



MASTERSKILL EDUCATION GROUP BERHAD

(Company No. 746920-M)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED 31 DECEMBER 2011

(the figures have not been audited)

	2011 Current Period Quarter Ended 31-Dec (Unaudited) (RM'000)	2010 Preceding Year Quarter Ended 31-Dec (Unaudited) (RM'000)	2011 Current Year Cumulative to Date 31-Dec (Unaudited) (RM'000)	2010 Preceding Year Cumulative to Date 31-Dec (Unaudited) (RM'000)
Revenue	49,504	80,905	250,171	315,736
Cost of sale	(30,080)	(33,654)	(120,216)	(124,048)
Gross profit	19,424	47,251	129,955	191,688
Operating expenses	(22,940)	(22,408)	(89,135)	(77,373)
Other operating income	610	21	837	854
Interest expense	(777)	(332)	(3,254)	(1,382)
Interest income	1,111	1,491	4,551	4,212
(Loss) / Profit before taxation	(2,572)	26,023	42,954	117,999
Income tax expense	1,001	822	(4,810)	(15,856)
(Loss) / Profit for the period attributable to owners of the Company	(1,571)	26,845	38,144	102,143
Other comprehensive income, net of tax				
Fair value of available-for-sale financial assets	(621)	-	7,156	-
Total comprehensive (expense) / income for the period attributable to owners of the Company	(2,192)	26,845	45,300	102,143
Basic (loss) /earnings per ordinary share (Sen)	(0.38)	8.60	9.31	32.71
Diluted (loss) /earnings per ordinary share (Sen)	(0.38)	6.79	9.31	25.85



MASTERSKILL EDUCATION GROUP BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (the figures have not been audited)

	As at 31-Dec-11 (RM'000) Unaudited	As at 31-Dec-10 (RM'000) Audited
NON-CURRENT ASSETS		
Property, plant and equipment	335,394	306,196
Intangible assets	42,286	42,237
Other investments	10,210	-
Total Non-Current Assets	387,890	348,433
CURRENT ASSETS		
Receivables, deposits and prepayments	125,559	144,358
Current tax asset	17,775	13,545
Cash and cash equivalents	110,586	144,897
Total Current Assets	253,920	302,800
TOTAL ASSETS	641,810	651,233
EQUITY		
Share capital	81,981	81,981
Share premium	144,225	144,225
Reserves	290,098	294,315
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	516,304	520,521
LIABILITIES		
Borrowings (secured)	43,312	35,619
Deferred tax liabilities	7,666	9,804
Total Non-Current Liabilities	50,978	45,423
Payables and accruals	63,664	75,420
Borrowings (secured)	10,864	9,869
Total Current Liabilities	74,528	85,289
TOTAL LIABILITIES	125,506	130,712
TOTAL EQUITY AND LIABILITIES	641,810	651,233
Net assets per share attributable to owners of the parent (1) (RM)	1.26	1.27

Note:

(1) computed based on the net assets of the Group divided by 409,906 thousands as at 31 December 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 31 DECEMBER 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	-	-	7,156	-	7,156
Total other comprehensive income for the year	81,981	144,225	7,156	294,315	527,677
Profit for the year	-	-	-	38,144	38,144
Total comprehensive income for the year	81,981	144,225	7,156	332,459	565,821
Dividend to owners of the Company	-	-	-	(49,517)	(49,517)
Balance as at 31 December 2011	81,981	144,225	7,156	282,942	516,304

	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	-	-	-	(28,693)	(28,693)
Total comprehensive income for the year (audited)	-	-	-	102,143	102,143
Balance as at 31 December 2010 (audited)	81,981	144,225	-	294,315	520,521



MASTERSKILL EDUCATION GROUP BERHAD

(Company No. 746920-M)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT
OF CASH FLOWS FOR THE QUARTER ENDED
31 DECEMBER 2011**

(The figures have not been audited)

	As at 31-Dec-11 (Unaudited) (RM'000)	As at 31-Dec-10 (Unaudited) (RM'000)
Cash flows from operating activities		
Profit before tax	42,954	117,999
Adjustments for:		
Depreciation of property, plant and equipment	22,745	16,413
Interest expense	3,254	1,382
Interest income	(4,551)	(4,212)
Property, plant and equipment written off	4	-
Gain on disposal of property, plant and equipment	(3)	-
Operating profit before changes in working capital	64,403	131,582
Change in receivables, deposits and prepayments	18,799	(4,617)
Change in payables and accruals	(11,756)	(732)
Cash generated from operating activities	71,446	126,233
Income tax paid	(11,178)	(19,550)
Interest paid	(3,254)	(1,382)
Interest received	4,551	4,212
Net cash generated from operating activities	61,565	109,513
Cash flows from investing activities		
Acquisition of subsidiaries	(49)	-
Acquisition of other investments	(3,054)	-
Pledged deposits placed with licensed banks	221	(324)
Acquisition of property, plant and equipment	(51,947)	(146,794)
Proceeds from disposal of property, plant and equipment	3	-
Net cash used in investing activities	(54,826)	(147,118)
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	(7,034)	(5,233)
Repayment of finance lease liabilities	(2,878)	(1,343)
Dividend paid to owners of the Company	(49,517)	(28,693)
Net cash (used in) / generated from financing activities	(40,829)	128,683
Net (decrease) / increase in cash and cash equivalents	(34,090)	91,078
Cash and cash equivalents at 1 January	143,825	52,747
Cash and cash equivalents at end of reporting period	109,735	143,825



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

**CONDENSED CONSOLIDATED STATEMENT
OF CASH FLOWS FOR THE QUARTER ENDED
31 DECEMBER 2011**

(The figures have not been audited)

i) Purchase of property, plant and equipment

The Group acquired property, plant and equipment with an aggregate cost of RM51,947,000 (2010 - RM153,206,000) of which RM Nil (2010 - RM6,412,000) was acquired by means of finance lease.

i) Cash and cash equivalents

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

	As at 31-Dec-11 (Unaudited) (RM'000)	As at 31-Dec-10 (Unaudited) (RM'000)
Deposits placed with licensed banks	106,971	90,755
Cash and bank balances	3,615	54,142
	<hr/>	<hr/>
Cash and cash equivalents	110,586	144,897
Less: Deposits pledged with licensed banks	(851)	(1,072)
	<hr/>	<hr/>
Cash and cash equivalents	<u>109,735</u>	<u>143,825</u>



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 financial statements of the Group have been prepared in accordance with Financial Reporting Standards (FRSs), generally accepted accounting principles and the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations of the FRS framework that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Group:

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

- IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 14, Prepayments of a Minimum Funding Requirement

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, Related Party Disclosures (revised)
- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendments to FRS 7, Financial Instruments: Disclosures – Transfers of Financial Assets
- Amendments to FRS 112, Income Taxes – Deferred Tax: Recovery of Underlying Assets

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments to FRS 101, Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income



MASTERSKILL EDUCATION GROUP BERHAD

(Company No. 746920-M)

(Incorporated in Malaysia)

(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

2. Accounting Policies (continued)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- FRS 9, Financial Instruments (2009)
- FRS 9, Financial Instruments (2010)
- FRS 10, Consolidated Financial Statements
- FRS 11, Joint Arrangements
- FRS 12, Disclosure of Interests in Other Entities
- FRS 13, Fair Value Measurement
- FRS 119, Employee Benefits (2011)
- FRS 127, Separate Financial Statements (2011)
- FRS 128, Investments in Associates and Joint Ventures (2011)

IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine
The Group's financial statements for annual period beginning on 1 January 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs). As a result, the Group will not be adopting the above FRSs, Interpretations and amendments.

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.



MASTERSKILL EDUCATION GROUP BERHAD

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

(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

7. Dividends Paid

The following interim dividends were declared and paid by the Group:

	Sen per ordinary share (tax exempt)	Last date of lodgement	Total amount RM'000	Date of payment
12 months ended 31.12.2011				
Final 2010 dividend	7.90	16.5.2011	32,383	15.6.2011
Interim 2011 dividend	4.18	5.12.2011	17,134	20.12.2011
12 months ended 31.12.2010				
Interim 2010 dividend	7.00	23.9.2010	28,693	13.10.2010

8. Results from operating activities

	Quarter ended 31.12.2011 RM'000	Cumulative to date 31.12.2011 RM'000
Results from operating activities is arrived at after charging:		
• Depreciation of property, plant and equipment	4,493	22,745
• Impairment loss for receivables	1,722	6,173



MASTERSKILL EDUCATION GROUP BERHAD

(Company No. 746920-M)

(Incorporated in Malaysia)

(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

9. Operating Segment

	University Colleges RM'000	Colleges RM'000	Total RM'000
31.12.2011			
Revenue from external customers	93,681	156,459	250,140
	=====		
Interest income	1,717	-	1,717
Interest expense	(3,254)	-	(3,254)
Depreciation of property, plant and equipment	(10,909)	(11,836)	(22,745)
Reportable segment (loss)/profit before tax	(10,848)	53,064	42,216
Segment (loss)/profit for the period	(14,994)	53,064	38,070
<u>Other information:</u>			
Additions to non-current assets	3,168	26,058	29,226
Segment assets	306,916	192,500	499,416
Segment liabilities	(124,699)	(317)	(125,016)
31.12.2010			
Revenue from external customers	146,610	168,969	315,579
	=====		
Interest income	1,934	-	1,934
Interest expense	(1,382)	-	(1,382)
Depreciation of property, plant and equipment	(8,640)	(7,773)	(16,413)
Reportable segment profit before tax	20,158	95,421	115,579
Segment profit for the period	4,902	95,421	100,323
<u>Other information:</u>			
Additions to non-current assets	52,432	84,587	137,019
Segment assets	338,808	166,445	505,253
Segment liabilities	(128,044)	(1,169)	(129,213)



MASTERSKILL EDUCATION GROUP BERHAD

(Company No. 746920-M)

(Incorporated in Malaysia)

(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

9. Operating Segment (continued)

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

	31.12.2011	31.12.2010
	RM'000	RM'000
Profit or loss		
Total profit or loss for reportable segments	42,216	115,579
Other non reportable segments	738	2,420
	<hr/>	<hr/>
Consolidated profit before tax	42,954	117,999
	=====	=====
	31.12.2011	31.12.2010
	RM'000	RM'000
Assets		
Total assets for reportable segments	499,415	505,253
Other non reportable segments	237,242	230,625
Elimination of inter-segment	(94,847)	(84,645)
	<hr/>	<hr/>
Consolidated total assets	641,810	651,233
	=====	=====
	31.12.2011	31.12.2010
	RM'000	RM'000
Liabilities		
Total liabilities for reportable segments	(125,016)	(129,213)
Other non reportable segments	(490)	(1,499)
	<hr/>	<hr/>
Consolidated total liabilities	(125,506)	(130,712)
	=====	=====

There have been changes in the basis of segmentation from the last annual financial statements. The consultancy segment has been removed as the contribution of the segment is not significant.



MASTERSKILL EDUCATION GROUP BERHAD

(Company No. 746920-M)

(Incorporated in Malaysia)

(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

10. Material Subsequent Events

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

11. Changes in the Composition of the Group

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

12. Changes in Contingent Liabilities and Contingent Assets

There were no material contingent liabilities or contingent assets as at 31 December 2011.

13. Commitments on Capital Expenditure

The capital commitments of the Group as at 31 December 2011 are as follow:

	As at 31.12.2011 (unaudited) RM'000	As at 31.12.2010 (audited) RM'000
Capital commitments		
Property, plant and equipment		
Contracted but not provided for	54,091	56,622
	=====	=====

14. 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 value 12 months ended 31 December		Balance outstanding 31 December	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
With a Director				
Rental expense for premises	336	336	-	-
	===	===	===	===



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

(A) EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

15. Qualification of Preceding Audited Financial Statements

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

16. Disclosure of Realised and Unrealised Profits

	31.12.2011	31.12.2010
	RM'000	RM'000
Total retained earnings of Masterskill Education Group Berhad and its subsidiaries		
- Realised	275,276	284,511
- Unrealised	7,666	9,804
Total	----- 282,942 =====	----- 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 fourth quarter ended 31 December 2011, Masterskill Education Group Bhd (MEGB) achieved a revenue and loss before tax of approximately RM49.5 million and RM2.6 million respectively, which were lower than the results for the same period of the preceding year.

The decrease can be largely attributed to the changes towards PTPTN's loan scheme effective 1 June 2011 that has impacted the Group's revenue in which students who have enrolled into the Masterskill University College after the date will receive reduced funding from PTPTN to pay for the fees. 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 its tuition fees for its diploma programmes to an average of RM50,000 beginning July 2011 intake. 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 impacted the number of students joining the programme. Staff costs especially academic staff increased in line with the Malaysian Qualification Agency (MQA) requirement standard in which the teaching to student ratio for science programmes is 1: 20 instead of 1: 30 previously.

2. Comparison with Preceding Year's Corresponding Quarter Results

The Group's reported revenue of RM49.5 million is a 38.8% decrease from the RM80.9 million recorded for the same period in 2010. The decrease in revenue had resulted a Loss After Tax of RM1.6 million compared with Profit After Tax of RM26.8 million achieved in 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.



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

MEGB has managed to turn in a Profit After Tax of RM38.1 for FY2011 despite the challenging external environment. We continue to maintain a healthy balance sheet with strong cash-in-hand of RM110.6 million, which has helped ensure the smooth progress of our expansion plans.

With the inflation rate reportedly reaching 3% in December 2011 and lower forecasted GDP growth of 4.5% in 2012, we foresee challenging times ahead. While Malaysia will still be able to maintain its competitive edge as an education hub for the region, global economic uncertainties will pose significant challenges. The market has also seen a higher level of competition with more universities and colleges offering nursing and allied health programmes in recent years.

Moving forward, Masterskill will continue to pursue growth in the domestic and international market. The international market expansion will be conducted via franchising. MEGB has been given the approval letter to conduct Franchising from the Ministry of Domestic Trade, Cooperatives and Consumerism on 9 August 2011. We will also work towards the establishment of a reputable foreign branch campus in Malaysia. Masterskill will focus on degree programmes in which there is a higher demand and revenue orientation instead of diploma programmes. Under the business diversification strategy, we will realign offerings from the medical and allied health science programmes into business, hospitality and tourism programmes.

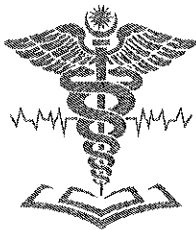
4. Variance on Profit Forecast /Profit Guarantee

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

5. Taxation

	Quarter ended		Cumulative to date	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Income and deferred tax	(1,001)	(822)	4,810	15,856
	=====	=====	=====	=====

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.



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)

6. Status of Corporate Proposals

As at 31 December 2011, the gross proceeds of RM147,634,900 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	38,824	Within 12-18 months	76,176	66.2	*
Campus expansion	20,000	20,000		-	-	
Working capital	3,000	3,000		-	-	
Listing expenses	5,500	8,010		(2,510)	(45.6)	
	<u>143,500</u>	<u>69,834</u>		<u>73,666</u>	<u>51.3</u>	
	=====	=====		=====		

* Pending construction of new campus.

7. Group Borrowings and Debt Securities

Save as disclosed below, there were no other borrowings or debt securities in the Group as at 31 December 2011.

Borrowings (secured)	As at 31.12.2011 (unaudited) RM'000	As at 31.12.2010 (audited) RM'000
Non-current		
Finance lease liabilities	4,497	7,771
Secured revolving credit (Islamic)	1,152	3,274
Secured term loan (Islamic)	37,663	24,574
	-----	-----
	43,312	35,619
	-----	-----
Current		
Finance lease liabilities	3,058	2,662
Secured revolving credit (Islamic)	2,150	2,165
Secured term loan (Islamic)	5,656	5,042
	-----	-----
	10,864	9,869
	-----	-----
	54,176	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)**

8. 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 a new Case Management for parties to fix a new trial dates as the previous dates have been vacated due to the dates clashing with Chinese New Year 2012 on 5.1.2012 on which date a further Case Management was fixed on 27.2.2012 has been vacated by the Court and fixed on 29.2.2012.

The Hearing for the application to remove caveat was fixed on 29.2.2012.

Masterskill filed an application in Court of Appeal to intervene to Kemacahaya Development Sdn Bhd's appeal. The hearing on the intervener's application which was fixed on 19.01.2012 was adjourned and Court of Appeal has fixed a new hearing date on 5.3.2012.

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.



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)

9. Dividends

The Board of Directors declared a 2nd Interim Single Tier Dividend of 1.40 sen per ordinary share totaling RM5.74 million for the financial year ended 31 December 2011.

10. Earnings per Share

Basic earnings per ordinary share

The basic earnings per ordinary share of 9.31 sen (31.12.2010 – 32.71 sen) is calculated based on the net profit attributable to ordinary shareholders of RM38,144,000 (31.12.2010 – RM102,143,000) and the weighted average number of ordinary shares in issue during the quarter 409,906,000 (31.12.2010 – 312,314,000).

	Quarter ended		Cumulative to date	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
(Loss) / Profit for the period attributable to ordinary equity shareholders (RM'000)	(1,571)	26,845	38,144	102,143
	=====	=====	=====	=====
Weighted average number of ordinary shares at 31 December ('000)	409,906	100	409,906	100
Effects of conversion of Irredeemable convertible preference shares to ordinary shares ('000)	-	57,128	-	57,128
Effects of share split during the period ('000)	-	228,913	-	228,913
Effects of issuance of new ordinary shares during the period ('000)	-	26,173	-	26,173
	-----	-----	-----	-----
Weighted average number of ordinary shares at 31 December ('000)	409,906	312,314	409,906	312,314
	=====	=====	=====	=====
Basic earnings per ordinary share (Sen)	(0.38)	8.60	9.31	32.71
	=====	=====	=====	=====



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. Earnings per Share (continued)

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary shares at 31 December 2011 is based on profit attributable to ordinary shareholders of RM38,144,000 (31.12.2010 – RM102,143,000) 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	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
(Loss) / Profit for the period attributable to ordinary equity shareholders (RM'000)	(1,571)	26,845	38,144	102,143
	=====	=====	=====	=====
Weighted average number of ordinary shares (diluted) at 31 December ('000)	409,906	368,906	409,906	368,906
Effects of issuance of new ordinary shares during the period ('000)	-	26,173	-	26,173
	-----	-----	-----	-----
Weighted average number of ordinary shares (diluted) at 31 December ('000)	409,906	395,079	409,906	395,079
	=====	=====	=====	=====
Diluted earnings per ordinary share (Sen)	(0.38)	6.79	9.31	25.85
	=====	=====	=====	=====

BY ORDER OF THE BOARD