



MASTERSKILL EDUCATION GROUP BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2011 (the figures have not been audited)

	2011 Current Period Quarter Ended 30-Sep (Unaudited) (RM'000)	2010 Preceding Year Quarter Ended 30-Sep (Unaudited) (RM'000)	2011 Current Year Cumulative to Date 30-Sep (Unaudited) (RM'000)	2010 Preceding Year Cumulative to Date 30-Sep (Unaudited) (RM'000)
Revenue	61,198	80,678	200,667	234,831
Cost of sale	(29,654)	(30,245)	(90,136)	(90,394)
Gross profit	31,544	50,433	110,531	144,437
Operating expenses	(21,842)	(17,671)	(66,195)	(54,965)
Other operating income	40	57	227	833
Interest expense	(774)	(405)	(2,477)	(1,050)
Interest income	1,114	1,785	3,440	2,721
Profit before taxation	10,082	34,199	45,526	91,976
Income tax expense	(4,533)	(8,014)	(5,811)	(16,678)
Profit for the period attributable to owners of the Company	5,549	26,185	39,715	75,298
Other comprehensive income, net of tax Fair value of available-for-sale financial assets	660	-	7,777	-
Total comprehensive income for the period attributable to owners of the Company	6,209	26,185	47,492	75,298
Basic earnings per ordinary share (RM)	0.01	0.09	0.10	0.27
Diluted earnings per ordinary share (RM)	0.01	0.07	0.10	0.19



MASTERSKILL EDUCATION GROUP BERHAD

(Company No. 746920-M)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

(the figures have not been audited)

	As at 30-Sep-11 (RM'000) Unaudited	As at 31-Dec-10 (RM'000) Audited
NON-CURRENT ASSETS		
Property, plant and equipment	327,507	306,196
Intangible assets	42,286	42,237
Other investments	10,831	-
Total Non-Current Assets	380,624	348,433
CURRENT ASSETS		
Receivables, deposits and prepayments	83,249	144,358
Current tax asset	17,861	13,545
Cash and cash equivalents	178,380	144,897
Total Current Assets	279,490	302,800
TOTAL ASSETS	660,114	651,233
EQUITY		
Share capital	81,981	81,981
Share premium	144,225	144,225
Reserves	309,424	294,315
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	535,630	520,521
LIABILITIES		
Borrowings (secured)	44,450	35,619
Deferred tax liabilities	9,028	9,804
Total Non-Current Liabilities	53,478	45,423
Payables and accruals	58,681	75,420
Borrowings (secured)	12,325	9,869
Total Current Liabilities	71,006	85,289
TOTAL LIABILITIES	124,484	130,712
TOTAL EQUITY AND LIABILITIES	660,114	651,233
Net assets per share attributable to owners of the parent (1) (RM)	1.31	1.27

Note:

(1) computed based on the net assets of the Group divided by 409,906 thousands as at 30 September 2011 and 31 December 2010 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 2011 (The figures have not been audited)

← Equity Attributable to Owners of the Company →

	← Non-distributable →			Distributable	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	
Balance as at 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 to owners of the Company	-	-	-	(28,693)	(28,693)
Total comprehensive income for the year	-	-	-	102,143	102,143
Balance as at 31 December 2010 / 1 January 2011 (audited)	81,981	144,225	-	294,315	520,521
Fair value of available-for-sale financial assets	-	-	7,777	-	7,777
Total other comprehensive income for the period	81,981	144,225	7,777	294,315	528,298
Profit for the period	-	-	-	39,715	39,715
Total comprehensive income for the period	81,981	144,225	7,777	334,030	568,013
Dividend to owners of the Company	-	-	-	(32,383)	(32,383)
Balance as at 30 September 2011	81,981	144,225	7,777	301,647	535,630

	← Non-distributable →			Distributable	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Fair Value Reserve 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 to owners of the Company	-	-	-	(28,694)	(28,694)
Total comprehensive income for the period	-	-	-	75,298	75,298
Balance as at 30 September 2010	81,981	144,225	-	267,469	493,675



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

**CONDENSED CONSOLIDATED STATEMENT
 OF CASH FLOWS FOR THE QUARTER ENDED
 30 SEPTEMBER 2011**
 (The figures have not been audited)

	As at 30-Sep-11 (Unaudited) (RM'000)	As at 30-Sep-10 (Unaudited) (RM'000)
Cash flows from operating activities		
Profit before tax	45,526	91,976
Adjustments for:		
Depreciation of property, plant and equipment	18,261	11,422
Interest expense	2,477	1,050
Interest income	(3,440)	(2,721)
Gain on disposal of property, plant and equipment	(3)	-
Operating profit before changes in working capital	62,821	101,727
Change in receivables, deposits and prepayments	61,109	50,539
Change in payables and accruals	(16,740)	(7,712)
Cash generated from operating activities	107,190	144,554
Income tax paid	(10,903)	(13,254)
Interest paid	(2,477)	(1,050)
Interest received	3,440	2,721
Net cash generated from operating activities	97,250	132,971
Cash flows from investing activities		
Increase in investment in subsidiaries	(49)	-
Acquisition of other investments	(3,054)	-
Pledged deposits placed with licensed banks	240	-
Acquisition of property, plant and equipment	(39,571)	(68,277)
Proceeds from disposal of property, plant and equipment	3	-
Net cash used in investing activities	(42,431)	(68,277)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	141,562
Proceeds from loans or borrowings	18,600	22,390
Repayment of borrowings	(5,174)	(3,447)
Repayment of finance lease liabilities	(2,139)	(1,635)
Dividend paid to owners of the Company	(32,383)	-
Net cash (used in) / generated from financing activities	(21,096)	158,870
Net increase in cash and cash equivalents	33,723	223,564
Cash and cash equivalents at 1 January	143,825	52,747
Cash and cash equivalents at end of reporting period	177,548	276,311



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

**CONDENSED CONSOLIDATED STATEMENT
OF CASH FLOWS FOR THE QUARTER ENDED
30 SEPTEMBER 2011**
(The figures have not been audited)

i) Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise:

	As at 30-Sep-11 (Unaudited) (RM'000)	As at 30-Sep-10 (Unaudited) (RM'000)
Deposits placed with licensed banks	142,678	233,338
Cash and bank balances	35,702	43,721
	<hr/>	<hr/>
Cash and cash equivalents	178,380	277,059
Less: Deposits pledged with licensed banks	(832)	(748)
	<hr/>	<hr/>
Cash and cash equivalents	177,548	276,311



MASTERSKILL EDUCATION GROUP BERHAD

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

(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 do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements for the financial year ended 31 December 2010.

2. Accounting Policies

The accounting policies adopted by the Group in these condensed consolidated financial statements are consistent with those adopted in the Group's consolidated audited financial statements for the financial year ended 31 December 2010.

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

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities for the current financial period-to-date.

7. Dividends Paid

There were no dividends paid during the current quarter.



MASTERSKILL EDUCATION GROUP BERHAD

(Company No. 746920-M)

(Incorporated in Malaysia)

(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

8. Operating Segment

	University Colleges RM'000	Colleges RM'000	Total RM'000
30.9.2011			
Revenue from external customers	77,535	123,113	200,648
	=====		
Interest income	1,357	-	1,357
Interest expense	(2,477)	-	(2,477)
Depreciation of property, plant and equipment	(8,775)	(9,477)	(18,252)
Reportable segment profit before tax	(2,833)	47,363	44,530
Segment (loss) / profit for the period	(8,652)	47,363	38,711
<u>Other information:</u>			
Additions to non-current assets	1,769	19,576	21,345
Segment assets	331,195	186,018	517,213
Segment liabilities	(122,417)	(305)	(122,722)
30.9.2010			
Revenue from external customers	112,981	121,756	234,737
	=====		
Interest income	1,237	-	1,237
Interest expense	(1,050)	-	(1,050)
Depreciation of property, plant and equipment	(6,150)	(5,272)	(11,422)
Reportable segment profit before tax	19,895	70,205	90,100
Segment profit for the period	3,371	70,205	73,576
<u>Other information:</u>			
Additions to non-current assets	12,990	51,255	64,245
Segment assets	321,549	133,111	454,660
Segment liabilities	(117,012)	(4,853)	(121,865)



MASTERSKILL EDUCATION GROUP BERHAD

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

(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

8. Operating Segment (continued)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	30.9.2011	30.9.2010
	RM'000	RM'000
Profit or loss		
Total profit or loss for reportable segments	44,530	90,100
Other non reportable segments	996	1,876
	<hr/>	<hr/>
Consolidated profit before tax	45,526	91,976
	=====	=====
	30.9.2011	30.9.2010
	RM'000	RM'000
Assets		
Total assets for reportable segments	517,213	454,660
Other non reportable segments	239,948	260,109
Elimination of inter-segment	(97,047)	(69,112)
	<hr/>	<hr/>
Consolidated total assets	660,114	645,657
	=====	=====
	30.9.2011	30.9.2010
	RM'000	RM'000
Liabilities		
Total liabilities for reportable segments	(122,722)	(121,865)
Other non reportable segments	(1,762)	(30,117)
	<hr/>	<hr/>
Consolidated total liabilities	(124,484)	(151,982)
	=====	=====



MASTERSKILL EDUCATION GROUP BERHAD

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

(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

Masterskill (M) Sdn Bhd ("Masterskill"), a wholly-owned subsidiary of the Company has on 20 July 2011 incorporated a subsidiary company known as Masterskill Gerontology Sdn. Bhd (Company No.: 953588-U) with a paid-up capital of RM100.

11. Changes in Contingent Liabilities and Contingent Assets

There were no material contingent liabilities or contingent assets as at 30 September 2011.

12. Commitments on Capital Expenditure

The capital commitments of the Group as at 30 September 2011 are as follow:

	As at 30.9.2011 (unaudited) RM'000	As at 31.12.2010 (audited) RM'000
Capital commitments		
Property, plant and equipment		
Contracted but not provided for	33,976	56,622
Authorised but not contracted for	-	-
	-----	-----
	33,976	56,622
	=====	=====



MASTERSKILL EDUCATION GROUP BERHAD

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

(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

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.

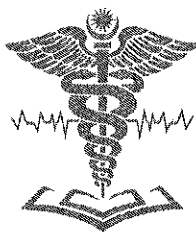
	Transaction for the year-to-date ended 30.9.2011 RM'000	Balances due from/(to) as at 30.9.2011 RM'000
With a Director		
Rental expense for premises	252 ====	- ===

14. Qualification of Preceding Audited Financial Statements

There was no qualification to the preceding audited financial statements for the financial year ended 31 December 2010.

15. Disclosure of Realised and Unrealised Profits

	30.9.2011 RM'000	31.12.2010 RM'000
Total retained earnings of Masterskill Education Group Berhad and its subsidiaries		
- Realised	292,619	284,511
- Unrealised	9,028	9,804
	-----	-----
Total	301,647 =====	294,315 =====



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)

1. Review of Performance

For the third quarter ended 30 September 2011, Masterskill Education Group Bhd (MEGB) achieved a revenue and profit before tax of approximately RM61.2 million and RM10.1 million respectively, which were lower than the results for the same period of the preceding year.

This decrease in profit can be largely attributed to lower student enrolment in the reporting period, due to:

- a) the Ministry of Higher Education's decision to align the academic term for local institutions of higher learning (IPTs) with that of universities abroad by moving the intake commencement date from June/July to September 2011.
- b) The changes towards PTPTN's loan scheme effective 1 June 2011 has impacted the Group's revenue especially for the new student intake. PTPTN has changed the maximum value of its loan from RM60,000 to RM45,000 made available for each eligible diploma student. In tandem Masterskill has reduced the tuition fees for its diploma programmes. Students eligible for the loan continues to receive RM45,000 for their tuition fees.
- c) The increase in minimum entry requirement for the diploma in nursing programme from 3 credits to 5 credits at the Sijil Pelajaran Malaysia (SPM) level has also caused a reduction in number of students signing up for nursing programme.

In keeping with on-going expansion plans, MEGB operating overheads were higher mainly due to an increase in depreciation. The Company continues to place emphasis on growing its degree programmes resulting in higher staff costs especially on academic staff.

2. Comparison with Preceding Year's Corresponding Quarter Results

The Group's reported revenue of RM61.2 million is a 24.1% decrease from the RM80.7 million recorded for the same period in 2010. The third quarter's Profit After Tax (PAT) was also lower by 78.8% to RM5.5 million compared with the corresponding period of the last fiscal year.

Profits were impacted by higher operating overheads due to the company's growth and on-going expansion plans, which also resulted in a corresponding increase in depreciation and staff costs.

3. Commentary on Prospects

MEGB maintained profitability in the third quarter, finishing the period with a strong balance sheet with cash in hand of RM178.4 million despite a challenging market environment. As a result, we continue to believe that the Group is well positioned for growth going forward.

Malaysia should be able to maintain its edge as a leading education hub for the region. However, higher than expected inflation (3.4% in September 2011) and lower than expected GDP growth (5.0% in 2011), coupled with an increased level of competition in the nursing and allied health education sector, amongst other factors has continued to present challenges to the industry. At the same time, this changed landscape has impacted the less well positioned competitors, which over the long term should have a positive impact for the Group.



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)

3. Commentary on Prospects (continued)

Moving forward, we will continue to pursue growth in the domestic market and international market. MEGB has been given the approval letter to conduct franchising from the Ministry of Domestic Trade, Cooperative and Consumerism on 9 August 2011. MEGB will also formulate strategies to recruit more foreign students into our campuses in the future. Under the business diversification strategy, we are working towards offering business related programmes in the future.

Overall, MEGB remains fundamentally strong and well positioned to pursue growth opportunities and forge ahead with our long-term expansion plans. The Directors are confident of achieving satisfactory results for the full financial year of 2011 given prevailing market conditions.

4. Variance on Profit Forecast /Profit Guarantee

The Group has not issued any profit forecast or profit guarantee for the current quarter under review.

5. Taxation

	Quarter ended		Cumulative to date	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
	RM'000	RM'000	RM'000	RM'000
Income and deferred tax	4,533	8,014	5,811	16,678
	=====	=====	=====	=====

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

The investment in quoted securities as at 30 September 2011:

	RM'000
At cost	3,054
At carrying value	10,831
At market value	10,831



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)

8. Status of Corporate Proposals

As at 30 September 2011, the gross proceeds of RM142,783,872 arising from the Public Issue was partially utilised in the following manner:

Purpose	Proposed utilisation	Actual utilisation	Intended time frame for utilisation	Deviation		Explanation
	RM'000	RM'000		RM'000	%	
Purchase of land and construction of buildings	115,000	33,207	Within 12-18 months	81,793	71.1	*
Campus expansion	20,000	20,000		-	-	
Working capital	3,000	3,000		-	-	
Listing expenses	5,500	8,010		(2,510)	(45.6)	
	----- 143,500 =====	----- 64,217 =====		----- 79,283 =====	55.2	

* Pending construction of new campus.

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 2011.

Borrowings (secured)	As at 30.9.2011 (unaudited) RM'000	As at 31.12.2010 (audited) RM'000
Non-current		
Finance lease liabilities	5,485	7,771
Secured revolving credit (Islamic)	1,701	3,274
Secured term loan (Islamic)	37,264	24,574
	-----	-----
	44,450	35,619
	-----	-----
Current		
Finance lease liabilities	2,809	2,662
Secured revolving credit (Islamic)	2,137	2,165
Secured term loan (Islamic)	7,379	5,042
	-----	-----
	12,325	9,869
	-----	-----
	56,775	45,488
	=====	=====



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)**

10. 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 fixed this matter for further Case Management on 23.11.2011 and the Trial dates which were fixed on 23.1.2012, 24.1.2012 and 25.1.2012 for Masterskill's case against the Second, Third & Fourth Defendant have been vacated as the said dates clash with Chinese New Year 2012. Case against the First and Fifth Defendant have been settled by a Consent Judgment dated 14.7.2009.

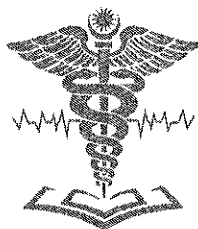
B. Kuala Lumpur High Court Suit No. S-23-41-2010

Masterskill (M) Sdn Bhd -v- Sistem Televisyen Malaysia Berhad ("STMB")

- The High Court has on 28.4.2011 held that Masterskill (the Plaintiff) had successfully proven that STMB (the Defendant) during the TV3 Buletin Utama defamed Masterskill (the Plaintiff) by showing visuals of the college of Masterskill (the Plaintiff) while narrating 60 colleges had been deregistered even though this news had nothing to do with Masterskill group. The High Court found STMB (the Defendant) liable for defamation and awarded damages of RM200,000.00 and costs of RM50,000.00 to Masterskill (the Plaintiff).
- Masterskill's Solicitors have on 12.5.2011 received from the STMB's Solicitors the Notice of Appeal dated 12.5.2011 against the Decision made by the High Court on 28.4.2011. Masterskill has on 23.5.2011 filed a cross appeal on the quantum of damages awarded in order to enhance and increase the quantum from RM200,000.00 to RM100,000,000.00.

11. Dividends

The Board of Directors declared an **Interim** Single Tier Dividend of 4.18 sen per ordinary share totaling RM17.13 million for first half of financial year ending 31 December 2011.



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)

12. Earnings per Share

Basic earnings per ordinary share

The basic earnings per ordinary share of RM0.10 (30.9.2010 – RM0.27) is calculated based on the net profit attributable to ordinary shareholders of RM39,715,000 (30.9.2010 – RM75,298,000) and the weighted average number of ordinary shares in issue during the quarter 409,906,000 (30.9.2010 – 279,425,000).

	Quarter ended		Cumulative to date	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
Profit for the period attributable to ordinary equity shareholders (RM'000)	5,549 =====	26,185 =====	39,715 =====	75,298 =====
Weighted average number of ordinary shares at 30 September ('000)	409,906	100	409,906	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	-	206,599
Effects of issuance of new ordinary shares during the period ('000)	-	21,176	-	21,176
	-----	-----	-----	-----
Weighted average number of ordinary shares at 30 September ('000)	409,906 =====	279,425 =====	409,906 =====	279,425 =====
Basic earnings per ordinary share (RM)	0.01 =====	0.09 =====	0.10 =====	0.27 =====



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)

13. Earnings per Share (continued)

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary shares at 30 September 2011 is based on profit attributable to ordinary shareholders of RM39,715,000 (30.9.2010 – RM75,298,000) 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	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
Profit for the period attributable to ordinary equity shareholders (RM'000)	5,549 =====	26,185 =====	39,715 =====	75,298 =====
Weighted average number of ordinary shares (diluted) at 30 September('000)	409,906	368,906	409,906	368,906
Effects of issuance of new ordinary shares during the period ('000)	-	21,176	-	21,176
Weighted average number of ordinary shares (diluted) at 30 September('000)	409,906 =====	390,082 =====	409,906 =====	390,082 =====
Diluted earnings per ordinary share (RM)	0.01 =====	0.07 =====	0.10 =====	0.19 =====

BY ORDER OF THE BOARD