOHE through its letter dated 3 November 2006 (Ref. no. KPT(JPS)600- 03/1302(11) has no objections to the proposal subject to the following conditions:  i. foreign equity ownership shall not exceed 49% (subject to the decision of the Prime Minister of Malaysia) <sup>(1)</sup> ; and  ii. Bumiputera equity ownership shall not be less than 30% of the entire equity.  b. The FIC through its letter dated 17 September 2004 reference (3) in UPE 3/1/11945 has approved the proposed acquisition of property held under HS(M) 04900 PT No. 5707 Tempat Batu 10, Jalan Ulu Langat, Mukim dan Daerah Hulu Langat, Negeri Selangor with a four (4) storey building known as Taman Kemacahaya by Masterskill from Megatalent Sdn Bhd for a price of RM13,150,000 subject to Masterskill increasing its Bumiputera equity to at least 30% before 31 December 2006.  c. The FIC has no objections against the proposal subject to the following conditions:  i. Biogem Development Sdn Bhd retains at least 30% Bumiputera equity at all times.	Complied with effect from 5 February 2007  Complied  Complied  Complied

## 10. OUR MAJOR LICENSES (Cont'd)

No.	Authority/ (Reference no.)	Date of issuance/ (expiry)	Type of business/ Transaction approved	Main conditions imposed	Compliance status
				ii. Approval from the FIC shall be obtained prior to any conversions of the non-redeemable convertible preference shares to ordinary shares.	Noted
3	MOHE (KPT(JPS) 600- 03/1302(11 )	03 November 2006/ (N/A)	Acquisition of shares and management of restructuring of Masterskill	a. Foreign equity ownership shall not exceed 49% (subject to the decision of the Minister).  b. Bumiputera equity ownership shall not be less than 30% from the entire equity.	Complied (Please refer to Note 2(ii) of Section 10.7 of this Prospectus)  Complied (Please refer to Note 2(ii) of Section 10.7 of this Prospectus)

**Note:**

- (1) The actual Letter of MOHE dated 3 November 2006 states "Minister" instead of "Prime Minister".

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## 10. OUR MAJOR LICENSES (Cont'd)

10.5 REGISTRATION WITH PTPTN <sup>(1)</sup> <sup>(2)</sup>

No.	Authority/ (Reference no.)	Date of issuance/ (expiry)	Type of business/ Transaction approved	Main conditions imposed	Compliance status
1	PTPTN (PTPTN/P/42/ BJ2 jld. 12 (37))	17 March 2008/ (N/A)	Registration of Masterskill's Kota Bharu campus with the PTPTN.	The code D17 shall be used for any matters in relation to applications for PTPTN's education loan.  The chief executive of Masterskill's Cheras campus <sup>(3)</sup> shall register the programmes approved by the MOHE conducted at every branch with PTPTN to facilitate the giving of the loans to students.	Complied
2	PTPTN (PTPTN/P/42/ BJ2 jld. 12 (36))	17 March 2008/ (N/A)	Registration of Masterskill's Ipoh campus with the PTPTN.	The code A63 shall be used for any matters in relation to applications for PTPTN's education loan.  The chief executive of Masterskill's Cheras campus <sup>(3)</sup> shall register the programmes approved by the MOHE conducted at every branch with PTPTN to facilitate the giving of the loans to students.	Complied
3	PTPTN (PTPTN/P/42/ BJ2 jld. 12 (35))	17 March 2008/ (N/A)	Registration of Masterskill's Kota Kinabalu campus with the PTPTN.	The code X31 shall be used for any matters in relation to applications for PTPTN's education loan.  The chief executive of Masterskill's Cheras campus <sup>(3)</sup> shall register the programmes approved by the MOHE conducted at every branch with PTPTN to facilitate the giving of the loans to students.	Complied

**Notes:**

- (1) With regard to Cheras campus, a letter from PTPTN dated 17 February 2005 (Ref: PTPTN/SPP/IPTS/BJ(5)) (and supplemented by PTPTN's letter dated 25 June 2008 (Ref: PTPTN/P/42/BJ2 jld. 13)) states that the code given to the institution for any matters with the PTPTN is BJ2 and that such code shall be used for any matters in relation to applications for PTPTN's education loan.
- (2) With regard to Kuching campus, based on e-mail correspondences between the Kuching campus and PTPTN states that the Kuching campus has been registered and the code given to the institution is Y58.
- (3) The PTPTN letters were addressed to the chief executive of the Cheras campus as the Cheras campus is treated by the other campuses as their headquarters for the purposes of dealings with the PTPTN. As such, the chief executives of the respective campuses made the applications for registration of their campuses with the PTPTN through Masterskill's Cheras campus.

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## 10. OUR MAJOR LICENSES (Cont'd)

## 10.6 APPROVALS FROM THE NURSING BOARD OF MALAYSIA, MOH

No.	Authority/ (Reference no.)	Date of issuance/ (expiry)	Type of business/ Transaction approved	Main conditions imposed	Compliance status
1	Nursing Board of Malaysia, Ministry of Health Malaysia/ (17)KKM 87/A3/12/2-23)	22 January 2009/ (N/A)	Increase in quota for student intake for the Diploma in Nursing programme from 1500 students to 1800 students a year at Masterskill's Cheras campus i.e. Masterskill University College of Health Sciences.	a. Qualified and sufficient lecturers with a ratio of 1 lecturer to 20 – 30 students.  b. Clinical instructors with a ratio of 1 clinical instructor to 10 – 15 trainees.	Will continue to comply  Will continue to comply
2	Nursing Board of Malaysia, Ministry of Health Malaysia (52) dim. KKM 72 (450) Jld. 1)	11 December 2007/ (N/A)	Use of Chettinad Hospital & Research Institute, India as a clinical placement site for Year 3 students of Masterskill College of Nursing and Health's Diploma in Nursing programme.	a. The students shall be supervised when treatment is conducted on patients.  b. The ratio of clinical instructors to students is 1:15. The clinical instructor must be a nurse registered with the Nursing Board of Malaysia and has the latest annual practicing certificate and possess working experience of not less than three (3) years.  c. The ratio of students to patient is 1:2.  d. The duration of clinical placement according to discipline shall satisfy the criteria set within Masterskill College of Nursing and Health's curriculum.	Noted and will continue to comply  Noted and will continue to comply  Noted and will continue to comply
3	Nursing Board of Malaysia, Ministry of Health Malaysia/ (KKM 87/A3/12/2-61 (18))	09 June 2009/ (N/A)	Increase in quota for student intake for the Diploma in Nursing programme from 210 students to 500 students a year at Masterskill's Ipoh campus.	a. Comes into effect in July 2009  b. Increase the number of lecturers by 6 persons for a ratio of 1:30.  c. Increase the number of clinical instructors by 28 persons to a ratio of 1:15.  d. The condition to increase the number of lecturers and clinical instructors shall be fulfilled before the increase in the number of students recruited is made.	Noted  Noted and will comply  Noted and will comply  Noted and will comply



**10. OUR MAJOR LICENSES (Cont'd)**

No.	Authority/ (Reference no.)	Date of issuance/ (expiry)	Type of business/ Transaction approved	Main conditions imposed	Compliance status
4	Nursing Board of Malaysia, Ministry of Health Malaysia/ (KKM 87/A3/12/2-62 (18))	09 June 2009/ (N/A)	Increase in quota for student intake for the Diploma in Nursing programme from 400 students to 600 students a year at Masterskill's Kota Kinabalu campus.	a. Comes into effect in July 2009 b. Increase the number of lecturers by 10 persons for a ratio of 1:30. c. Increase the number of clinical instructors by 35 persons to a ratio of 1:15. d. The condition to increase the number of lecturers and clinical instructors shall be fulfilled before the increase in the number of students recruited is made.	Noted Noted and will comply Noted and will comply Noted and will comply

**10.7 OTHER APPROVALS FROM MOHE**

No.	Authority/ (Reference no.)	Date of issuance/ (expiry)	Type of business/ Transaction approved	Main conditions imposed	Compliance status
1	MOHE/ (JPT/BPP(U) 1000-801/81/Jld.1 (16))	7 December 2009/ (N/A)	(Please refer to Note (1) below)	-	-
2	MOHE/ (KPT.U.(R)1 00-1/3/13 Jld.5)	5 January 2010/ (N/A)	(Please refer to Note (2) below)	In the event MEGB is no longer listed on the Main Market of Bursa Securities, Masterskill shall comply with the conditions as set out in the MOHE's letter dated 22 September 2008 (Ref. No. KPT(JPT)600-07/81/Jld.11(3))	Noted

**Notes:**

- (1) Agreement and no objections from the MOHE towards the proposed listing of MEGB on the Main Market of Bursa Securities in view that the Company has complied with all the requirements of the Private Higher Educational Institutions Act 1996 and the relevant regulations thereunder in relation to the following which the MOHE has taken note of:
- (i) restructuring of shareholdings in Masterskill from 22 June 2004 to 27 August 2008;
  - (ii) restructuring of members of the board of directors of Masterskill from 22 June 2004 to 27 August 2008;
  - (iii) amendments made to the memorandum and articles of association of Masterskill; and
  - (iv) establishment of MCMSB, the purpose of which is to manage all Masterskill College of Nursing and Health campuses. Masterskill is the only company approved to operate MUCH.
- (2) Approval in relation to the following:
- (i) Before the listing of MEGB on the Main Market of Bursa Securities, Masterskill shall comply with the conditions in relation to Bumiputera and foreign equity participation;
  - (ii) After the listing of MEGB, the conditions set by the MOHE via its letters dated 3 November 2006 (Ref. No. KPT(JPS)600-03/1302(11)) and 24 February 2008 (Ref. No. 600-07/81/ Jld.1(7)) in relation to equity participation shall not be applicable to Masterskill so long as MEGB is listed on the Main Market of Bursa Securities; and
  - (iii) The condition in relation to foreign equity participation of not more than 49% as set out in MOHE's letter dated 3 November 2006 (Ref. No. KPT(JPS)600-03/1302(11)) shall not be applicable to Masterskill so long as MEGB is listed on the Main Market of Bursa Securities.

In the event MEGB is no longer listed on the Main Market of Bursa Securities, Masterskill shall comply with the conditions as set out in MOHE's letter dated 22 September 2008 (Ref. No. KPT(JPT)600-07/81/Jld.11(3)).

## 11. LANDED PROPERTIES

## 11.1 PROPERTIES OWNED BY OUR GROUP

The details of land and buildings owned by us as at the Latest Practicable Date are set out below:

No.	Name of Registered Owner / Beneficial Owner: Lot. No./Postal address	Description/ Existing Use	Land area / Built-up area (sq ft)	Restriction in Interest	Encumbrances on property	Audited net book value as at 31 December 2009 (RM)
1	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(1)</sup></b> Unit No. G-01 to G-10, 1-01 to 1-10, 2-01 to 2-15, 3-01 to 3-15 Type: RKB, Taman Kemacahaya held under part of GM 5105, Lot 13158 (formerly known as HS (M) 4900, PT No. 5707) in the Mukim and District of Hulu Langat, Negeri Selangor ("Kemacahaya Master Title") Postal Address Unit No. G-01 to G-10, 1-01 to 1-10, 2-01 to 2-15, 3-01 to 3-15 Jalan Kemacahaya 11, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	10 units at the Ground Floor, 10 units at the First Floor, 15 units at the Second Floor and 15 units at the Third Floor in a block of 4-storey / shop office / campus	- / 84,246	None	Assigned to CIMB Islamic Bank Berhad pursuant to a SPA Assignment dated 30 June 2009 between Masterskill and CIMB Islamic Bank Berhad. See note <sup>(*)</sup> below.	16,606,240
2	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(2)</sup></b> Unit No. G-13, Ground Floor, Type: RKB, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. G-13, Ground Floor, Type: RKB, Jalan Kemacahaya 11, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit at the Ground Floor in a 3-storey / shop office / classroom	- / 1,737	None	See note <sup>(*)</sup> below.	550,500

## 11. LANDED PROPERTIES (Cont'd)

No.	Name of Registered Owner / Beneficial Owner: Lot No./Postal address	Description/ Existing Use	Land area / Built-up area (sq ft)	Restriction in Interest	Encumbrances on property	Audited net book value as at 31 December 2009 (RM)
3	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(3)</sup></b> Unit No. G-14 and G-15, Ground Floor, Type: RKB, Taman Kemacahaya held under part of the Kemacahaya Masters Title Postal Address Unit Nos. G-14 and G-15, Ground Floor, Type: RKB, Jalan Kemacahaya 11, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	2 units at the Ground Floor in a block of 3-storey shop office / office (G-14) and clinic (G-15)	- / 3,190	None	See note <sup>(7)</sup> below.	918,750
4	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(4)</sup></b> Unit No. 15-1, First Floor, Type: RKB, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. 15-1, First Floor, Type: RKB, Jalan Kemacahaya 11, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit at the First Floor in a 3-storey shop office / examination department	- / 3,474	None	See note <sup>(7)</sup> below.	206,250
5	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(5)</sup></b> Unit No. A-4-G, Ground Floor, Type: RKA, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. A-4-G, Ground Floor, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit at the Ground Floor in a 3-storey shop office / computer lab	- / 1,606	None	See note <sup>(7)</sup> below.	240,000

## 11. LANDED PROPERTIES (Cont'd)

No.	Name of Registered Owner / Beneficial Owner: Lot No./Postal address	Description/ Existing Use	Land area / Built-up area (sq ft)	Restriction in Interest	Encumbrances on property	Audited net book value as at 31 December 2009 (RM)
6	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(6)</sup></b> Unit No. A-5-G, Ground Floor, Type: RKA, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. A-5-G, Ground Floor, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit at the Ground Floor in a 3-storey shop office / classroom	- / 1,606	None	See note <sup>(7)</sup> below.	240,000
7	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(6)</sup></b> Unit No. A-14-G, Ground Floor, Type: RKA, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. A-14-G, Ground Floor, Type: RKA, Jalan Kemacahaya 11, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit at the Ground Floor in a 3-storey shop office / classroom	- / 1,606	None	See note <sup>(7)</sup> below.	208,450
8	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(7)</sup></b> Unit No. A-12-G, Ground Floor, Type: RKA, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. A-12-G, Ground Floor, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit at the Ground Floor in a 3-storey shop office / classroom	- / 1,606	None	See note <sup>(7)</sup> below.	178,125

## 11. LANDED PROPERTIES (Cont'd)

No.	Name of Registered Owner / Beneficial Owner: Lot No./Postal address	Description/ Existing Use	Land area / Built-up area (sq ft)	Restriction in Interest	Encumbrances on property	Audited net book value as at 31 December 2009 (RM)
9	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(6)</sup></b> Unit No. A-15-G, Ground Floor, Type: RKA, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. A-15-G, Ground Floor, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit at the Ground Floor in a 3-storey shop office / examination department	- / 1,606	None	See note <sup>(6)</sup> below.	230,300
10	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(6)</sup></b> Unit No. A-15-1 (Front Portion), First Floor, Type: RKA, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. A-15-1 (Front Portion), First Floor, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit of the Front Portion at the First Floor in a 3-storey shop office / examination department	- / 892	None	See note <sup>(6)</sup> below.	69,090
11	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(6)</sup></b> Unit No. A-15-1 (Back Portion), Floor No. First Floor, Type: RKA, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. A-15-1 (Back Portion), First Floor, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit of the Back Portion at the First Floor in a 3-storey shop office / examination department	- / 748	None	See note <sup>(6)</sup> below.	69,090

## 11. LANDED PROPERTIES (Cont'd)

No.	Name of Registered Owner / Beneficial Owner: Lot. No./Postal address	Description/ Existing Use	Land area / Built-up area (sq ft)	Restriction in Interest	Encumbrances on property	Audited net book value as at 31 December 2009 (RM)
12	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(8)</sup></b> Unit No. A-15-2 (Front Portion), Second Floor, Type: RKA, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. A-15-2 (Front Portion), Second Floor, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit of the Front Portion at the Second Floor in a 3- storey shop office / examination department	- / 910	None	See note <sup>(7)</sup> below.	46,060
13	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(9)</sup></b> Unit No. A-15-2 (Back Portion), Second Floor, Type: RKA, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. A-15-2 (Back Portion), Second Floor, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit of the Back Portion at the Second Floor in a 3- storey shop office / examination department	- / 748	None	See note <sup>(7)</sup> below.	46,060
14	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(9)</sup></b> Unit No. A-2-1 (Front Portion), First Floor, Type: RKA, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. A-2-1 (Front Portion), First Floor, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit of the Front Portion at the First Floor in a 3-storey shop office / vacant	- / 892	None	See note <sup>(7)</sup> below.	112,589

## 11. LANDED PROPERTIES (Cont'd)

No.	Name of Registered Owner / Beneficial Owner: Lot. No./Postal address	Description/ Existing Use	Land area / Built-up area (sq ft)	Restriction in Interest	Encumbrances on property	Audited net book value as at 31 December 2009 (RM)
15	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(10)</sup></b> Unit No. A-1-1 (Front Portion), First Floor, Type: RKA, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. A-1-1 (Front Portion), First Floor, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit of the Front Portion at the First Floor in a 3-storey shop office / classroom	- / 892	None	See note <sup>(9)</sup> below.	106,425
16	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(11)</sup></b> Unit No. A-1-1 (Back Portion), First Floor, Type: RKA, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. A-1-1 (Back Portion), First Floor, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit of the Back Portion at the First Floor in a 3-storey shop office / classroom	- / 748	None	See note <sup>(9)</sup> below.	91,913
17	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(12)</sup></b> Unit No. A-6-G, Ground Floor, Type: RKA, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. A-6-G, Ground Floor, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit at the Ground Floor in a 3-storey shop office / classroom	- / 1,606	None	See note <sup>(9)</sup> below.	288,225

## 11. LANDED PROPERTIES (Cont'd)

No.	Name of Registered Owner / Beneficial Owner: Lot No./Postal address	Description/ Existing Use	Land area / Built-up area (sq ft)	Restriction in Interest	Encumbrances on property	Audited net book value as at 31 December 2009 (RM)
18	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(13)</sup></b> One-Storey Food Court (Hawker Centre), Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address One-Storey Food Court (Hawker Centre), Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 block of a 1-storey building situated on a land under the category of land use for building purpose * / auditorium	153,149 / 15,400	None	See note <sup>(13)</sup> below.	1,085,325
19	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(14)</sup></b> Unit No. A-18-G, Ground Floor, Type: RKA, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. A-18-G, Ground Floor, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit at the Ground Floor in a 3-storey shop office / classroom	- / 1,606	None	See note <sup>(14)</sup> below.	201,600
20	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill<sup>(14)</sup></b> Unit No. A-18-2 (Front Portion), Second Floor, Type: RKA, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. A-18-2 (Front Portion), Second Floor, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit of the Front Portion at the Second Floor in a 3- storey shop office / classroom	- / 910	None	See note <sup>(14)</sup> below.	38,400



## 11. LANDED PROPERTIES (Cont'd)

No.	Name of Registered Owner / Beneficial Owner: Lot No./Postal address	Description/ Existing Use	Land area / Built-up area (sq ft)	Restriction in Interest	Encumbrances on property	Audited net book value as at 31 December 2009 (RM)
21	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill</b> <sup>(15)</sup> Unit No. A-16-G, Floor No. Ground Floor, Type: RKA, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. 16-1-G, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit at the Ground Floor in a 3-storey shop office / office	- / 1,606	None	See note <sup>(*)</sup> below.	383,000
22	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill</b> <sup>(15)</sup> Unit No. A-1-G, Floor No. Ground Floor, Type: RKA, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. A-1-G, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit at the Ground Floor in a 3-storey shop office / cafeteria	- / 1,606	None	See note <sup>(*)</sup> below.	766,000
23	<b>Syarikat Kemacahaya Sdn Bhd / Masterskill</b> <sup>(15)</sup> Unit No. A-2-G, Floor No. Ground Floor, Type: RKA, Taman Kemacahaya held under part of the Kemacahaya Master Title Postal Address Unit No. A-2-G, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit at the Ground Floor in a 3-storey shop office / student rest area	- / 1,606	None	See note <sup>(*)</sup> below.	574,500

## 11. LANDED PROPERTIES (Cont'd)

No.	Name of Registered Owner / Beneficial Owner: Lot No./Postal address	Description/ Existing Use	Land area / Built-up area (sq ft)	Restriction in Interest	Encumbrances on property	Audited net book value as at 31 December 2009 (RM)
24	<p><b>Syarikat Kemacahaya Sdn Bhd / Masterskill</b> <sup>(15)</sup></p> <p>Unit No. A-3-G, Floor No. Ground Floor, Type: RKA, Taman Kemacahaya held under part of the Kemacahaya Master Title</p> <p>Postal Address Unit No. A-3-G, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor</p>	1 unit at the Ground Floor in a 3-storey shop office / student rest area	- / 1,606	None	See note <sup>(7)</sup> below.	478,750
25	<p><b>Masterskill / Masterskill</b> <sup>(16)</sup></p> <p>Pajakan Negeri Nos 89530 and 89531, Lot Nos 181679 and 181680, both in the Mukim of Hulu Kinta and District of Kinta, Perak</p> <p>Postal Address No. 26 and 28, Lebuhr Perusahaan Klebang 1, IGB International Industrial Park, KM 8, Jalan Tunku Abdul Rahman, Tasek, 30010 Ipoh, Perak</p>	A 4-storey main building, two 4-storey classroom blocks, two 2-storey laboratory buildings, a single storey shop, a single storey multi-purpose hall, a 3-storey auditorium block, a 4-storey hostel, a surau and a guard house/ campus/ main hall / hostel	301,949.2 / 159,555	See note <sup>(17)</sup> below.	Charged to CIMB Islamic Bank Berhad vide Presentation No. 42872/2007 on 9 October 2007	14,900,020

## 11. LANDED PROPERTIES (Cont'd)

No.	Name of Registered Owner / Beneficial Owner: Lot No./Postal address	Description/ Existing Use	Land area / Built-up area (sq ft)	Restriction in Interest	Encumbrances on property	Audited net book value as at 31 December 2009 (RM)
26	<b>Masterskill / Masterskill</b> <sup>(18)</sup> Pajakan Negeri No 89532, Lot No 181681 in the Mukim of Hulu Kinta and District of Kinta, Perak Postal Address No. 24, Lebuhr Perusahaan Klebang 1, IGB International Industrial Park, KM 8, Jalan Tunku Abdul Rahman Tasek, 30010 Ipoh, Perak	A piece of vacant land under the category of land use for industrial purpose	136,087 (on land)	See note <sup>(17)</sup> below.	Charged to CIMB Islamic Bank Berhad vide Presentation No. 37437/2007 on 7 September 2007	1,841,005
27	<b>Masterskill / Masterskill</b> <sup>(19)</sup> Geran 13627, Lot 342, Seksyen 21, Bandar Kota Bharu, District of Kota Bharu, Kelantan Postal Address Lot 342, Seksyen 21, Jalan Sultan Yahya Petra, Kota Bharu, Kelantan	3-storey shop lot building / vacant	4,580 / 11,783.40	See note <sup>(20)</sup> below.	None	1,981,579
28	<b>Masterskill / Masterskill</b> <sup>(21)</sup> HS(D) 5184-5187, PT 197-200, Seksyen 19 Bandar Kota Bharu, Kota Bharu, Kelantan Postal Address Lots 197, 198, 199 and 200, Bandar Kota Bharu, Seksyen 19, Kota Bharu, 15050 Kelantan	4 lots of a 4-storey office shophot / campus	7,491.70 / 30,000	See note <sup>(20)</sup> below.	None	7,150,931

11. LANDED PROPERTIES (Cont'd)

No.	Name of Registered Owner / Beneficial Owner: Lot. No./Postal address	Description/ Existing Use	Land area / Built-up area (sq ft)	Restriction in Interest	Encumbrances on property	Audited net book value as at 31 December 2009 (RM)
29	<b>Masterskill / Masterskill</b> <sup>(22)</sup> Town Lease Nos. 017545961, 017545970, 017545989, 017545998 and 017546002, Likas in the District of Kota Kinabalu Postal Address Lots 33, 34, 35, 36 and 37, Lorong Juta 5, Plaza Juta, Batu 4, Jalan Tuaran Likas, 88400 Kota Kinabalu, Sabah	5 lots of a 4-storey commercial building / campus	8,689.71 / 60,295	Subdivision of this title is prohibited without written permission of the director.	The title is subject to a private caveat lodged by Masterskill.	9,314,180
30	<b>Masterskill / Masterskill</b> <sup>(23)</sup> Town Lease Nos. 017546011, 017546020 and 017546039, Likas in the District of Kota Kinabalu Postal Address Lots 38, 39 and 40, Lorong Juta 5, Plaza Juta, Batu 4, Jalan Tuaran Likas, 88400 Kota Kinabalu, Sabah	3 lots of a 4-storey commercial building / campus	5,475.60 / 45,615	Subdivision of this title is prohibited without written permission of the director.	The title is subject to a private caveat lodged by Masterskill.	5,051,775
31	<b>Masterskill / Masterskill</b> <sup>(24)</sup> HS(D) 365744, PTD No. 175566, Mukim Plentong, Daerah Johor Bahru, Negeri Johor Postal Address Off Jalan Lembah, Bandar Seri Alam Masai, Johor Bahru	A piece of vacant land under the category of land use for building purpose	190,402.08 (on land)	See note <sup>(25)</sup> below.	None	7,896,371

## 11. LANDED PROPERTIES (Cont'd)

No.	Name of Registered Owner / Beneficial Owner: Lot. No./Postal address	Description/ Existing Use	Land area / Built-up area (sq ft)	Restriction in Interest	Encumbrances on property	Audited net book value as at 31 December 2009 (RM)
32	<b>Masterskill / Masterskill</b> <sup>(24)</sup> HS(D) 365842, PTD No. 175665, Mukim Plentong, Daerah Johor Bahru, Negeri Johor Postal Address No. 6, Jalan Lembah, Bandar Seri Alam Masai, Johor Bahru	2-storey office building, a single storey office and a guard house / partially used for sales office and partially rented out for office use	346,164 / 6,711.86	See note <sup>(25)</sup> below.	None	21,030,817
33	<b>The General Conference Corporation of the Seventh-Day Adventists / Masterskill</b> <sup>(26)</sup> Sublot 1 (Lot 4604) held under part of Lot 51, Block 218, Kuching North Land District Postal Address No. 4604, Jalan Stapok/Jalan Batu Kawa Junction, 3 1/2 mile, Kuching	3-storey corner terraced shophouse / campus	122,407 / 4,545	None	The title is subject to a power of attorney granted to Timewise Sdn Bhd vide No. L.29329/2006 on 13 December 2006.	982,737
34	<b>The General Conference Corporation of the Seventh-Day Adventists / Masterskill</b> <sup>(27)</sup> Sublot 2 (Lot 4605) held under part of Lot 51, Block 218, Kuching North Land District Postal Address No. 4605, Jalan Stapok/Jalan Batu Kawa Junction, 3 1/2 mile, Kuching	3-storey intermediate terraced shophouse / campus	122,407 / 1,200.18	None	The title is subject to a power of attorney granted to Timewise Sdn Bhd vide No. L.29329/2006 on 13 December 2006.	954,706

## 11. LANDED PROPERTIES (Cont'd)

No.	Name of Registered Owner / Beneficial Owner: Lot. No./Postal address	Description/ Existing Use	Land area / Built-up area (sq ft)	Restriction in Interest	Encumbrances on property	Audited net book value as at 31 December 2009 (RM)
35	<b>The General Conference Corporation of the Seventh-Day Adventists / Masterskill</b> <sup>(26)</sup> Sublot 3 (Lot 4606) held under part of Lot 51, Block 218, Kuching North Land District Postal Address No. 4606, Jalan Stapok/Jalan Batu Kawa Junction, 3 1/2 mile, Kuching	3-storey immediate terraced shophouse / campus	122,407 / 3,544	None	The title is subject to a power of attorney granted to Timewise Sdn Bhd vide No. L.29329/2006 on 13 December 2006.	792,298
36	<b>The General Conference Corporation of the Seventh-Day Adventists / Masterskill</b> <sup>(26)</sup> Sublot 4 (Lot 4607) held under part of Lot 51, Block 218, Kuching North Land District Postal Address No. 4607, Jalan Stapok/Jalan Batu Kawa Junction, 3 1/2 mile, Kuching	3-storey intermediate terraced shophouse / campus	122,407 / 3,508	None	The title is subject to a power of attorney granted to Timewise Sdn Bhd vide No. L.29329/2006 on 13 December 2006.	792,298
37	<b>The General Conference Corporation of the Seventh-Day Adventists / Masterskill</b> <sup>(26)</sup> Sublot 5 (Lot 4608) held under part of Lot 51, Block 218, Kuching North Land District Postal Address No. 4608, Jalan Stapok/Jalan Batu Kawa Junction, 3 1/2 mile, Kuching	4-storey intermediate terraced shophouse / campus	122,407 / 1,931.05	None	The title is subject to a power of attorney granted to Timewise Sdn Bhd vide No. L.29329/2006 on 13 December 2006.	1,635,366

## 11. LANDED PROPERTIES (Cont'd)

No.	Name of Registered Owner / Beneficial Owner: Lot No./Postal address	Description/ Existing Use	Land area / Built-up area (sq ft)	Restriction in Interest	Encumbrances on property	Audited net book value as at 31 December 2009 (RM)
38	<b>The General Conference Corporation of the Seventh-Day Adventists / Masterskill</b> <sup>(29)</sup> Sublot 6 (Lot 4609) held under part of Lot 51, Block 218, Kuching North Land District Postal Address No. 4609, Jalan Stapok/Jalan Batu Kawa Junction, 3 1/2 mile, Kuching	4-storey intermediate terraced shophouse / campus	122,407 1,931.05	None	The title is subject to a power of attorney granted to Timewise Sdn Bhd vide No. L.29329/2006 on 13 December 2006.	1,666,302
39	<b>The General Conference Corporation of the Seventh-Day Adventists / Masterskill</b> <sup>(30)</sup> Sublot 7 (Lot 4610) held under part of Lot 51, Block 218, Kuching North Land District Postal Address No. 4610, Jalan Stapok/Jalan Batu Kawa Junction, 3 1/2 mile, Kuching	4-storey intermediate terraced shophouse / campus	122,407 1,174.34	None	The title is subject to a power of attorney granted to Timewise Sdn Bhd vide No. L.29329/2006 on 13 December 2006.	1,542,461
40	<b>The General Conference Corporation of the Seventh-Day Adventists / Masterskill</b> <sup>(31)</sup> Sublot 8 (Lot 4611) held under part of Lot 51, Block 218, Kuching North Land District Postal Address No. 4611, Jalan Stapok/Jalan Batu Kawa Junction, 3 1/2 mile, Kuching	3-storey intermediate terraced shophouse / campus	122,407 1,463.90	None	The title is subject to a power of attorney granted to Timewise Sdn Bhd vide No. L.29329/2006 on 13 December 2006.	1,130,082

**11. LANDED PROPERTIES (Cont'd)****Notes:**

- (\*) The Kemacahaya Master Title is subject to private caveats lodged by various parties including Masterskill.  
 (\*) Section 116(4) of the National Land Code 1965 ("NLC") states that the uses of the building shall include for residential purposes; administrative or commercial purposes, or the purposes of passenger transport; the purposes of exhibiting, selling by retail, repairing or otherwise dealing in any goods or commodities, or of providing any services; the purposes of providing educational, medical, sanitary or other welfare facilities; the purposes of entertainment, refreshment or recreation; any purpose which the state authority may prescribe for the purposes of the section by rules under the NLC; any purpose which the state authority may think fit to authorize in the circumstances of any particular case; any purpose incidental to a purpose falling within any of the preceding paragraphs in the section.
- (1) Masterskill has entered into 50 sale and purchase agreements all dated 23 January 2006 with Megatalent Sdn Bhd to acquire the properties. The deeds of assignment dated 3 March 2006 in relation to unit nos. G-06 – G-10, 1-06 – 1-10, 2-06 – 2-15, 3-01 – 3-15, Type: RKB, Taman Kemacahaya and deed of assignment dated 13 June 2006 in relation to unit nos. G-01 – G-05, 1-01 – 1-05, 2-01 – 2-05, Type: RKB, Taman Kemacahaya have been perfected.
- (2) Masterskill had entered into a sale and purchase agreement dated 17 May 2006 with Neow Teik Choon and Lim Kok Peng to acquire the property. The deed of assignment dated 6 April 2007 has been perfected.
- (3) Masterskill had entered into a sale and purchase agreement dated 20 March 2007 with Lai Fatt to acquire the property. The deed of assignment dated 23 July 2007 has been perfected.
- (4) Masterskill had entered into a sale and purchase agreement dated 20 March 2007 with Lai Fatt Plumbing, Trading & Construction Sdn Bhd to acquire the property. The deed of assignment dated 23 July 2007 has been perfected.
- (5) Masterskill had entered into two (2) proclamations of sale both dated 6 September 2008 with RHB Bank Berhad (on behalf of Fong Kin Fut) to acquire the property. The deed of assignments both dated 19 August 2009 have been perfected.
- (6) Masterskill had entered into a proclamation of sale agreement dated 19 December 2007 with Alliance Bank Malaysia Berhad (on behalf of Lee Chee Lik) and a supplemental agreement dated 3 July 2008 with Alliance Bank Malaysia Berhad to acquire the property. The deed of assignment dated 3 July 2008 has been perfected.
- (7) Masterskill had entered into a proclamation of sale agreement dated 22 March 2007 with Public Bank Berhad (on behalf of Ng Hon Yuen) to acquire the property. The deed of assignment dated 29 January 2008 has been perfected.
- (8) Masterskill had entered into five (5) separate sale and purchase agreements all dated 21 January 2008 with Yap Lai Ming, Chang Mei Fong and Chang Mei Yee to acquire the properties. The deed of assignment dated 13 February 2008 has been perfected.
- (9) Masterskill had entered into a sale and purchase agreement dated 15 December 2008 with Chin Yee Kiat and Leong Chui Mei to acquire the property. The deed of assignment dated 28 October 2009 has been perfected.
- (10) Masterskill had entered into a sale and purchase agreement dated 15 December 2008 with Chin Wee Kiat and Leong Chung Wah to acquire the property. The deed of assignment dated 24 December 2008 has been perfected.
- (11) Masterskill had entered into a sale and purchase agreement dated 15 December 2008 with Leong Chui Mei to acquire the property. The deed of assignment dated 24 December 2008 has been perfected.
- (12) Masterskill had entered into a sale and purchase agreement dated 25 March 2008 with Chen Kon Fatt to acquire the property. The deed of assignment dated 15 May 2008 has been perfected.
- (13) Masterskill had entered into a sale and purchase agreement dated 23 June 2006 with Megatalent Sdn Bhd to acquire the property. The deed of assignment dated 20 August 2008 has been perfected. The building has not been issued with the Certificate of Completion and Compliance ("CCC") yet. However, a Partial CCC for the building has been issued on 5 April 2010.
- By-law 27(2) of Selangor Uniform Building By-Laws 1986 further provides that a partial CCC once issued shall remain effective until the whole of the building is completed and a CCC is issued in pursuance of by-law 25. A CCC in Form F will be issued approximately thirty (30) days upon compliance of all requirements to the satisfaction of the relevant qualified person as defined in the Street, Drainage and Building Act, 1974 (i.e. the professional architect, professional engineer or building draughtsman registered under any written law relating to the registration thereof).



**11. LANDED PROPERTIES (Cont'd)**

- (14) *Masterskill had entered into two (2) sale and purchase agreements both dated 30 June 2008 with Aman Mahmud bin Mean to acquire the properties. The deed of assignments dated 8 October 2008 have been perfected.*
- (15) *Masterskill had entered into four (4) sale and purchase agreements all dated 7 August 2008 with Datin Sri Carline a/p A Johnson D'Cruz to acquire the properties. The deed of assignments dated 29 August 2008 and 11 August 2008 have been perfected.*
- (16) *Masterskill had entered into a sale and purchase agreement dated 14 February 2007 with Limton Holding Sdn Bhd to acquire the property.*
- (17) *This land cannot be transferred or sub-leased without the consent of the Menteri Besar of Perak. This land cannot be sub-divided in accordance with Section 135 of the National Land Code of Malaysia.*
- (18) *Masterskill had entered into a sale and purchase agreement dated 16 February 2007 with YL Tyres Supplies Sdn Bhd to acquire the property.*
- (19) *Masterskill had entered into a sale and purchase agreement dated 18 September 2008 with Nik Fuziah binti Datuk Nik Hussein to acquire the property.*
- (20) *The land cannot be transferred, leased or charged except with the State Authority approval. The land may be charged to any bank or financial institution listed in Table D of the Kelantan Malay Reserve Enactment 1930 and Table 26A of the Kelantan Land Enactment 1938 to enable the owner to obtain his/her loan.*
- (21) *Masterskill had entered into a sale and purchase agreement dated 19 June 2006 with Jafri bin Ab Latif to acquire the properties.*
- (22) *Masterskill had entered into five (5) separate sale and purchase agreements all dated 25 August 2008 with Sazone Properties Sdn Bhd to acquire the properties.*
- (23) *Masterskill had entered into three (3) separate sale and purchase agreements all dated 25 August 2008 with Sazone Development Sdn Bhd to acquire the properties.*
- (24) *Masterskill had entered into two (2) separate sale and purchase agreements both dated 19 August 2009 with Seri Alam Properties Sdn Bhd to acquire the properties.*
- (25) *Proprietor of the land is not allowed to sell the parcels of the building that will be built on this land unless the building has been built according to plan approved by the local authorities concerned. The subdivided title when alienated to a Bumiputera cannot be later sold, leased, charged or transferred in any way to the non-Bumiputera without the consent of the State Authority. The subdivided title cannot be sold or transferable in any way to non-citizen without the consent of the State Authority.*
- (26) *Masterskill had entered into three (3) separate sale and purchase agreements all dated 25 August 2009 with Timewise Sdn Bhd to acquire the properties. The sale and purchase agreements have been completed.*
- (27) *Masterskill had entered into a sale and purchase agreement dated 25 August 2009 with Cakmar Sdn Bhd to acquire the property. The deed of assignment dated 4 November 2009 has been perfected.*
- (28) *Masterskill had entered into a sale and purchase agreement dated 25 August 2009 with Longland Enterprise Sdn Bhd to acquire the property. The deed of assignment dated 4 November 2009 has been perfected.*
- (29) *Masterskill had entered into a sale and purchase agreement dated 25 August 2009 with Phang Nam Sen @ Phang Nam Seng and Phang Ho Soon to acquire the property. The deed of assignment dated 4 November 2009 has been perfected.*
- (30) *Masterskill had entered into a sale and purchase agreement dated 25 August 2009 with Chai Gek Joong and Chua Wee Boo to acquire the property. The deed of assignment dated 7 November 2009 has been perfected.*
- (31) *Masterskill had entered into a sale and purchase agreement dated 25 August 2009 with Phang Nam Sen @ Phang Nam Seng to acquire the property. The deed of assignment dated 4 November 2009 has been perfected.*

None of the properties disclosed above are in breach of any land use conditions and/or is in material non-compliance with current statutory requirements, land rules or building regulations.

**11. LANDED PROPERTIES (Cont'd)****11.2 PROPERTIES TENANTED BY OUR GROUP**

The details of material buildings tenanted by us as at the date of this Prospectus are set out below:

No.	Name of lessor: Lot. No./Postal address	Description/ Existing use	Land area / Built-up area (sq ft)	Tenure/ date of expiry	Monthly Rental (RM)
1	Oon Choon Lan and Lua Peng Sau <sup>(1)</sup> Postal Address No. 6, 6-1, 6-2 & 6-3, Jalan Temenggung 7/9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	4-storey shop office / physiotherapy centre	1,650 / 6,600	Two (2) years / 31 August 2011	4,800
2	Hong Oi Lan <sup>(2)</sup> Postal Address No. 3, 3-1 & 3-2, Jalan Temenggung 7/9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	1 unit at the Ground Floor, First Floor and Second Floor in a 4-storey shop office / physiotherapy centre	1,650 / 4,950	Two (2) years / 31 August 2011	3,800
3	Tshai Nyuk Ming @ Chai Yoke Lin and Chai Han Yen <sup>(3)</sup> Postal Address No. 2a, 2a-1, 2a-2 & 2a-3, Jalan Temenggung 7/9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	4-storey shop office / physiotherapy centre	1,650 / 6,600	Two (2) years / 31 August 2011	4,730
4	Lee Tang Kwee <sup>(4)</sup> Postal Address No. 10-1, 10-2 & 10-3, Jalan Temenggung 7/9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	1 unit at the First Floor, Second Floor and Third Floor in a 4-storey shop office / physiotherapy centre	1,650 / 4,950	Two (2) years / 31 August 2011	2,300
5	Oan Shiang Suee <sup>(5)</sup> Postal Address No. 9, 9-1 & 9-2, Jalan Temenggung 7/9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	1 unit at the Ground Floor, First Floor and Second Floor in a 4-storey shop office / physiotherapy centre	1,650 / 4,950	Two (2) years / 31 August 2011	3,800

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**11. LANDED PROPERTIES (Cont'd)**

No.	Name of lessor: Lot. No./Postal address	Description/ Existing use	Land area / Built-up area (sq ft)	Tenure/ date of expiry	Monthly Rental (RM)
6	<b>Chan Choon Mook, Chan Choon Chee, Chan Sang Choy, Chan Choon San and Chan Choon Yap</b> <sup>(6)</sup> Postal Address No. 1, 1-1, & 1-2, Jalan Temenggung 9/9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	1 unit at the Ground Floor, First Floor and Second Floor in a 4-storey shop office / physiotherapy centre	2,625 / 7,875	Two (2) years / 31 August 2011	9,200
7	<b>Top Dynasty Holdings Sdn Bhd</b> <sup>(7)</sup> Postal Address No. 7, 7-1 & 7-2, Jalan Temenggung 9/9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	1 unit at the Ground Floor, First Floor and Second Floor in a 4-storey shop office / physiotherapy centre	1,650 / 4,950	Two (2) years / 31 August 2011	3,800
8	<b>Soon Siew Hoi</b> <sup>(8)</sup> Postal Address Unit No. RK-A-10-G, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit at the Ground Floor in a 3-storey shop office / classroom	- / 1,606	Two (2) years / 30 June 2011	1,785
9	<b>Leong Hon Choi</b> <sup>(9)</sup> Postal Address Unit No. A-9-2(F), Second Floor, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit at the Second Floor in a 3-storey shop office / storeroom	- / 910	One (1) year / 30 June 2010	350
10	<b>Tai Keat Ju and Tai Keat Kee</b> <sup>(10)</sup> Postal Address Lot 1232 -- Plot 28 (whole building); Kompleks Perniagaan Utama, Jalan Sultanah Sambungan, 05150 Alor Setar, Kedah	3-storey commercial building * / office	1,540 / 4,000	Two (2) years / 31 January 2012	4,500
11	<b>Senweke Sdn Bhd</b> <sup>(11)</sup> Postal Address No. 32, Jalan Temenggung 17/9, Seksyen 9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	3-storey shop office / office	1,650 / 4,950	Two (2) years / 31 August 2010	4,000

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**11. LANDED PROPERTIES (Cont'd)**

No.	Name of lessor: Lot. No./Postal address	Description/ Existing use	Land area / Built-up area (sq ft)	Tenure/ date of expiry	Monthly Rental (RM)
12	Hoh Sze Kam, Hoh Sow Lin, Hoh Soo Fah, Hoh, Sze Siew and Hoh Soo Fong <sup>(12)</sup> Postal Address No. 32A, Jalan Temenggong 17/9, Seksyen 9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	3-storey shop office / office	1,650 / 4,950	Two (2) years / 31 August 2010	4,000
13	Lim Eng Hwa and Tan Kue Leng <sup>(13)</sup> Postal Address No. 38, Jalan Temenggong 17/9, Seksyen 9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	3-storey shop office / office	1,650 / 4,950	Two (2) years / 31 August 2010	4,000
14	Lim Teck Leong and Wong Kim Foong <sup>(14)</sup> Postal Address No. 36, Jalan Temenggong 17/9, Seksyen 9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	3-storey shop office / office	1,650 / 4,950	Two (2) years / 31 August 2010	4,000
15	Ang Chin Guan and Low Pek See <sup>(15)</sup> Postal Address No. 26, Jalan Temenggong 17/9, Seksyen 9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	3-storey shop office / office	2,250 / 6,750	Two (2) years / 28 February 2011	7,000
16	Kiung Ted Min <sup>(16)</sup> Postal Address 3-0-5, Ground Floor, Lot 8, Blok A, Lorong Jata 5, Plaza Jata, Mile 4, Jalan Tuaran, Likas, 89400 Kota Kinabalu, Sabah,	1 unit at the Ground Floor in a 4-storey shoplots cum offices / students rest area	- / 1,156	Three (3) years / 30 June 2012	3,500
17	Dato' Sri Edmund Santhara <sup>(17)</sup> Postal Address No. 71, Jalan Puteri 2/3, Bandar Puteri, 47100 Puchong, Selangor	4-storey shop office / vacant	3,087.50 / 12,350	Five (5) years / 30 June 2014	28,000

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**11. LANDED PROPERTIES (Cont'd)**

No.	Name of lessor: Lot. No./Postal address	Description/ Existing use	Land area / Built-up area (sq ft)	Tenure/ date of expiry	Monthly Rental (RM)
18	<b>Yeoh Joo Ghee</b> <sup>(18)</sup> Postal Address No. A-16-2-F (Front Portion), Second Floor, Jalan Kemacahaya 12, Taman Kemacahaya, 43200 Hulu Langat, Selangor	1 unit of the Front Portion at the Second Floor in a 3-storey shop office / storeroom	- / 910	Two (2) years / 31 May 2011	320
19	<b>Choo Hoong Leong and Choo Poong Keat</b> <sup>(19)</sup> Postal Address No. 40, Jalan Temenggong 19/9, Seksyen 9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	3-storey shop office / classroom	1,650 / 4,950	Two (2) years / 31 August 2011	3,500
20	<b>Sin Yong Huat Enterprise Sdn Bhd</b> <sup>(20)</sup> Postal Address No. 32, Jalan Temenggong 19/9, Seksyen 9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	3-storey shop office / medical imaging laboratory (Ground Floor) and classroom (First Floor and Second Floor)	1,650 / 4,950	Two (2) years / 31 August 2011	3,000
21	<b>Yap Fui Tin</b> <sup>(21)</sup> Postal Address No. 36, Jalan Temenggong 19/9, Seksyen 9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	3-storey shop office / medical imaging laboratory (Ground Floor) and classroom (First Floor and Second Floor)	1,650 / 4,950	Two (2) years / 31 August 2011	3,000
22	<b>Tan Ooi Hong and Wong Nyuk Voon</b> <sup>(22)</sup> Postal Address No. 22, Jalan Temenggong 19/9, Seksyen 9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	3-storey shop office / classroom	2,250 / 6,750	Two (2) years / 31 August 2011	6,000
23	<b>Teng Boon Jing and Lai Choy Hoong</b> <sup>(23)</sup> Postal Address No. 38, Jalan Temenggong 19/9, Seksyen 9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	3-storey shop office / medical imaging laboratory (Ground Floor) and classroom (First Floor and Second Floor)	1,650 / 4,950	Two (2) years / 31 August 2011	3,000

## 11. LANDED PROPERTIES (Cont'd)

No.	Name of lessor: Lot. No./Postal address	Description/ Existing use	Land area / Built-up area (sq ft)	Tenure/ date of expiry	Monthly Rental (RM)
24	<b>Siew Thong Sdn Bhd</b> <sup>(24)</sup> Postal Address No. 11, 11-1 & 11-2, Jalan Temenggung 9/9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	1 unit at the Ground Floor, First Floor and Second Floor in a 4-storey shop office / physiotherapy centre	1,650 / 4,950	Two (2) years / 31 August 2011	4,600
25	<b>Liew Teck Choy and Liow Shoo Ying</b> <sup>(25)</sup> Postal Address No. 8, 8-1, 8-2 & 8-3, Jalan Temenggung 7/9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	4-storey shop office / physiotherapy centre	1,650 / 6,600	Two (2) years / 31 August 2011	4,945
26	<b>Hui Sin @ Hee Sin, Cheng Tong Kwai and Hoi Shan</b> <sup>(26)</sup> Postal Address Unit No. A-13-G, Ground Floor, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit at the Ground Floor in a 3-storey shop office / classroom	- / 1,606	Two (2) years / 31 October 2011	1,500
27	<b>Lau Hoy @ Low Hoy</b> <sup>(27)</sup> Postal Address Unit No. RK-A-9-G, Ground Floor, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit at the Ground Floor in a 3-storey shop office / classroom	- / 1,606	One (1) year / 31 August 2010	1,700
28	<b>Faizul Isma bin Yusof</b> <sup>(28)</sup> Postal Address Unit A-17-G, Ground Floor, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit at the Ground Floor in a 3-storey shop office / office use	- / 1,456	Two (2) years / 30 September 2010	1,600
29	<b>Poh Lian Hooi</b> <sup>(29)</sup> Postal Address Unit A-19-1(F), First Floor, Jalan Kemacahaya 12, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor	1 unit at the First Floor in a 3-storey shop office / storeroom	- / 892	Two (2) years / 30 September 2010	450

## 11. LANDED PROPERTIES (Cont'd)

No.	Name of lessor: Lot. No./Postal address	Description/ Existing use	Land area / Built-up area (sq ft)	Tenure/ date of expiry	Monthly Rental (RM)
30	Yu Siew Chuo <sup>(30)</sup> Postal Address 3-0-10, Ground Floor, Lot 3, Block A, Lorong Juta 5, Plaza Juta, Mile 4, Jalan Tuaran, Likas, 89400 Kota Kinabalu, Sabah,	1 unit at the Ground Floor in a 4-storey shoplots cum offices / college clinic	- / 1,129	Three (3) years / 14 October 2012	3,500
31	Thomas Santiago a/l Santhanasamy <sup>(31)</sup> Postal Address G-8, Jalan Kemacahaya 12, Taman Kemacahaya, 43200 Cheras, Selangor	1 unit at the Ground Floor in a 3-storey shop office / computer laboratory	- / 1,606	Two (2) years and ten (10) months / 31 March 2011	1,600
32	Sin Yong Huat Enterprise Sdn Bhd <sup>(32)</sup> Postal Address No. 32A, Jalan Temenggong 19/9, Seksyen 9, Bandar Mahkota Cheras, 43200 Cheras, Selangor	3-storey shop office / medical imaging laboratory (Ground Floor) and classroom (First Floor and Second Floor)	1,650 / 4,950	Two (2) years / 31 August 2011	3,000

## Notes:

- (\*) Section 116(4) of the NLC states that the uses of the building shall include for residential purposes; administrative or commercial purposes, or the purposes of passenger transport; the purposes of exhibiting, selling by retail, repairing or otherwise dealing in any goods or commodities, or of providing any services; the purposes of providing educational, medical, sanitary or other welfare facilities; the purposes of entertainment, refreshment or recreation; any purpose which the state authority may prescribe for the purposes of the section by rules under the NLC; any purpose which the state authority may think fit to authorize in the circumstances of any particular case; any purpose incidental to a purpose falling within any of the preceding paragraphs in the section.
- (1) Pursuant to a tenancy agreement dated 1 September 2009 entered into between Oon Choon Lan and Lua Peng Sau and MRSB.
- (2) Pursuant to a tenancy agreement dated 1 September 2009 entered into between Hong Oi Lan and MRSB.
- (3) Pursuant to a tenancy agreement dated 1 September 2009 entered into between Tshai Nyuk Ming @ Chai Yoke Lin and Chai Han Yan and MRSB.
- (4) Pursuant to a tenancy agreement dated 1 September 2009 entered into between Lee Tang Kwee and MRSB.
- (5) Pursuant to a tenancy agreement dated 1 September 2009 entered into between Oan Shiang Suee and MRSB.
- (6) Pursuant to a tenancy agreement dated 1 September 2009 entered into between Chan Choon Mook, Chan Choon Chee, Chan Sang Choy, Chan Choon San and Chan Choon Yap and MRSB.
- (7) Pursuant to a tenancy agreement dated 1 September 2009 entered into between Top Dynasty Holdings Sdn Bhd and MRSB.
- (8) Pursuant to a tenancy agreement dated 26 August 2009 entered into between Soon Siew Hoi and MRSB.
- (9) Pursuant to a tenancy agreement dated 1 July 2009 entered into between Leong Hon Choi and MRSB.

**11. LANDED PROPERTIES (Cont'd)**

- (10) Pursuant to a tenancy agreement dated 1 February 2010 entered into between Tai Keat Ju and Tai Keat Kee and MRSB.
- (11) Pursuant to a tenancy agreement dated 1 September 2008 entered into between Senweke Sdn Bhd and MRSB.
- (12) Pursuant to a tenancy agreement dated 1 September 2008 entered into between Hoh Sze Kam, Hoh Sow Lin, Hoh Soo Fah, Hoh, Sze Siew and Hoh Soo Fong and MRSB.
- (13) Pursuant to a tenancy agreement dated 19 September 2008 entered into between Lim Eng Hwa and Tan Kue Leng and MRSB.
- (14) Pursuant to a tenancy agreement dated 19 September 2008 entered into between Lim Teck Leong and Wong Kim Foong and MRSB.
- (15) Pursuant to a tenancy agreement dated 1 March 2009 entered into between Ang Chin Guan and Low Pek See and MRSB.
- (16) Pursuant to a tenancy agreement dated 18 June 2009 entered into between Kiung Ted Min and MRSB.
- (17) Pursuant to a tenancy agreement dated 1 July 2009 entered into between Dato' Sri Edmund Sarithara and MRSB.
- (18) Pursuant to a tenancy agreement dated 15 September 2009 entered into between Yeoh Joo Ghee and MRSB.
- (19) Pursuant to a tenancy agreement dated 1 September 2009 entered into between Choo Hoong Leong and Choo Poong Keat and MRSB.
- (20) Pursuant to a tenancy agreement dated 1 September 2009 entered into between Sin Yong Huat Enterprise Sdn Bhd and MRSB.
- (21) Pursuant to a tenancy agreement dated 1 September 2009 entered into between Yap Fui Tin and MRSB.
- (22) Pursuant to a tenancy agreement dated 1 September 2009 entered into between Tan Ooi Hong and Wong Nyuk Voon and MRSB.
- (23) Pursuant to a tenancy agreement dated 1 September 2009 entered into between Teng Boon Jing and Lai Choy Hoong and MRSB.
- (24) Pursuant to a tenancy agreement dated 1 September 2009 entered into between Siew Thong Sdn Bhd and MRSB.
- (25) Pursuant to a tenancy agreement dated 1 September 2009 entered into between Liew Teck Choy and Liew Shoo Ying and MRSB.
- (26) Pursuant to a tenancy agreement dated 11 November 2009 entered into between Hui Sin @ Hee Sin, Cheng Tong Kwai and Hoi Shan and MRSB.
- (27) Pursuant to a tenancy agreement dated 1 September 2009 entered into between Lau Hoy @ Low Hoy and MRSB.
- (28) Pursuant to a tenancy agreement dated 15 October 2008 entered into between Faizul Isma bin Yusof and MRSB.
- (29) Pursuant to a tenancy agreement dated 30 October 2008 entered into between Poh Lian Hoot and MRSB.
- (30) Pursuant to a tenancy agreement dated 1 January 2010 entered into between Yu Siew Chuo and MRSB.
- (31) Pursuant to a tenancy agreement dated 1 June 2009 entered into between Thomas Santiago a/l Santhanasamy and MRSB.
- (32) Pursuant to a tenancy agreement dated 1 September 2009 entered into between Sin Yong Huat Enterprise Sdn Bhd and MRSB.

All of the properties disclosed above are not in breach of any land use conditions and/or is in material non-compliance with current statutory requirements, land rules or building regulations.

**11.3 REGULATORY REQUIREMENT AND ENVIRONMENTAL ISSUE**

Our Directors are not aware of any regulatory requirement or environmental issue which may materially affect our operations and the utilisation of our assets.



**12. INFORMATION ON OUR GROUP**

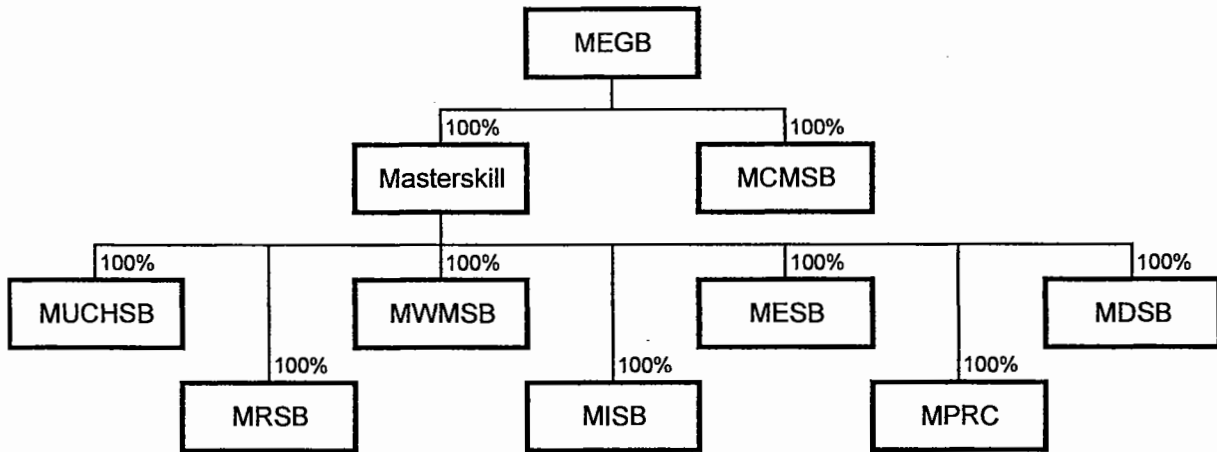
**12.1 HISTORY AND BACKGROUND**

**12.1.1 History and Business**

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 formerly 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.

Our Company's 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 services. Our Company commenced business on 27 November 2006 and our mission is to develop skilled professionals for the fields of nursing and allied health. Our Group's history is set out in Section 7.1 of this Prospectus.

Our Group structure is as follows:



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## 12. INFORMATION ON OUR GROUP (Cont'd)

## 12.1.2 Share Capital

As at the date of this Prospectus, our authorised share capital is RM200,000,000.00 comprising 1,000,000,000 Shares and our issued and paid-up share capital is RM73,781,156 comprising 368,905,780 Shares.

The changes in our issued and paid-up share capital since our incorporation are provided below:

Date of allotment	No. of shares issued	Par value RM	Consideration	Cumulative issued and paid-up share capital RM
11 September 2006	2	1.00	Subscribers' shares	2
07 November 2006	99,998	1.00	Cash	100,000
27 November 2006	<sup>(1)</sup> 70,000,000	1.00	Cash	70,100,000
17 January 2008	<sup>(2)</sup> 3,145,912	1.00	Cash	73,245,912
19 March 2008	<sup>(3)</sup> 535,244	1.00	Cash	73,781,156
24 March 2010	-	1.00	Proposed conversion of 1 ICPS to 1 ordinary share	73,781,156
27 March 2010	-	0.20	Proposed share split of 1 ordinary share of RM1.00 each to 5 ordinary shares of RM0.20 each	73,781,156

**Notes:**

- (1) Issued as ICPS SI, the 70,000,000 ICPS SI were converted into ordinary shares of RM1.00 each on 24 March 2010. The 70,000,000 ordinary shares of RM1.00 each rank equally in all respects with our ordinary shares of RM1.00 each.
- (2) Issued as ICPS SII, the 3,145,912 ICPS SII were converted into ordinary shares of RM1.00 each on 24 March 2010. The 3,145,912 ordinary shares of RM1.00 each rank equally in all respects with our ordinary shares of RM1.00 each.
- (3) Issued as ICPS SIII, the 240,244 and 295,000 ICPS SIII were converted into ordinary shares of RM1.00 each in 24 March 2010. The 535,244 ordinary shares of RM1.00 each rank equally in all respects with our ordinary shares of RM1.00 each.

Our issued and paid-up share capital would subsequently increase to RM81,981,156 comprising 409,905,780 Shares following the Public Issue.

## 12. INFORMATION ON OUR GROUP (Cont'd)

### 12.2 SUBSIDIARIES

#### 12.2.1 Masterskill

##### (i) History and Business

Masterskill was incorporated in Malaysia under the Act on 11 August 1997 as a private limited company under the name of Masterskill Training Sdn Bhd. Masterskill commenced its business in January 2000. On 29 July 2000, the company changed its name to Masterskill (M) Sdn Bhd. As at the Latest Practicable Date, Masterskill is principally involved in the provision of education in nursing and allied health sciences in the healthcare industry.

##### (ii) Share Capital

The present authorised share capital of Masterskill is RM25,000,000 comprising 25,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM17,800,000 comprising 17,800,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of Masterskill since its incorporation are provided below:

Date of allotment	No. of ordinary shares	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
11 August 1997	2	1.00	Subscribers' shares	2
08 February 2001	99,998	1.00	Capitalisation of amounts due to directors for amounts paid by the directors for expenses	100,000
10 September 2002	500,000	1.00	Cash	600,000
22 June 2004	4,400,000	1.00	Cash	5,000,000
10 August 2009	12,800,000	1.00	Capitalisation of amounts due to MEGB	17,800,000

##### (iii) Substantial Shareholder

Masterskill is our wholly-owned subsidiary.

## 12. INFORMATION ON OUR GROUP (Cont'd)

### (iv) Subsidiary and Associated Companies

As at the date of this Prospectus, Masterskill has seven (7) subsidiary companies namely, MUCHSB, MRSB, MWMSB, MISB, MESB, MPRC and MDSB and does not have any associated companies.

#### 12.2.2 MCMSB

##### (i) History and Business

MCMSB was incorporated in Malaysia under the Act on 28 July 2008 as a private limited company under its present name. MCMSB is currently dormant but its intended principal activity is the operation of colleges involved in nursing and allied health education.

##### (ii) Share Capital

The present authorised share capital of MCMSB is 1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of MCMSB since its incorporation are provided below:

Date of allotment	No. of ordinary shares	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
28 July 2008	1,000,000	1.00	Subscribers' shares	1,000,000

##### (iii) Substantial Shareholder

MCMSB is our wholly-owned subsidiary.

##### (iv) Subsidiary and Associated Company

As at the date of this Prospectus, MCMSB does not have any subsidiary or associated companies.

#### 12.2.3 MUCHSB

##### (i) History and Business

MUCHSB was incorporated in Malaysia under the Act on 28 July 2008 as a private limited company under its present name. MUCHSB is currently dormant but its intended principal activity is to conduct corporate training courses.

##### (ii) Share Capital

The present authorised share capital of MUCHSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of MUCHSB is RM10,000 comprising 10,000 ordinary shares of RM1.00 each.

**12. INFORMATION ON OUR GROUP (Cont'd)**

The changes in the issued and paid-up share capital of MUCHSB since its incorporation are provided below:

Date of allotment	No. of ordinary shares	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
28 July 2008	10,000	1.00	Subscribers' shares.	10,000

**(iii) Substantial Shareholder**

MUCHSB is a wholly-owned subsidiary of Masterskill.

**(iv) Subsidiary and Associated Company**

As at the date of this Prospectus, MUCHSB does not have any subsidiary or associated companies.

**12.2.4 MRSB****(i) History and Business**

MRSB was incorporated in Malaysia under the Act on 12 December 2006 as a private limited company under its present name. MRSB is currently dormant but its intended principal activity is the provision of support services.

**(ii) Share Capital**

The present authorised share capital of MRSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM10 comprising 10 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of MRSB since its incorporation are provided below:

Date of allotment	No. of ordinary shares	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
12 December 2006	10	1.00	Subscribers' shares	10

**(iii) Substantial Shareholder**

MRSB is a wholly-owned subsidiary of Masterskill.

**(iv) Subsidiary and Associated Company**

As at the date of this Prospectus, MRSB does not have any subsidiary or associated companies.

## 12. INFORMATION ON OUR GROUP (Cont'd)

### 12.2.5 MWMSB

#### (i) History and Business

MWMSB was incorporated in Malaysia under the Act on 12 December 2006 as a private limited company under its present name. MWMSB is currently dormant but its intended principal activities are the provision of education and training, management consultation and investment holding.

#### (ii) Share Capital

The present authorised share capital of MWMSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM10 comprising 10 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of MWMSB since its incorporation are provided below:

Date of allotment	No. of ordinary shares	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
12 December 2006	10	1.00	Subscribers' shares	10

#### (iii) Substantial Shareholder

MWMSB is a wholly-owned subsidiary of Masterskill.

#### (iv) Subsidiary and Associated Company

As at the date of this Prospectus, MWMSB does not have any subsidiary or associated companies.

### 12.2.6 MISB

#### (i) History and Business

MISB was incorporated in Malaysia under the Act on 30 January 2008 as a private limited company under its present name. MISB is currently dormant but its intended principal activity is the provision of international procurement services.

#### (ii) Share Capital

The present authorised share capital of MISB is RM100,000 comprising 100,000 ordinary share of RM1.00 each. The issued and paid-up share capital is RM100 comprising 100 ordinary share of RM1.00 each.

## 12. INFORMATION ON OUR GROUP (Cont'd)

The changes in the issued and paid-up share capital of MISB since its incorporation are provided below:

Date of allotment	No. of ordinary shares	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
30 January 2008	100	1.00	Subscribers' shares	100

### (iii) Substantial Shareholder

MISB is a wholly-owned subsidiary of Masterskill.

### (iv) Subsidiary and Associated Company

As at the date of this Prospectus, MISB does not have any subsidiary or associated companies.

## 12.2.7 MESB

### (i) History and Business

MESB was incorporated in Malaysia under the Act on 26 October 2007 as a private limited company under its present name. MESB is currently dormant but its intended principal activities are the provision of ambulance and emergency medical assistance services.

### (ii) Share Capital

The present authorised share capital of MESB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM100 comprising 100 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of MESB since its incorporation are provided below:

Date of allotment	No. of ordinary shares	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
26 October 2007	100	1.00	Subscribers' shares	100

### (iii) Substantial Shareholder

MESB is a wholly-owned subsidiary of Masterskill.

### (iv) Subsidiary and Associated Company

As at the date of this Prospectus, MESB does not have any subsidiary or associated companies.

## 12. INFORMATION ON OUR GROUP (Cont'd)

### 12.2.8 MPRC

#### (i) History and Business

MPRC was incorporated in Malaysia under the Act on 27 June 2008 as a private limited company under its present name. MPRC is currently dormant but its intended principal activities are the provision of physiotherapy and rehabilitation services.

#### (ii) Share Capital

The present authorised share capital of MPRC is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM10 comprising 10 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of MPRC since its incorporation are provided below:

Date of allotment	No. of ordinary shares	Par value	Consideration	Cumulative issued and paid-up share capital
27 June 2008	10	RM 1.00	Subscribers' shares	RM 10

#### (iii) Substantial Shareholder

MPRC is a wholly-owned subsidiary of Masterskill.

#### (iv) Subsidiary and Associated Company

As at the date of this Prospectus, MPRC does not have any subsidiary or associated companies.

### 12.2.9 MDSB

#### (i) History and Business

MDSB was incorporated in Malaysia under the Act on 3 March 2010 as a private limited company under its present name. MDSB is currently dormant but its intended principal activity is the provision of dialysis services and facilities.

#### (ii) Share Capital

The present authorised share capital of MDSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of MDSB is RM100 comprising 100 ordinary shares of RM1.00 each.



**12. INFORMATION ON OUR GROUP (Cont'd)**

The changes in the issued and paid-up share capital of MDSB since its incorporation are provided below:

<b>Date of allotment</b>	<b>No. of ordinary shares</b>	<b>Par value</b>	<b>Consideration</b>	<b>Cumulative issued and paid-up share capital</b>
		<b>RM</b>		<b>RM</b>
3 March 2010	100	1.00	Subscribers' shares	100

**(iii) Substantial Shareholder**

MDSB is a wholly-owned subsidiary of Masterskill.

**(iv) Subsidiary and Associated Company**

As at the date of this Prospectus, MDSB does not have any subsidiary or associated companies.

Save as disclosed in this Prospectus, we and our Subsidiaries do not have any outstanding warrants, options, convertible securities or uncalled capital as at the date of this Prospectus.

None of our Shares and shares in our Subsidiaries were issued and allotted at a discount or have any special terms. Our issued Shares and issued shares in our Subsidiaries are fully paid-up.

As at the Latest Practicable Date, neither our Company nor its Subsidiaries are involved in any bankruptcy, receivership or similar proceedings.

Please refer to Section 7.5.7 of this Prospectus for details of our principal place of business and principal assets.

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**12. INFORMATION ON OUR GROUP (Cont'd)**

Save as disclosed below, MEGB has not undertaken any material capital expenditures and divestitures (including interests in other corporations) in the last three (3) financial years up to the date of this Prospectus:

**PURCHASE OF LAND & BUILDING (2007-2009)\***

Branch	2007		2008		2009		Total	
	Land (RM)	Building (RM)	Land (RM)	Building (RM)	Land (RM)	Building (RM)	Land (RM)	Building (RM)
Cheras	-	1,990,001.00	-	7,885,000.00	-	31,330.00	-	9,906,331.00
Kota Bharu	-	2,130,730.00	-	-	-	7,315,530.00	-	9,446,260.00
Kota Kinabalu	-	-	-	14,887,000.00	-	-	-	14,887,000.00
Ipoh	6,408,932.00	11,030,768.00	-	139,852.00	-	-	6,408,932.00	11,170,620.00
Kuching	-	-	-	-	-	9,543,634.50	-	9,543,634.50
Seri Alam, Johor	-	-	-	-	7,896,371.16	21,134,977.98	7,896,371.16	21,134,977.98
<b>TOTAL</b>	<b>6,408,932.00</b>	<b>15,151,499.00</b>	<b>-</b>	<b>22,911,852.00</b>	<b>7,896,371.16</b>	<b>38,025,472.48</b>	<b>14,305,303.16</b>	<b>76,088,823.48</b>

**Note:**

\* Except as otherwise disclosed in this Prospectus, from 1 January 2010 to the date of this Prospectus MEGB has not undertaken any material capital expenditures and divestitures (including interests in other corporations).

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## 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS

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### 13.1 BOARD OF DIRECTORS

Within the limits set by our articles of association, our Board of Directors is responsible for the governance and management of our Company. To ensure the effective discharge of its functions, our Board of Directors endeavour to follow our corporate governance guidelines, which set out the following responsibilities:

- (i) to review and approve our annual corporate plan, which includes our overall corporate strategy, marketing plan, human resources plan, information technology plan, financial plan, budget, regulations plan and risk management plan;
- (ii) to oversee the conduct of our businesses, and to evaluate whether the businesses are being properly managed;
- (iii) to identify principal risks and ensure the implementation of appropriate systems to manage these risks;
- (iv) to manage succession planning, including appointing, training, fixing the compensation of, and where appropriate, replacing senior management;
- (v) to develop and implement an investor relations program or shareholder communications policy for our Company;
- (vi) to review the adequacy and integrity of our internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives, and guidelines (including Bursa Securities LR, securities laws, and the Act);
- (vii) to review and approve our financial statements;
- (viii) to review and approve our Audit Committee Report at the end of each financial year;
- (ix) to review and approve our Annual Report; and
- (x) to prepare a corporate governance statement in compliance with the Malaysian Code of Corporate Governance and an internal control statement for the Annual Report.

In accordance with Article 110 of our Articles, we must have at least two (2) and (unless otherwise determined by an ordinary resolution) not more than twelve (12) Directors at any time. At least two (2) of our Directors or one-third (1/3) of our Board of Directors, whichever is higher, must also at all times be independent directors.

As at the date of this Prospectus, our Board of Directors consists of five (5) Directors, two (2) of whom are Independent Directors.

In accordance with Article 129 of our Articles, each Director shall retire from office once every three (3) years but is eligible for re-election. One third (1/3) of the Directors or, if the number of Directors is not three (3) or a multiple of three (3), the number nearest to one-third (1/3), shall retire from office at each annual general meeting and such Directors are eligible for re-election. The Directors to retire in each year are those who have been in office longest.

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

The details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in that office as at the Latest Practicable Date are as follows:

Director	Date of appointment	Date of expiration of the current term of office	No. of years in office
Dato' Sri Edmund Santhara	26 May 2008	*	1.5 years
YM Tunku Dato' Seri Kamel	26 May 2008	*	1.5 years
YM Raja Azmi	23 September 2006	2012	3 years
Richard Scanlon	18 October 2006	2010	3 years
Datuk Kamarudin bin Md. Ali	26 May 2008	*	1.5 years
Derby Russ Ng	26 May 2008	N/A	1.5 years

**Note:**

\* Either in 2010 or 2011 (subject to Article 130 of our Articles of Association).

The members of our Board of Directors as at the date of this Prospectus are set forth below:

Name	Nationality	Age	Date of Appointment	Designation
Dato' Sri Edmund Santhara	Malaysian	39	26 May 2008	Executive Director and Group Chief Executive Officer
YM Tunku Dato' Seri Kamel	Malaysian	56	26 May 2008	Independent Non-Executive Chairman
YM Raja Azmi	Malaysian	51	23 September 2006	Non-Independent Non- Executive Director
Richard Scanlon	American	41	18 October 2006	Non-Independent Non- Executive Director
Datuk Kamarudin bin Md. Ali	Malaysian	60	26 May 2008	Independent Non-Executive Director
Derby Russ Ng	Australian	33	26 May 2008	(alternate Director to Richard Scanlon)

The management and operations of our Company is led by Dato' Sri Edmund Santhara our Group Chief Executive Officer.

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**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

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**13.1.1 Profiles of Directors****(i) Dato' Sri Edmund Santhara**

**Dato' Sri Santhara Kumar a/l Ramanaidu**, aged 39, is our Executive Director and Group Chief Executive Officer. He graduated in 1994 with a Bachelor of Business Administration from Universiti Kebangsaan Malaysia. He subsequently obtained a Master of Business Administration from University of Strathclyde, Scotland in 1998. He also obtained a Postgraduate Diploma in Marketing from the Chartered Institute of Marketing, Malaysia in 1999. He is currently pursuing a Doctorate in Business Administration at the University of Newcastle, Australia.

In 1995, he joined Boca Asia Pacific Sdn Bhd ("**Hitechniaga**") as a Product Manager in charge of formulating and executing its marketing and sales plan for the Asia Pacific region. This company is part of MBF Technology Group. He left Hitechniaga in 1997 to join MBF Finance Berhad as a Manager, where he was responsible for planning and executing marketing plans for the company. In 1998, he joined Taylor's College Sdn Bhd, a part of the MBF Education Group, as its Head of Research and Development where he was responsible for international marketing development and competitive intelligence. In 1999, he left the MBF Group to provide consultancy services for educational institutions. In 2001, he joined Cosmopoint College of Technology as the Centre Manager / Chief Executive of its Ipoh Metro Campus where he was responsible for the overall management of the company. He subsequently joined Imperia Institute of Technology, Malaysia as its Director of Marketing in 2004 where he was responsible for formulating and executing the company's marketing strategy.

Dato' Sri Edmund Santhara joined Masterskill in October 2004 as our Director of Business Development, where his duties included enhancing the company's business opportunities and developments to spur growth. He conceptualised, planned, implemented and managed projects which eventually boosted Masterskill's revenue. In January 2005, he was promoted to the position of Chief Operating Officer where he was responsible for the overall management of Masterskill including formulating company policies, rules and regulations. In September 2005, he became the Chief Executive Officer of Masterskill, responsible for delivering and driving revenue growth, mobilising the business, implementing international franchise models, executing the company's overall management policies and guidelines, leading the overall business activities and supervising the overall management of Masterskill. He is currently responsible for, among others, the management of business and corporate affairs of the Group, formulating and implementing business plans for the Group and implementing all policies and strategies adopted by the Board of Directors.

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**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

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Dato' Sri Edmund Santhara was awarded the Brand Personality Award by the Asia Pacific Brands Foundation and The Brand Laureatte in 2009. He was named Malaysia's Ernst & Young Emerging Entrepreneur of the Year 2007 and simultaneously won the Malaysian Entrepreneur of the Year award to represent Malaysia in Monte Carlo at the Ernst & Young World Entrepreneur of the Year Award. He was also selected to receive the 2007 National Youth Award from the Prime Minister of Malaysia on the National Youth Day. In November 2008, Dato' Sri Edmund Santhara represented Malaysia in the Creative Young Entrepreneur Award competition at the Junior Chamber International World Congress in New Delhi and won the world award.

Dato' Sri Edmund Santhara was admitted as a member of the Malaysian Institute of Management in 1999. In 2007, he was admitted as a member of the Malaysian Institute of Human Resource Management and the Chartered Institute of Marketing, Malaysia. In 2007, he was also admitted as an associate member of the Harvard Business School Alumni Club of Malaysia after completing the ASEAN Senior Management Development Program there.

**(ii) YM Tunku Dato' Seri Kamel**

**Yang Mulia Tunku Dato' Seri Kamel Bin Tunku Rijaludin**, aged 56, is one of our Independent Non-Executive Directors. He obtained a Bachelor of Science in Forestry in 1979 and a Master of Business Administration in 1981 from the University of Tennessee, Knoxville, USA. He started his career in 1981 as a management consultant in Sycip Gorres & Velayos - Kassim Chan. In 1983, he joined Kedah Cement Sdn Bhd and worked in the purchasing department until he was appointed as a manager of international sales. In 1990, he left Kedah Cement Sdn Bhd to join Asli Jardine Insurance as a general manager. From 1995 to 2002, he served as the Chairman of Dagang Net Sdn Bhd, an information technology company which specializes in managing port, logistics and customs related e-transactions. He is currently the chairman of Amtel Holdings Berhad and QC Protection and Investigation Sdn Bhd and a director and shareholder of various private limited companies.

**(iii) YM Raja Azmi**

**Yang Mulia Raja Mohd Azmi bin Raja Razali**, aged 51, is one of our Non-Independent Non-Executive Directors. He graduated from the London School of Accountancy, United Kingdom and received a Chartered Institute of Management Accountants (then known as Institute of Cost and Management Accountants) qualification in 1982.

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**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

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He started his career as a financial analyst at ESSO Malaysia Berhad in 1983. He worked as a general manager for Compuform Sdn Bhd from 1985 to 1987 and as the finance and administrative manager for GTE Directories (M) Sdn Bhd until 1989. He was the Chief Accountant for Philips Malaysia Sdn Bhd from 1989 to 1995, and the Head of Finance and Human Resource for Eveready Battery Sdn Bhd from 1995 to 1996. In 1997, he joined the Godell Group of Companies as an executive director. He then became the Executive Vice-President and the Group Chief Financial Officer of AirAsia Berhad in 2001 where he was responsible for the financial and accounting aspects of the organization, information technology, human resource, revenue management and the overall general management of the airline. He was subsequently appointed as the Chief Executive Officer of Fly Asian Xpress Sdn Bhd, now officially renamed as AirAsia X Sdn Bhd, to run the turbo prop rural air services and to start up a low cost long haul airline, a position he held until June 2007.

He is currently a director and shareholder of various private limited companies.

**(iv) Richard Scanlon**

**Richard Todd Scanlon**, aged 41, is one of our Non-Independent Non-Executive Directors. He graduated with a Bachelor of Arts (cum laude and with honors) with a major in Art History and a concentration (minor) in Physics and Structural Engineering in 1993 from the Middlebury College, Vermont, USA. He started his career at White & Case, New York as a certified legal assistant in 1993. He then joined Credit Suisse First Boston, New York as an analyst in the Investment Banking Department in 1994 and was involved in all functions associated with corporate finance, financial and strategic advisory and product origination. In 1996, he was transferred to Credit Suisse First Boston, Singapore. He joined the Investment Banking Division of Morgan Stanley, Singapore as an associate in 1997 and was later promoted to vice-president in 1999. In 2001, he joined Credit Suisse First Boston, Singapore as a vice-president in the Fixed Income Division, where he was responsible for product origination. In 2003, he left Credit Suisse First Boston, Singapore to co-found Crescent Point Group. He is currently a co-managing partner of Crescent Point Group where he is responsible for the firm's fund raising efforts and making principal investments in a variety of industries. He is a director and shareholder of various Crescent Point Group companies and their portfolio investments. He represents the interests of two of our direct shareholders, namely AHHL and MHL.

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13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS *(Cont'd)*

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(v) **Datuk Kamarudin bin Md. Ali**

**Datuk Kamarudin bin Md Ali**, aged 60, is one of our Independent Non-Executive Directors. He graduated with a Diploma in Engineering from Institut Teknologi Kebangsaan Malaysia in 1974. In 1976, he graduated with a Bachelor of Science (Honours) in Mechanical Engineering from the University of Strathclyde in Glasgow, Scotland and subsequently obtained a Master of Science in Thermodynamics from the University of Birmingham, United Kingdom in 1980.

He started his career with the Royal Malaysian Police (the "RMP") in 1970 and has during his tenure with the RMP gained over 30 years experience, knowledge and skills in logistic and finance management, manpower development, strategic planning, training and development, recruitment and selection, career development and crime prevention through a wide range of command posts and managerial capacities. In 2001, he was selected to attend a one (1) year post-graduate programme at the prestigious Royal College of Defence Studies, United Kingdom. He was subsequently promoted to the rank of Police Commissioner and held the position of Director of Management before retiring from the RMP in 2006.

Datuk Kamarudin bin Md Ali is active in non-governmental organisations and is noted for his contributions in the Malaysian Crime Prevention Foundation where he is a Council Member. He was the Chief Police Officer of Kuala Lumpur and Johor and the Director of Management of the RMP, a job that demands not only sound theoretical premise but good working knowledge and experience in administration and management; he changed the structure, staffing and system of the management department of the RMP, re-engineered most of the work processes, realigned the police strategies and enhanced the skills and capabilities of police officers through on-the-job or in-service training. He also contributed to the introduction of ISO, Key Performance Indicators and Balanced Score Cards.

He is a director of ECM Libra Financial Group Berhad, ECM Libra Investment Bank Berhad, Ann Joo Resource Berhad, Avenue Invest Berhad and various other private limited companies. He is also an associate member of The Royal College of Defence Studies of the United Kingdom.



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**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

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**(vi) Derby Russ Ng**

**Derby Russ Ng**, aged 33, is the alternate director to Richard Scanlon, one of our Non-Independent Non-Executive Directors. He graduated in 1999 from the University of New South Wales, Sydney, Australia with first class honours in Bachelor of Finance. He started his career at Credit Suisse First Boston, Singapore in the Investment Banking Department in 2000 and was involved in all functions associated with corporate finance, financial and strategic advisory and product origination. He then joined Crescent Point Group as an associate in 2004 and was promoted to a vice president in 2006 and, subsequently, a director in 2008. He is responsible for making principal investments in a variety of industries in South East Asia. He also represents the interests of two of our direct shareholders, namely AHHL and MHL.

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### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

#### 13.1.2 Directors' Shareholding

The table below sets forth our Directors' interests in our Shares before and after the IPO based on our Register of Directors' Shareholdings as at the date of this Prospectus.

##### Minimum Scenario

Directors	Before the IPO		After the IPO		Indirect			
	No. of Shares	%	No. of Shares	%	No. of Shares	%		
Dato' Sri Edmund Santhara	106,947,310	28.99	-	-	103,366,009	25.22	-	-
YM Tunku Dato' Seri Kamei	-	-	-	-	-	-	-	-
YM Raja Azmi	-	-	(1) 9,478,295	2.57	-	-	(1) 1,456,220	0.36
Richard Scanlon	-	-	(2) 17,042,920	4.62	-	-	(2) 15,261,223	3.72
Datuk Kamarudin bin Md. Ali	-	-	-	-	-	-	-	-
Derby Russ Ng	-	-	-	-	-	-	-	-

##### Notes:

- (1) Deemed interest by virtue of his shareholding interest in Ladang Naga pursuant to Section 6A of the Act.  
(2) Deemed interest by virtue of his shareholding interest in AHHL pursuant to Section 6A of the Act.

## 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

## Maximum Scenario

Directors	Before the IPO		After the IPO	
	Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares
Dato' Sri Edmund Santhara	106,947,310	28.99	90,551,079	22.09
YM Tunku Dato' Seri Kamel	-	-	-	-
YM Raja Azmi	-	(1) 9,478,295	-	(1) 1,456,220
Richard Scanlon	-	(2) 17,042,920	-	(2) 8,885,795
Datuk Kamarudin bin Md. Ali	-	-	-	-
Derby Russ Ng	-	-	-	-

## Notes:

- (1) Deemed interest by virtue of his shareholding interest in Ladang Naga pursuant to Section 6A of the Act.  
(2) Deemed interest by virtue of his shareholding interest in AHHL pursuant to Section 6A of the Act.

None of our Directors owns, directly or indirectly, any option to purchase any of our Shares.

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

#### 13.1.3 Principal Business Activities Performed Outside Our Group in the Past Five (5) Years

Save as disclosed below, none of our Directors and Chief Executive Officer has performed any principal business activities outside our Group.

The directorships of our Directors outside our Group at present and in the last five (5) years preceding the Latest Practicable Date are as follows:

Director	Name of Company	Principal Business Activities	Date appointed	Date Resigned
Dato' Sri Edmund Santhara	Malaysian Intellectual Development Foundation	Charity foundation	12 March 2008	-
	Trident Vista Sdn Bhd	Investment holding	10 August 2009	-
	Unihealth Education Group Sdn. Bhd.	Advisers and consultants on the administration and organisation of industry and to conduct training and workshops	27 December 2006	14 August 2008
	Unihealth (M) Sdn. Bhd.	Advisers and consultants on the administration and organisation of industry and to conduct training and workshops	2 February 2007	14 August 2008
	Masterskill Marketing Sdn Bhd	Marketing and recruitment of Masterskill's students	16 August 2005	26 May 2006
YM Tunku Dato' Seri Kamel	Tunku Rijaludin Holding Sdn Bhd	Investment holding	1 July 1986	-
	Atama Corporation Sdn Bhd	Specialist in the supply of oilfield equipment and services	14 December 1990	-
	Dwitasik Sdn Bhd	Developer	24 August 1992	-
	Malotani Sdn Bhd	Manufacturing of wood based building materials	28 April 1994	19 January 2007
	Welli Multi Corporation Berhad	Processing of palm kernel oil	7 June 1996	02 February 2007
	Amtel Holdings Berhad	Investment Holding & Management Services	31 July 1997	-
	Dwitasik Management Services Sdn Bhd	Management of strata properties	30 August 1998	-

**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

Director	Name of Company	Principal Business Activities	Date appointed	Date Resigned
	Harta Makmur Sdn Bhd	Property investment and development	13 August 2002	-
	Kiara Jubli Sdn Bhd	Plantations	30 January 2003	-
	Rainforest Retreat Sdn Bhd	Investment holding	30 September 2004	-
	Titijaya Management Sdn Bhd	Investment holding	23 August 2005	-
	Seberang Saujana Sdn Bhd	Investment holding	12 September 2005	-
	QC Protection and Investigation Sdn Bhd	Security services	9 January 2006	-
	Sempadan Asasi Sdn Bhd	Trustee	16 February 2006	-
	Dwitasik Mining Sdn Bhd	Dormant	15 November 2006	-
	Innomewah Sdn Bhd	Investment holding	17 July 2007	-
	MCL	Investment / management holding	1 May 2008	19 March 2010
	Amtel Cellular Sdn Bhd	Marketing of navigation systems	9 January 2009	-
	Barakah Makmur Sdn Bhd	General merchandise, building construction contractor and investment	30 March 2009	-
YM Raja Azmi	Alunan Iktibar Sdn Bhd	Dormant	18 August 1997	Striking off (July 2008)
	Enigma Palma Sdn Bhd	General trading	10 February 2000	-
	Crunchtime Culinary Services Sdn Bhd	Providing inflight meals	20 November 2002	2 August 2006
	Airasia X Sdn Bhd	Providing long haul air transportation services	6 June 2006	5 September 2007
	Gemilang Pencala Sdn Bhd	Investment holding	22 June 2006	-
	Distinct Energies Sdn Bhd	Investment holding	18 July 2006	-

**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

Director	Name of Company	Principal Business Activities	Date appointed	Date Resigned
	Gemilang Maintenance Services Sdn Bhd	Facilities management	17 August 2006	-
	Ladang Naga	Investment holding	23 September 2006	-
	Mainstay Properties Sdn Bhd	Real estate	3 September 2007	-
	Mainstay Development Sdn Bhd	Property development	3 September 2007	-
	Ultimate Excel Sdn Bhd	Dormant	16 October 2007	-
	Jujur Delima Sdn Bhd	Investment holding	27 February 2008	-
	Unihealth Education Group Sdn. Bhd.	Advisers and consultants on the administration and organisation of industry and to conduct training and workshops	13 March 2008	06 June 2008
	Unihealth (M) Sdn. Bhd.	Advisers and consultants on the administration and organisation of industry and to conduct training and workshops	13 March 2008	06 June 2008
	Splendid Outlook Sdn Bhd	Commercial trading, property dealing and investment holding	17 April 2008	18 July 2008
	MCL	Investment / management holding	1 May 2008	19 March 2010
	SV Suloh Budiman Sdn Bhd	Property and Construction	15 December 2008	-
	Setegap Ventures Petroluem Sdn Bhd	Oil & Gas	5 January 2009	-
	Realm Energy Sdn Bhd	Telcommunications	16 November 2009	-

**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

Director	Name of Company	Principal Business Activities	Date appointed	Date Resigned
Richard Scanlon	Crescent Advisors Pte Ltd	Investment / management holding	22 August 2003	-
	Crescent Mayfair Blue I SPC Ltd	Investment / management holding	31 October 2003	-
	Crescent PlaneConsult Group	Investment / management holding	18 May 2004	-
	Crescent ASOP Investment Management Ltd	Investment / management holding	28 February 2005	-
	CASOP Bunker Ltd	Investment / management holding	9 September 2005	-
	Airasia Berhad	Low cost carrier	23 September 2005	15 February 2006
	CASOP Cracker Ltd	Investment / management holding	28 October 2005	-
	Crescent Gunhill Ltd	Investment / management holding	14 December 2005	-
	Crescent Gunhill Offshore Investors Ltd	Investment / management holding	25 January 2006	-
	Crescent Gun Hill Investor Corp	Investment / management holding	25 January 2006	-
	Cracker Co. Ltd	Investment / management holding	26 January 2006	Liquidating (December 2009)
	CPV Investments Ltd	Investment / management holding	27 January 2006	-
	CPCM (Asia) Investments Ltd	Investment / management holding	27 January 2006	-
	Crescent Point Ventures Ltd	Investment / management holding	27 January 2006	-
	Crescent Point Holdings Ltd	Investment / management holding	27 January 2006	-
	CP ME Investments Ltd	Investment / management holding	27 January 2006	-
	Crescent Point Investment Holdings Ltd	Investment / management holding	27 January 2006	-

**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

Director	Name of Company	Principal Business Activities	Date appointed	Date Resigned
	Crescent Jade Limited	Investment / management holding	28 April 2006	-
	Crescent Central Limited	Investment / management holding	6 June 2006	-
	MCL	Investment / management holding	31 August 2006	-
	MHL	Investment / management holding	19 September 2006	-
	CM-SPV	Investment / management holding	12 October 2006	-
	CASOP China Environmental Investments Ltd	Investment / management holding	10 November 2006	-
	Atlas Crescent Sdn Bhd	Investment holding	8 December 2006	-
	Crescent Point MENA Ltd	Investment / management holding	16 January 2007	Liquidated in Cayman January 2009
	Crescent Point Asia Ltd	Investment / management holding	16 January 2007	Liquidated in Cayman January 2009
	Crescent Point MENA Investments Ltd	Investment / management holding	17 January 2007	-
	Crescent Point Asia Investments Ltd	Investment / management holding	17 January 2007	-
	Crescent Advisors China Pte Ltd	Investment / management holding	22 January 2007	-
	Crescent CiC Ltd (renamed Crescent Argaam Limited)	Investment / management holding	29 January 2007	-
	Crescent Investment Partners Ltd	Investment / management holding	9 March 2007	-
	Crescent Point Asia Holdings Pty Ltd	Investment / management holding	30 May 2007	Deregistered in Australia January 2008
	Crescent Point MENA Holdings Pty Ltd	Investment / management holding	30 May 2007	Deregistered in Australia January 2008
	China Education Investment Partners Ltd	Investment / management holding	1 June 2007	29 July 2008



**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

Director	Name of Company	Principal Business Activities	Date appointed	Date Resigned
	China Education Investment Partners Ltd II	Investment / management holding	29 June 2007	29 July 2008
	China Education Investment Partners Ltd III	Investment / management holding	29 June 2007	29 July 2008
	Crescent Point Advisors Pte Ltd	Investment / management holding	27 August 2007	-
	Crescent Arabian Advisors Ltd	Investment / management holding	19 September 2007	21 September 2007
	Crescent Arabian Services Ltd	Investment / management holding	26 September 2007	-
	Crescent Point Arabian Opportunities Investments Ltd	Investment / management holding	14 November 2007	-
	Crescent Point Asia Holdings Ltd	Investment / management holding	21 December 2007	-
	Crescent Point MENA Holdings Ltd	Investment / management holding	17 January 2008	-
	Crescent PE Ltd	Investment / management holding	29 January 2008	-
	Crescent PK Ltd	Investment / management holding	29 January 2008	-
	AHHL	Investment / management holding	4 February 2008	-
	Crescent Peak Ltd	Investment / management holding	7 February 2008	-
	CP II Cayman Limited	Investment / management holding	12 February 2008	-
	CGIL	Investment / management holding	20 February 2008	-
	Crescent Asia Management Ltd	Investment / management holding	21 February 2008	-
	Crescent Point Management Ltd	Investment / management holding	21 February 2008	-
	CAIL	Investment / management holding	21 February 2008	-

**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

Director	Name of Company	Principal Business Activities	Date appointed	Date Resigned
	Crescent Point Investments Ltd	Investment / management holding	21 February 2008	-
	Crescent Group Ltd	Investment / management holding	21 February 2008	-
	Crescent Group China Ltd (as renamed in Jul 08)	Investment / management holding	30 May 2008	-
	Crescent P.F. Ltd	Investment / management holding	1 July 2008	-
	Atlas F.S. Ltd	Investment / management holding	12 November 2008	-
	Atlas Investment Holdings Ltd	Investment / management holding	27 November 2008	-
	Crescent Point AC Investments Ltd	Investment / management holding	27 November 2008	-
	CASOP CCC Ltd	Investment / management holding	13 November 2008	-
	Crescent Eagle Investments Ltd	Investment / management holding	7 July 2009	-
	Crescent Technologies Investments Ltd	Investment / management holding	7 July 2009	-
	Crescent Technologies Ltd	Investment / management holding	8 July 2009	-
	Crescent Surveillance Technologies Investments Ltd	Investment / management holding	8 July 2009	-
	MDW Investments Limited	Investment / management holding	14 July 2009	-
	PV Investments Limited	Investment / management holding	14 July 2009	-
	ERES Investments Limited	Investment / management holding	14 July 2009	-
	SL Investments (Cayman) Limited	Investment / management holding	14 July 2009	-

**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

Director	Name of Company	Principal Business Activities	Date appointed	Date Resigned
	RD Investments Limited	Investment / management holding	14 July 2009	-
	EJ Investments Limited	Investment / management holding	14 July 2009	-
	ME Investments Limited	Investment / management holding	14 July 2009	-
	DGG Investments Limited	Investment / management holding	14 July 2009	-
	AH Holdings Limited	Investment / management holding	14 July 2009	-
	BM Holdings (Cayman) Limited	Investment / management holding	14 July 2009	-
	IDF Holdings Limited	Investment / management holding	14 July 2009	-
	FT Holdings Limited	Investment / management holding	14 July 2009	-
	ZI IME Holdings Limited	Investment / management holding	14 July 2009	-
	BH Holdings Limited	Investment / management holding	14 July 2009	-
	AIC Holdings (Cayman) Limited	Investment / management holding	14 July 2009	-
	NE Holdings Limited	Investment / management holding	14 July 2009	-
	NAR Holdings Limited	Investment / management holding	14 July 2009	-
	SG Holdings (Cayman) Limited	Investment / management holding	14 July 2009	-
	BMD Holdings Limited	Investment / management holding	14 July 2009	-
	AT Holdings Limited	Investment / management holding	14 July 2009	-
	RSR Holdings Limited	Investment / management holding	14 July 2009	-
	ANI Holdings Limited	Investment / management holding	14 July 2009	-
	FC Holdings (Cayman) Limited	Investment / management holding	14 July 2009	-
	SRA Holdings Limited	Investment / management holding	14 July 2009	-

**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

Director	Name of Company	Principal Business Activities	Date appointed	Date Resigned
	Crescent Masterskill Holdings Ltd	Investment / management holding	14 September 2009	-
	Florence Education Ltd	Investment / management holding	2 October 2009	-
Datuk Kamarudin bin Md. Ali	Unoplex Sdn Bhd	Car dealership	1 June 2006	-
	ECM Libra Financial Group Berhad	Financial Institution	16 June 2006	-
	Rovski Sdn Bhd	Manufacturing	21 July 2006	-
	Hadinaz Allied Sdn Bhd	Trading	21 August 2006	-
	Streetspace (M) Sdn Bhd	Technology	11 August 2006	Deregistered on 27 August 2009
	Gabungan Strategik Sdn Bhd	Construction	1 September 2006	-
	Intelligent Landmark Sdn Bhd	Communication	1 February 2007	-
	Adtag Corporation Sdn Bhd	General manufacturing, general merchants, general import and export and general contractors.	21 February 2007	25 March 2009
	Ann Joo Resources Berhad	Steel production	1 March 2007	-
	Avenue Invest Berhad	Financial Institution	8 May 2007	-
	ECM Libra Investment Bank Berhad	Financial institution	5 July 2007	-
	Intelligent Tower Sdn Bhd	Communication	3 August 2007	-
	Unihealth Education Group Sdn. Bhd.	Advisers and consultants on the administration and organisation of industry and to conduct training and workshops	13 March 2008	06 June 2008
	Unihealth (M) Sdn. Bhd.	Advisers and consultants on the administration and organisation of industry and to conduct training and workshops	13 March 2008	06 June 2008

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

Director	Name of Company	Principal Business Activities	Date appointed	Date Resigned
	Syarikat Roda Bina Sdn Bhd	Importer and retailer of motor vehicles	26 August 2009	15 October 2009
	Puspakom Sdn Bhd	Inspection of commercial vehicles for roadworthiness	1 February 2010	-

#### 13.1.4 Involvement of our Executive Director in Other Businesses/Corporations

Based on the declaration by Dato' Sri Edmund Santhara, our Executive Director is not involved in the operations of other businesses or corporations save for his involvement in the following:

- (i) Malaysian Intellectual Development Foundation, which was set up by him to initiate corporate social responsibility programs for charity. Both Mohd Nasri bin Mohd Nordin and Dato' Sri Edmund Santhara are directors and members of the foundation; and
- (ii) Trident Vista Sdn Bhd, the principal activity of which is investment holding. Dato' Sri Edmund Santhara is one of the directors of Trident Vista Sdn Bhd.

#### 13.1.5 Audit Committee

Our Audit Committee was established on 10 March 2010 and its members are appointed by our Board. Our Audit Committee shall comprise no fewer than three (3) members, the majority of whom shall be Independent Non-Executive Directors.

The primary responsibilities of our Audit Committee include the following:

- (i) assessing our processes relating to risks identifications and management;
- (ii) improving the quality of the accounting function, system of internal controls and audit function and strengthening the confidence of the public in our reported results;
- (iii) maintaining a direct line of communication between our Board, external auditors and internal auditors through regularly scheduled meetings;
- (iv) enhancing the independence of both the external and internal auditors function through active participation in the audit process;
- (v) strengthening the role of the Independent Directors by giving them greater knowledge of our operations;
- (vi) reviewing and recommending the ethics code for all executives and members of our staff; and
- (vii) creating a climate of discipline and control which will reduce opportunities for fraud.

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (*Cont'd*)

Our Audit Committee currently comprises the following members:

Name	Position	Date of Appointment	Directorship
Datuk Kamarudin bin Md. Ali	Chairman	10 March 2010	Independent Non-Executive Director
Yang Mulia Tunku Dato' Seri Kamel bin Tunku Rijaludin	Member	10 March 2010	Independent Non-Executive Chairman
Yang Mulia Raja Mohd Azmi bin Raja Razali	Member	10 March 2010	Non-Independent Non-Executive Director

#### 13.1.6 *Nominating Committee*

Our Nominating Committee was established on 10 March 2010 and its members are appointed by our Board. Our Nominating Committee shall comprise of not less than three (3) members. All of its members shall be non-executive Directors and a majority of its members shall be Independent Directors.

The primary responsibilities of our Nominating Committee are to review and recommend candidates for appointment as new Directors of our Board and to undertake periodic assessment of our Board, board committees and individual Directors.

Our Nominating Committee currently comprises the following members:

Name	Position	Date of Appointment	Directorship
Yang Mulia Tunku Dato' Seri Kamel bin Tunku Rijaludin	Chairman	10 March 2010	Independent Non-Executive Chairman
Datuk Kamarudin bin Md. Ali	Member	10 March 2010	Independent Non-Executive Director
Yang Mulia Raja Mohd Azmi bin Raja Razali	Member	10 March 2010	Non-Independent Non-Executive Director

#### 13.1.7 *Remuneration Committee*

Our Remuneration Committee was established on 10 March 2010 and its members are appointed by our Board. Our Remuneration Committee shall comprise of not less than three (3) members, the majority of whom shall be non-executive Directors.

The primary responsibilities of our Remuneration Committee are to review and recommend the remuneration packages of our executive Directors and compensation of our non-executive Directors.

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

Our Remuneration Committee currently comprises the following members:

Name	Position	Date of Appointment	Directorship
Yang Mulia Tunku Dato' Seri Kamel bin Tunku Rijaludin	Chairman	10 March 2010	Independent Non-Executive Chairman
Datuk Kamarudin bin Md. Ali	Member	10 March 2010	Independent Non-Executive Director
Yang Mulia Raja Mohd Azmi bin Raja Razali	Member	10 March 2010	Non-Independent Non-Executive Director

#### 13.1.8 Service Contracts with Directors

As at the date of this Prospectus, there are no existing or proposed service contracts between our Directors and us except for the service agreement dated 1 January 2010 entered into between MEGB and Dato' Sri Edmund Santhara for the employment of Dato' Sri Edmund Santhara as the Group Chief Executive Officer of MEGB for a fixed term of five (5) years commencing from 1 January 2009 (unless otherwise extended by the parties to the service agreement), at a basic salary of RM175,000.00 per month. The salient terms of the service agreement, among others, are as follows:

- (i) MEGB would pay Dato' Sri Edmund Santhara an annual contractual bonus of RM1,500,000.00;
- (ii) MEGB would pay Dato' Sri Edmund Santhara a sum of RM5,000,000.00 or a sum equivalent to the monthly remuneration package including his basic salary, fixed allowance, president's allowance and contractual bonus multiplied by the number of months in the unexpired portion of the five (5) year term of the service agreement, whichever the higher in the event Dato' Sri Edmund Santhara's employment is terminated by MEGB without just cause or excuse;
- (iii) Dato' Sri Edmund Santhara's benefits include, among others, the use of a company car, medical and insurance benefits for his legal spouse and children, school and tuition fees for his children up to RM75,000.00 per year and the maintenance of up to three (3) club memberships of his choice; and
- (iv) If Dato' Sri Edmund Santhara wishes to terminate the service agreement, six (6) months' prior notice must be given in writing to MEGB. MEGB shall be entitled to terminate Dato' Sri Edmund Santhara's remaining employment by giving him one (1) month's notice in writing if he is absent from work for any reason for a period or periods in excess of thirty (30) working days (over and above sick leave and annual leave entitlement) unless such absence has been approved by the Board or in the event he has been incapacitated by ill-health or accident from performing his duties under the service agreement and has been so incapacitated for a period of or periods aggregating to ninety (90) working days in the preceding twelve (12) months.

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**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**


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**13.1.9 Remuneration of Directors**

The aggregate remuneration and benefits paid or proposed to be paid to our Directors for services rendered to us in all capacities was approximately RM5.90 million for the FYE 2009 and are estimated at RM5.71 million for the FYE 2010.

The remuneration of our Directors, which includes Directors' salaries, bonus, fees and allowances as well as other benefits, must be considered and recommended by the Remuneration Committee and subsequently approved by our Board. Our Directors' remuneration must be further approved/endorsed by our shareholders at a general meeting.

The remuneration and benefits paid/estimated to be paid to our Directors are as follows:

Directors	←-----Remuneration band of our Directors ----->	
	FYE 2009 (Actual)	FYE 2010 (Forecast)
Dato' Sri Edmund Santhara	Band 4	Band 5
YM Raja Azmi	-	Band 2
YM Tunku Dato' Seri Kamel	Band 2	Band 3
Richard Scanlon	-	-
Datuk Kamarudin bin Md. Ali	Band 2	Band 2
Derby Russ Ng	-	-

**Note:**

- \* Bands of RM50,000  
 Band 1: between RM1 to RM50,000  
 Band 2: between RM50,001 and RM100,000  
 Band 3: between RM100,001 and RM150,000  
 Band 4: between RM3,800,001 and RM3,850,000  
 Band 5: between RM5,000,001 and RM5,050,000

Save as disclosed in Sections 13.1.9 and 18.1 of the Prospectus, no other amounts or benefits has been paid or intended to be paid to our Promoters, Directors and substantial shareholders within the two (2) years preceding the date of this Prospectus, except for remuneration received by Directors in the course of their employment and directors' fees, and dividends paid to our shareholders.



### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

#### 13.2 KEY MANAGEMENT

Our key management is responsible for our day-to-day management and operations. Our key management consists of experienced personnel in charge of matters related to branch operations, human resource, marketing, business development, management information system, finance and administration.

The members of our key management, as at the date of this Prospectus, are set forth below:

Name	Nationality	Age	Designation
<b>General</b>			
Dato' Sri Edmund Santhara	Malaysian	39	Group Chief Executive Officer
Dato' Sumathi Alicia Nathan	Malaysian	35	Chief Operating Officer
See Thiong Chai	Malaysian	45	Chief Financial Officer
Abdul Rashid bin Mohd Sharif	Malaysian	45	Senior Vice President, Public Affairs
Mohd Nasri bin Mohd Nordin	Malaysian	42	Vice President, CSR & Special Projects
Demudu a/l Naganaidu	Malaysian	41	Vice President, Operations (Branch)
Lui Tong Kai	Malaysian	53	Assistant Vice President, Admin & Purchasing (includes Security & Library)
Tanaletchimy a/p Rajaratnam	Malaysian	56	Senior Manager, Quality
<b>Academic</b>			
Dato' Professor Dr. Nik Rahimah Nik Yacob	Malaysian	53	Vice Chancellor
Professor Dr. Ahmad Pauzi Md. Yusof	Malaysian	58	Deputy Vice Chancellor (Academic and Globalisation)
Dato' Professor Dr. Prom @ Proom Promwichit	Malaysian	67	Deputy Vice Chancellor (Research and Innovation)
Dr. Naginder Singh	Malaysian	60	Vice President, Branch Academic Co-ordination
Dato' Associate Professor Dr. Ahmad Bin Aman	Malaysian	65	Deputy Vice Chancellor, Students Affairs & Development
Assistant Professor Haji Azman Husain	Malaysian	63	Dean, School of Allied Health
Assistant Professor Aminah Binti Hashim	Malaysian	61	Dean, School of Nursing
Colonel (Rtd.) Dr. G. Gopinath	Malaysian	73	Dean, School of Therapeutic Sciences
Assistant Professor Muthappan s/o Muthupalaniappa	Malaysian	58	Dean, School of Pharmacy

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**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

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**13.2.1 Profiles of Our Key Management**

The profile of Dato' Sri Edmund Santhara is set out in Section 13.1.1 of this Prospectus.

**(i) Dato' Sumathi Alicia Nathan**

**Dato' Sumathi Alicia Nathan**, aged 35, is our Chief Operating Officer. She graduated with a Bachelor of Laws in 1999 from the University of London, United Kingdom. Currently, she is pursuing a Master of Business Administration in Victoria University, Australia to further enhance her academic qualifications. She started her career in 1999 as a Lecturer cum Counsellor at Olympia College, Malaysia. In 2000, she joined Cosmopoint College of Technology, Malaysia as an Executive for Administration and Marketing. In 2003, she joined Carpet Raya Sdn Bhd, Malaysia as an Executive for Human Resources and Legal Affairs. Subsequently, she joined Wing Tiek Holding Berhad as the Senior Executive responsible for human resources and legal affairs in 2003 and later joined Jaks Resources Bhd undertaking a similar position. She joined us in 2005 as an Assistant Manager for Human Capital Management and Legal Affairs and in the same year, she was promoted to the position of Manager and then elevated to the position of Senior Manager. In 2007, she was promoted to the Vice President of Human Capital Management, Legal and Operations and put in charge of certain operational functions, including purchasing and administration, facility management, logistics and security. In May 2008, she was promoted to the Senior Vice President and subsequently in August 2009, she was promoted to her current position. She is currently responsible for our human capital management, legal and operational issues. She received the Darjah Indera Mahkota Pahang (DIMP) award, which carries the Dato' title, in 2010 from Sultan of Pahang.

**(ii) See Thiong Chai**

**See Thiong Chai**, aged 45, is our Chief Financial Officer and joined us in June 2009. He graduated with a Bachelor of Commerce and Administration from Victoria University of Wellington, New Zealand in 1988. He became a Chartered Accountant of the New Zealand Society of Accountants and Malaysia Institute of Accountants in 1991 and 1995, respectively. He also obtained a Certificate of Banking from Bankers Institute of New Zealand in 1991. He was an associate member of New Zealand Institute of Management from 1994 to 2009. He qualified as a Certified Financial Planner and became a member of the Financial Planning Association of Malaysia (FPAM) in 2002.

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**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

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He started his career in 1989 at PricewaterhouseCoopers, New Zealand as an auditor. In July 1989, he joined Structon Group Ltd, New Zealand as its company accountant. He subsequently joined Safeway Australasia Ltd, New Zealand as its company accountant in April 1990. He later worked for Lada New Zealand Limited, a subsidiary of New Zealand Dairy Board, as its Financial Controller from 1990 to 1994. In October 1994, he joined MBF Peugeot Sdn Bhd as its Company Accountant and was appointed as the Senior Manager of Finance and Administration for MBF Leasing Sdn Bhd in 1995, where he was responsible for the overall financial and funding of the company and its subsidiaries. From 1999 to 2000, he worked at Grand Colombia Holding Bhd as its Corporate Manager overseeing its merger and acquisition activities and financial reporting. He joined AIG Global Services (Malaysia) Sdn Bhd as its Financial Controller in 2000 and was promoted to be the Chief Financial Officer in 2001 and the Asia Regional Operation & Systems Controller in 2007. He joined our Group as a Chief Financial Officer in June 2009. He is currently responsible for all financial and fiscal management aspects of our Group's operations and to provide leadership and coordination in the administrative, business planning, risk management, accounting and budgeting efforts of our Group.

**(iii) Abdul Rashid bin Mohd Sharif**

**Abdul Rashid bin Mohd Sharif**, aged 45, is our Group's Senior Vice President of Public Affairs. He graduated with a Bachelor of Arts in Industrial Design in 1987 from MARA University of Technology, Malaysia (*formerly known as MARA Institute of Technology*) and subsequently obtained an Art Teachers' Diploma in 1990 from the same university. He subsequently obtained a Master in Art and Design Education in 1997 from De Montfort University, United Kingdom. He started his career in 1998 at Kuala Lumpur Metropolitan University College (*formerly known as Cosmopoint College of Technology*), Malaysia as its Centre Manager in charge of branch operations. He was subsequently promoted to become its Vice President Operation responsible for its overall operations. He joined our Group in December 2007 as our Vice President of Public Affairs and is responsible for our Group's public affairs including communication and coordination with governmental authorities and public organisations. He was promoted to his current position in November 2009. He has a good working relationship with various ministries, government agencies, local authorities and other institutions and organisations.

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**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

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**(iv) Mohd Nasri bin Mohd Nordin**

**Mohd Nasri bin Mohd Nordin**, aged 42, is our Vice President for CSR & Special Projects. He obtained an associate in General Studies Degree from Indiana University, USA in 1989 and graduated with a Bachelor of Science in Business Administration from the University of Hartford, USA in 1992. He is currently pursuing Master of Business Administration in Open University Malaysia. He started his career at RHB Bank Berhad, Malaysia as a management trainee in 1992 and was promoted to the head of the Remittance Department at its Petaling Jaya Branch. In 1997, he was appointed to be the first Islamic Banking Centre Manager at RHB Bank Berhad responsible for managing its central region Islamic banking business. He then joined Cosmopoint College of Information Technology, Malaysia in 2001 as the Chief Executive of its Klang Metro Campus in charge of the overall operation of the campus. He later worked at similar positions at other campuses of Cosmopoint College of Information Technology including its Kuantan, Penang and Kuching Campuses. He joined us in 2005 as our Operations Manager and Registrar in charge of our overall academic operations and student enrolment. He was subsequently promoted to his current position in 2009 and is responsible for overseeing our Corporate Affairs Department.

**(v) Demudu a/l Naganaidu**

**Demudu a/l Naganaidu**, aged 41, is our Vice President, Operations (Branch). He obtained a Bachelor of Science in Statistics from Universiti Kebangsaan Malaysia in 1994. Currently, he is pursuing his Master of Business Administration from University of Strathclyde. He started his career at Maybank Berhad as a Current Account Officer in 1994. In 1997, he was transferred to the credit department as a Credit Officer until 2001. From 2001 to 2002, he worked at the accounts department where he was responsible for handling business loans as well as trade finance utilisation for the bank's customers. In early 2002, he left Maybank Berhad and joined MBF Card (M) Sdn Bhd as their marketing and sales of credit cards division. In 2003, he joined Ferntea (M) Sdn Bhd as Operations and Administrative Manager responsible for the administration of operations of the company's wholesale business. He then joined American Home Assurance Company as an Insurance Agent in 2004. Subsequently he joined E Care Risk Management & Consultancy, Malaysia as an Agent in 2004. In 2005, he joined our Group as Manager of Systems and Methods reporting directly to the Group's CEO. He was subsequently promoted to Senior Manager of Systems and Methods in January 2006. In 2007, he was promoted to Assistance General Manager cum Chief Branch Officer at the Ipoh Regional Campus responsible for branch operations. He left our Group in November 2008 and joined Institute Business Executive Malaysia as a general manager. He subsequently returned to our Group as Vice President, Branch Operations/Special Task in 2009 and was redesignated to his current position in February 2010. He is currently responsible for our day-to-day operations and administrative activities of our branches. He is also responsible for the performance of the Facility Department and Logistic Department at our Cheras headquarters.

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13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS *(Cont'd)*

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(vi) **Lui Tong Kai**

**Lui Tong Kai**, aged 53, is our Assistant Vice President, Admin & Purchasing (includes Security & Library). He obtained his Bachelor of Arts with Honours from Universiti Sains Malaysia in 1993 and Master of Science in Financial Management from University of London in 1998. Currently, he is pursuing his PhD in Business Administration in Open University Malaysia. He started his career in 1976 as a statistics officer in Statistics Department of Malaysia and he left in 1980. He worked for Ministry of Education, Malaysia as an educator from 1984 to 1996 before joining INTI Group in 1999 as an educator. Subsequently, from 2003 to 2004, he was with Imperia College as the head of its school of business. He then joined INTI College, Hong Kong as its head of institution from 2005 to 2006. He joined our Group in 2007 as a manager and was subsequently promoted to senior manager and later to Assistant Vice President, Operations in 2009. In February 2010, he was redesignated to his current position. He is currently responsible for our purchasing, administration, security and library. He is an associate member of Harvard Business School Club, Malaysia.

(vii) **Tanaletchimy a/p Rajaratnam**

**Tanaletchimy a/p Rajaratnam**, aged 56, is our Senior Manager, Quality. She obtained her Bachelor of Science (Hons) in Psychology and Sociology with Second Class Honours in 1998 and Master of Arts in Applied Social and Market Research in 2000, both from University of Westminster, United Kingdom. In addition, she is a Registered Midwife registered with the Nursing and Midwifery Council of the United Kingdom and the Malaysian Nursing Board. She joined Central Middlesex Hospital Acton Lane Park Royal, London as a community midwife from 1985 to 1999. She then returned to Malaysia and joined Pantai Education Sdn Bhd, Bangsar, Kuala Lumpur as a co-ordinator for continuous professional development programmes, workshops, seminars and conferences from 2001 to 2002. She was a nurse administrator in International Medical University, Malaysia from 2002 to 2005. She joined our Group as an assistant manager in 2005 and was promoted to senior manager in May 2008. She is currently responsible for the development of an effective quality management system and to ensure that each department has an effective standard operating procedure. She was awarded the Certificate in Teaching and Assessing in Clinical Practice (English Nursing Board) by United Kingdom Central Council for Nurses in 1989. During her tenure at International Medical University, Malaysia, she was actively involved in various workshops, such as the Problem-based Learning Facilitator Training Workshop and the Good Clinical Practice Seminar/Course.

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13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS *(Cont'd)*

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(viii) **Dato' Professor Dr. Nik Rahimah Nik Yacob**

**Dato' Professor Dr. Nik Rahimah Nik Yacob**, aged 53, is our Vice Chancellor. She obtained her Bachelor of Science in Business Administration from California State University, Ohio in 1978, Master of Business Administration from University of Idaho in 1980 and Doctor of Philosophy in Business Administration from University of Colorado in 1989.

She began her career as a lecturer at the Faculty of Business Management, Universiti Kebangsaan Malaysia ("UKM") from 1980 to 1997 and she was promoted to Associate Professor of Marketing in July 1993. She was the Head, Department of Marketing from 1990 to 1992 and from 1994 to 1996. She was also a Deputy Dean, Faculty of Business Management, UKM from August 1996 to August 1997. In 1997, she joined Institut Teknologi Tun Abdul Razak as a Senior Vice President (Academic Affairs) and was transferred to Universiti Tun Abdul Razak as Vice President (Corporate Planning and Business Development) in 1998. She was also a Professor of Marketing in Universiti Tun Abdul Razak from 1998 to 2003. She was later transferred from Universiti Tun Abdul Razak to KUB Malaysia Berhad as its Group General Manager under the Corporate Marketing Division in 2001 and was subsequently promoted to Director of Operations & Management in 2002. She left KUB Malaysia Berhad in 2003 and has since worked as a self-employed Business, Education and Research Consultant for various organizations. She has also been the Managing Director of Beaumind Soft Sdn Bhd since 2003. She was a member of the Board of Directors of Masterskill University College of Health Sciences from 2008 to 2010, when she became our Vice Chancellor, a position which she currently holds. She is currently responsible for the academic, corporate and personnel development and management of our institution and branches.

Dato' Professor Dr. Nik Rahimah was a council member for National Council of Advisors for Consumer Protection from 1994 to 1997. She was also a member of the Advisory Board of the College of Business Management, Universiti Tenaga Nasional from 2003 to 2005. She has, since June 2009, held an honorary position in UKM as an Adjunct Professor/International Advisor in Graduate School of Business and was an Associate Faculty of University of Newcastle Australia for its Doctor of Business Administration programme conducted at SEGI College from 2005 to 2009.

As the Best Marketing Student from the University of Colorado at Boulder, she was recognised as a Fellow at the 23<sup>rd</sup> Doctoral Consortium of the American Marketing Association in 1983. She was also awarded the UKM Service Excellence Awards from UKM in 1993 and 1995, UKM Publication Award from UKM in 1993. She also received USIA Grant for Visiting Professor Position at College of Business University of Hawaii at Manoa in 1996. She received the Darjah Indera Mahkota Pahang (DIMP) award, which carries the Dato' title, in 2010 from Sultan of Pahang.

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**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

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**(ix) Professor Dr. Ahmad Pauzi bin Md. Yusof**

**Professor Dr. Ahmad Pauzi bin Md. Yusof**, aged 58, is our Deputy Vice Chancellor of Academic & Globalisation of Masterskill University College of Health Sciences. He obtained his Bachelor of Science in Physiology with Special Honours from University of Sheffield, United Kingdom in 1976, Master of Philosophy in Physiology and Pharmacology from University of Nottingham, United Kingdom in 1980 and Doctor of Philosophy in Physiology from University of Birmingham, United Kingdom in 1986. He joined the School of Pharmaceutical Sciences, Universiti Sains Malaysia, Penang as a lecturer in 1980, and became an Associate Professor in 1988 and a Professor from 1997 to 2008. During his tenure at Universiti Sains Malaysia, Penang, he worked as the Program Chairman for Physiology since 1981, the Deputy Dean of the School of Pharmaceutical Sciences from 1995 to 1996 and the Dean of the School of Pharmaceutical Sciences from 1996 to 2002. He joined our Group in 2008 as the Deputy Vice Chancellor of Academic and Globalisation. He is currently responsible for providing strategic direction and leadership for the delivery of our overall academic and globalisation direction and ensuring that all aspects of the broad academic portfolio continue to develop. Dr. Ahmad has been awarded a number of fellowships and has taken sabbatical leaves at overseas universities, including the University of Leeds, Washington University and Tokyo Metropolitan Institute of Gerontology.

**(x) Dato' Professor Dr. Prom @ Proom Promwichit**

**Dato' Professor Dr. Prom @ Proom Promwichit**, aged 67 is our Deputy Vice Chancellor (Research and Innovation). He graduated with a Bachelor of Science in Nuclear Science and a Master of Science in Nuclear Science from the Commonwealth Centre of Advanced Studies, the Panjab University in 1973 and 1975 respectively. He was conferred with a PhD from Dundee University in 1982 for his research on Nuclear Safety. He has been with the Universiti Kebangsaan Malaysia for 32 years from 1976 to 2008 as an academic. In 2004, he began to serve the Group as an academic advisor on an ad-hoc basis until 2008 when he became our Deputy Vice Chancellor (Research and Innovation), a position he currently holds. He is currently responsible for leading strategic research and innovative performance in line with our strategic plan.

As an academician, he had initiated bachelor degree programmes in Nuclear Technology in Medicine, Industrial Sciences, as well as other diploma, degree and postgraduate programmes in association with other colleagues in the Universiti Kebangsaan Malaysia. On research credibility, he had a research breakthrough on radiotherapy treatment of cancer patients and other new findings associated with ionizing radiation and non-ionizing radiation hazards towards health. He is also active on research in herbal medicine and other areas of his interest.

He received the Dato' Setia Paduka Tuanku Syed Sirajuddin Jamalullail (DSPJ) award, which also carries the Datuk title, in 2008 from Raja of Perlis, Tuanku Syed Sirajuddin Syed Putra Jamalullail and Kesatria Mangku Negara in 1994 from the Yang di-Pertuan Agong.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

(xi) **Dr. Naginder Singh**

**Dr. Naginder Singh**, aged 60, is our Vice President of Branch Academic Coordination. He obtained his Bachelor of Medicine and Bachelor of Surgery from the University of Mysore, India in 1980 under a state scholarship from the Pahang State Government. He did his housemanship in Hospital Kuantan from 1980 to 1981. He worked as a medical officer at Hospital Besar Kelang from 1981 to 1984 and at Hospital Ipoh from 1984 to 1985. From 1985 to 1991, he worked as a trainee lecturer in Psychiatry at University Kebangsaan Malaysia. He returned to Hospital Besar Kelang as a medical officer in 1991. He later worked for Pejabat Kesihatan Gombak from 1994 to 1999 as a medical officer and for Polyclinic Jalan Mosque, Kuching from 1999 to 2000 as the medical officer in charge.

He managed Hospital Sibul, Sarawak from 2000 to 2001 and Hospital Pekan, Pahang from 2001 to 2002 as a director. In 2002 he was transferred to the Ministry of Health as the desk officer for five (5) disciplines including Pathology and Blood Banking Services. He then joined Hospital Putrajaya as its director in 2004 and retired from that position in 2006.

He continued to work as a medical officer at Poliklinik Selayang from June 2006 to December 2006, at Poliklinik Kampung Tunku from January to October 2007 and at Pusat Darah Negara from November 2007 to March 2009. He then joined Stemlife Sdn Bhd, a cord blood banking company, in 2007 as a Laboratory Director. In April 2007 he joined us as the Vice President Branch Academic Coordinator, a position which he currently holds. He is currently responsible for the overall performance of branch academic coordination.

In the course of his career, he was instrumental in achieving certification from the Malaysian Society of Quality in Health for Hospital Sibul, Sarawak and the ISO 9001:2001 for Hospital Putrajaya. He then went on to achieve the ISO 9001:2001 for Stemlife Sdn Bhd. where he was the Quality Management Representative. He is currently the Vice President of Rotary Club, Sungei Way, a position which he has held since 2006.

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**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

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**(xii) Dato' Associate Professor Dr. Ahmad bin Aman**

**Dato' Associate Professor Dr. Ahmad Bin Aman**, aged 65, is our Deputy Vice Chancellor, Students Affairs and Development since December 2009, providing leadership, vision and strategic direction for our Division of Student Affairs, shaping an environment which promotes excellence in student learning, academic success and personal growth and identifying and communicating the needs and concerns of our students. He obtained his Diploma in Agriculture from College of Agriculture/University Putra Malaysia in 1972, Bachelor of Science from Louisiana State University, USA in 1974, Master of Science in 1976 and PhD in Animal Breeding and Genetics from University of Arkansas, USA in 1979. He was a Research Officer at the Malaysian Agriculture Research and Development Institute ("MARDI") from September 1979 to January 1980 and the Head of MARDI Research Center of Pahang from January 1980 to January 1984. He was the Head of MARDI of Pahang from January 1984 to June 1989 and a Senior Research Officer of MARDI of Johor from June 1989 to 1998. From August 1993 to August 1994, he was a Visiting Fellow (Fulbright Malaysian American Fellowship Program) in Animal Science Department of the Cornell University, New York, USA. From March 1998 to February 1999, he was a Director of the Agricultural Experiment Station, Sultan Qaboos University in Sultanate of Oman. He retired in 1999. From September 2000 to April 2001, he was a consultant of the RAH Corporation, Malaysia. From August 2002 to June 2007, he was a member, board of director, chairman of the nomination committee and a member of audit committee of the Far East Holding Berhad. He was an Associate Professor of the Department of Biomedical Science, Faculty of Science, International Islamic University ("IIUM"), Malaysia from June 2003 until July 2009, a Deputy Dean of Student Affairs, Faculty of Science, IIUM from December 2006 to May 2008 and the Dean for the School of Biomedicine and Health since July 2009. He was a coordinator for Industrial Training, Faculty of Science, IIUM from June 2003 to May 2007. He is a life member of the Malaysian Society of Animal Production and a member of Malaysian Society of Genetics.

**(xiii) Assistant Professor Dr. Haji Azman bin Husain**

**Assistant Professor Dr. Haji Azman bin Husain**, aged 63, is the Dean for the School of Allied Health since October 2007. He graduated with a Diploma from the Public Health Institute, Malaysia of Royal Society of Health (United Kingdom) in 1970 and a Bachelor of Science in Health Care Practice Education from the University of Northumbria, United Kingdom in 1998. He later obtained a Master of Environment from University Putra Malaysia in 2001. He worked as a Health Inspector for the Ministry of Health, Malaysia from 1967 to 1980 and as a Senior Health Inspector for the same ministry from 1980 to 1995. He later became a Tutor in the School of Health Inspectors Malaysia from 1995 to 1998. He joined Universiti Teknologi MARA, Malaysia as a Lecturer in 1998. He joined us as a Principal in charge of the academic operations in 2005. He was subsequently promoted to his current position in 2008 and is responsible for overseeing the Group's academic operations.

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**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

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**(xiv) Assistant Professor Aminah binti Hashim**

**Assistant Professor Aminah binti Hashim**, aged 61, is the Dean for the School of Nursing since November 2007. She obtained a Diploma in Advance Nursing from University of Malaya in 1983 and subsequently graduated with a Bachelor of Science in Nursing Studies from University of Lancaster, United Kingdom in 1997. She obtained a Master of Business Administration from Universiti Sains, Malaysia in 2003. She is currently pursuing a doctorate in education from Open University, Malaysia. She worked as a Staff Nurse in various local government hospitals from 1974 to 1982. In 1984, she ventured into the education field by joining College of Nursing, Penang, Malaysia as a Nurse Educator. In 1986, she moved to College of Nursing, Bukit Mertajam, Malaysia as a Nurse Educator and was subsequently promoted in 2000 as Principal and transferred to the College of Nursing, Kedah. In March 2003, she was promoted to Senior Principal and rejoined College of Nursing, Penang, Malaysia. In 2004, she joined National Guard Health Affairs King Abdulaziz Al Ahasa Hospital, Saudi Arabia as their Director of Nursing. She subsequently joined us in 2005 as a Senior Lecturer and Deputy Principal of the School of Nursing and was subsequently promoted in May 2008 to her current position. She is currently responsible for overseeing and directing academic programmes, community and hospital partnerships and creating a strategic direction and vision for the delivery of quality and responsive curriculum and programmes.

**(xv) Colonel (Rtd.) Dr. G. Gopinath**

**Colonel (Rtd.) Dr. G. Gopinath**, aged 73, is our Dean of the School of Therapeutic Sciences. He graduated with a Bachelor of Medicine and a Bachelor of Surgery from Trivandrum Medical College, Kerala, India in 1965 under the Colombo Plan. He had since obtained further specialisations in Aerospace Medicine in 1969 and Aviation Medicine in 1971 from School of Aerospace, Texas, USA and Royal College of Surgeons and Physicians, London respectively. In 1993, he obtained a Doctor of Medicine (Alternative Medicines) from the Open International University for Complimentary Medicines.

His career began in Malaysia in 1967 as a medical officer in the government service in Johor Bahru Hospital and Muar Hospital before joining the Defence Ministry the following year as a medical officer with the rank of Captain. He was posted to the various Royal Malaysian Air Force ("RMAF") bases around the country. He established the Institute of Aviation Medicine (RMAF) in year 1976 and was the Director of the Institute of Aviation Medicine (RMAF) until his retirement in 1990. He was also concurrently the Director of Medical Services (RMAF) from 1976. He retired in 1990 after 23 years of dedicated service to Malaysia.

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**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

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Since joining our Group in 2006 as a Consultant, he has helped to formulate and prepare the programme content for both diploma and degree programmes for submissions to the MQA. Under his leadership, the school has flourished into four key areas of study, namely Physiotherapy, Occupation Therapy, Imaging and Radiography and Paramedical Sciences. He is currently responsible for the overall operations of our School of Therapeutic Sciences which covers the Department of Physiotherapy, Department of Occupational Therapy, Department of Medical Imaging and Department of Paramedic. He is also responsible in our planning, budgeting, scheduling, personnel matters, student discipline, curriculum development, instruction, staff development and is involved in various inter-related academic matters.

He was awarded the Pingat Sultan Ibrahim, Kesatria Mangku Negara and the 50<sup>th</sup> Anniversary Commemorative Medal for his service to the state, nation and community. He has been an enlisted honorary flight surgeon with the US Air Force in 1969.

**(xvi) Assistant Professor Muthappan s/o Muthupalaniappa**

**Assistant Professor Muthappan s/o Muthupalaniappa**, aged 58 is our Dean of the School of Pharmacy. He obtained a Bachelor of Pharmacy from Madurai Medical College, Madurai University, India in 1976 and Master of Pharmacy in Pharmaceutics (Bio-Pharmaceutics) from Nagpur University, India in 1979. He started his career at the Ministry of Health as a Pharmacist in 1980. He then joined Boots Inc, UK (in collaboration with Raza Manufacturing Sdn Bhd) as a production pharmacist in 1983 and was later promoted to a factory manager in 1984, a position he held until he left in 1987. From 1988 to 1989, he was engaged with Optisol Sdn Bhd as a factory manager. From 1989 to 1991, he was a consultant in Nova Scotia International (in collaboration with Confab Inc. Montreal). Subsequently, he worked as the General Manager (Manufacturing, Formulations and Regulatory) at Duo Pharma Sdn Bhd between 1992 and 1993. From 1994 to 2006, he worked at Pharm Malaysia Berhad as a General Manager (Manufacturing & Marketing). He joined us in 2007 as a Deputy Principal and has since 2008 held his current position. He is currently responsible for overseeing the academic management and operations of our School of Pharmacy and working closely with other departments and units on issues pertaining to the daily operations of our School of Pharmacy.

He was among the first in Malaysia to specialise in biopharmaceutics and pharmacokinetics. His experience encompassed all disciplines of pharmacy which include community pharmacy, wholesale, marketing, manufacturing, quality assurance and quality control and finance and regulatory affairs.

He has been a committee member of the Malaysian Pharmaceutical Society for 27 years since 1983 and a treasurer of the Kedah Perlis Chapter of the Malaysian Pharmaceutical Society for 14 years since 1996. He was also involved in research and development of 250 generic pharmaceutical formulations marketed currently. He was the main author for our Manual for Pharmacy Practice published by Prentice Hall in 2009.

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**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

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**13.2.2 Our Key Management's Shareholding**

Save for Dato' Sri Edmund Santhara whose interest in our Shares is disclosed in Section 13.1.2 of this Prospectus, none of our key management has an interest in our Shares as at the date of this Prospectus.

**13.2.3 Service Contracts of Key Management**

As at the date of this Prospectus, there are no existing or proposed service contracts between our key management personnel and us except as disclosed in Section 13.1.8 of this Prospectus.

**13.2.4 Involvement of Key Management in Other Businesses/Corporations**

Except as disclosed in Section 13.1.4 of this Prospectus, based on the declarations by our key management personnel, none of them are involved in the operations of other businesses or corporations save for Mohd Nasri bin Mohd Nordin. Details of his involvement are as follows:

- (i) Mohd Nasri bin Mohd Nordin is a director of the Malaysian Intellectual Development Foundation, which was set up by our Executive Director Dato' Sri Edmund Santhara to initiate corporate social responsibility programs for charity; and
- (ii) Dato' Professor Dr. Nik Rahimah Binti Nik Yacob is a:
  - (a) shareholder of the Ecomart Insight Consultancy Services Sdn Bhd, the principal activities of which are business of management and consultancy research and other related services; and
  - (b) shareholder and director of Beaumind Soft Sdn Bhd, the principal activities of which are software development, training and consultancy.

The involvement of our key management personnel in other businesses as highlighted above is not expected to affect their contribution to us.

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**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

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**13.2.5 Management Succession Plans**

We recognise the importance of ensuring continuity in our management in order to maintain our competitive edge over our competitors. Our Board believes that our continued success depends on, among other factors, the support and dedication of our management personnel. We have in place human resource strategies which include suitable compensation packages and structured succession planning. Our initiatives on succession planning include:

- (i) identifying key competencies and requirements for managers and higher positions and developing job and candidate profiles for management positions in line with our business goals, strategies and culture; and
- (ii) taking a proactive approach towards addressing talent management to ensure that we have talent readily available to undertake leadership positions throughout our Group.

In addition, our middle management are constantly exposed to various aspects of our business activities in order to ensure that they have a full understanding of the responsibilities and the decision making process and are equipped with the knowledge necessary for them to advance to senior management positions.

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### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

#### 13.3 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

Under the Act, substantial shareholders are shareholders who have an interest in not less than 5.0% of the voting shares in a company.

##### 13.3.1 Shareholdings

As at the date of this Prospectus, our Promoters and/or substantial shareholders and their interest in our Shares before and after the IPO are as follows:

##### Minimum Scenario

	Before the IPO			After the IPO		
	Direct No. of Shares	Indirect No. of Shares	%	Direct No. of Shares	Indirect No. of Shares	%
Substantial shareholders and Promoters						
MHL	169,199,855	-	45.87	-	157,784,420	38.49
Dato' Sri Edmund Santhara	106,947,310	-	28.99	-	103,366,009	25.22
CM-SPV	-	<sup>(1)</sup> 169,199,855	-	-	-	<sup>(1)</sup> 38.49
CPIHL	-	<sup>(2)</sup> 169,199,855	-	-	-	<sup>(2)</sup> 38.49
Sami Sindi	-	<sup>(3)</sup> 186,242,775	-	-	-	<sup>(3)</sup> 42.21
Substantial shareholders						
FEL	25,417,280	-	6.89	-	-	-
Lim Yong Seng, Stephen	-	<sup>(4)</sup> 25,417,280	-	-	-	6.89
Promoters						
AHHL	17,042,920	-	4.62	-	15,261,223	3.72

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

	Before the IPO			After the IPO		
	Direct	Indirect	%	Direct	Indirect	%
	No. of Shares	No. of Shares		No. of Shares	No. of Shares	
CAIL	-	<sup>(5)</sup> 17,042,920	4.62	-	<sup>(6)</sup> 15,261,223	3.72
CGIL	-	<sup>(6)</sup> 17,042,920	4.62	-	<sup>(6)</sup> 15,261,223	3.72
David Hand	-	<sup>(6)</sup> 17,042,920	4.62	-	<sup>(6)</sup> 15,261,223	3.72
Richard Scanlon	-	<sup>(7)</sup> 17,042,920	4.62	-	<sup>(7)</sup> 15,261,223	3.72

Notes:

- (1) Deemed interest by virtue of its shareholding interest in MHL pursuant to Section 6A of the Act.
- (2) Deemed interest by virtue of its shareholding interest in CM-SPV pursuant to Section 6A of the Act.
- (3) Deemed interest by virtue of his shareholding interest in CPIHL and CGIL pursuant to Section 6A of the Act.
- (4) Deemed interest by virtue of its shareholding interest in FEL pursuant to Section 6A of the Act.
- (5) Deemed interest by virtue of its shareholding interest in AHL pursuant to Section 6A of the Act.
- (6) Deemed interest by virtue of his/its shareholding interest in CAIL pursuant to Section 6A of the Act.
- (7) Deemed interest by virtue of its shareholding interest in CGIL pursuant to Section 6A of the Act.

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## 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

Maximum Scenario	Before the IPO			After the IPO		
	Direct No. of Shares	Indirect No. of Shares	%	Direct No. of Shares	Indirect No. of Shares	%
<b>Substantial shareholders and Promoters</b>						
MHL	169,199,855	-	45.87	88,208,370	-	21.51
Dato' Sri Edmund Santhara	106,947,310	-	28.99	90,551,079	-	22.09
CM-SPV	-	<sup>(1)</sup> 169,199,855	45.87	-	<sup>(1)</sup> 88,208,370	21.51
CPIHL	-	<sup>(2)</sup> 169,199,855	45.87	-	<sup>(2)</sup> 88,208,370	21.51
Sami Sindi	-	<sup>(3)</sup> 186,242,775	50.49	-	<sup>(3)</sup> 97,094,165	23.68
<b>Substantial shareholders</b>						
FEL	25,417,280	-	6.89	-	-	-
Lim Yong Seng, Stephen	-	<sup>(4)</sup> 25,417,280	6.89	-	-	-
<b>Promoters</b>						
AHHL	17,042,920	-	4.62	8,885,795	-	2.17
CAIL	-	<sup>(5)</sup> 17,042,920	4.62	-	<sup>(5)</sup> 8,885,795	2.17
CGIL	-	<sup>(6)</sup> 17,042,920	4.62	-	<sup>(6)</sup> 8,885,795	2.17
David Hand	-	<sup>(7)</sup> 17,042,920	4.62	-	<sup>(7)</sup> 8,885,795	2.17
Richard Scanlon	-	<sup>(7)</sup> 17,042,920	4.62	-	<sup>(7)</sup> 8,885,795	2.17



**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

**Notes:**

- (1) *Deemed interest by virtue of its shareholding interest in MHL pursuant to Section 6A of the Act.*
- (2) *Deemed interest by virtue of its shareholding interest in CM-SPV pursuant to Section 6A of the Act.*
- (3) *Deemed interest by virtue of his shareholding interest in CPIHL and CGIL pursuant to Section 6A of the Act.*
- (4) *Deemed interest by virtue of its shareholding interest in FEL pursuant to Section 6A of the Act.*
- (5) *Deemed interest by virtue of its shareholding interest in AHL pursuant to Section 6A of the Act.*
- (6) *Deemed interest by virtue of his/its shareholding interest in CAIL pursuant to Section 6A of the Act.*
- (7) *Deemed interest by virtue of its shareholding interest in CGIL pursuant to Section 6A of the Act.*

Except as set out above, we are not aware of any other person who directly or indirectly, jointly or severally, exercises control over us.

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### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

#### 13.3.2 Profiles of our promoters and substantial shareholders

Except for the profiles of Dato' Sri Edmund Santhara and Richard Scanlon which are set out in Section 13.1:1 of this Prospectus, the profiles of persons who are our Promoters and/or substantial shareholders are set out below:

##### (i) MHL

MHL is a substantial shareholder of our Company and a Promoter for the IPO. It has been involved in the affairs and business of our Company since 29 November 2006. MHL was incorporated in the Cayman Islands on 18 September 2006 and is principally an investment holding company. MHL has an authorized share capital of USD50,000 comprising 49,000 Class A shares of USD1.00 par value each and 1,000 Class B shares of USD1.00 par value each and an issued share capital of USD2.00 comprising 1 Class A share and 1 Class B share, which are wholly owned by CM-SPV.

As at the date of this Prospectus, the substantial shareholders of MHL and their respective shareholdings in MHL are as follows:

Substantial Shareholders	<----Direct---->		<----Indirect---->	
	No. of shares	%	No. of shares	%
CM-SPV	2	100	-	-
CPIHL	-	-	<sup>(1)</sup> 2	100
Sami Sindi	-	-	<sup>(2)</sup> 2	100

##### Notes :

- (1) Deemed interest pursuant to Section 6A of the Act by virtue of its shareholding interest in CM-SPV.  
 (2) Deemed interest pursuant to Section 6A of the Act by virtue of his shareholding interest in CPIHL.

As at the date of this Prospectus, the members of the board of directors of MHL and their respective shareholdings in MHL are as follows:

Directors	<----Direct---->		<----Indirect---->	
	No. of shares	%	No. of shares	%
Richard Scanlon	-	-	-	-
David Hand	-	-	-	-

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (*Cont'd*)

#### (ii) AHHL

AHHL is a Promoter for the IPO. It is an investment fund company which was registered in the Cayman Islands on 25 January 2008. The fund is a special purpose vehicle established solely to invest in shares of MEGB. AHHL has an authorised share capital of USD2,000,000 comprising 1,999,000 Class A shares of USD1.00 par value each and 1,000 Class B shares of USD1.00 par value each and an issued share capital of USD825,009 comprising 825,008 Class A shares and 1 Class B shares of USD1.00 par value each. The Class A shares, which have no voting rights, are held by numerous investors while the Class B share is held solely by CAIL.

As at the date of this Prospectus, the substantial shareholders of AHHL and their respective shareholdings in AHHL are as follows:

Substantial Shareholders	<---Direct--->		<---Indirect--->	
	No. of Class B shares	%	No. of Class B shares	%
CAIL	1	100	-	-
CGIL	-	-	<sup>(1)</sup> 1	100
David Hand	-	-	<sup>(2)</sup> 1	100
Richard Scanlon	-	-	<sup>(3)</sup> 1	100
Sami Sindi	-	-	<sup>(3)</sup> 1	100

**Notes :**

- (1) Deemed interest pursuant to Section 6A of the Act by virtue of its shareholding interest in CAIL.
- (2) Deemed interest pursuant to Section 6A of the Act by virtue of his shareholding interest in CAIL.
- (3) Deemed interest pursuant to Section 6A of the Act by virtue of their shareholding interest in CGIL.

As at the date of this Prospectus, the members of the board of directors of AHHL and their respective shareholdings in AHHL are as follows:

Director	<---Direct--->		<---Indirect--->	
	No. of Class B shares	%	No. of Class B shares	%
Richard Scanlon	-	-	<sup>(1)</sup> 1	100
Sami Sindi	-	-	<sup>(1)</sup> 1	100

**Note:**

- (1) Deemed interest pursuant to Section 6A of the Act by virtue of their shareholding interest in CGIL.

**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**
**(iii) CM-SPV**

CM-SPV is a substantial shareholder of our Company and a Promoter for the IPO and has been involved in the affairs and business of our Company since 29 November 2006. CM-SPV was incorporated in the Cayman Islands on 11 October 2006 as a special purpose vehicle for the sole purpose of accumulating investor funds for investment. CM-SPV has an authorized share capital of USD1,001,000, comprising 999,000 Class A shares, 1,000 Class B shares and 1,000 of Class C shares of USD1.00 par value each, with a paid-up capital of USD501,617 comprising 500,000 Class A shares, 1,000 Class B shares and 617 Class C shares of USD1.00 par value each. Class A shares and Class C shares have no voting rights whatsoever.

As at the date of this Prospectus, the substantial shareholders of CM-SPV and their respective shareholdings in CM-SPV are as follows:

Substantial Shareholders	<----Direct---->		<-----Indirect----->	
	No. of Class B shares	%	No. of Class B shares	%
CPIHL	1,000	100	-	-
Sami Sindi	-	-	<sup>(1)</sup> 1,000	100

**Note:**

(1) Deemed interest pursuant to Section 6A of the Act by virtue of his shareholding interest in CPIHL.

As at the date of this Prospectus, the members of the board of directors of CM-SPV and their respective shareholdings in CM-SPV are as follows:

Directors	<----Direct---->		<-----Indirect----->	
	No. of Class B shares	%	No. of Class B shares	%
Richard Scanlon	-	-	-	-
David Hand	-	-	-	-

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

#### (iv) CPIHL

CPIHL is a substantial shareholder of our Company and a Promoter for the IPO and has been involved in the affairs and business of our Company since 23 March 2007. CPIHL was incorporated in the Cayman Islands on 5 December 2005 and is principally an investment holding company. CPIHL has an authorised share capital of USD10,001, comprising 3,984 Class A shares, 3,320 Class B shares, 999 Class C shares, 999 Class D shares and 699 Class E shares of USD1.00 par value each, with a paid-up capital of USD10,001 comprising 3,984 Class A shares, 3,320 Class B shares, 999 Class C shares, 999 Class D shares and 699 Class E shares of USD1.00 par value each. Class A shares are the only shares having voting rights.

As at the date of this Prospectus, the substantial shareholder of CPIHL and his respective shareholdings in CPIHL is as follows:

Substantial Shareholder	<----Direct---->		<----Indirect---->	
	No. of Class A shares	%	No. of Class A shares	%
Sami Sindi	3,984	100	-	-

As at the date of this Prospectus, the members of the board of directors of CPIHL and their respective shareholdings in CPIHL are as follows:

Directors	<----Direct---->		<----Indirect---->	
	No. of Class A shares	%	No. of Class A shares	%
Sami Sindi	3,984	100	-	-
Richard Scanlon	-	-	-	-
David Hand	-	-	-	-
Anthony Francis Fernandes	-	-	-	-

#### (v) CAIL

CAIL is a Promoter for the IPO. CAIL was incorporated in the Cayman Islands on 4 February 2008 and is principally an investment holding company. CAIL has an authorized share capital of USD50,000, comprising 50,000 ordinary shares of USD1.00 par value each, and an issued share capital of USD10,000 comprising 8,500 ordinary shares of USD1.00 par value each owned by CGIL and 1,500 ordinary shares of USD1.00 par value each owned by David Hand.

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

As at the date of this Prospectus, the substantial shareholders of CAIL and their respective shareholdings in CAIL are as follows:

Substantial Shareholders	<----Direct---->		<----Indirect---->	
	No. of shares	%	No. of shares	%
David Hand	1,500	15	-	-
CGIL	8,500	85	-	-
Richard Scanlon	-	-	<sup>(1)</sup> 8,500	85
Sami Sindi	-	-	<sup>(1)</sup> 8,500	85

**Note:**

(1) Deemed interest pursuant to Section 6A of the Act by virtue of his shareholding interest in CGIL.

As at the date of this Prospectus, the sole member of the board of director(s) of CAIL is as follows:

Director	<----Direct---->		<----Indirect---->	
	No. of shares	%	No. of shares	%
Richard Scanlon	-	-	<sup>(1)</sup> 8,500	85

**Note:**

(1) Deemed interest pursuant to Section 6A of the Act by virtue of his shareholding interest in CGIL.

#### (vi) CGIL

CGIL is a Promoter for the IPO. CGIL was incorporated in the Cayman Islands on 21 February 2008 and is principally an investment holding company. CGIL has an authorized 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 substantial shareholders of CGIL and their respective shareholdings in CGIL are as follows:

Substantial Shareholders	<----Direct---->		<----Indirect---->	
	No. of shares	%	No. of shares	%
Richard Scanlon	1	50	-	-
Sami Sindi	1	50	-	-

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

As at the date of this Prospectus, the sole member of the board of director(s) of CGIL is as follows:

Director	<----Direct---->		<----Indirect---->	
	No. shares	of %	No. shares	of %
Richard Scanlon	1	50	-	-

**(vii) FEL**

FEL is a substantial shareholder of our Company. FEL was incorporated in the Cayman Islands on 1 October 2009 as a special purpose vehicle for the sole purpose of accumulating investor funds for investment. FEL has an authorized share capital of USD1,000,000, comprising 1,000,000 shares of USD1.00 par value each, with a paid-up capital of USD1 comprising 1 ordinary share of USD1.00 par value each.

As at the date of this Prospectus, the shareholder of FEL's ordinary share of USD1.00 par value each and the sole director of FEL is Lim Yong Seng, Stephen.

**(viii) David Hand**

**David Mc Kee Hand**, an American aged 36, is a promoter of the IPO. He graduated with a Bachelor of Arts from Yale University where he majored in Economics in 1996 and later obtained a Master of Business Administration from the Harvard Business School in 2004. He started his career at Morgan Stanley, New York in the Investment Banking Division as an analyst in 1996. In 1998, he was transferred to Morgan Stanley, Singapore as a senior analyst. In 1999, he left Morgan Stanley to co-found Crescent Venture Partners Ltd., New York, the predecessor of Crescent Point Group. He is presently a co-managing partner of Crescent Point Group and is responsible for overseeing the firm's investment portfolio in Asia. He is a director and shareholder of various Crescent Point Group companies and their portfolio investments.

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13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

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(ix) **Sami Sindi**

**Sami Ali Sindi**, a Saudi Arabian aged 44, is a substantial shareholder of the Company and promoter of the IPO. He graduated with a Bachelor of Arts with Honours in Jurisprudence from Oxford University in 1990 and obtained a Master of Laws from Harvard Law School in 1991. He started his career as a lawyer at White & Case, New York in 1991. He then joined Morgan Stanley, New York in the Investment Banking Division as an Associate in 1996 and was involved in all functions associated with corporate finance, financial and strategic advisory and product origination. In 1998, he was promoted to vice president and was transferred to Morgan Stanley, Singapore. In 2000, he left Morgan Stanley to co-found Crescent Venture Partners Ltd., New York, the predecessor of Crescent Point Group. He is currently a co-managing partner of Crescent Point Group where he is responsible for the firm's fund raising efforts and making principal investments in variety of industries. He is a director and shareholder of various Crescent Point Group companies and their portfolio investments. He is also a founder of Harvard Law School's Centre for Islamic Legal Studies and is a member of the New York Bar.

(x) **Lim Yong Seng, Stephen**

**Lim Yong Seng, Stephen**, aged 44, a Singaporean, is a substantial shareholder of the Company. He graduated with a Bachelor of Science from Simon Fraser University (Vancouver, Canada) in 1992. He started his career at ECS Healthcare Pte Ltd as an Analyst in 1992. In 1993, he joined ASSA ABLOY Hospitality Pte Ltd and ASSA ABLOY Hospitality Oceania (Australia), both subsidiaries of ASSA ABLOY Worldwide, a global leader of door opening solutions, where he worked in various roles and as a Managing Director from July 2001. After leaving ASSA ABLOY in December 2009, he is now pursuing his own personal business ventures.

MCL, MHL, AHHL, CM-SPV, CPIHL, CAIL and CGIL are affiliates of the Crescent Point Group.

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**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)****13.3.3 Changes in Promoters' and substantial shareholders' shareholdings in the Company for the past three (3) years**

The table below sets forth our Promoters' and/or our substantial shareholders' interest in our Shares for the past three (3) years up to the date of this Prospectus.

Promoters and substantial shareholders	As at 31 October 2007		As at 31 October 2008		After the conversion of ICPS, redemption and share split*					
	Direct	Indirect	Direct	Indirect	Direct	Indirect				
	No. of Shares*	%	No. of Shares*	%	No. of Shares	%				
MHL	-	-	(1)48,999	48.99	(1)48,999	48.99	169,199,855	45.87	-	-
Dato' Edmund Santhara	-	-	(1)48,999	48.99	(1)48,999	48.99	106,947,310	28.99	-	-
CM-SPV	-	-	(2)48,999	48.99	(2)48,999	48.99	-	-	(2) 169,199,855	45.87
CPJHL	-	-	(3)48,999	48.99	(3)48,999	48.99	-	-	(3) 169,199,855	45.87
Sami Sindi	-	-	-	-	(4)48,999	48.99	-	-	(4) 186,242,775	50.49
<b>Substantial shareholders</b>										
MCL	48,999	48.99	-	-	48,999	48.99	-	-	-	-
Ladang Naga	51,000	51.00	-	-	51,000	51.00	9,478,295	2.57	-	-
YM Raja Azmi	-	-	(5)99,999	99.99	(5)99,999	99.99	-	-	(6) 9,478,295	2.57
FEL	-	-	-	-	-	-	25,417,280	6.89	-	-
Lim Yong Seng, Stephen	-	-	-	-	-	-	-	-	(7) 25,417,280	6.89

## 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

Promoters	As at 31 October 2007		As at 31 October 2008		After the conversion of ICPS, redemption and share split <sup>#</sup>		
	Direct No. of Shares*	Indirect No. of Shares*	Direct No. of Shares*	Indirect No. of Shares*	Direct No. of Shares	Indirect No. of Shares	
	%	%	%	%	%	%	
AHHL	-	-	-	-	17,042,920	4.62	-
CAIL	-	-	-	-	-	-	( <sup>(6)</sup> ) 17,042,920 4.62
CGIL	-	-	-	-	-	-	( <sup>(6)</sup> ) 17,042,920 4.62
David Hand	-	-	-	-	-	-	( <sup>(6)</sup> ) 17,042,920 4.62
Richard Scanlon	-	-	-	-	-	-	( <sup>(10)</sup> ) 17,042,920 4.62

## Notes:

- \* Ordinary shares of RM1.00 each in MEGB
- # Please refer to Section 14.1 for further details on the conversion of ICPS, redemption and share split, which constitute the pre-Listing restructuring exercise.
- (1) Deemed interest by virtue of his/its shareholding interest in MCL pursuant to Section 6A of the Act.
- (2) Deemed interest by virtue of its shareholding interest in MHL pursuant to Section 6A of the Act.
- (3) Deemed interest by virtue of its shareholding interest in CM-SPV pursuant to Section 6A of the Act.
- (4) Deemed interest by virtue of his shareholding interest in CPIHL and CGIL pursuant to Section 6A of the Act.
- (5) Deemed interest by virtue of his shareholding interest in MCL and Ladang Naga pursuant to Section 6A of the Act.
- (6) Deemed interest by virtue of his shareholding interest in Ladang Naga pursuant to Section 6A of the Act.
- (7) Deemed interest by virtue of its shareholding interest in FEL pursuant to Section 6A of the Act.
- (8) Deemed interest by virtue of its shareholding interest in AHHL pursuant to Section 6A of the Act.
- (9) Deemed interest by virtue of his/its shareholding interest in CAIL pursuant to Section 6A of the Act.
- (10) Deemed interest by virtue of his shareholding interest in CGIL pursuant to Section 6A of the Act.

There has been no change in our substantial shareholders' and/or our Promoters' interest in our Shares from the Latest Practicable Date up to the date of this Prospectus.

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**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**


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**13.4 RELATIONSHIPS OR ASSOCIATIONS BETWEEN OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS**

Save as disclosed, there are no family relationships/associations between our Directors, key management, substantial shareholders and Promoters.

<b>Name</b>	<b>Relationship/Association</b>
Richard Scanlon	Richard Scanlon, a Promoter and Director of our Company, controls AHHL together with Sami Sindi through CGIL and CAIL. Richard Scanlon, Sami Sindi and David Hand are founding partners of Crescent Point Group.
Derby Russ Ng	Derby Russ Ng, alternate director to Richard Scanlon, is a director of Crescent Point Group. Crescent Point Group is controlled by Sami Sindi, David Hand and Richard Scanlon.
AHHL	AHHL is a Promoter of our Company and is a fund controlled by Richard Scanlon and Sami Sindi through CGIL and CAIL. Richard Scanlon, Sami Sindi, CGIL and CAIL are also substantial shareholders and Promoters of our Company.
FEL	FEL is a substantial shareholder of our Company and is a fund controlled by Lim Yong Seng, Stephen.
MHL	MHL is a substantial shareholder and Promoter of our Company and is controlled by Sami Sindi through CPIHL and CM-SPV. Sami Sindi, CPIHL and CM-SPV are also substantial shareholders and Promoters of our Company.
CAIL	CAIL is a Promoter of our Company and is controlled by David Hand and CGIL. CGIL is controlled by Richard Scanlon and Sami Sindi. CAIL holds the sole voting share in AHHL.
CGIL	CGIL is a Promoter of our Company and is controlled by Richard Scanlon and Sami Sindi. Both AHHL and CAIL are subsidiaries of CGIL.
CM-SPV	CM-SPV is a substantial shareholder and Promoter of our Company and is controlled by Sami Sindi through CPIHL. CM-SPV owns all the voting shares in MHL.
CPIHL	CPIHL is a substantial shareholder and Promoter of our Company and is controlled by Sami Sindi who owns all the voting shares of CPIHL. Both MHL and CM-SPV are subsidiaries of CPIHL.
David Hand	David Hand, a Promoter of our Company, is a substantial shareholder of CAIL which in turn controls AHHL. David Hand, Sami Sindi and Richard Scanlon are founding partners of Crescent Point Group.

**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

Name	Relationship/Association
Sami Sindi	Sami Sindi, a substantial shareholder and Promoter of our Company controls MHL through CPIHL and CM-SPV and together with Richard Scanlon (through CGIL) and David Hand, controls AHHL through CAIL. Sami Sindi, Richard Scanlon and David Hand are founding partners of Crescent Point Group.
Lim Yong Seng, Stephen	Lim Yong Seng, Stephen, a substantial shareholder of our Company, controls FEL and is the sole director of FEL.

**13.5 DECLARATION BY OUR DIRECTORS, KEY MANAGEMENT AND PROMOTERS**

Except as disclosed below, none of our Directors, key management or Promoters is or has been involved in the following events (whether in or outside Malaysia):

- (i) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a Director or key personnel;
- (ii) disqualified from acting as a director of any corporation or from taking part, directly or indirectly, in the management of any corporation;
- (iii) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) any judgment was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (v) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

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### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

#### 13.6 EMPLOYEES

Our total workforce for the past three (3) FYE 2009 is as follows:

	<----- As at 31 December ----->		
	2007	2008	2009
Number of employees	442	797	980

As at the Latest Practicable Date, the total number of our employees (excluding our part-time academic staff) broken down by their job scopes are as follows:

Category of employees	No. of employees					Average years in service
	Less than 3 years	3 years	More than 3 year	Total Employees		
				Full time	Contractual	
Management and professionals	26	2	14	26	16	2.36
Academic (Lecturers and clinical instructors)	616	26	52	527	167	1.06
Executives	196	4	15	207	8	0.94
Clerical and Technicians	100	5	2	105	2	0.85
<b>TOTAL</b>	<b>938</b>	<b>37</b>	<b>83</b>	<b>865</b>	<b>193</b>	-

Our management believes that good human resource management is critical to our business and that a dedicated, well-trained and efficient workforce is essential for our success. Our management enjoys good working relationships with our employees and none of our employees belong to any union. As at the Latest Practicable Date, we have not been involved in any material industrial disputes with any of our employees.

We typically recruit experienced academic staff from local and overseas universities and hospitals. As at the Latest Practicable Date, of our total 801 academic staff (including part-time academic staff), 589 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.

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**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**


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**Training and Development**

We believe that our employees are key assets that play a pivotal role towards our continuous growth and we recognise the importance of retaining quality employees. It is our policy to encourage the development and training of our employees for the improvement of overall skill sets for the enhancement of productivity. We believe that professional training and development is a continuing process and encourage our employees to improve their skills and knowledge through hands-on training and academic studies.

We have been consistently providing our personnel with various training programmes, both in-house and externally conducted. The amounts spent on training, both in-house and externally for the past three (3) FYE 2009 is as follows:

	<-----As at 31 December ----->		
	2007 (RM)	2008 (RM)	2009 (RM)
Training and development expenses	78,529	638,146	648,194

We believe in motivating our employees by providing opportunities for progressive career growth, and we provide these training opportunities for employees to enhance their work performance in order to assume wider job responsibilities.

We continuously strive to promote a healthy and comfortable working environment among employees by organising recreational events such as annual dinners, team building exercises and company trips.

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## 14. LISTING SCHEME AND APPROVALS

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### 14.1 LISTING SCHEME

In conjunction with, and as integral part of our Listing on the Main Market of Bursa Securities, we undertook a restructuring exercise involving the following:-

#### 14.1.1 Conversion of ICPS

The holders of ICPS in MEGB, namely MCL, AEIL and Ladang Naga, converted a total of 73,681,156 ICPS into 73,681,156 ordinary shares of RM1.00 each in MEGB on the basis of 1 new ordinary share for each existing ICPS.

Upon completion of the conversion on 24 March 2010, our issued and paid-up share capital became RM73,781,156.00 comprising 73,781,156 ordinary shares of RM1.00 each in MEGB.

#### 14.1.2 Redemption

Upon completion of the conversion of ICPS, the existing shareholders of MCL, namely, MHL, Dato' Sri Edmund Santhara, AHHL, REMA Capital Holdings, N3 (Cayman) Ltd, N4 (Cayman) Ltd, FEL and REMA II redeemed their shares in MCL and in consideration received 70,049,000 ordinary shares of RM1.00 each in MEGB held by MCL on the basis of 700.49 ordinary shares of RM1.00 each in MEGB for every 1 share of USD1.00 each in MCL held, while MCL retained 1,541,497 ordinary shares of RM1.00 each in MEGB.

The Redemption was completed on 26 March 2010 and as such, MHL, Dato' Sri Edmund Santhara, AHHL, REMA Capital Holdings, N3 (Cayman) Ltd, N4 (Cayman) Ltd, FEL and REMA II became our direct shareholders.

#### 14.1.3 Share Split

Upon completion of the conversion of the ICPS and the redemption, we effected a share split of 1 existing ordinary share of RM1.00 each in MEGB held into 5 Shares.

The share split was completed on 27 March 2010 and resulted in our number of shares increasing from 73,781,156 ordinary shares of RM1.00 each to 368,905,780 Shares.

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**14. LISTING SCHEME AND APPROVALS (Cont'd)**

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**14.1.4 IPO**

In conjunction with the Listing, we and the Selling Shareholders will be making available up to 164,000,000 Offer Shares and 41,000,000 Issue Shares respectively as follows:

**(I) 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.

**(II) 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 outside the United States in reliance on Regulation S under the US Securities Act at the Institutional Price pursuant to the Institutional Offering.



## 14. LISTING SCHEME AND APPROVALS (Cont'd)

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) 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.

### 14.1.5 Proposed Listing

In conjunction with the Offer for Sale and Public Issue, we have applied to be admitted to the Official List of the Main Market of Bursa Securities and for the listing of and quotation for our entire enlarged issued and paid-up share capital comprising 409,905,780 Shares.

## 14.2 APPROVALS

1. The SC has in its letters dated 26 September 2008 and 24 March 2010 approved the IPO under Section 212(5) of the CMSA and the extension of time of 12 months until 25 September 2010 to implement the proposed flotation on the Main Market of Bursa Securities, subject to compliance with the following conditions:

Details of Conditions Imposed	Status of Compliance
(i) MEGB to disclose in the listing prospectus the intention for the purchase of the property held under Malay Reserve land known as Geran 13627, Lot 342 Seksyen 21, Bandar Kota Bharu, Negeri Kelantan and any legal implications. MEGB is to also make the quarterly announcements to Bursa Securities on the status of the proposed disposal and update the SC when such announcements are made to Bursa Securities.	Complied. Please refer to section 11.1 (27) of this Prospectus. Masterskill is the registered and beneficial owner of the Malay Reserve land known as Geran 13627, Lot 342 Seksyen 21, Bandar Kota Bharu, Negeri Kelantan.

## 14. LISTING SCHEME AND APPROVALS (Cont'd)

Details of Conditions Imposed	Status of Compliance
(ii) MEGB to disclose the status of the Certificate of Fitness ("CF") applications of the buildings (Pajakan Negeri Nos. 89530 and 89531, Lot Nos. 181679 and 181680, both in the Mukim of Hulu Kinta and District of Kinta, Perak; and HS(M) 4900, PT No. 5707 in the Mukim and District of Hulu Langat, Negeri Selangor) and the risk exposed to MEGB given the absence of the CF as well as any mitigation factors, in the listing prospectus.	<p>Complied.</p> <p>Masterskill has obtained the certificate of completion and compliance dated 16 February 2009 in respect of the buildings (Pajakan Negeri Nos. 89530 and 89531, Lot Nos. 181679 and 181680, both in the Mukim of Hulu Kinta and District of Kinta, Perak).</p> <p>Masterskill has obtained the partial certificate of completion and compliance dated 5 April 2010 in respect of the building (GM 5105, Lot 13158 (formerly known as HS(M) 4900, PT No. 5707) in the Mukim and District of Hulu Langat, Negeri Selangor). The building has not been issued with the certificate of completion and compliance yet.</p> <p>By-law 27(2) of Selangor Uniform Building By-Laws 1986 further provides that a partial certificate of completion and compliance once issued shall remain effective until the whole of the building is completed and a certificate of completion and compliance is issued in pursuance of by-law 25. A certificate of completion and compliance in Form F will be issued approximately thirty (30) days upon compliance of all requirements to the satisfaction of the relevant qualified person as defined in the Street, Drainage and Building Act, 1974 (i.e. the professional architect, professional engineer or building draughtsman registered under any written law relating to the registration thereof).</p>
(iii) CIMB should comply with the relevant requirements relating to the implementation of the flotation proposal as stipulated in the Guidelines on the Offering of Equity and Equity-Linked Securities	Noted

## 14. LISTING SCHEME AND APPROVALS (Cont'd)

Details of Conditions Imposed	Status of Compliance
(iv) For the purpose of complying with the National Development Policy ("NDP") requirement, at least 30% of the enlarged share capital upon listing of MEGB should be held by Bumiputera shareholders. The existing Bumiputera shareholders in Masterskill should be recognised by MITI and the allocation and nomination of new Bumiputera investors should be approved by MITI	N/A. The requirement for listed companies to have 30% Bumiputera equity is no longer required pursuant to the announcement made by our Prime Minister on 30 June 2009. Notwithstanding that, we have complied with the 12.5% Bumiputera equity condition imposed by the SC, by offering half of the 25% public shareholding spread required to Bumiputera investors
(v) CIMB/ MEGB to inform the SC on the status of the compliance with the NDP requirement upon completion of the listing exercise.	N/A
(vi) Pursuant to the proposed price stabilisation mechanism, the stabilising manager is allowed to borrow up to 30,750,000 MEGB Shares (" <b>Borrowed Shares</b> ") from MHL and AHHL (" <b>Lending Shareholders</b> "), who are also promoters of MEGB. These Borrowed Shares shall be immediately placed under moratorium upon their return to the Lending Shareholders. However, the six (6)-month period of moratorium of those Borrowed Shares will begin from the date of admission of MEGB on Bursa Securities.	N/A. The Company will not be implementing an over-allotment
(vii) MEGB should fully disclose in its listing prospectus the background of the legal suits in relation to the dispute involving the shares in Masterskill, including the outcome and impact of the said suits on MEGB	Complied
(viii) Allocation of 50% of the public spread requirement to Bumiputera investors, including the shares offered under the balloted public offer portion, of which 50% are to be offered to retail Bumiputera investors. In the event that MEGB/ MITI is unable to allocate all the 41,000,000 Offer Shares (representing 10.0% of the enlarged issued and paid-up share capital of MEGB) to Bumiputera investors under Institutional Offering (" <b>Bumiputera Institutional Tranche</b> "), up to 10,250,000 unsubscribed MEGB Shares will be clawed back and allocated to Bumiputera retail investors (" <b>Bumiputera Retail Tranche</b> "). This clawback arrangement will kick in when there is an over-subscription under the Bumiputera Retail Tranche and a corresponding under-subscription under the Bumiputera Institutional Tranche. For further balance from the Bumiputera Institutional Tranche, the MEGB Shares will be clawed back and allocated to other institutional investors under the Institutional Offering. Both the above clawback arrangements are provided by MEGB in its undertaking letter to the SC dated 15 March 2010.	Noted

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**14. LISTING SCHEME AND APPROVALS (Cont'd)**


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The SC has in its letter dated 20 April 2010 approved our application for a waiver from making available for public inspection sensitive and/or confidential information contained in the service agreement dated 1 January 2010 entered into between MEGB and Dato' Sri Edmund Santhara for the employment of Dato' Sri Edmund Santhara as the Group Chief Executive Officer of MEGB. For the salient terms of the service agreement, please refer to Section 13.1.8 of this Prospectus.

2. The SC (Equity Compliance Unit) has in its letter dated 18 March 2010 approved the clawback arrangement set out in Section 4.3.3 of this Prospectus subject to compliance with the following condition:

<b>Details of Conditions Imposed</b>	<b>Status of Compliance</b>
--------------------------------------	-----------------------------

- |   |       |
|---|-------|
| (i) To comply 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 MEGB Shares in Bumiputera balloting tranche under the Retail Offering (" <b>Bumiputera Retail Tranche</b> ") and a corresponding under-subscription of MEGB Shares from the 41,000,000 Offer Shares (representing 10.0% of the enlarged issued and paid-up share capital of MEGB) offered to Bumiputra institutional investors approved by MITI (" <b>Bumiputera Institutional Tranche</b> "), up to 10,250,000 MEGB 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 MEGB Shares not allotted under Bumiputera Institutional Tranche will be clawed back and allocated to other institutional investors under the Institutional Offering. | Noted |
|---|-------|

3. The SC has in its letter dated 18 March 2010 exempted MHL and persons acting in concert with it ("**PAC**"), namely AHHL, CAIL, CGIL, CM-SPV, CPIHL, David Hand, Richard Scanlon, and MCL under Practice Note 2.9.6 of the Malaysian Code on Take-overs and Mergers, 1998 ("**Code**") from making a mandatory offer over the remaining voting shares in MEGB ("**Exemption**") subject to compliance with the following conditions:

<b>Details of Conditions Imposed</b>	<b>Status of Compliance</b>
--------------------------------------	-----------------------------

- |   |       |
|---|-------|
| (i) Please take note that the Appendix to the Exemption is an integral part of the decision and all provisions under Securities Commission Act, 1993, the Code, as well as relevant guidelines, notices and circulars issued governed by the SC shall be complied with. CIMB, MHL and PACs, and MCL are reminded that any breaches or non-compliance with any conditions of the Exemption under the SCA can be considered as an offence and penalties may be imposed as provided under the SCA. | Noted |
|---|-------|

**14. LISTING SCHEME AND APPROVALS (Cont'd)**

4. The MITI, in its letter dated 11 March 2010, has stated that it has no objection to the IPO, subject to compliance with the following conditions:

<b>Details of Conditions Imposed</b>	<b>Status of Compliance</b>
(i) Allocation for the offer for sale of 41,000,000 units (10.00% of the enlarged share capital of MEGB after IPO) of shares are Bumiputera special shares subject to the approval of MITI and its distribution will be carried out after this proposed listing has obtained SC's approval.	Noted
(ii) For monitoring purposes, the company is required to notify MITI upon the completion of the proposed listing.	Noted

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**14. LISTING SCHEME AND APPROVALS (Cont'd)****14.3 MORATORIUM ON THE SALE OF SHARES**

Pursuant to the SC Guidelines, Shares held by our Promoters amounting to 270,108,601 Shares or 65.90% (in the case of Minimum Scenario) or 187,493,360 Shares or 45.74% (in the case of Maximum Scenario) of our nominal issued and paid-up share capital at the date of admission of our Company to the Official List of the Main Market of Bursa Securities are to be placed under moratorium. In this respect, our Promoters whose Shares are subject to moratorium are set out below:

**Minimum Scenario**

Promoters	<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%
MHL	157,784,420	38.49	-	-
Dato' Sri Edmund Santhara	103,366,009	25.22	-	-
CM-SPV	-	-	<sup>(1)</sup> 157,784,420	38.49
CPIHL	-	-	<sup>(2)</sup> 157,784,420	38.49
Sami Sindi	-	-	<sup>(3)</sup> 173,045,643	42.21
AHHL	15,261,223	3.72	-	-
CAIL	-	-	<sup>(4)</sup> 15,261,223	3.72
CGIL	-	-	<sup>(5)</sup> 15,261,223	3.72
David Hand	-	-	<sup>(5)</sup> 15,261,223	3.72
Richard Scanlon	-	-	<sup>(6)</sup> 15,261,223	3.72

**Notes:**

- # The actual percentage of shareholdings shall vary and/or be adjusted accordingly based on the level of subscription for the IPO Shares.
- (1) Deemed interest by virtue of its shareholding interest in MHL pursuant to Section 6A of the Act.
- (2) Deemed interest by virtue of its shareholding interest in CM-SPV pursuant to Section 6A of the Act.
- (3) Deemed interest by virtue of his shareholding interest in CPIHL and CGIL pursuant to Section 6A of the Act.
- (4) Deemed interest by virtue of its shareholding interest in AHHL pursuant to Section 6A of the Act.
- (5) Deemed interest by virtue of his/its shareholding interest in CAIL pursuant to Section 6A of the Act.
- (6) Deemed interest by virtue of its shareholding interest in CGIL pursuant to Section 6A of the Act.

## 14. LISTING SCHEME AND APPROVALS (Cont'd)

## Maximum Scenario

Promoters	<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%
MHL	88,208,370	21.51	-	-
Dato' Sri Edmund Santhara	90,551,079	22.09	-	-
CM-SPV	-	-	<sup>(1)</sup> 88,208,370	21.51
CPIHL	-	-	<sup>(2)</sup> 88,208,370	21.51
Sami Sindi	-	-	<sup>(3)</sup> 97,094,165	23.68
AHHL	8,885,795	2.17	-	-
CAIL	-	-	<sup>(4)</sup> 8,885,795	2.17
CGIL	-	-	<sup>(5)</sup> 8,885,795	2.17
David Hand	-	-	<sup>(5)</sup> 8,885,795	2.17
Richard Scanlon	-	-	<sup>(6)</sup> 8,885,795	2.17

**Notes:**

- # The actual percentage of shareholdings shall vary and/or be adjusted accordingly based on the level of subscription for the IPO Shares.
- (1) Deemed interest by virtue of its shareholding interest in MHL pursuant to Section 6A of the Act.
- (2) Deemed interest by virtue of its shareholding interest in CM-SPV pursuant to Section 6A of the Act.
- (3) Deemed interest by virtue of his shareholding interest in CPIHL and CGIL pursuant to Section 6A of the Act.
- (4) Deemed interest by virtue of its shareholding interest in AHHL pursuant to Section 6A of the Act.
- (5) Deemed interest by virtue of his/its shareholding interest in CAIL pursuant to Section 6A of the Act.
- (6) Deemed interest by virtue of its shareholding interest in CGIL pursuant to Section 6A of the Act.

Our Promoters have fully accepted the moratorium. They will not be permitted to sell, transfer or assign any part of their respective interest in the Shares under moratorium for a six (6) month period beginning from the date of our admission to the Official List of the Main Market of Bursa Securities (the "**Moratorium Period**").

The moratorium also applies to the ultimate shareholders of voting shares in MHL and AHHL, who have provided written undertakings that they will not sell, transfer or assign their shareholdings in those respective companies during the Moratorium Period.

The above moratorium restrictions are specifically endorsed on the share certificates representing the respective Shares held by our Promoters which are under moratorium to ensure that the Company's share registrar does not register any transfer that contravenes such restrictions.

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## 15. UNDERWRITING FOR THE RETAIL OFFERING

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On 9 April 2010, we, the Selling Shareholders and the Underwriter entered into the Retail Underwriting Agreement, pursuant to which the Underwriter agreed to underwrite 25,500,000 Issue Shares ("**Underwritten Shares**") to be issued under the Retail Offering, subject to clawback and reallocation.

The salient terms of the Retail Underwriting Agreement are:

- 15.1 In consideration of the underwriting commission, and relying upon each of the representations, warranties and undertakings by us and the Selling Shareholders ("**Warranties**"), the Underwriter agreed to, subject to clawback and reallocation, subscribe and/or procure the subscription for the Underwritten Shares not taken up or duly applied for on the last day and time for the acceptance of and payment for the Retail Offering in accordance with this Prospectus and the Application Form or any such date as may be extended from time to time in accordance with the Retail Underwriting Agreement ("**Closing Date**") upon the terms and subject to the conditions of the Retail Underwriting Agreement.
- 15.2 The agreement of the Underwriter to underwrite the Underwritten Shares is entered into on the basis of the Warranties contained in the Retail Underwriting Agreement. Without prejudice to the other rights and remedies of the Underwriter, the Company and the Selling Shareholders undertook with the Underwriter that they will hold the Underwriter and its directors, officers, employees, agents, subsidiaries and Affiliates, fully and effectually indemnified against any losses, claims, damages or liabilities to which they may become subject under any statute, at common law or otherwise, and reimburse the Underwriter for any legal fees (on solicitor and client basis) or other expenses (including the cost of any investigation and preparation) incurred by it in disputing or defending any claim or action or other proceeding in connection with any litigation, whether or not resulting in any liability, insofar as such losses, claims, damages, liabilities or litigation arise out of, or are based upon, any untrue statement or alleged untrue statement contained in this Prospectus or the Warranties or any omission or alleged omission to state therein a material fact required or necessary to be stated therein or to make the statements therein misleading or any misrepresentation or breach or alleged breach of any of the aforesaid Warranties by the Company and the Selling Shareholders and such indemnity shall extend to include all costs, charges and expenses which the Underwriter may pay or incur in disputing or defending any claim or action or other proceeding in respect of which indemnity may be sought against the Company and the Selling Shareholders.
- 15.3 For the purpose of the Retail Underwriting Agreement, an Affiliate of, or a person affiliated with, a specified person means a person that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.
- 15.4 The obligation of the Underwriter to underwrite the Underwritten Shares as provided under the Retail Underwriting Agreement is conditional upon the fulfilment and/or satisfaction of the following:
  - 15.4.1 Bursa Securities having granted approval in principle for the Listing on terms satisfactory to the Underwriter and the Underwriter being satisfied that such listing and quotation will be granted within two (2) Market Days after submission to Bursa Securities of the requisite documents;



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15. UNDERWRITING FOR THE RETAIL OFFERING (*Cont'd*)

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- 15.4.2 there not having been, on or prior to the Closing Date:
- (i) any adverse change or any development reasonably likely to involve a prospective adverse change in the condition (financial or otherwise) of the Company or any member of the Group from that set forth in this Prospectus which is material in the context of the issue and offering of the Shares; or
  - (ii) the occurrence of any event rendering any Warranty contained in the Retail Underwriting Agreement to be untrue or incorrect as though such Warranty had been given or made on such date;
- 15.4.3 the Public Issue and the Offer for Sale pursuant to and in accordance with the provisions of the Retail Underwriting Agreement and in this Prospectus not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any regulatory body or authority of Malaysia (including Bursa Securities);
- 15.4.4 there having been, as at any time from the date of the Retail Underwriting Agreement up to and including the Closing Date, no event of default pursuant to the provisions in the Retail Underwriting Agreement, and no breach of any representation, warranty, covenant, undertaking or obligation of the Company in the Retail Underwriting Agreement or which is contained in any certificate, statement, or notice provided under or in connection with the Retail Underwriting Agreement in any respect;
- 15.4.5 the lodging with the Registrar of Companies, Malaysia of a copy of this Prospectus for lodgement in accordance with the requirements of Section 234 of the CMSA together with copies of all documents required under the CMSA;
- 15.4.6 the execution of the Placement Agreement and such agreement not having been terminated or rescinded pursuant to the provisions thereof (whereby for the avoidance of doubt, the execution of the Placement Agreement by the Joint Bookrunners shall be at the sole discretion of the Joint Bookrunners), provided that all payment in relation to the Placement Agreement have been fully satisfied;
- 15.4.7 the execution of the lock-up deeds to be entered into by the Company, Masterskill Holding Ltd., Asia Healthcare Holdings I Ltd., Ladang Naga Sdn. Bhd. and Dato' Sri Edmund Santhara in respect of their Shares in favour of the Joint Bookrunners ("**Lock-up Deeds**") and such agreement not having been terminated or rescinded pursuant to the provisions thereof;
- 15.4.8 the delivery to the Underwriter, prior to the date of registration of this Prospectus with the SC, of a copy certified as a true copy by an authorised officer of the Company of all the resolutions of the Directors and the shareholders approving the Retail Underwriting Agreement, the Prospectus and authorising the execution of the Retail Underwriting Agreement, the issue and offer of the Issue Shares and the issue of the Prospectus;

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**15. UNDERWRITING FOR THE RETAIL OFFERING (Cont'd)**

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15.4.9 delivery to the Underwriter on the Closing Date, a certificate in the agreed form, signed by a duly authorised officer of the Company, dated the Closing Date, to the effect that the person who provides such certificate has carefully examined the Retail Underwriting Agreement and that:

- (i) the representations, warranties and undertakings of the Company are true, accurate and correct and not misleading in all respects on and as of the Closing Date as though they had been given and made on the Closing Date and the Company has complied with all the terms of the Retail Underwriting Agreement and satisfied all the conditions on its part under the Retail Underwriting Agreement to be performed and satisfied on or prior to the Closing Date;
- (ii) since the date of the Retail Underwriting Agreement, there has been no change or development that may have a Material Adverse Effect.

For the purpose of the Retail Underwriting Agreement, "Material Adverse Effect" means any material adverse effect or change, whether individually or in the aggregate, and whether or not arising in the ordinary course of business, on the condition (financial or otherwise), results of operations or business affairs or prospects of the Company and its subsidiaries taken as a whole; the ability of the Company and/or the Selling Shareholders, as the case may be, to perform in any material respect their obligations under or with respect to, or to consummate the transactions contemplated by the Retail Underwriting Agreement and the Placement Agreement; or the Listing, including the Public Issue and the Offer for Sale;

- (iii) the offer and sale of the Shares under the Public Issue and Offer for Sale are not being prohibited by any statutes or regulations promulgated or issued by any legislative or regulatory body in Malaysia;

15.4.10 delivery to the Underwriter on the Closing Date, a certificate in the agreed form, signed by a duly authorised officer of each of the Selling Shareholders (or where the Selling Shareholder is an individual, by the Selling Shareholder), dated the Closing Date, to the effect that the person who provides such certificate has carefully examined the Retail Underwriting Agreement and that:

- (i) the representations, warranties and undertakings of each of the Selling Shareholders are true, accurate and correct and not misleading in all respects on and as of the Closing Date as though they had been given and made on the Closing Date and each of the Selling Shareholders has complied with all the terms of the Retail Underwriting Agreement and satisfied all the conditions on its part under the Retail Underwriting Agreement to be performed and satisfied on or prior to the Closing Date;
- (ii) since the date of the Retail Underwriting Agreement, there has been no change or development that may have a Material Adverse Effect; and
- (iii) the offer and sale of the Shares under the Public Issue and Offer for Sale are not being prohibited by any statutes or regulations promulgated or issued by any legislative or regulatory body in Malaysia;

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**15. UNDERWRITING FOR THE RETAIL OFFERING (Cont'd)**

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- 15.4.11 the Underwriter having been reasonably satisfied that arrangements have been made by the Company to ensure payment of all expenses payable under the Retail Underwriting Agreement;
- 15.4.12 all necessary approvals and consents required in relation to the Listing, the Public Issue and the Offer for Sale, including but not limited to the approval of SC and other governmental approvals having been obtained and remaining in full force and effect until the Closing Date;
- 15.4.13 the issuance of this Prospectus within sixty (60) calendar days from the date of the Retail Underwriting Agreement or such other period which may be mutually agreed by the Company and the Underwriter in writing having occurred; and
- 15.4.14 the Company having fulfilled the public shareholding spread requirement contained in the Bursa Securities LR.
- 15.5 In the event any of the conditions in Section 15.4 above are not satisfied on or before three (3) Market Days after the Closing Date which in any case shall not be later than three (3) months from the date of the Retail Underwriting Agreement or such later date as agreed in writing by the Underwriter, the Underwriter may terminate the Retail Underwriting Agreement by notice in writing given to the Company and the parties shall be released and discharged from their respective obligations under the Retail Underwriting Agreement save and except for any antecedent breaches provided that the Underwriter may at its discretion waive compliance with any of the conditions in Section 15.4 above and any condition so waived shall be deemed to have been satisfied in relation to it.
- 15.6 The Underwriter may, at any time, be entitled to terminate its obligations under the Retail Underwriting Agreement by notice in writing delivered to the Company, if there shall have occurred, happened or come into effect, any of the following circumstances, on or before the date of the Listing, namely:
- 15.6.1 any breach of the Warranties set out in the Retail Underwriting Agreement by the Company or any of the Selling Shareholders or any withholding of information of a material nature from the Underwriter which would, in the reasonable opinion of the Underwriter, materially and adversely affect the Listing, the Public Issue or the Offer for Sale;
- 15.6.2 the Company and/or any of the Selling Shareholders withholds any material information from the Underwriter, which may, or is likely to, have a Material Adverse Effect;
- 15.6.3 there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of the Underwriter by reason of Force Majeure which would have or can reasonably be expected to have, a Material Adverse Effect. For the purpose of the Retail Underwriting Agreement, "Force Majeure" means causes which are unpredictable and beyond the reasonable control of the party claiming force majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including without limitation:
- (i) war, acts of warfare, armed conflict, invasion, incursion by armed forces, hijacking, acts of terrorism or serious threat of the same, hostilities, sabotage, mobilisation, blockage, embargo, detention, revolution, insurrection, riot, civil commotion, disorder, rebellion, looting, lockout, strike or other labour disputes;

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**15. UNDERWRITING FOR THE RETAIL OFFERING (Cont'd)**

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- (ii) any severe economic dislocation;
  - (iii) flood, fire, storm, earthquake, typhoon, tidal wave, plague or other epidemics, lightning, tempest, explosion, accident or any other Acts of God; or
  - (iv) any imposition or change of governmental laws, orders, regulations, sanctions or restrictions which prevents the parties from reasonably carrying out their obligations under the Retail Underwriting Agreement;
- 15.6.4 the imposition of a moratorium, suspension or material restriction on trading in securities generally on any market of Bursa Securities;
- 15.6.5 any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates which in the opinion of the Underwriter may, or is likely to, have a Material Adverse Effect. For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI ("Index") is, at the close of normal trading on Bursa Securities, on any Market Day:
- (i) on or after the date of the Retail Underwriting Agreement; and
  - (ii) prior to the Closing Date,
- lower than 85%, of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Retail Underwriting Agreement and remains at or below that level for at least three consecutive (3) Market Days, it shall be deemed a material adverse change in the stock market condition;
- 15.6.6 there is any material adverse change in the financial position or business prospects of the Company or the MEGB Group which in the reasonable opinion of the Underwriter is material in the context of the Listing, the Public Issue and/or the Offer for Sale;
- 15.6.7 any new law or regulation or change in law, regulation, directive, policy or ruling in any jurisdiction which in the reasonable opinion of the Underwriter may materially prejudice the success of the Listing or which may or is likely to have the effect of making any obligation under the Retail Underwriting Agreement incapable of performance in accordance with its terms;
- 15.6.8 the Listing, the Public Issue or the Offer for Sale is stopped or delayed by
- (i) the Company; or
  - (ii) the regulatory authorities,
- for any reason whatsoever (unless such delay has been approved by the Underwriter);
- 15.6.9 the Listing does not take place by the end of the third (3<sup>rd</sup>) month after the date of the Retail Underwriting Agreement or such other extended date as may be agreed by the Underwriter;

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**15. UNDERWRITING FOR THE RETAIL OFFERING (Cont'd)**

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- 15.6.10 any commencement of legal proceedings or action against any member of the MEGB Group or any of the Selling Shareholders or any of their directors, which in the reasonable opinion of the Underwriter, would have a Material Adverse Effect or make it impracticable to proceed with the Listing, the Public Issue or the Offer for Sale or to market the Retail Offering or the Institutional Offering or to enforce contracts to allot and/or transfer the Shares;
- 15.6.11 if the SC issues an order pursuant to Malaysian laws such as to make it, in the sole opinion of the Underwriter, impracticable to proceed with the Listing, the Public Issue or the Offer for Sale or to market the Retail Offering or the Institutional Offering or to enforce contracts to allot and transfer the Shares;
- 15.6.12 the Placement Agreement shall have been terminated or rescinded in accordance with the terms thereof or any of the conditions as set forth in the Placement Agreement not having been satisfied in full or any such conditions not having been satisfied to the extent of the waiver, if any, by the Joint Bookrunners in accordance with the terms therein; or
- 15.6.13 the Lock-up Deeds shall have been terminated or rescinded in accordance with the terms thereof or any of the conditions as set forth in the Lock-up Deeds not having been satisfied in full or any such conditions not having been satisfied to the extent of the waiver, if any, in accordance with the terms therein.
- 15.7 Upon the delivery of a termination notice by the Underwriter to the Company, the following shall take place within five (5) clear Market Days from the date of the notice served by the Underwriter for the termination:
- 15.7.1 for termination pursuant to breach of Sections 15.4.2, 15.4.4, 15.4.5, 15.4.6, 15.4.7, 15.4.8, 15.4.9, 15.4.10, 15.4.11, 15.4.12, 15.4.13 and 15.4.14 and Sections 15.6.1, 15.6.2, 15.6.6, 15.6.8(i), 15.6.9, 15.6.10, 15.6.12 and 15.6.13, the Company shall make payment to the Underwriter of the underwriting commission together with any ancillary expenses incurred by the Underwriter under or pursuant to the terms of the Retail Underwriting Agreement;
- 15.7.2 for termination pursuant to Section 15.6.3, the Company shall make payment to the Underwriter of the Broken Funding Cost i.e. the cost of funds of the Underwriter calculated on an amount equal to its underwriting commitment under this Agreement for the period commencing from the date of this Agreement and expiring on the date of termination of its underwriting commitment under this Agreement;
- 15.7.3 for termination pursuant to breach of Sections 15.4.1 and 15.4.3 and Sections 15.6.4, 15.6.5, 15.6.7, 15.6.8(ii) and 15.6.11, the Company shall make payment to the Underwriter of fifty percent (50%) of the underwriting commission together with any ancillary expenses incurred by the Underwriter under or pursuant to the terms of this Agreement; and

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**15. UNDERWRITING FOR THE RETAIL OFFERING (Cont'd)**

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15.7.4 each party shall return all monies paid to the other under the Retail Underwriting Agreement (except for monies paid by the Company for the underwriting commission or part thereof and payment of the expenses as provided hereunder),

save and except that if the Underwriter had fulfilled its obligations to deliver to the Company (in the case of unsubscribed Shares under the Retail Offering) applications in appropriate forms for the number of such Shares which the Underwriter is required to take up together with the remittance for the amounts payable on application in respect of such Shares in accordance with the terms of the Retail Underwriting Agreement, then notwithstanding what is contained under Sections 15.7.1, 15.7.2 or 15.7.3 above, the Underwriter shall be entitled to the full underwriting commission together with any ancillary expenses incurred by the Underwriter under or pursuant to the terms of the Retail Underwriting Agreement and thereafter, the Retail Underwriting Agreement shall become null and void and of no further force and effect and none of the parties shall have a claim against the other save and except in respect of any antecedent breaches.

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16. INDEPENDENT MARKET RESEARCH REPORT

(Prepared for inclusion in this Prospectus)



**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

The Board of Directors  
**Masterskill Education Group Berhad**  
 G-8, Jalan Kemacahaya 11  
 Taman Kemacahaya, Batu 9  
 43200 Cheras  
 Selangor Darul Ehsan

**Vital Factor Consulting Sdn Bhd**

(Company No.: 266797-T)

75C & 77C Jalan SS22/19  
 Damansara Jaya  
 47400 Petaling Jaya  
 Selangor Darul Ehsan, Malaysia

Tel: (603) 7728-0248

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Email: enquires@vitalfactor.com

Website: www.vitalfactor.com

Dear Sirs

26 MAR 2010

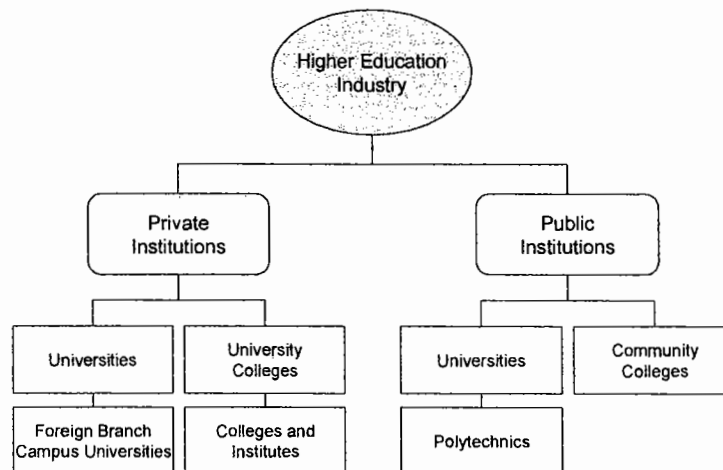
**Independent Assessment of the Private Higher Education Industry Focusing on Nursing and Allied Health Education**

The following is the Independent Assessment of the Private Higher Education Industry focusing on Nursing and Allied Health Education in Malaysia prepared by Vital Factor Consulting Sdn Bhd for inclusion in the prospectus of Masterskill Education Group Berhad (herein together with its subsidiary companies will be referred to as “Masterskill Group” or the “Group”) in relation to its listing on the Main Market of Bursa Malaysia Securities Berhad.

**1. STRUCTURE OF THE HIGHER EDUCATION INDUSTRY**

**1.1 Industry Structure**

- The structure of the Higher Education Industry is depicted in the following diagram.



**Figure 1 Structure of the Higher Education Industry**

## 16. INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

**1.2 Private Higher Education**

- Private higher education institutions comprises the following:
  - Universities;
  - Foreign Branch Campus Universities;
  - University Colleges;
  - Colleges and Institutes.
- **Universities** are approved by the Ministry of Higher Education. The key differentiating factor for University status is that it must be able to confer its own degrees. As at January 2010, there were 21 private Universities in Malaysia, including one distance learning University.
- There are currently **Foreign Branch Campus Universities** in Malaysia that confer degrees identical to that of their parent overseas universities. As at January 2010, there were five Foreign Branch Campus Universities in Malaysia.
- **University Colleges** play a dual role of conferring their own degrees as well as collaborate with third parties to jointly confer degrees and other qualifications. As at January 2010, there were 22 private University Colleges in Malaysia.
- 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. As at January 2010, there were 297 colleges and institutes registered with the Ministry of Higher Education.
- **Institutes affiliated with private hospitals** are higher education institutions affiliated with private hospitals that offer diploma programmes in nursing and allied health. These institutes are closely linked to their affiliated private hospital.

**1.3 Public Higher Education**

- Public higher education institutions in Malaysia comprise universities, polytechnics and community colleges. As at January 2010 there were:
  - 20 public universities;
  - 27 public polytechnics;
  - 59 public community colleges.

**1.4 Number of Students Enrolled**

- In 2008, a total of 921,548 students were enrolled in tertiary education institutions in Malaysia:
  - 419,334 students were enrolled in public higher education institutions;
  - 399,852 students were enrolled in private higher education institutions;
  - 85,280 students were enrolled in polytechnics;
  - 17,082 students were enrolled in community colleges.