



MASTERSKILL EDUCATION GROUP BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2010 (the figures have not been audited)

	2010 Current Period Quarter Ended 30-Jun (Unaudited) (RM'000)	2009 Preceding Year Quarter Ended 30-Jun (Unaudited) (RM'000)	2010 Current Year Cumulative to Date 30-Jun (Unaudited) (RM'000)	2009 Preceding Year Cumulative to Date 30-Jun (Unaudited) (RM'000)
Revenue	77,113	63,523	154,153	126,375
Cost of Sale	(31,698)	(30,016)	(60,149)	(56,377)
Gross Profit	45,415	33,507	94,004	69,998
Operating Expenses	(20,833)	(15,447)	(37,294)	(27,042)
Other Operating Income	743	602	776	634
Interest Expense	(323)	(250)	(645)	(773)
Interest Income	721	372	936	466
Profit Before Taxation	25,723	18,784	57,777	43,283
Taxation: Company & Subsidiary Companies	(3,293)	(2,224)	(8,664)	(8,038)
Net Profit Attributable to Ordinary Equity Holders	22,430	16,560	49,113	35,245
Basic Earnings per Ordinary Share (RM)	0.11	33.12	0.23	70.49
Diluted Earnings per Ordinary Share (RM)	0.06	0.04	0.13	0.10



MASTERSKILL EDUCATION GROUP BERHAD
 (Company No. 746920-M)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010
 (the figures have not been audited)

	As at 30-Jun-10 (RM'000) Unaudited	As at 31-Dec-09 (RM'000) Audited
NON-CURRENT ASSETS		
Property, plant and equipment	199,026	163,164
Intangible assets	42,237	42,237
Prepaid lease payments	-	6,239
Total Non-Current Assets	241,263	211,640
CURRENT ASSETS		
Receivables, deposits and prepayments	126,808	139,741
Current tax asset	4,401	4,647
Cash and cash equivalents	220,715	53,495
Total Current Assets	351,924	197,883
TOTAL ASSETS	593,187	409,523
EQUITY		
Share capital	81,981	70,635
Share premium	144,225	1,124
Retained earnings	269,978	220,865
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	496,184	292,624
LIABILITIES		
Borrowings	18,616	17,774
Deferred tax liabilities	5,368	4,600
Total Non-Current Liabilities	23,984	22,374
Payables and accruals	66,565	76,152
Borrowings	6,454	5,488
Irredeemable convertible preference shares	-	12,885
Total Current Liabilities	73,019	94,525
TOTAL LIABILITIES	97,003	116,899
TOTAL EQUITY AND LIABILITIES	593,187	409,523
Net assets per share attributable to ordinary equity holders of the parent (1) (RM)	1.21	2,926.24

Note:

(1) computed based on the net assets of the Group divided by 409,906 thousands and 100 thousands of shares as at 30 June 2010 and 31 December 2009 respectively.



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**CONDENSED CONSOLIDATED STATEMENT
 OF CHANGES IN EQUITY FOR THE
 QUARTER ENDED 30 JUNE 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
Issuance of new ordinary shares in conjunction with the initial public offering	8,200	139,435	-	147,635
Share issue expenses	-	(6,073)	-	(6,073)
Total comprehensive income for the period	-	-	49,113	49,113
Balance as at 30 June 2010 (unaudited)	81,981	144,225	269,978	496,184



MASTERSKILL EDUCATION GROUP BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2010**

(The figures have not been audited)

	As at 30-Jun-10 (Unaudited) (RM'000)	As at 30-Jun-09 (Unaudited) (RM'000)
Cash flows from operating activities		
Profit before taxation	57,777	43,283
Adjustments for:		
Amortisation	-	39
Depreciation	7,762	5,265
Interest Expense	645	773
Interest Income	(936)	(466)
Loss on disposal of property, plant and equipment	-	39
Operating profit before working capital changes	65,248	48,933
Changes in working capital:		
Receivables, deposits and prepayments	12,933	(4,709)
Payables and accruals	(9,587)	1,923
Cash generated from operating activities	68,594	46,147
Income Tax paid	(7,650)	(4,674)
Interest Paid	(645)	(773)
Interest Received	936	466
Net cash from operating activities	61,235	41,166
Cash flows from investing activities		
Pledged deposits placed with licensed banks	(6)	(147)
Purchase of property, plant and equipment	(32,471)	(10,932)
Net cash used in investing activities	(32,477)	(11,079)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	141,562	-
Repayment of borrowings	(2,145)	(2,200)
Payment of hire purchase liabilities	(961)	(543)
Net cash from / (used in) financing activities	138,456	(2,743)
Net increase in cash and cash equivalents	167,214	27,344
Cash and cash equivalents at 1 January	52,747	8,676
Cash and cash equivalents at end of period	219,961	36,020



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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 30-Jun-10 (Unaudited) (RM'000)	As at 30-Jun-09 (Unaudited) (RM'000)
Deposits placed with licensed banks	213,883	41,268
Cash and bank balances	6,832	8,031
	<hr/>	<hr/>
Cash and cash equivalents	220,715	49,299
Less: Deposits pledged with licensed banks	(754)	(13,279)
	<hr/>	<hr/>
Cash and cash equivalents	219,961	36,020



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, methods of computation 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 Instruments: 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 Instrument*
 - *Classification of Rights Issues*
- 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 9, *Reassessment of Embedded Derivatives*



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(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

2. Accounting Policies (continued)

- IC Interpretation 10, *Interim Financial Reporting and Impairment*
- IC Interpretation 11, *FRS 2 – Group and Treasury Share Transactions*
- IC Interpretation 13, *Customer Loyalty Programmes*
- IC Interpretation 14, *FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction*

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*
 - *Additional Exemptions for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
- Amendments to FRS 2, *Group Cash-settled Share Based Payment*
- IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18, *Transfers of Assets from Customers*



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(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

2. Accounting Policies (continued)

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, Amendments to IC Interpretation 9 and Amendments to FRS 18, 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.

Improvements to FRSs (2009)

Improvements to FRSs (2009) contain various amendments that result in accounting changes for presentation, recognition or measurement and disclosure purposes. Amendment that has material impact is:

• **FRS 117, Leases**

The amendments clarify that the classification of lease of land and require entities with existing leases of land and buildings to reassess the classification of land as finance or operating lease. Leasehold land which in substance is a finance lease will be reclassified to property, plant and equipment. The adoption of these amendments will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions. This change in accounting policy will result in reclassification of lease of land amounting to RM6,238,908 as at 30 June 2010 from prepaid lease payments to property, plant and equipment.

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.



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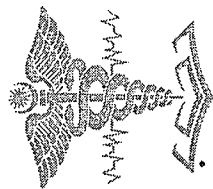
(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

6. Changes in Debt and Equity Securities

The Company had on 13 May 2010 increased the issued and paid-up share capital of the Company from 368,905,780 ordinary shares of RM0.20 each to 409,905,780 ordinary shares of RM0.20 each by the issuance of 25,500,000 and 15,500,000 new ordinary shares of RM0.20 each at RM3.50 and RM3.80 per ordinary share respectively in conjunction with the listing of and quotation for 409,905,780 ordinary shares on the Main Market of Bursa Malaysia Securities Berhad. The resulting share premium amounting to RM139,950,000 has been credited to share premium account.

7. Dividends Paid

There were no dividends paid during the current financial period-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 30.6.2010 (unaudited) ----->

	University College		Colleges		Consultancy		Consolidated	
	30.6.2010	30.6.2009	30.6.2010	30.6.2009	30.6.2010	30.6.2009	30.6.2010	30.6.2009
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Geographical segments								
Revenue	77,438	87,784	76,699	38,591	16	-	154,153	126,375
Cost of services	(38,803)	(40,075)	(21,313)	(16,302)	(33)	-	(60,149)	(56,377)
Gross profit	38,635	47,709	55,386	22,289	(17)	-	94,004	69,998
Administrative and other expenses	(15,036)	(11,141)	(12,619)	(7,359)	(2)	-	(27,657)	(18,500)
Segment result	23,599	36,568	42,767	14,930	(19)	-	66,347	51,498
Unallocated expenses							(8,861)	(7,908)
Results from operating activities							57,486	43,590
Interest income							936	466
Finance costs							(645)	(773)
Profit before tax							57,777	43,283
Tax expense							(8,664)	(8,038)
Profit for the period							49,113	35,245



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(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

9. Material Subsequent Event

There were no material events subsequent to the end of the current quarter.

10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter.

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)**

- On 22.7.2010, Kota Bharu High Court has fixed 15.8.2010 for decision for Masterskill's application to strike out the Plaintiff's pleadings under Order 18.
- On 15.8.2010, Kota Bharu High Court has postponed the matter to 16.8.2010 for decision. Subsequently on 16.8.2010, Masterskill's application to strike out the Plaintiff's pleading under Order 18 has been dismissed with cost by Kota Bharu High Court and Masterskill's litigation solicitors were ordered to file statement of defence within one (1) month from 16.8.2010.

**(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 Megatalent Sdn Bhd**

- On 3.6.2010, the Court has fixed the matter for further case management on 2.8.2010.
- On 2.8.2010, the Court has fixed the matter for further case management on 20.8.2010.
- The Court has on 20.8.2010 fixed the matter for further case management on 4.10.2010.

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 30 June 2010 are as follow:

	As at 30.6.2010 (unaudited) RM 000	As at 31.12.2009 (audited) RM 000
Capital commitments		
Property, plant and equipment		
Contracted but not provided for	59,621	13,823
Authorised but not contracted for	31,000	45,340
	-----	-----
	90,621	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 30.6.2010 RM 000	Balances due from/(to) as at 30.6.2010 RM 000
With a Director		
Rental expense for premises	168	-
With a Director's spouse		
Rental expense for premises	18	-
	=====	====

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.



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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 second quarter under review, the Group's recorded a revenue and profit before tax of approximately RM77.1 million and RM25.7 million respectively.

2. Comparison with preceding quarter's results

The Group achieved revenue and profit before taxation of RM77.1 million and RM25.7 million respectively for the quarter under review. Revenue and profit before taxation were 21.4% and 36.9% higher respectively as compared to the preceding year's quarter results. The improvement was mainly due to increase in student number from 14,649 in June 2009 to 17,933 in June 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	
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
	RM 000	RM 000	RM 000	RM 000
Income and deferred tax	3,293	2,224	8,664	8,038
	=====	=====	=====	=====

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 August 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 30 June 2010.

Borrowings (secured)

	As at 30.6.2010 (unaudited) RM 000	As at 31.12.2009 (audited) RM 000
Non-current		
Finance lease liabilities	7,250	4,162
Secured revolving credit (Islamic)	4,336	5,445
Secured term loan (Islamic)	7,030	8,167
	-----	-----
	18,616	17,774
	-----	-----
Current		
Finance lease liabilities	2,067	1,202
Secured revolving credit (Islamic)	2,168	2,123
Secured term loan (Islamic)	2,219	2,163
	-----	-----
	6,454	5,488
	-----	-----
	25,070	23,262
	=====	=====

10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 30 June 2010.



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

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 -v- 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)

- On 4.6.2010, the Court has fixed for further case management on 2.8.2010 pending parties' exhausting affidavits and to hand in submissions. In the meantime, the Pre-Trial Case Management Notice has been filed in Court in view of securing directions for the trial proper, the Court has on 4.6.2010 fixed the matter for further case management on 24.9.2010.
- On 2.8.2010, Masterskill's solicitors have submitted the written submissions and bundle of authorities in Court and the Court has fixed the matter for case management on 10.8.2010 for parties to fix a hearing date.
- On 10.8.2010, the Court has fixed the matter for hearing on 13.9.2010.

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

- Masterskill's solicitors have on 10.6.2010 filed a summons in chamber for a summary judgment application and the same has been extracted on 14.7.2010. The said application has been fixed on 22.7.2010 before the Managing Unit.
- The matter came up for case management on 22.7.2010 in respect of Masterskill's summary judgment application. The Court has fixed the matter for further case management on 20.9.2010 pending the exchange of affidavits by parties and to submit their respective written submissions in court.
- On 10.8.2010, Masterskill's solicitors have received the sealed copy of the summons in chambers dated 19.7.2010 in respect of the Defendant's application to strike out Masterskill's writ of summons and statement of claim dated 29.3.2010 which has been fixed for case management on 19.8.2010.



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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**

- On 19.8.2010, the Deputy Registrar has fixed this matter for further case management on 4.10.2010 for parties to exchange their affidavits. The Court has also on 19.8.2010 vacated the date on 20.9.2010 which was fixed for case management in respect of Masterskill's summary judgment application. The Court has fixed both applications for Masterskill's summary judgment application and the Defendant's application to strike out Masterskill's writ of summons and statement of claim dated 29.3.2010 for case management on 4.10.2010.

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

- On 27.5.2010, during the case management, the Defendant's solicitors requested an extension of time to file their affidavit in reply and written submissions. Masterskill's solicitors objected to their request. The Learned Deputy Registrar allowed them to file their written submissions but noted that Masterskill's solicitors would object to any affidavit being filed. The Court fixed the matter for further case management on 31.5.2010 and the hearing date which was originally fixed on 3.6.2010 has been vacated by the Court and a new hearing date has been fixed on 10.6.2010.
- On 31.5.2010, the Defendant's solicitors have filed and served their affidavit in reply in Court on 31.5.2010 and the Court has on the same day instructed Masterskill to reply to the Defendant's affidavit by 4.6.2010, if necessary, and for both parties to file in their respective written submissions. In the meantime, the hearing date is maintained on 10.6.2010.
- On 10.6.2010, the Defendant's solicitor was on medical leave for two (2) weeks and had asked for an adjournment. Masterskill's solicitor did not object but sought an interim holding over injunction. The Defendant's solicitor objected. The Court heard arguments from both sides and allowed an interim injunction preventing the Defendant from running the video footage again until the hearing of this matter.
- On 2.7.2010, the Learned Judge has granted Masterskill's injunction application and therefore, the Defendant is refrained from airing any video footage of Masterskill University College of Health Sciences and/or Masterskill College of Nursing and Health as shown during their Buletin Utama on 11.3.2010 until the full trial which is fixed on 18.8.2010.



MASTERSKILL EDUCATION GROUP BERHAD

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

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

11. Material Litigation (continued)

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

- On 4.8.2010, Masterskill's solicitors had written to the Court to adjourn the trial which was fixed on 18.8.2010 to locate and subpoena the witnesses. The Court has on 5.8.2010 granted Masterskill's solicitors' request and adjourn the matter for trial on 26.8.2010.

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

- On 22.7.2010, Kota Bharu High Court has fixed 15.8.2010 for decision for Masterskill's application to strike out the Plaintiff's pleadings under Order 18.
- On 15.8.2010, Kota Bharu High Court has postponed the matter to 16.8.2010 for decision. Subsequently on 16.8.2010, Masterskill's application to strike out the Plaintiff's pleading under Order 18 has been dismissed with cost by Kota Bharu High Court and Masterskill's litigation solicitors were ordered to file statement of defence within one (1) month from 16.8.2010.

**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**

- On 3.6.2010, the Court has fixed the matter for further case management on 2.8.2010.
- On 2.8.2010, the Court has fixed the matter for further case management on 20.8.2010.
- The Court has on 20.8.2010 fixed the matter for further case management on 4.10.2010.

12. Dividends

The Board of Directors does not recommend any dividend for the second quarter ended 30 June 2010.



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

13. Earnings Per Share

Basic earnings per ordinary share

The basic earnings per ordinary share of RM0.23 (30.6.2009 – RM70.49) is calculated based on the net profit attributable to ordinary shareholders of RM49,113,000 (30.6.2009 – 35,245,000) and the weighted average number of ordinary shares in issue during the quarter 213,103,000 (30.6.2009 – 500,000).

	Quarter ended		Cumulative to date	
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
Profit for the period attributable to ordinary equity shareholders (RM000)	22,430 =====	16,560 =====	49,113 =====	35,245 =====
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)	40,301	-	40,301	-
Effects of share split during the period (000)	161,603	400	161,603	400
Effects of issuance of new ordinary shares during the period (000)	11,099	-	11,099	-
Weighted average number of ordinary shares at 30 June (000)	213,103 =====	500 =====	213,103 =====	500 =====
Basic earnings per ordinary share (RM)	0.11 =====	33.12 =====	0.23 =====	70.49 =====



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

13. Earnings per share (continued)

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary shares at 30 June 2010 is based on profit attributable to ordinary shareholders of RM49,113,000 (30.6.2009 – RM35,245,000) 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	
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
Profit for the period attributable to ordinary equity shareholders (RM000)	22,430 =====	16,560 =====	49,113 =====	35,245 =====
Weighted average number of ordinary shares (diluted) at 30 June (000)	368,906	500	368,906	500
Effects of conversion of ICPS(000)	-	368,406	-	368,406
Effects of issuance of new ordinary shares during the period (000)	11,099	-	11,099	-
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Weighted average number of ordinary shares (diluted) at 30 June (000)	380,005 =====	368,906 =====	380,005 =====	368,906 =====
Diluted earnings per ordinary share (RM)	0.06 =====	0.04 =====	0.13 =====	0.10 =====

BY ORDER OF THE BOARD