



MASTERSKILL EDUCATION GROUP BERHAD

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

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

	2010 Current Period Quarter Ended 30-Sep (Unaudited) (RM'000)	2009 Preceding Year Quarter Ended 30-Sep (Unaudited) (RM'000)	2010 Current Year Cumulative to Date 30-Sep (Unaudited) (RM'000)	2009 Preceding Year Cumulative to Date 30-Sep (Unaudited) (RM'000)
Revenue	80,678	72,746	234,831	199,121
Cost of Sale	(30,245)	(22,010)	(90,394)	(78,387)
Gross Profit	50,433	50,736	144,437	120,734
Operating Expenses	(17,671)	(8,523)	(54,965)	(35,565)
Other Operating Income / (Expense)	57	(550)	833	84
Interest Expense	(405)	(256)	(1,050)	(1,029)
Interest Income	1,785	180	2,721	646
Profit Before Taxation	34,199	41,587	91,976	84,870
Taxation: Company & Subsidiary Companies	(8,014)	(8,067)	(16,678)	(16,105)
Net Profit Attributable to Ordinary Equity Holders	26,185	33,520	75,298	68,765
Basic Earnings per Ordinary Share (RM)	0.09	67.04	0.27	137.53
Diluted Earnings per Ordinary Share (RM)	0.07	0.09	0.19	0.19



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010
 (the figures have not been audited)

	As at 30-Sep-10 (RM'000) Unaudited	As at 31-Dec-09 (RM'000) Audited
NON-CURRENT ASSETS		
Property, plant and equipment	233,648	163,164
Intangible assets	42,237	42,237
Prepaid lease payments	-	6,239
Total Non-Current Assets	275,885	211,640
CURRENT ASSETS		
Receivables, deposits and prepayments	89,202	139,741
Current tax asset	3,511	4,647
Cash and cash equivalents	277,059	53,495
Total Current Assets	369,772	197,883
TOTAL ASSETS	645,657	409,523
EQUITY		
Share capital	81,981	70,635
Share premium	144,225	1,124
Retained earnings	267,469	220,865
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	493,675	292,624
LIABILITIES		
Borrowings	38,142	17,774
Deferred tax liabilities	6,889	4,600
Total Non-Current Liabilities	45,031	22,374
Payables and accruals	97,133	76,152
Borrowings	9,818	5,488
Irredeemable convertible preference shares	-	12,885
Total Current Liabilities	106,951	94,525
TOTAL LIABILITIES	151,982	116,899
TOTAL EQUITY AND LIABILITIES	645,657	409,523
Net assets per share attributable to ordinary equity holders of the parent (1) (RM)	1.20	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 September 2010 and 31 December 2009 respectively.

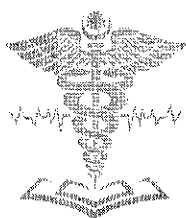


MASTERSKILL EDUCATION GROUP BERHAD
 (Company No. 746920-M)
 (Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT
 OF CHANGES IN EQUITY FOR THE
 QUARTER ENDED 30 SEPTEMBER 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)
Dividend	-	-	(28,694)	(28,694)
Total comprehensive income for the period	-	-	75,298	75,298
Balance as at 30 September 2010 (unaudited)	81,981	144,225	267,469	493,675



MASTERSKILL EDUCATION GROUP BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2010
 (The figures have not been audited)

	As at 30-Sep-10 (Unaudited) (RM'000)	As at 30-Sep-09 (Unaudited) (RM'000)
Cash flows from operating activities		
Profit before taxation	91,976	84,870
Adjustments for:		
Amortisation	-	58
Depreciation	11,422	7,962
Interest Expense	1,050	1,029
Interest Income	(2,721)	(646)
Loss on disposal of property, plant and equipment	-	40
Operating profit before working capital changes	101,727	93,313
Changes in working capital:		
Receivables, deposits and prepayments	50,539	23,993
Payables and accruals	(7,712)	(1,077)
Cash generated from operating activities	144,554	116,229
Income Tax paid	(13,254)	(9,969)
Interest Paid	(1,050)	(1,029)
Interest Received	2,721	646
Net cash from operating activities	132,971	105,877
Cash flows from investing activities		
Pledged deposits placed with licensed banks	-	12,384
Purchase of property, plant and equipment	(68,277)	(13,663)
Net cash used in investing activities	(68,277)	(1,279)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	141,562	-
Proceeds from borrowings	22,390	-
Repayment of borrowings	(3,447)	(3,284)
Payment of hire purchase liabilities	(1,635)	(714)
Net cash from / (used in) financing activities	158,870	(3,998)
Net increase in cash and cash equivalents	223,564	100,600
Cash and cash equivalents at 1 January	52,747	8,676
Cash and cash equivalents at end of period	276,311	109,276



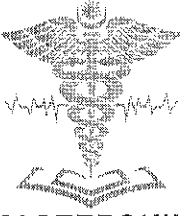
MASTERSKILL EDUCATION GROUP BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2010
(The figures have not been audited)

i) Cash and cash equivalents

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

	As at 30-Sep-10 (Unaudited) (RM'000)	As at 30-Sep-09 (Unaudited) (RM'000)
Deposits placed with licensed banks	233,338	102,288
Cash and bank balances	43,721	7,736
Cash and cash equivalents	277,059	110,024
Less: Deposits pledged with licensed banks	(748)	(748)
Cash and cash equivalents	276,311	109,276



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 included in the Prospectus dated 26 April 2010. 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 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 RM21,100,177 as at 30 September 2010 from prepaid lease payments to property, plant and equipment.

3. Seasonal or Cyclical Factors

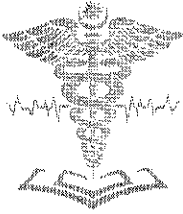
The Group does not experience significant fluctuations in operations due to seasonal factor.

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

A First Interim Single Tier Dividend of 7 sen per ordinary share of RM0.20 in respect of financial year ending 31 December 2010 has been paid on 13 October 2010 to the holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 23 September 2010.



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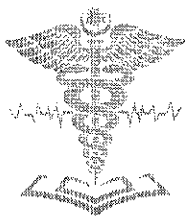
(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

8. Segmental Reporting

Segmental information for the Group is presented as follows:

<----- Quarter ended and cumulative to date 30.9.2010 (unaudited) ----->

	University College		Colleges		Consultancy		Consolidated	
	30.9.2010	30.9.2009	30.9.2010	30.9.2009	30.9.2010	30.9.2009	30.9.2010	30.9.2009
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Geographical segments								
Revenue	112,981	132,008	121,756	67,113	94	-	234,831	199,121
Cost of services	(56,043)	(53,061)	(34,302)	(25,326)	(49)	-	(90,394)	(78,387)
Gross profit	56,938	78,947	87,454	41,787	45	-	144,437	120,734
Administrative and other expenses	(22,723)	(15,375)	(17,249)	(10,796)	(7)	-	(39,979)	(26,171)
Segment result	34,215	63,572	70,205	30,991	38	-	104,458	94,563
Unallocated expenses							(14,153)	(9,310)
Results from operating activities							90,305	85,253
Interest income							2,721	646
Interest expense							(1,050)	(1,029)
Profit before tax							91,976	84,870
Tax expense							(16,678)	(16,105)
Profit for the period							75,298	68,765



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(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

9. Material Subsequent Events

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)
- Masterskill's litigation solicitors have filed the statement of defence and Masterskill's counterclaim and served the same to the Plaintiff's solicitors on 14.9.2010.
 - The Plaintiff's solicitors have filed the reply to Masterskill's statement of defence and counterclaim and served the same to Masterskill's solicitors on 7.10.2010. It is now awaiting for the Court to fix trial date.
- (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 4.10.2010, the Court has fixed the matter for further case management on 25.10.2010. No material development to this matter.

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 September 2010 are as follow:

	As at 30.9.2010 (unaudited) RM 000	As at 31.12.2009 (audited) RM 000
Capital commitments		
Property, plant and equipment		
Contracted but not provided for	59,687	13,823
Authorised but not contracted for	-	45,340
	-----	-----
	59,687	59,163
	=====	=====

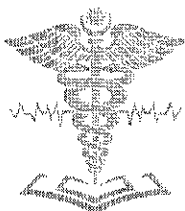
13. Related Party Transactions

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 30.9.2010 RM 000	Balances due from/(to) as at 30.9.2010 RM 000
With a Director		
Rental expense for premises	252	-
With a Director's spouse		
Rental expense for premises	27	-
	====	===

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

(Company No. 746920-M)

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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 third quarter under review, the Group recorded a revenue and profit before tax of approximately RM80.7 million and RM34.2 million respectively.

The Group's revenue rose by 10.9% to RM80.7 million compared to RM72.7 million recorded in previous year corresponding quarter. This was mainly due to the increase in student numbers from 16,801 in September 2009 to 17,613 in September 2010.

During the same quarter last year, adjustments and negotiations were made on the direct cost of accommodation and transportation resulting in revised rates, better cost savings and receipts of one-time-off credit notes. It has greatly reduced the direct cost in Q309 by approximately RM10 million.

As such, the profit before tax of RM41.6 million recorded in Q309 was higher compared to RM34.2 million recorded in this reporting quarter. Not taking into consideration, the existence of the one-time-off credit notes, PBT for Q310 would have been higher by approximately RM2.6 million compared to Q309.

Operation overheads for the reporting quarter have also increased in tandem with the Group's expansion.

The Company's cash flow for the reporting quarter has also increased due to the funds raised from the IPO. Net increase in cash and cash equivalents at the end of the third quarter was RM223.6 million after incurring RM68.3 million for capital expenditure. The healthy cash flow would allow the Company to capitalise on expansion at an opportune time.

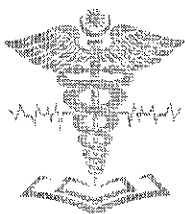
2. Comparison with preceding quarter's results

The Group achieved revenue and profit before taxation of RM80.7 million and RM34.2 million respectively for the quarter under review. Revenue and profit before taxation were 4.6% and 33.0% higher respectively as compared to the preceding quarter's results. The improvement was mainly due to lower operating overheads.

3. Commentary on Prospects

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

In line with these positive developments, the Group sees strong potential for the current financial year and beyond as the Group's proprietary courses continue to excel as enrolment increases. The Group continues to develop and offer courses that are market relevant. 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.



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)

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	
	30.9.2010 RM 000	30.9.2009 RM 000	30.9.2010 RM 000	30.9.2009 RM 000
Income and deferred tax	8,014 =====	8,067 =====	16,678 =====	16,105 =====

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 utilisation of Investment Tax Allowance, a tax incentive granted under the Promotion of Investment Act, 1986.

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

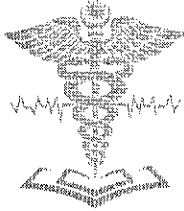
There was no investment in quoted securities as at the end of the reporting period.

8. Status of corporate proposals

(a) Proposed Acquisition of Properties by Masterskill (M) Sdn Bhd, a wholly-owned subsidiary of MEGB

Masterskill (M) Sdn Bhd ("Masterskill" or "the Purchaser"), a wholly-owned subsidiary of the Company, has on 19 July 2010, entered into a Sale and Purchase Agreement ("Agreement") with Liziz Standaco Sdn Bhd ("LSSB" or "the Vendor") for the proposed acquisition of 3 blocks of 34 lots 3-storey shophouses ("Buildings") to be erected on the lands held under HS(D) 3554 – 3587, PT 310 – 343, all in Seksyen 17, Bandar Kota Bharu, Jajahan Kota Bharu, Negeri Kelantan ("Lands") with an approximately total land area of 5,152 square metres for a total consideration of Ringgit Malaysia Thirty One Million (RM31,000,000.00) only ("the Purchase Price") subject to the terms and conditions stated therein ("Proposed Acquisition") (the terms of "Buildings" and "Lands" shall be collectively referred to as "Properties").

The Proposed Acquisition is pending fulfillment of the conditions precedent in the sale and purchase agreement.



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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)

**(b) Proposed Acquisition of freehold vacant lands by Masterskill (M) Sdn Bhd,
a wholly-owned subsidiary of MEGB**

Masterskill (M) Sdn Bhd, a wholly-owned subsidiary of the Company, has on 26 August 2010, entered into three (3) Sale and Purchase Agreements for the proposed acquisition of nine (9) pieces of freehold vacant land contiguous to each other situated in the Mukim of Kajang, Daerah of Ulu Langat, Negeri Selangor measuring approximately 19.774 hectares, at a total consideration of Ringgit Malaysia Thirty Million Thirty Eight Thousand One Hundred Sixty Three and Sixty One (RM30,038,163.61) only.

The Proposed Acquisition is pending fulfillment of the conditions precedent in the sale and purchase agreement.

(c) Utilisation of IPO Proceeds

As at 30 September 2010, the gross proceeds of RM142,783,872 arising from the Public Issue was partially utilised for our core business in the following manner:

	RM 000
Purchase of land and construction of buildings	3,321
Campus expansion	20,000
Working capital	3,000

	26,321
	=====



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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 September 2010.

Borrowings (secured)

	As at 30.9.2010 (unaudited) RM 000	As at 31.12.2009 (audited) RM 000
Non-current		
Finance lease liabilities	8,411	4,162
Secured revolving credit (Islamic)	3,852	5,445
Secured term loan (Islamic)	25,879	8,167
	-----	-----
	38,142	17,774
	-----	-----
Current		
Finance lease liabilities	2,709	1,202
Secured revolving credit (Islamic)	2,122	2,123
Secured term loan (Islamic)	4,987	2,163
	-----	-----
	9,818	5,488
	-----	-----
	47,960	23,262
	=====	=====

10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 30 September 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)

- The Court has on 13.9.2010 dismissed Masterskill's application to set aside Second Defendant's Judgment in Default dated 13.5.2009 with costs of RM5,000.00 (Enclosure 71). The Court of Appeal had on 13.8.2009 stayed the effects of the Order which was obtained by the Second Defendant to strike out Masterskill's defence (Enclosure 21). The Court of Appeal's decision is still in effect until the determination of the appeal proper against Enclosure 21.
- The Court has on 24.9.2010 scheduled a further Case Management date on 31.1.2011.

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

- On 4.10.2010, the Court has fixed the matter for hearing on 22.11.2010 in respect of the Defendant's application to strike out Masterskill's writ of summons and statement of claim dated 29.3.2010.

**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
- On 26.8.2010, the trial proceeded with two (2) of Masterskill's fourteen (14) witnesses. The case proceeded until 7.30pm on 26.8.2010 and will continue on 25.11.2010.



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

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

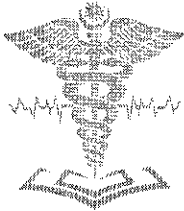
- Masterskill's litigation solicitors have filed the statement of defence and Masterskill's counterclaim and served the same to the Plaintiff's solicitors on 14 September 2010.
- The Plaintiff's solicitors have filed the reply to Masterskill's statement of defence and counterclaim and served the same to Masterskill's solicitors on 7.10.2010. It is now awaiting for the Court to fix trial date.

**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 4.10.2010, the Court has fixed the matter for further case management on 25.10.2010. No material development to this matter.

12. Dividends

A First Interim Single Tier Dividend of 7 sen per ordinary share of RM0.20 in respect of financial year ending 31 December 2010 has been paid on 13 October 2010 to the holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 23 September 2010.



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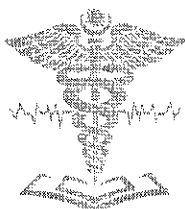
**(B) ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA SECURITIES (PARAGRAPH 9.22 AND APPENDIX 9B)**

13. Earnings Per Share

Basic earnings per ordinary share

The basic earnings per ordinary share of RM0.27 (30.9.2009 – RM137.53) is calculated based on the net profit attributable to ordinary shareholders of RM75,298,000 (30.9.2009 – 68,765,000) and the weighted average number of ordinary shares in issue during the quarter 279,425,000 (30.9.2009 – 500,000).

	Quarter ended		Cumulative to date	
	30.9.2010	30.9.2009	30.9.2010	30.9.2009
Profit for the period attributable to ordinary equity shareholders (RM000)	26,185 =====	33,520 =====	75,298 =====	68,765 =====
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)	51,550	-	51,550	-
Effects of share split during the period (000)	206,599	400	206,599	400
Effects of issuance of new ordinary shares during the period (000)	21,176	-	21,176	-
Weighted average number of ordinary shares at 30 June (000)	279,425 =====	500 =====	279,425 =====	500 =====
Basic earnings per ordinary share (RM)	0.09 =====	67.04 =====	0.27 =====	137.53 =====



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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 September 2010 is based on profit attributable to ordinary shareholders of RM75,298,000 (30.9.2009 – RM68,765,000) 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	
	30.9.2010	30.9.2009	30.9.2010	30.9.2009
Profit for the period attributable to ordinary equity shareholders (RM000)	26,185 =====	33,520 =====	75,298 =====	68,765 =====
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)	21,176	-	21,176	-
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Weighted average number of ordinary shares (diluted) at 30 June (000)	390,082 =====	368,906 =====	390,082 =====	368,906 =====
Diluted earnings per ordinary share (RM)	0.07 =====	0.09 =====	0.19 =====	0.19 =====

BY ORDER OF THE BOARD