Masterskill selling more assets

TURNAROUND PLAN: Disposal of six properties to put education services provider in net cash position

Masterskill Education Group Bhd, which aims to turn around within 12 months, is disposing of another six property assets worth RM194.1 million.

The move that will put the loss-making company in a net cash position.

This comes after the company’s disposal of two property assets to former chairman and executive director Siva Kumar M. Jeyapalan for RM79.7 million which received the shareholders’ approval yesterday.

Out of the property disposal proceeds, the education services provider plans to settle its borrowings of RM25.5 million from Amicable Bank, which will reduce the company’s gearing ratio to 0.07 times from 0.2 times currently.

Its executive director Datuk Dr R. Palan said the company is in talks with a few parties on the potential sale of its remaining property assets, but it is not in a hurry to sell them.

“We already have non-binding offers for several properties but we’re not in a hurry to sell them,” he said after the company’s annual and extraordinary general meetings, here yesterday.

“We have sufficient cash from the sale of property assets to Siva Kumar to support our turnaround plan. We may even give our dividends to shareholders from the cash balance,” he added.

Palan said Masterskill will spend RM34.4 million in marketing expenses over the next 12 months to boost student intake at its campuses as part of its turnaround plan.

Currently, Masterskill’s Asia Metropolitan University has a student population of about 2,037 and the company aims to grow the number by 35 per cent this year.

Masterskill reportedly aims to move forward with its rebranding exercise and bolster student intake to at least 18,000, while promoting quality education.

It was recently taken over by SMRT Holdings Bhd and private equity firm Creator, which saw both entities raise their stake in the financially-troubled education group to 51 per cent.

Asia Metropolitan University is a subsidiary of Masterskill and the latter will be renamed Asianet Education Group Bhd for rebranding purposes, according to reports.

The Asia Metropolitan University campuses are located in Johor Baru, Kota Baru, Cheras (Kuala Lumpur), Kota Kinabalu and Kuching.

Masterskill’s unit, Masterskill (M) Sdn Bhd, earlier this year signed two sale and purchase agreements with Brilland, where Siva Kumar holds a 69 per cent stake and the balance 41 per cent is held by his family via Transaction Opinion Sdn Bhd.

Siva Kumar, who is now the company’s director, had earlier this year disposed of 30,25 per cent of his stake in Masterskill to SMRT and Creator and had ceased to be a substantial shareholder in the education group.