



MASTERSKILL EDUCATION GROUP BERHAD
 (Company No. 746920-M)
 (Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2010
 (the figures have not been audited)

	2010 Current Period Quarter Ended 31-Mar (Unaudited) (RM'000)	2009 Preceding Year Quarter Ended 31-Mar (Unaudited) (RM'000)	2010 Current Year Cumulative to Date 31-Mar (Unaudited) (RM'000)	2009 Preceding Year Cumulative to Date 31-Mar (Unaudited) (RM'000)
Revenue	77,040	62,852	77,040	62,852
Cost of Sale	(28,451)	(26,361)	(28,451)	(26,361)
Gross Profit	48,589	36,491	48,589	36,491
Operating Expenses	(16,461)	(11,595)	(16,461)	(11,595)
Other Operating Income	33	32	33	32
Interest Expense	(322)	(523)	(322)	(523)
Interest Income	215	94	215	94
Profit Before Taxation	32,054	24,499	32,054	24,499
Taxation: Company & Subsidiary Companies	(5,371)	(5,814)	(5,371)	(5,814)
Net Profit Attributable to Ordinary Equity Holders	26,683	18,685	26,683	18,685
Basic earnings per ordinary share (RM)	0.80	37.37	0.80	37.37
Diluted earnings per ordinary share (RM)	0.07	0.05	0.07	0.05



MASTERSKILL EDUCATION GROUP BERHAD
 (Company No. 746920-M)
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
 POSITION AS AT 31 MARCH 2010**
 (the figures have not been audited)

	As at 31-Mar-10 (RM'000) Unaudited	As at 31-Dec-09 (RM'000) Audited
NON-CURRENT ASSETS		
Property, plant and equipment	166,832	163,164
Intangible assets	42,237	42,237
Prepaid lease payments	6,219	6,239
Total Non-Current Assets	215,288	211,640
CURRENT ASSETS		
Receivables, deposits and prepayments	83,602	139,741
Current tax asset	2,237	4,647
Cash and cash equivalents	126,547	53,495
Total Current Assets	212,386	197,883
TOTAL ASSETS	427,674	409,523
EQUITY		
Share capital	73,781	70,635
Share premium	10,863	1,124
Retained earnings	247,548	220,865
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	332,192	292,624
LIABILITIES		
Borrowings	18,481	17,774
Deferred tax liabilities	5,012	4,600
Total Non-Current Liabilities	23,493	22,374
Payables and accruals	66,010	76,152
Borrowings	5,979	5,488
Irredeemable convertible preference shares	-	12,885
Total Current Liabilities	71,989	94,525
TOTAL LIABILITIES	95,482	116,899
TOTAL EQUITY AND LIABILITIES	427,674	409,523
Net assets per share attributable to ordinary equity holders of the parent (†) (RM)	0.90	2,926.24

Note:

(†) computed based on the net assets of the Group divided by 368,906 thousands and 100 thousands of shares as at 31 March 2010 and 31 December 2009 respectively.



MASTERSKILL EDUCATION GROUP BERHAD
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**CONDENSED CONSOLIDATED STATEMENT
 OF CHANGES IN EQUITY FOR THE
 QUARTER ENDED 31 MARCH 2010**
 (The figures have not been audited)

← Equity Attributable to Equity Holders of the Company →

	← Non-distributable →		Distributable	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	
Balance as at 1 January 2009 (audited)	70,635	1,124	123,483	195,242
Total comprehensive income for the year (audited)	-	-	97,382	97,382
Balance as at 31 December 2009/1 January 2010 (audited)	70,635	1,124	220,865	292,624
Conversion of irredeemable convertible preference shares to ordinary shares	3,146	9,739	-	12,885
Total comprehensive income for the period	-	-	26,683	26,683
Balance as at 31 March 2010	73,781	10,863	247,548	332,192



MASTERSKILL EDUCATION GROUP BERHAD
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**CONDENSED CONSOLIDATED STATEMENT
 OF CASH FLOWS FOR THE QUARTER ENDED
 31 MARCH 2010**
 (The figures have not been audited)

	As at 31-Mar-10 (Unaudited) (RM'000)	As at 31-Mar-09 (Unaudited) (RM'000)
Cash flows from operating activities		
Profit before taxation	32,054	24,499
Adjustments for:		
Amortisation	20	19
Depreciation	3,667	2,564
Interest Expense	322	523
Interest Income	(215)	(94)
Loss on disposal of property, plant and equipment	-	39
Operating profit before working capital changes	35,848	27,550
Changes in working capital:		
Receiveables, deposits and prepayments	56,139	24,787
Payables and accruals	(10,142)	10,366
Cash generated from operating activities	81,845	62,703
Income Tax paid	(2,549)	(1,559)
Interest Paid	(322)	(523)
Interest Received	215	94
Net cash from operating activities	79,189	60,715
Cash flows from investing activities		
Pledged deposits placed with licensed banks	(4)	-
Purchase of property, plant and equipment	(4,590)	(1,389)
Net cash used in investing activities	(4,594)	(1,389)
Cash flows from financing activities		
Repayment of borrowings	(1,079)	(1,072)
Payment of hire purchase liabilities	(468)	(375)
Net cash used in financing activities	(1,547)	(1,447)
Net increase in cash and cash equivalents	73,048	57,879
Cash and cash equivalents at 1 January	52,747	8,676
Cash and cash equivalents at end of period	125,795	66,555



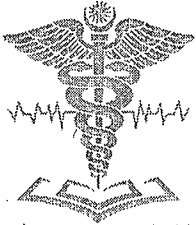
MASTERSKILL EDUCATION GROUP BERHAD
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(The figures have not been audited)

i) Cash and cash equivalents

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

	As at 31-Mar-10 (Unaudited) (RM'000)	As at 31-Mar-09 (Unaudited) (RM'000)
Deposits placed with licensed banks	119,252	67,122
Cash and bank balances	7,295	12,565
	<hr/>	<hr/>
Cash and cash equivalents	126,547	79,687
Less: Deposits pledged with licensed banks	(752)	(13,132)
	<hr/>	<hr/>
Cash and cash equivalents	125,795	66,555



MASTERSKILL EDUCATION GROUP BERHAD

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(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

1. Basis of preparation

The interim financial statements have been prepared under the historical cost convention. The unaudited interim financial statements have been prepared in accordance with FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes. These notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2009.

2. Accounting Policies

The accounting policies and methods of computation adopted for the unaudited interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2009.

The accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group's consolidated audited financial statements for the financial year ended 31 December 2009, except for the adoption of the following:

- FRS 8, *Operating Segments*
- FRS 7, *Financial Instruments: Disclosures*
- FRS 101, *Presentation of Financial Statements*
- FRS 123, *Borrowing Costs* (revised)
- FRS 139, *Financial Instruments: Recognition and Measurement*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
- Amendments to FRS 2, *Share-based Payment: Vesting Conditions and Cancellations*
- Amendments to FRS 7, *Financial Statement: Disclosures*
- Amendments to FRS 101, *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
- Amendments to FRS 127, *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Amendments to FRS 132, *Financial Instruments: Presentation*
 - *Puttable Financial Instruments and Obligations Arising on Liquidation*
 - *Separation of Compound Instruments*
- Amendments to FRS 139, *Financial Instruments: Recognition and Measurement*,
 - *Reclassification of Financial Assets*
 - *Collective Assessment of Impairment for Banking Institutions*
- Improvements to FRSS (2009)
- IC Interpretation 10, *Interim Financial Reporting and Impairment*



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(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

2. Accounting Policies (continued)

The adoption of the above standards, amendments and interpretations do not have any material impact on the financial statements of the Group.

The Group has not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the Group:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

- FRS 1, *First-time Adoption of Financial Reporting Standards* (revised)
- FRS 3, *Business Combinations* (revised)
- FRS 127, *Consolidated and Separate Financial Statements* (revised)
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 15, *Agreements for the Construction of Real Estate*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distribution of Non-cash Assets to Owners*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*

The Group plans to apply the abovementioned standards, amendments and interpretations from the annual period beginning 1 January 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, except for Amendments to FRS 2, Amendments to FRS 5, IC Interpretation 12, IC Interpretation 15, IC Interpretation 16, IC Interpretation 17 and Amendments to IC Interpretation 9 which are not applicable to the Group.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption.



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(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

2. Accounting Policies (continued)

The impacts and disclosures as required by FRS 108.30(b), *Accounting Policies, Changes in Accounting Estimates and Errors*, in respect of applying FRS 4, FRS 7, FRS 139 and IC Interpretation 12 are not disclosed by virtue of the exemptions given in these respective FRSs.

3. Seasonal or Cyclical Factors

The Group does not experience significant fluctuations in operations due to seasonal factor.

4. Unusual Significant Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial year-to-date.

5. Changes in Estimates

There were no changes in estimates of amounts reported in prior financial year that had a material effect in the current quarter and year-to-date results.

6. Changes in Debt and Equity Securities

Save as disclosed below, there were no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares for the current financial quarter under review:

The following exercises had been completed on 24 March 2010:

(A) INCREASE IN AUTHORISED CAPITAL

The authorised capital of the Company of RM103,681,156 comprising of 30,000,000 ordinary shares of RM1.00 each and 70,000,000 Irredeemable Convertible Preference Shares of RM1.00 each, 3,145,912 Irredeemable Convertible Preference Shares Series II of RM1.00 each and 535,244 Irredeemable Convertible Preference Shares Series III of RM1.00 each had been increased to RM200,000,000 divided into 126,318,844 ordinary shares of RM1.00 each and 70,000,000 Irredeemable Convertible Preference Shares of RM1.00 each, 3,145,912 Irredeemable Convertible Preference Shares Series II of RM1.00 each and 535,244 Irredeemable Convertible Preference Share Series III of RM1.00 each by the creation of 96,318,844 ordinary shares of RM1.00 each.



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(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

6. Changes in Debt and Equity Securities (continued)

(B) CONVERSION OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") OF RM1.00 EACH TO ORDINARY SHARES OF RM1.00 EACH

The 70,000,000 ICPS, 3,145,912 ICPS Series II and 535,244 ICPS Series III had been converted into a total of 73,681,156 Ordinary Shares of RM1.00 each in the share capital of the Company.

The following exercises had been completed on 27 March 2010:-

(A) CANCELLATION OF 70,000,000 ICPS, 3,145,912 ICPS SERIES II AND 535,244 ICPS SERIES III IN THE AUTHORISED SHARE CAPITAL

The 70,000,000 ICPS, 3,145,912 ICPS Series II and 535,244 ICPS Series III in the authorised share capital of the Company had been cancelled and as such, diminish the amount of the authorised share capital by RM73,681,156 accordingly.

(B) SUBDIVISION OF ORDINARY SHARES

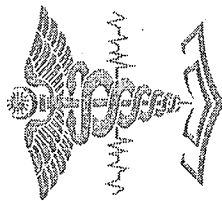
All the existing issued and unissued Ordinary Shares of RM1.00 par value each in the capital of the Company had been subdivided into Ordinary Shares of RM0.20 each.

(C) INCREASE IN AUTHORISED CAPITAL

The authorised capital of the Company of 126,318,844 comprising of 631,594,220 Ordinary Shares of RM0.20 each was increased to RM200,000,000 divided into 1,000,000,000 Ordinary Shares of RM0.20 each by the creation of 368,405,780 Ordinary Shares of RM0.20 each.

7. Dividends Paid

There were no dividends paid during the current financial year-to-date.



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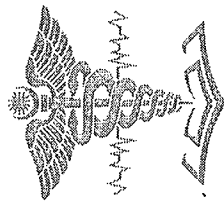
(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

8. Segmental Reporting

Segmental information for the Group is presented as follows:

<----- Quarter ended and cumulative to date 31.3.2010 (unaudited) ----->

	University College RM 000	College RM 000	Consolidated RM 000
Geographical segments			
Revenue	40,079	36,961	77,040
Cost of services	(18,437)	(10,014)	(28,451)
Gross profit	21,642	26,947	48,589
Administrative and other expenses	(6,293)	(5,412)	(11,705)
Segment result	15,349	21,535	36,884
Unallocated expenses			(4,723)
Results from operating activities			32,161
Interest income			215
Finance costs			(322)
Profit before tax			32,054
Tax expense			(5,371)
Profit for the quarter			26,683



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(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

8. Segmental Reporting (continued)

<----- Quarter ended and cumulative to date 31.3.2009 (unaudited) ----->

	University College RM 000	College RM 000	Consolidated RM 000
Geographical segments			
Revenue	44,454	18,398	62,852
Cost of services	(18,958)	(7,403)	(26,361)
Gross profit	25,496	10,995	36,491
Administrative and other expenses	(5,303)	(3,626)	(8,929)
Segment result	20,193	7,369	27,562
Unallocated expenses			(2,634)
Results from operating activities			24,928
Interest income			94
Finance costs			(523)
Profit before tax			24,499
Tax expense			(5,814)
Profit for the quarter			18,685



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(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

9. Material Subsequent Event

On 26 April 2010, the Company issued a prospectus for the Initial Public Offering (the "IPO" or "offering") of up to 205,000,000 ordinary shares of RM0.20 each in the Company (the "shares") in conjunction with the listing of and quotation for 409,905,780 shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") comprising:

- (i) Offer for sale of up to 164,000,000 existing shares (the "offer shares") made available in the following manner:
 - 41,000,000 offer shares made available to Bumiputera institutional and selected investors approved by the Ministry of International Trade and Industry ("MITI"); and
 - Up to 123,000,000 offer shares made available to Malaysian institutional and selected investors and foreign institutional and selected investors outside the United States of America (the "United States") in reliance on regulations under the United States Securities Act of 1933, as amended (the "US Securities Act");

At the institutional price to be determined by way of bookbuilding (the "institutional price") pursuant to the institutional offering

- (ii) Public issue of 41,000,000 new shares (the "issue shares") made available in the following manner:
 - 25,500,000 issue shares made available to the Malaysian public, eligible employees and eligible graduates at the retail price of RM3.50 per share, payable in full upon application (the "retail price") pursuant to the retail offering; and
 - 15,500,000 issue shares made available to Malaysian institutional and selected investors and foreign institutional and selected investors outside the United States in reliance on regulations under the US Securities Act at the institutional price pursuant to the institutional offering

The Company had on 13 May 2010, issued and allotted 41,000,000 new Ordinary Shares of RM0.20 each pursuant to the initial public offering exercise undertaken by the Company. The issued and paid-up capital of the Company is now RM81,981,156 comprising 409,905,780 ordinary shares of RM0.20 each.

10. Changes in the Composition of the Group

Masterskill Dialysis Sdn Bhd, a wholly owned subsidiary, was incorporated on 3 March 2010 with a Paid-Up Capital of RM100.



MASTERSKILL EDUCATION GROUP BERHAD

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(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

11. Changes in Contingent Liabilities and Contingent Assets

A. Contingent Liabilities

There were no changes in contingent liabilities since the balance sheet as at 31 December 2009 except for the following:-

- (i) **Kota Bharu High Court Suit No. 22-43-2010**
Emi Roshaida Binti Adnan -v- Masterskill (M) Sdn Bhd
(Alleged Rape Case)
- Sealed copy of the writ of summons and statement of claim were served on us on 28.4.2010.
 - The subsidiary's solicitors have filed the Memorandum of Appearance to the Kota Bharu High Court on 30.4.2010 and have on 30.4.2010 served a copy of Memorandum of Appearance on the Plaintiff's solicitors.
 - Kota Bharu High Court has fixed 22.7.2010 as the hearing date for the subsidiary's application to strike out the Plaintiff's writ of summons and statement of claim which has been filed on 16.5.2010 by the subsidiary's solicitors.
- (ii) **Kuala Lumpur High Court Suit No. D4-22-835-2006**
Soh Kok Chuan -v- Masterskill (M) Sdn Bhd, Kemacahaya Development Sdn Bhd, Syarikat Kemacahaya Sdn Bhd and Megataient Sdn Bhd
- The Court has fixed the Case Management on 24.5.2010.
 - On 24.5.2010, the Court has fixed the matter for further Case Management on 3.6.2010.

B. Contingent Assets

There were no material contingent assets since 31 December 2009.



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(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

12. Commitments on Capital Expenditure

The capital commitments of the Group as at 31 March 2010 are as follow:

	As at 31.3.2010 (unaudited) RM 000	As at 31.12.2009 (audited) RM 000
Capital commitments		
Property, plant and equipment		
Contracted but not provided for	61,561	13,823
Authorised but not contracted for	-	45,340
	-----	-----
	61,561	59,163
	=====	=====

13. Related Party Transactions

Related parties are those defined under FRS 124: Related Party Disclosures. The Directors are of the opinion that the related party transactions and balances, described below were carried out in the ordinary course of business and commercial terms that are no more favourable than those available to other third parties.

	Transaction for the year-to-date ended 31.3.2010 RM 000	Balances due from/(to) as at 31.3.2010 RM 000
With a Director		
Rental expense for premises	84	-
With a Director's spouse		
Rental expense for premises	9	-
	=====	===

14. Qualification of preceding audited financial statements

There was no qualification to the preceding audited financial statements for the financial year ended 31 December 2009.



MASTERSKILL EDUCATION GROUP BERHAD

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(B) ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (PARAGRAPH 9.22 AND APPENDIX 9B)

1. Review of performance

For the first quarter under review, the Group's recorded a revenue and profit before tax of approximately RM77.0 million and RM32.1 million respectively.

2. Comparison with preceding quarter's results

The Group achieved revenue and profit before taxation of RM77.0 million and RM32.1 million respectively for the quarter under review. Revenue and profit before taxation were 22.5% and 30.8% higher respectively as compared to the preceding quarter's results. The improvement was mainly due to increase in student number from 13,970 in March 2009 to 17,003 in March 2010.

3. Commentary on Prospects

The local economy is expected to remain resilient boosted by the various economic stimulus measures undertaken by the government.

The Group sees strong potential for the current financial year and beyond as the Group's home-grown courses continue to excel as enrolment increases. The Directors remain confident that the Group is fundamentally strong and expect performance of the Group to be satisfactory for the financial year ending 31 December, 2010.

4. Variance on profit forecast /profit guarantee

The Group has not issued any profit forecast or profit guarantee for the current quarter under review or in its prospectus dated 26 April 2010.

5. Taxation

	Quarter ended		Cumulative to date	
	31.3.2010	31.3.2009	31.3.2010	31.3.2009
	RM 000	RM 000	RM 000	RM 000
Income and deferred tax	5,371	5,814	5,371	5,814
	=====	=====	=====	=====

The effective tax rate of the Group for the current quarter and year-to-date is lower than the Malaysian statutory tax rate due mainly to utilization of Investment Tax Allowance, a tax incentive granted under the Promotion of Investment Act, 1986.



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(B) ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (PARAGRAPH 9.22 AND APPENDIX 9B)

6. Profit/(Loss) on Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments or properties during the current quarter and financial year-to-date.

7. Quoted Securities other than Securities in Existing Subsidiaries and Associated Companies

There was no investment in quoted securities as at the end of the reporting period.

8. Status of corporate proposals

(a) IPO

On 26 April 2010, the Company issued a prospectus for the Initial Public Offering (the "IPO" or "offering") of up to 205,000,000 ordinary shares of RM0.20 each in the Company (the "shares") in conjunction with the listing of and quotation for 409,905,780 shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") comprising:

(i) Offer for sale of up to 164,000,000 existing shares (the "offer shares") made available in the following manner:

- 41,000,000 offer shares made available to Bumiputera institutional and selected investors approved by the Ministry of International Trade and Industry ("MITI"); and
- Up to 123,000,000 offer shares made available to Malaysian institutional and selected investors and foreign institutional and selected investors outside the United States of America (the "United States") in reliance on regulations under the United States Securities Act of 1933, as amended (the "US Securities Act");

At the institutional price to be determined by way of bookbuilding (the "institutional price") pursuant to the institutional offering

(ii) Public Issue of 41,000,000 new shares (the "issue shares") made available in the following manner:

- 25,500,000 issue shares made available to the Malaysian public, eligible employees and eligible graduates at the retail price of RM3.50 per share, payable in full upon application (the "retail price") pursuant to the retail offering; and



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**(B) ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA SECURITIES (PARAGRAPH 9.22 AND APPENDIX 9B)**

8. Status of corporate proposals (continued)

(a) IPO (continued)

- 15,500,000 issue shares made available to Malaysian institutional and selected investors and foreign institutional and selected investors outside the United States in reliance on regulations under the US Securities Act at the institutional price pursuant to the institutional offering

The retail price is payable in full upon application and subject to refund of the difference, in the event that the final retail price is less than the retail price. The final retail price will be equal to the lower of:

- (i) the retail price; and
- (ii) 95% of the institutional price;

subject to rounding to the nearest sen.

The admission to the official list and the listing of and quotation for the entire enlarged issued and paid-up share capital of RM81,981,156 comprising of 409,905,780 ordinary shares of RM0.20 each of the Company on the Main Market of Bursa Securities was completed on 18 May 2010.

(b) Utilisation of Proceeds

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

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

	143,500
	=====

As at 24 May 2010, all of the total gross proceeds have not been utilised. Please refer to IPO prospectus for details.



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**(B) ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA SECURITIES (PARAGRAPH 9.22 AND APPENDIX 9B)**

9. Group Borrowings and Debt Securities

Save as disclosed below, there were no other borrowings or debt securities in the Group as at 31 March 2010.

Borrowings (secured)

	As at 31.3.2010 (unaudited) RM 000	As at 31.12.2009 (audited) RM 000
Non-current		
Finance lease liabilities	6,044	4,162
Secured revolving credit (Islamic)	4,866	5,445
Secured term loan (Islamic)	7,571	8,167
	-----	-----
	18,481	17,774
	-----	-----
Current		
Finance lease liabilities	1,598	1,202
Secured revolving credit (Islamic)	2,166	2,123
Secured term loan (Islamic)	2,215	2,163
	-----	-----
	5,979	5,488
	-----	-----
	24,460	23,262
	=====	=====

10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 31 March 2010.

11. Material Litigation

As of the date of this announcement, the following are the developments to the material litigations against the Group or taken by the Group.

A. Kuala Lumpur High Court Suit No. S6-22-96-2007

Masterskill (M) Sdn Bhd vs Kemacahaya Development Sdn Bhd (First Defendant), K. Pasupathy (Second Defendant), Chin Yam Meng (Third Defendant), Leong Kok Onn (Fourth Defendant) and Syarikat Kemacahaya Sdn Bhd (Fifth Defendant)

- The case management for the subsidiary's application to set aside the Judgement in Default dated 13.5.2009 was fixed on 22.4.2010.
- On 22.4.2010, the said application is fixed for further case management on 4.6.2010 for parties to file in their respective written submission.



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**(B) ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA SECURITIES (PARAGRAPH 9.22 AND APPENDIX 9B)**

11. Material Litigation (continued)

**B. Kuala Lumpur High Court Suit No. S-22-275-2010
Masterskill (M) Sdn Bhd -v- SAP Holdings Berhad**

- Upon Masterskill's instruction, on 29.3.2010 the subsidiary's solicitors filed a Writ of Summons and Statement of Claim against SAP Holdings Berhad ("Defendant"). The same was extracted from the Court and served on the Defendant on 14.4.2010. On 23.4.2010 the Defendant has appointed a solicitor to act on their behalf. On 30.4.2010 the subsidiary's solicitors received a copy of the Statement of Defence from the Defendant's solicitor.
- The subsidiary's solicitor is in the midst of preparing to file a summary judgment application under Order 81 against the Defendant.

**C. Kuala Lumpur High Court Suit No. S-23-41-2010
Masterskill (M) Sdn Bhd -v- Sistem Televisyen Malaysia Berhad ("STMB")**

- Upon Masterskill's instruction, on 12.4.2010 the subsidiary's solicitors filed a Writ of Summons and Statement of Claim against "STMB" ("Defendant").
- In the meantime, on 21.4.2010 the subsidiary's solicitors have filed an ex-parte injunction application against the Defendant. The said application came up for Case Management on 27.4.2010. On 27.4.2010 the Deputy Registrar has fixed this matter for Case Management on 27.5.2010 to enable the Defendant to file affidavit as well as for parties to file and exchange their Written Submissions and also fixed the said application for hearing on 3.6.2010.
- Further, on 29.4.2010 the Defendant's solicitor filed and served their Memorandum of Appearance on the subsidiary's solicitors.

**D. Kota Bharu High Court Suit No. 22-43-2010
Emi Roshaida Binti Adnan -v- Masterskill (M) Sdn Bhd (Alleged Rape Case)**

- Sealed copy of the writ of summons and statement of claim were served on us on 28.4.2010.
- The subsidiary's solicitors have filed the Memorandum of Appearance to the Kota Bharu High Court on 30.4.2010 and have on 30.4.2010 served a copy of Memorandum of Appearance on the Plaintiff's solicitors.
- Kota Bharu High Court has fixed 22.7.2010 as the hearing date for the subsidiary's application to strike out the Plaintiff's writ of summons and statement of claim which has been filed on 16.5.2010 by the subsidiary's solicitors.



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**(B) ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
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11. Material Litigation (continued)

**E. Kuala Lumpur High Court Suit No. D4-22-835-2006
Soh Kok Chuan -v- Masterskill (M) Sdn Bhd, Kemacahaya Development Sdn
Bhd, Syarikat Kemacahaya Sdn Bhd and Megatalent Sdn Bhd**

- The Court has fixed the Case Management on 24.5.2010.
- On 24.5.2010, the Court has fixed the matter for further Case Management on 3.6.2010.

12. Dividends

The Board of Directors does not recommend any dividend for the first quarter ended 31 March 2010.

13. Earnings Per Share

Basic earnings per ordinary share

The basic earnings per ordinary share of RM0.80 (31.3.2009 – RM37.37) is calculated based on the net profit attributable to ordinary shareholders of RM26,683,000 (31.3.2009 – RM18,685,000) and the weighted average number of ordinary shares in issue during the quarter 33,247,000 (31.3.2009 – 500,000).

	Quarter ended		Cumulative to date	
	31.3.2010	31.3.2009	31.3.2010	31.3.2009
Profit for the period attributable to ordinary equity shareholders (RM000)	26,683 =====	18,685 =====	26,683 =====	18,685 =====
Weighted average number of ordinary shares at 1 January (000)	100	100	100	100
Effects of conversion of Irredeemable convertible preference shares to ordinary shares (000)	6,549	-	6,549	-
Effects of share split during the period (000)	26,598 -----	400 -----	26,598 -----	400 -----
Weighted average number of ordinary shares at 31 March (000)	33,247 =====	500 =====	33,247 =====	500 =====
Basic earnings per ordinary share (RM)	0.80 =====	37.37 =====	0.80 =====	37.37 =====



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**(B) ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
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13. Earnings per share (continued)

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary shares at 31 March 2010 is based on profit attributable to ordinary shareholders of RM26,683,000 (31.3.2009 – RM18,685,000) and the weighted average number of shares outstanding after adjusting for the effects of all dilutive potential ordinary shares, calculated as follows:

	Quarter ended		Cumulative to date	
	31.3.2010	31.3.2009	31.3.2010	31.3.2009
Profit for the period attributable to ordinary equity shareholders (RM000)	26,683 =====	18,685 =====	26,683 =====	18,685 =====
Weighted average number of ordinary shares (diluted) at 31 March (000)	368,906	500	368,906	500
Effects of conversion of ICPS(000)	- -----	368,406 -----	- -----	368,406 -----
Weighted average number of ordinary shares (diluted) at 31 March (000)	368,906 =====	368,906 =====	368,906 =====	368,906 =====
Diluted earnings per ordinary share (RM)	0.07 =====	0.05 =====	0.07 =====	0.05 =====

BY ORDER OF THE BOARD