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**9. BUSINESS**

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**9.1 OVERVIEW**

HIC was incorporated in Malaysia on 20 June 2005 and acts as the holding company for companies operating its various businesses, which are primarily in the field of education. HUC in particular has been a pioneer and innovator in tertiary education in Malaysia since 1986. For instance, HUC was among the pioneers to introduce foreign 'twinning' and external programmes to Malaysia in the 1980s. HELP University College was the first private institution in the world outside the UK recognised by the LSE to conduct the UOL Diploma in Economics. Since its inception, we have developed strong collaborative relationships with a number of top universities worldwide. HELP University College was one of the first batch of 10 colleges approved to run the '3+0' degree programmes in June 1998; we are also among the leading group of colleges conferred university college status by the MOHE in August 2004.

Our principal place of business is located at Wisma HELP and Kompleks Pejabat Damansara, both located in Damansara Heights and BZ-2 Pusat Bandar Damansara. Our tangible assets lie in our real property, details of which are found in Section 9.8 (Business - Property).

During the last 20 years we have demonstrated that our corporate, management and academic leaderships have the expertise and experience to execute the vision, core values and goals of our Group to create a clear and visible direction for HELP University College to succeed as a top academic institution.

**9.1.1 Our Vision**

To help people succeed in life and to live a life of significance through education.

**9.1.2 Our Mission**

- To run a university college of international stature that excels in selective areas of excellence;
- To manage a strong culture of quality and leadership that focuses on sound academic standards, continuous improvement, and the talent development of students and staff;
- To offer people a learning experience that enhances their career development, lifetime values and personal fulfilment;
- To share our success with the community we serve; and
- To have consistent performance and therefore discharge our duty to our shareholders and other stakeholders.

Our education business emphasises excellence and the personal development of our students and success of our corporate clients through outstanding academic programmes at pre-university, undergraduate and postgraduate levels. We currently have approximately 1,500 international students from over 66 countries enrolled in our courses, and a teaching faculty that includes 36 PhD holders and international visiting academic staff from some of the world's most prestigious institutions including LSE, University of Queensland, Emory University, University of Texas (Austin) and Helsinki School of Economics.

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Our Group has a proud tradition of graduating high achievers. In recent years, our top students have been awarded with First Class Honours degrees from the UOL, the LSE and the University of West of England, Bristol. In addition they have won prestigious scholarships such as the Standard Chartered Bank Scholarships and LSE External Study Scholarships. A number of HELP University College students have completed their postgraduate degrees at prestigious universities such as Cambridge University, Oxford University, LSE, The Wharton School of the University of Pennsylvania, University of Chicago, the ANU and the University of Queensland with scholarships and fellowships.

**9.1.3 Faculties and Centres**

We have seven (7) academic faculties and sixteen (16) centres for different educational programmes and training courses. The academic Faculties and Centres are as follows:

**Faculties****(i) Faculty of Business, Accounting and Entrepreneurship**

The core programmes are in business courses (including international business, hospitality and tourism, marketing and management), accounting and finance, and entrepreneurship studies.

**(ii) Faculty of Behavioural Sciences**

Focuses on providing psychology courses that include counselling and youth leadership.

**(iii) Faculty of Law and Government**

The main courses are for law degrees, legal studies for other professions, and degrees in public administration and diplomacy.

**(iv) Faculty of Humanities and Social Sciences**

Provides a wide range of degrees including the ADTP, Economics, Communication and Education Management.

**(v) Faculty of Multimedia and Applied Sciences**

Provides degrees in biotechnology, bio informatics, multimedia, mobile technology, video games and other applied science disciplines.

**(vi) HELP Graduate School**

Provides a wide range of postgraduate courses, including MBA, Master of Business, Master of Entrepreneurship, Master of Managerial Psychology, Master of Technology Management and Master of IT.

**(vii) University Foundation Studies**

Provides pre-university course, namely A Levels.

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**9. BUSINESS (Cont'd)**

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**Centres****(i) HELP Matriculation Centre**

Provides pre-university and diploma programmes that are pre-requisites for entry into degree programmes.

**(ii) Centre for International Programmes**

Provides evaluation and accreditation of foreign providers of HUC education programmes.

**(iii) Centre for e-Learning**

For the management of e-Learning that enables expansion of our delivery model and enriches the learning experiences of HUC students.

**(iv) Centre for Career Guidance and Planning**

Provides counselling services to guide students and parents in career planning in light of the students' competencies and personality.

**(v) Centre for Behavioural Studies**

For the development of research and training using interdisciplinary tools, including economics, philosophy, psychology and anthropology.

**(vi) Centre for Forensic Studies**

For the development of research and training using interdisciplinary techniques including forensic medicine, forensic accounting and forensic psychology.

**(vii) Centre for Broadcasting Studies**

Provides professional training courses in journalism and broadcasting.

**(viii) Centre for Voice and Speech Training**

For the development of theatre techniques for voice and speech training.

**(ix) Centre for Staff Training and Development**

For the management of HUC staff development and training as part of its human capital growth.

**(x) Centre for Performance Management**

Provides relevant tools for evaluating and monitoring the performance of HUC staff.

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**9. BUSINESS (Cont'd)**

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**(xi) Centre for Entrepreneurship and Innovation**

Provides training courses on entrepreneurship and innovation practices. It also aims to incubate entrepreneurship.

**(xii) Asian Research Centre for Child and Adolescent Development (ARCCAD)**

Programme that focuses on youth leadership research.

**(xiii) Centre for Youth Leadership**

Provides counselling and training to develop leadership skills among young people.

**(xiv) Centre for Sales Management**

For the developing and delivering of training and seminar courses relating to all aspects of selling and customer management support.

**(xv) Centre for Fraud Management Studies**

For the training of professionals to detect corporate and business fraud in business.

**(xvi) Centre for Advanced Research**

The mission of the centre is to conduct research relating to the teaching programmes of HELP University College and also other academic research that is an integral part of a university proper.

**9.1.4 Programmes and Degrees**

HELP University College offers a wide range of courses to our students that lead to the award of HELP degrees and also international academic qualifications for both undergraduate and postgraduate degrees. We believe the disciplines and degrees that we choose to offer are connected to high growth sectors that have strong demand for such graduates. Some of these sectors are business, accounting, finance, psychology, security, multimedia, media and broadcasting, recreation and tourism.

**9.1.5 Quality Assurances**

Our consistent and steadfast commitment to excellence is a great strength of our company. HELP University College's Quality Management System has received the BS EN International Organisation for Standardization ("ISO")9001:2000 Quality Certification from the UK's National Quality Assurance certification body in respect of its 'Development and provision of education services of higher learning'. The quality control and core business processes are fully documented and regularly audited by internal and external auditors.

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**9. BUSINESS (Cont'd)**

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We also ensure high academic standards by having external examiners from our partner universities and other reputable academic institutions abroad to evaluate and assess our teaching and research quality and to moderate course examinations. This is to satisfy the stringent guidelines and standards of bodies like the Australian Universities Quality Agency (AUQA), UK's Quality Assurance Agency for Higher Education (QAA) and the Malaysian Government's LAN.

**9.1.6 Technology Driven**

To increase productivity and management efficiency, we are moving towards implementing e-Commerce. Presently, we have adopted the Customer Relationship Management (CRM) and Education Management System (EMS) to support our student administration.

To support effective learning, we are introducing and promoting the e-Learning culture that also includes online education/learning. This will be used to enhance the education business model.

**9.1.7 Staff Training and Development**

Our long-term performance is driven by a human resource model based on continuous training and upgrading of skills for the nurturing of quality people. To ensure that this is executed, the Centre for Staff Training and Development invests in staff training and development. We focus on behavioural values, competency development, and specific knowledge for relevant jobs and tasks. Our staff members have to attend a minimum of 60 hours training in various competency areas. The flagship in-house programme is the Collaborative Leadership Course, a senior management leadership programme. Our staff members are also encouraged to pursue higher degrees, especially the PhD. Financial assistance is arranged for qualified members of staff.

**9.1.8 Financial and Investment Management**

We have been principally financed by our shareholders' funds and funds generated from business operations. For risk management and to ensure a steady growth in return, we practice a prudent financial and investment policy. Professional advice is sought from respectable investment institutions for our investment portfolio when required.

**9.2 COMPETITIVE STRENGTHS**

We believe that we have the following competitive strengths:

- (i) since 1986, our businesses have evolved a corporate culture that is based on performance principles, quality assurance, and continuous improvement. Our culture for excellence is our strength;
- (ii) we were set up by a group of entrepreneurial educationists and professionals who are still actively involved in management and leadership. The quality of our business is consistently benchmarked at global standards;
- (iii) we have an efficient, committed and experienced management team which is able to respond quickly to the challenges of new initiatives and new forces;

## 9. BUSINESS (Cont'd)

- (iv) we have a qualified and experienced team of academics and teaching staff which is supported by systematic training and education. We believe our academic competency to be robust;
- (v) we have a strong network of industry and university partners who share our vision and commitment for success;
- (vi) we are one of the very few local higher learning entities that have professionally qualified counsellors to provide counselling for our students, their parents, and our employees. Furthermore, we regard our pastoral care services for our students to be commendable. This helps to build a strong student and community caring image;
- (vii) as a city campus, our university college is strategically located in the Damansara locality in Kuala Lumpur;
- (viii) we have a state-of-the-art ICT set-up that enables effective management and good internal control systems;
- (ix) we have an established brand name for providing quality and affordable education;
- (x) we have a portfolio of intellectual properties in the form of degree programmes that are differentiated from other competitors in terms of specialty pathways and value added features; and
- (xi) we have an innovative and creative culture based on a clear strategy for growth, an adaptive organisational structure and good execution ability.

### 9.3 STRATEGIES

Our key objectives are to expand and leverage on our existing strengths, improve the differentiation and performance of our business model, and focus on creating value for our shareholders and other stakeholders. We aim to be a dominant provider of tertiary education and training courses in certain niche markets. Our strategy is to focus on selective areas such as business, psychology, law, multimedia, security management and postgraduate studies. Our key strategies to achieve these objectives include:

**(i) Enlarging domestic and international shares of our existing programmes**

We will strive to increase the number and quality of both local and international students in our existing programmes. We will recruit students from new geographical markets, such as the Middle East, Africa and certain western cities of China.

We also intend to use e-Learning support to scale up the delivery model and volume of business for different programmes in such markets where the traditional face-to-face approach is not economically viable.

To be competitive and attractive, we will continue to improve the services and quality of education provided to our students. It is our aim to ensure that our graduates and students are well equipped with skills that enhance their employability and their capacity to earn a salary above the industry average.

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**9. BUSINESS (Cont'd)**

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**(ii) Diversification of revenue streams**

In addition to expanding and differentiating the traditional academic programmes we will also expand the existing business in executive and professional training courses aligned to suit the needs and demands of current corporate needs, which would consequently diversify HELP University College's consumer pool. This is a logical development and is an extension of the core business and our core competencies.

We will also move downstream into the secondary school education sector and tutorial colleges. This move will complement HELP University College's existing business and help lock in future students.

**(iii) Diversification of programmes offered**

As part of differentiation, we will develop new programmes in specialist areas that include security management, business psychology, recreation and tourism studies, applied and medical sciences, bio informatics, Islamic banking and finance and video games.

**(iv) Franchising and Licensing**

To scale up the volume and diversity of the geographical market share of our business, we have developed franchising and licensing models to on sell our programmes. We expect this to grow our business in the coming years.

**(v) Diversification of Partnerships**

In line with our internationalisation and quality enhancement, we will also expand the number of partners using different collaborative models. This boosts our international status as we become associated with the high ranking university community. The above will also give our students more options to choose from in terms of degrees and career pathing.

**(vi) E-Learning**

We will promote the use of e-Learning in order to expand our access to a greater number of potential students particularly to those who may not have access to the traditional face-to-face teaching environment.

**(vii) Staff Strength**

To support our expanding business, we will employ more experienced and qualified staff with PhD degrees and other professional qualifications. The Centre for Staff Training and Development, together with the Human Resources Department, is developing a master plan for human resource development as part of our long-term strategy plan. It is targeted that by 2010, 25 per centum (25%) of our staff will be PhD degree holders.

**(viii) Research and Publications**

A number of our staff have been involved in numerous research activities, some results and findings of which have been published. We will sustain our research and publication activities so that this will enhance our stature as a University of Achievers. The Centre for Advanced Research is established for this purpose.

**9. BUSINESS (Cont'd)****9.4 FUTURE PLANS AND PROSPECTS**

Our university college status will require us to have a major overhaul of programme and courses offered. We have submitted in five (5) phases a series of our own programmes and courses for the LAN's consideration. These are as follows:

	<b>Phases</b>	<b>Types of Programmes/Courses</b>
(1)	First phase: Our degree programmes comprising eight (8) Bachelors' and two (2) Masters' programmes have received formal approval from the MOHE (Jabatan Pengurusan Institusi Pengajian Tinggi, Kementerian Pengajian Tinggi Malaysia).	(i) Bachelor of Business (Finance) (Hons); (ii) Bachelor of Business (Marketing) (Hons); (iii) Bachelor of Business (Entrepreneurship) (Hons); (iv) Bachelor of Psychology (Hons); (v) Bachelor of Jurisprudence (Hons); (vi) Bachelor of IT (Hons); (vii) Bachelor of IT (Mobile Communication) (Hons); (viii) Bachelor of Accounting (Hons); (ix) Master of Business Administration (MBA); and (x) Master of Technology Management (IT).
(2)	Second phase: Our degree programmes comprising eight (8) Bachelors' and two (2) Masters' programmes have received formal approval from the MOHE (Jabatan Pengurusan Institusi Pengajian Tinggi, Kementerian Pengajian Tinggi Malaysia).	(i) Bachelor of Business (Accounting) (Hons); (ii) Bachelor of Business (Human Resources Management) (Hons); (iii) Bachelor of Business (International Business) (Hons); (iv) Bachelor of Science (Hons) Electronic Games & Interactive Media; (v) Bachelor of Information Technology (Business Information Management) (Hons); (vi) Bachelor of Communication (Public Relations) (Hons); (vii) Bachelor of Communication (Media Studies) (Hons); (viii) Bachelor of Communication (Marketing Communication) (Hons); (ix) Master of Entrepreneurship; and (x) Master of Managerial Psychology.
(3)	Third phase: Our degree programmes comprising four (4) Bachelors' and one (1) Master's programmes have received formal approval from the MOHE (Jabatan Pengurusan Institusi Pengajian Tinggi, Kementerian Pengajian Tinggi Malaysia).	(i) Bachelor of Liberal Arts (Hons); (ii) Bachelor of Arts in Asian Business (Hons); (iii) Bachelor of Business Psychology (Hons); (iv) Bachelor of Management (Hons); and (v) Master in Counselling.



**9. BUSINESS (Cont'd)**

	<b>Phases</b>	<b>Types of Programmes/Courses</b>
(4)	Fourth phase: Two (2) Bachelor's, one (1) Master's programme and one (1) Diploma Programme have been forwarded to the LAN for assessment and are pending formal approval from the MOHE (Jabatan Pengurusan Institusi Pengajian Tinggi, Kementerian Pengajian Tinggi Malaysia).	(i) Bachelor of Economics (Hons); (ii) Bachelor of Banking (Hons); (iii) Master of Clinical Psychology; and (iv) Diploma in Liberal Studies.
(5)	Fifth phase: To be resubmitted to the MOHE after amendments.	(i) Bachelor of China Business Studies; (ii) Diploma in Science; and (iii) Bachelor of Business (Hospitality Management).

The new scheme of Honours undergraduate degrees essentially involves the 're-packaging' of existing programme areas under our 'HELP' brand. These areas continue to capitalise on our traditional strengths and track record in the following disciplines: Accounting, Finance, Marketing, Business, IT, Law, Psychology, International Business, Business Information and Human Resource Management, Communications and Economics.

The first phase of our degree programmes was launched in May 2005. However, with current major challenges in marketing and brand perception, we anticipate that there will be a transitional period of at least five (5) to ten (10) years. The educational model that we evolve will comprise a combination of the following elements:

- (i) HELP degrees: We estimate that growing numbers of local students will opt to complete the degrees locally awarded by us;
- (ii) Foreign university degrees (via 3+0): The MOHE initially imposed a 'five (5) year ruling' (expiring in 2009) requiring '3+0' programmes to be phased out in order to encourage university colleges to increase their home-grown courses. However in 2005, the MOHE extended the five (5) year phase out period to ten (10) years (expiring in August 2014). As such, we have and will continue to recruit students for our collaborative '3+0' programmes in 2007. This is likely to have a significant impact on our international student market. We are attempting to address this issue with the establishment of HA to accommodate HUC's foreign collaborative programmes and proposed double degree concept as explained below;
- (iii) Establishment of HA: The MOHE's Circular 4/2006 which states that all private university and private university colleges in Malaysia are able to conduct collaborative courses to courses based on 'home-grown curriculum' on a 20% to 80% ratio basis, in effect would enable HUC to continue to offer its collaborative programmes (i.e. '3+0' programmes) within the stipulated 20% ratio. Additionally, several of HUC's collaborative courses would be transferred to HA and at the same time new collaborative courses are to be registered to be offered by HA. Further, the increase of HUC's offering of home-grown programmes would concurrently allow more collaborative programmes to be offered in proportion to the abovementioned ratio.

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**9. BUSINESS (Cont'd)**

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- (iv) Double degrees: This involves the award of a HELP degree, together with a simultaneous but separate award of a degree qualification from another university (for example from one of our current '3+0' partners). Conferment of a HELP degree will require the satisfactory fulfilment of additional academic pre-requisites specified by the relevant university (for example, the completion of a dissertation or thesis). We are still in the midst of finalising such a scheme with our collaborative partners. The said scheme is also subject to approval by the relevant local and foreign authorities;
- (v) Joint degrees: It is another mechanism that would enable a simultaneous award by us and another university. However, this is likely to present more administrative and technical obstacles as compared to the double degree route option described above; and
- (vi) Foreign university degrees (via credit transfer/advanced standing): Our university college status will not affect the ability of our students to proceed to overseas to complete their degrees at universities with credit transfer or advanced standing arrangements with us. We anticipate that this option will continue to be a popular route, especially for international students, who regard Malaysia as a convenient and cost-effective gateway to universities in Australia, US and UK.

We have set a total enrolment target of around 3,400 new enrolments for financial year ending 31 October 2007, representing a 13% increase as compared to approximately 3,000 in financial year ended 31 October 2006. For international student enrolment, our target is approximately 1,000 new enrolments for financial year ending 31 October 2007, representing a 25% increase from the previous year, comprising students principally from China, Indonesia, Bangladesh, India, the Middle East, the Maldives, Vietnam, Korea and Africa.

We aim to expand by diversifying into new areas, namely applied and medical sciences, engineering, Islamic banking and finance, and biotechnology. Plans are currently at the developmental stages to introduce a Bachelor of Applied Science and a Bachelor in Applied Technology.

We target that approximately 30% of our revenue will be derived from alternative sources, i.e. the more traditional undergraduate and postgraduate programme provision within the next five (5) years. Areas that we have identified to be further explored include merchandising, short courses and professional career training seminars in fields such as high-end business English and security issues.

We also aim to intensify international franchising in three (3) phases: starting with phase one in Asia, phase two in the Middle East and phase three in Africa. Some of the countries identified with future potential are Hong Kong, Singapore, Thailand, India, Mauritius, Sri Lanka, Indonesia (Palembang and Medan), Oman, United Arab Emirates and South Korea.

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**9. BUSINESS (Cont'd)**

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**9.5 HISTORY**

HIC was incorporated in 2005 as the investment holding company for our Group. However, our core business has been established for the past two decades. HUC began operations in Kampung Attap, Kuala Lumpur on 1 April 1986. Many of the current leading colleges were established under similar circumstances in the 1980s creating the first major phase of private institutions. This period, which spanned from the mid-1980s to early 1990s, coincided with a greatly increased demand for tertiary education. This was in part due to demographic and economic factors and limited university places.

Most successful private colleges established strong core programmes coupled with competitive fees and became associated with particular disciplines. We initially focused on law and economics related courses via the UOL External programme. We then forged strong links with Australian providers, first with the University of Southern Queensland (USQ) and later CSU, resulting in strong growth and an enlarged student population. Currently, we have a student population in excess of 8,500 registered students, including more than 1,500 from overseas.

The colleges that have seen the most consistent growth are the ones that have either concentrated on a specific market sector or those that have offered a focused range of programmes in tune with the market. We responded successfully to a growing interest in American transfer programmes, the 'law boom' in early 1990s, the 'IT boom' in the late 1990s and the continuing demand for business, finance and commerce courses. We are also a major provider of postgraduate programmes and are also a lead provider of the A Level programmes in Malaysia.

**9.6 TYPES OF COURSES PROVIDED**

HELP University College is a registered institute of higher learning under the Private Higher Education Institutions Act, 1996 and is fully owned and operated by HUC. HUC's core business involves the provision of educational programmes at pre-university, undergraduate and postgraduate levels.

Key programme areas that we offer are as follows:

- (i) business;
- (ii) entrepreneurship;
- (iii) management;
- (iv) marketing;
- (v) accounting;
- (vi) finance;
- (vii) economics;
- (viii) IT;
- (ix) law;
- (x) ADTP;
- (xi) A Levels;

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- (xii) foundation studies;
- (xiii) liberal arts & science;
- (xiv) psychology;
- (xv) MBA;
- (xvi) Master of Entrepreneurship;
- (xvii) Master of Managerial Psychology; and
- (xviii) Master of Technology Management.

Our academic programmes are currently offered through seven (7) academic faculties as well as through a series of specialised centres as stated in Section 9.1.3 (Business – Overview – Faculties and Centres) above. However, with our university college status, we are currently undergoing organisational restructuring to enable the creation of new academic departments and faculties to promote emphasis on activities such as research and training.

Our programmes currently fall into three (3) broad categories:

Category	Description	Course example
External programmes	Entry requirements, curriculum and examinations are determined and conducted externally by the relevant examination body/university, which awards the qualification. Our role is limited to providing tuition support for the prescribed syllabus and assisting students to prepare for examinations.	(i) GCE A levels (London Examinations - EdExcel International); and (ii) UOL external programme (BSc Hons. in Economics & Management, BSc Hons. in Accounting & Finance).
Internal programmes	Entry requirements, curriculum and examinations are developed and conducted internally. We are responsible for conferring the award, which can be used as a 'stand alone' qualification in its own right, or more commonly, as an entry qualification providing 'advanced standing' on to undergraduate degree programmes offered at HELP University College or to universities overseas under various 'credit transfer' or 'advanced standing' arrangements.	(i) Foundation in Arts, Foundation in Science; (ii) Diploma in Business, Diploma in Information Technology; (iii) Bachelor of Accounting (Hons); (iv) Bachelor of Business (Accounting) (Hons); (v) Bachelor of Business (Finance) (Hons); (vi) Bachelor of Business (Marketing) (Hons) (vii) Bachelor of Business (Entrepreneurship) (Hons); (viii) Bachelor of Business (International Business) (Hons); (ix) Bachelor of Information Technology (Business Information Management) (Hons); (x) Bachelor of Information Technology (Mobile Communication) (Hons);

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Category	Description	Course example
		(xi) ADP Transfer Programme (Liberal Arts);
		(xii) Bachelor of Communication (Public Relations) (Hons);
		(xiii) Bachelor of Communication (Media Studies) (Hons);
		(xiv) Bachelor of Communication (Marketing Communication) (Hons);
		(xv) UK Degree Transfer Programme (Law);
		(xvi) Bachelor of Jurisprudence (Hons);
		(xvii) Bachelor of Psychology (Hons);
		(xviii) Master of Business Administration (MBA);
		(xix) Master of Technology Management (Information Technology);
		(xx) Master of Managerial Psychology;
		(xxi) Master of Entrepreneurship;
		(xxii) Bachelor of Management; and
		(xxiii) Masters in Counselling.
Collaborative programmes	Entry requirements, curriculum and examinations are developed and conducted internally in collaboration with a foreign university partner. The foreign university partner is involved in the moderation of course content, as well as the assessment, evaluation and examination process and is ultimately responsible for awarding the qualification.	'3+0' Bachelor degree programmes with CSU and the UEL.

With our university college status, we are now able to confer both undergraduate and postgraduate degrees in their own right. University colleges are allowed to have 20% of the total degree programmes with foreign universities.

In addition to the academic programmes, HUC also provides corporate and executive training.

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**9. BUSINESS (Cont'd)**

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**9.7 TECHNOLOGY USED**

Our academic and administrative support staff carries out curriculum design, teaching, assessment and evaluation. Latest ICT may be used as a tool to enhance and complement the teaching and learning process.

We currently use an internally customised Education Management System ("EMS"), which provides the framework for central student registration, administration and management. The 'My Pride' service, linked to the EMS, allows students online access to enrolment, timetable and related information.

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**9. BUSINESS (Cont'd)****9.8 PROPERTY**

The Group's property is Wisma HELP, which is erected over two plots of land. The details of Wisma HELP as at the date of this Prospectus are set out below:

Registered owner	Postal address/identification	Approximate age of building	Restrictions in interest/major encumbrances	Tenure	Description/ existing use	Land/ built-up areas	Revaluation surplus/ deficit	Breaches of land-use conditions	Certificate of Fitness	Net book value
Bungsar Hill Holdings Sdn Bhd <sup>1)</sup>	Wisma HELP, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur/ Lot PT5753 Title No. H.S. (D) 100332, Lot PT5754, Title No. H.S. (D) 100333, Mukim Kuala Lumpur.	27 years	None	Freehold land	Building	Land: 49,883 sq ft  Built-up: 272,426 sq ft	None	None	Issued 22 March 1983 (Ref. No: BP 359/74) from Dewan Bandaraya Kuala Lumpur, Jabatan Arkitek Bandaraya No. 11079	As at 31 March 2007, RM32.8 million

**Note:**

<sup>1)</sup> Our Group acquired the above property for RM36,000,003 through a Sale and Purchase Agreement signed on 27 November 2003 between HELP Institute Sdn Bhd (now known as HUC) and Bungsar Hill Holdings Sdn Bhd, Chong Chook Yew Sdn Bhd and Damansara Developments Sdn Bhd. The title is in the process of being transferred to our wholly-owned subsidiary, HTC.

**9. BUSINESS (Cont'd)****9.9 INTELLECTUAL PROPERTY, LICENCES AND FRANCHISE**

We have filed the following three (3) marks in four (4) separate classes (Class 41, 16, 21 & 25): our logo, our logo with the word 'HELP' beneath, our logo with the word 'HELP' beside and the word 'HELP'. We have also filed under Class 41, our logo with the words 'HELP University College' beside, and under Class 36, our logo with the words 'HELP International Corporation' beside.

Since 2000, HUC has entered into a series of licensing agreements with local and international institutions allowing them to use the name 'HELP Institute' and our logo for the purposes of offering and operating our HELP programmes by these institutions. Such agreements specify that all intellectual property rights, know-how and trade secrets supplied by HUC in connection with the conduct of such programmes remain the property of HUC. These license agreements, managed by the Centre for International Programmes ("CIP") fall into two (2) main categories:

Category	Description	Partner Institutions
Direct licence model	We enter into a direct agreement with the institution relating to the conditions of provision of our programmes by the institution. We provide course content, curriculum and retain responsibility for academic quality assurance. This involves monitoring staff teaching on the programme, conducting revision courses and overseeing the examination and assessment process. The partner institution is responsible for teaching, delivery and marketing of the programme. Upon satisfactory completion of the relevant portion of the programme at the partner institution, students are eligible to complete the programme entirely with us or via us to partner universities overseas.	(i) Bidakara International Education Institute (Indonesia); (ii) Vietnam National University (Vietnam); (iii) Banking University (Vietnam); (iv) Modern Academy for Professional Studies (Maldives); (v) Shanghai Jiayu Management Institute (China); and (vi) Modern Management Centre, Shanghai (China)
Direct licence model ('twinning')	The same arrangement as the above with the exception of financial arrangements. No franchise fee is imposed but we derive benefit from the understanding that students who have satisfactorily completed the relevant portion of the programme at the partner institution, will proceed to us to complete the programme.	Shanghai International Studies University (China)



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**9. BUSINESS (Cont'd)**

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**9.10 OPERATING MECHANISMS**

Our operating mechanisms are documented in a series of standard operating procedures pursuant to ISO9001:2000 certification requirements. These procedures can be summarised into three (3) broad areas:

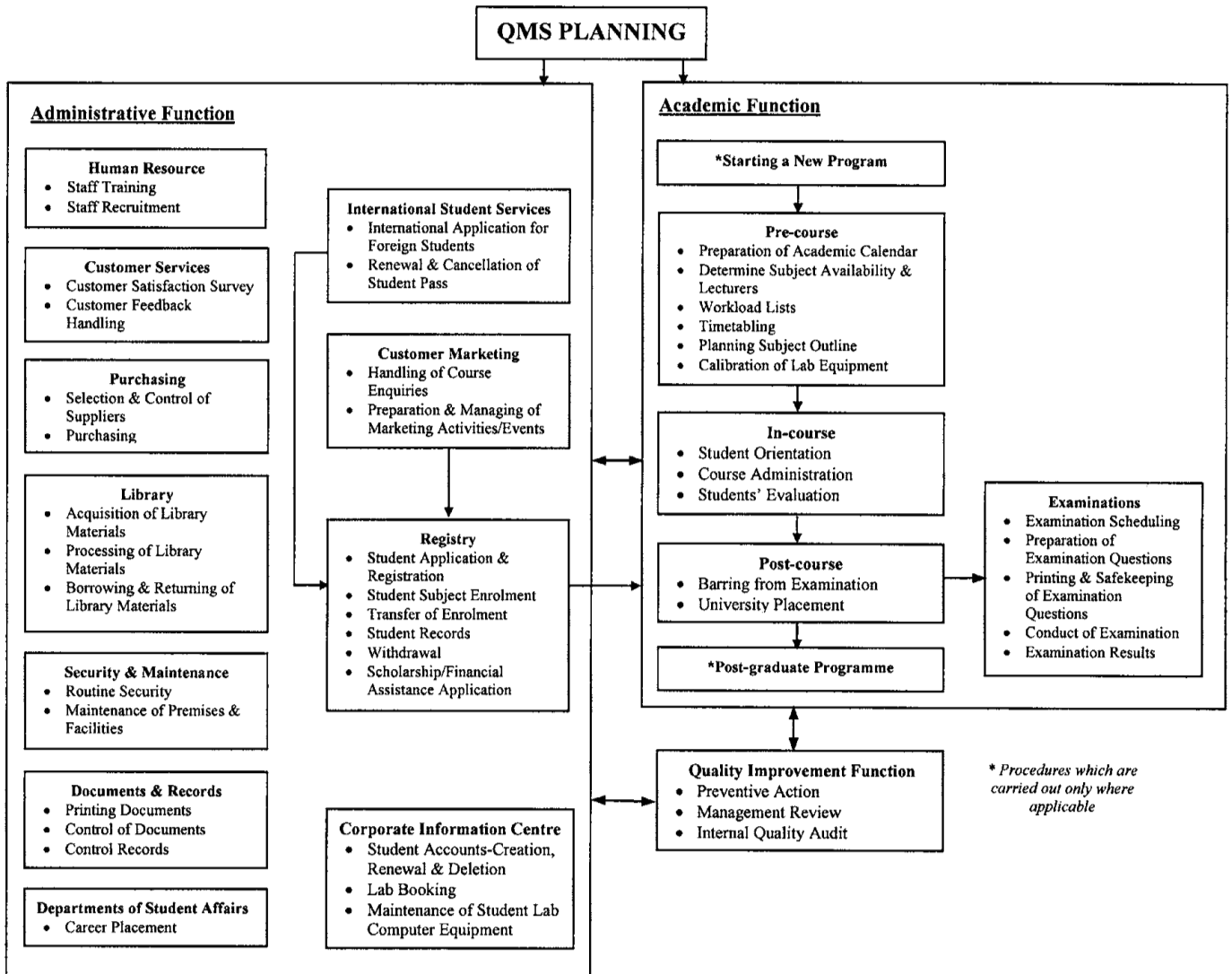
- (i) Pre-course: Processes include the preparation and managing of marketing events and activities, handling of course enquiries, followed by student application and registration. For foreign students, there are special procedures for international applications (accompanied by procedures for subsequent renewal/cancellation of their student pass). At the academic planning stage, there are procedures for starting new programmes, planning subject outlines, determining subject availability, timetabling and preparation of the academic calendar;
- (ii) In-course: Processes include procedures regarding student orientation, student subject enrolment (accompanied by procedures for transfer of enrolment), scholarship/financial assistance applications, student accounts and maintenance of student records. There are prescribed processes for course administration, students' evaluation and a series of procedures relating to the examination process. There are also procedures relating to a variety of services supporting teaching and learning, such as those relating to library materials and the maintenance of the student lab computer equipment. Separate procedures govern the conduct of postgraduate programmes. In-course quality assurance is further enhanced by our internal Academic Board together with an International Academic Council comprising university academics chaired by Professor Cliff Blake, former Vice Chancellor of Adelaide University; and
- (iii) Post-course: Processes include procedures for university placements (for students opting to transfer to universities overseas), career placement and withdrawal.

In addition to procedures arising from running academic courses, there are detailed procedures for the administrative aspects of our operations, such as maintenance of premises and facilities, staff recruitment and training, selection and control of suppliers, purchasing and routine security.

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9. BUSINESS (Cont'd)

To facilitate the above, we have in place the Quality Management System ("QMS") Planning processes as illustrated in the following flowchart:



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**9. BUSINESS (Cont'd)****9.11 OPERATING CAPACITIES**

We expect to enrol in excess of 3,000 new students each year and more than 1,000 students graduate each year, either at HELP University College or through partner universities overseas. We continually upgrade our infrastructure to cope with the increasing student population. This includes plans to upgrade and expand facilities in the city campus; specifically at Kompleks Pejabat Damansara on Jalan Semantan, Kuala Lumpur.

As at 15 March 2007, the capacity for students by location comprises the following:

Location	Student number capacity
BZ-2 Pusat Bandar Damansara	2000
Wisma HELP	2000
Kompleks Pejabat Damansara (Block A)	700
Kompleks Pejabat Damansara (Block E)	700
Kompleks Pejabat Damansara (Block D)	200

The above facilities are sufficient to accommodate our current and expected student numbers in the near future as the usage of the above are staggered between different sessions.

**9.12 MARKET COVERAGE, POSITION AND SHARE**

We enjoy a relatively strong market position, with a total market share of approximately 3% (assuming total private sector enrolment of 300,000). Our Directors believe that there are no more than a dozen private colleges or universities that are in the same league in terms of student numbers and none in terms of a 'single campus' institution. In financial year ended 31 October 2006, our total new enrolments increased by nearly 14% (2,985 students in financial year ended 31 October 2006 as compared to 2,631 in financial year ended 31 October 2005). Prospects for 2007 are similarly encouraging. As at 15 March 2007, there are more than 1,800 total new enrolments, achieving more than 50% of the total target for the financial year ending 31 October 2007.

Our Customer Marketing Department ("CMD") conducts regular market research studies. As they are sample studies they have their partiality. However, they are useful as broad indicators of our market position. One of our informal internal surveys conducted in December 2003 revealed our market position as follows:

	Programmes	No. of institutions surveyed	HUC's ranking
(i)	Internal pre-university programmes	19	Second
(ii)	External pre-university programmes	8	Second
(iii)	Business undergraduate programmes	17	First
(iv)	IT undergraduate programmes	18	Third
(v)	ADTP	6	Second
(vi)	ADTP, psychology major	4	First
(vii)	Law undergraduate programmes	4	First

**9. BUSINESS (Cont'd)****9.13 PRINCIPAL MARKETS**

An analysis of our registered students as at 15 March 2007 indicates that 82% of our student population comes from the Malaysian market. Main contributors by states are as follows:

<b>State</b>	<b>Percentage of student population</b> %
Wilayah Persekutuan	33
Selangor	31
Johor	5
Perak	3
Sabah	2
Negeri Sembilan	2
Others	6

International students from over 66 countries currently comprise 18% of our student body, with main contributor countries being China (8%), Indonesia (3%) and the Maldives (2%).

Student numbers, as at 15 March 2007, according to programme areas can be apportioned in percentage terms, approximately as follows:

<b>Programme</b>	<b>Percentage of student population</b> %
Business	24
ADTP	15
Economics/Management	13
IT	7
A Levels	12
Matriculation	11
Postgraduate	6
Law	5
Psychology	5
Others	2

**9.14 MAJOR CUSTOMERS**

The nature of an educational institution enterprise precludes the possibility of any one customer (student) individually contributing disproportionately to our annual turnover. As such there is no dependency on any one customer for our business. However, the majority of our students come from the Klang Valley. This is largely a reflection of the industry's demographics, as well as us being a city campus. Nonetheless, our Directors believe that there is potential for us to explore and extend our local market to outside the Klang Valley.

**9. BUSINESS (Cont'd)**

Similarly at the international level, students from China and Indonesia account for approximately 60% of total foreign student enrolment. This is partly a reflection of market demand but also presents an opportunity for us to expand our geographic recruitment base. Our International Marketing 5-year plan (Project HELP Global 2006-2010), targets students from new markets such as Asia, the Middle East and Africa as a key growth strategy.

**9.15 MAJOR SUPPLIERS**

As an educational enterprise, our major suppliers of educational programmes that we offer and their respective contributions to us are as follows:

Supplier/Programme	Percentage contribution to our proforma Group revenue for financial year ended 31 October 2006 %	Percentage of our total students enrolled as at 15 March 2007 %
CSU	22	15
UEL	15	12
EdExcel International (GCE A Levels) / UOL external programme, UK	17	19
Internal <sup>†</sup>	46	54

**Note:**

<sup>†</sup> Comprising HELP University College's own internal programmes, i.e. Foundation in Arts, Foundation in Science, ADTP, Diploma in Business, Diploma in IT, Diploma in Law, HELP Bachelor of Business (Hons), HELP Bachelor of IT (Hons), HELP Bachelor in Psychology (Hons), UK Transfer Programme (Law), HELP MBA and other professional courses. Further, it is estimated that approximately 85% of students remain with us to complete the undergraduate degree programmes locally, with the remaining 15% opting to proceed to overseas universities in Australia, the UK or the US.

Although programmes supplied by foreign universities accounted for approximately 54% of our proforma Group revenue for the financial year ended 31 October 2006 and enrolment of approximately 46% as at 15 March 2007, we are becoming less dependent on these major suppliers for our business. This is due to our upgrading to university college status in August 2004, enabling us to confer our own degrees. However, we anticipate that there will be a transitional period of at least five (5) to ten (10) years before this dependency dissipates, as we adapt to changes to the marketing, operating, academic and regulatory environment accompanying HUC's upgrade in status.

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**9. BUSINESS (Cont'd)**

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**9.16 MODES OF MARKETING**

Our marketing strategies comprise a variety of promotional methods and techniques, including the following:

- (i) **Local and International Representatives:** Approximately 70% of our international students are recruited through recruitment representatives in various locations worldwide, such as China, Indonesia, Africa and the Middle East. In Malaysia, we will continue to identify and appoint strategic local agents, comprising former school principals, counselling teachers and tuition centre operators;
- (ii) **Advertisements:** Our plans for 2007 will focus on strategic advertising to raise brand profile and positioning in line with our university college upgrade and our Listing. We will continue to emphasise and advertise our achievements, with the tagline: 'The University of Achievers'. Strategic and tactical advertisements will be split on an 80:20 basis. A concentrated combination of media will be used, including: newspapers (estimated at 80% of ADEX), television (estimated at 8% of ADEX), radio (estimated at 7% of ADEX), and magazines (estimated at 5% of ADEX). To forge brand presence internationally, 20% of our advertising budget will be allocated amongst key international target markets, such as Indonesia, the Middle East, India, Mauritius, the Maldives, Thailand, Vietnam and the African region;
- (iii) **Marketing Events and Activities:** Events designed to highlight our profile include: Youth Leadership Series of Seminars, National English Debate Competition, School Magazine Workshops, Nationwide Badminton Clinic and Tournament Series, School Badminton Development Project, World Music Festival, campus visits and Staff Development Programmes for Schools. We also have an active website and have enrolled many students via referrals;
- (iv) **Education Fairs, Roadshows and School Visits:** We participate in series of Education Fairs such as those held by Facon, MAPCU, The Star and National Association of Private Educational Institutions (NAPEI), as well as organising our own roadshows to selected key cities. More than 200 visits to schools in the Klang Valley are planned for 2007, along with key schools in the northern, central and southern regions, as well as East Malaysia. On the international front, 37 trips to target countries such as China, Indonesia, India, the Middle East, the Maldives, Vietnam, Africa and Korea have been scheduled to intensify recruitment efforts;
- (v) **Promotional materials:** Brochures and printed materials have been revamped in 2007 in line with our university college status, including updating of our website and corporate CD-ROM. We will customise and produce locally printed materials for international markets to minimise courier and transportation costs; and
- (vi) **Academic counselling:** Telephone and walk-in enquiries play a central role in the recruitment process. This is conducted by our Customer Marketing Department ("CMD") Education Advisors, supplemented by the expertise of our academic staff. There are plans to upgrade our Customer Relationship Management ("CRM") through more effective follow-up and closing of 'sales' and to improve enrolment rates. Other CMD initiatives include plans to enhance e-marketing capabilities (through the construction of a portal comprising various customised websites based on viral marketing principles). There are also plans to work with tuition centres in Malaysia, to act as our representative offices and career guidance testing centres.

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**9. BUSINESS (Cont'd)**

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- (vii) Industrial links: We are also able to enhance our brand presence by having links and alliances with well-known multinational companies and other large corporations. Please refer to Section 9.18.3 (Business – Key Achievements/Milestones/Awards – Industrial Links) for further information.

**9.17 QUALITY MANAGEMENT PROGRAMMES****9.17.1 ISO certification**

HELP University College has BS EN ISO9001:2000 Certification. The Centre for Performance Management (“CPM”) plays a key role in managing institutional operating procedures. Our CPM conducts internal audits on a half-yearly basis and annual external audits for ISO certification purposes. In addition to academic and administrative processes, procedures include those relating to quality improvement and preventive action. There are also plans to introduce a system measuring performance through quantifiable result indicators.

**9.17.2 Academic quality assurance**

Our Academic Board, comprising Heads of Academic Departments, senior academic staff and other nominees, monitors institutional academic quality issues, such as teaching, delivery, methodology and pedagogy; overseeing examination procedures and departmental examination boards; as well as research and training. Moreover, programmes previously provided under collaborative arrangements with foreign university partners were subject to validation and moderation by partners, as well as to external review by local and foreign quality assurance agencies. We have now established an International Academic Council comprising university academics to oversee academic quality assurance.

**9.17.3 License arrangements**

Standard operating procedures (compiled by the Centre for International Programmes) relating to international license arrangements are documented and distributed to all partner institutions. In such arrangements, we retain responsibility for academic quality assurance, such as approval of appropriately qualified teaching staff, monitoring delivery and overseeing the examination process (including moderation of assignments and setting and marking of all final examinations).

**9.18 KEY ACHIEVEMENTS/ MILESTONES/ AWARDS****9.18.1 Institutional recognition**

We were among the pioneers to introduce foreign ‘twinning’ and external programmes to Malaysia in the 1980s. We were the first private institution in the world recognised by the LSE to conduct the UOL Diploma in Economics. We have gone on to forge links with top universities worldwide. HELP University College was one of the first batches of 10 colleges approved to run the ‘3+0’ programme in June 1998 and are also among the leading group of colleges conferred university college status by the MOHE in August 2004. Recently we became the sole Malaysian private institution to receive recognition from the Thailand Office of Civil Service Commission.

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**9. BUSINESS (Cont'd)**

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**9.18.2 Institutional awards**

We were awarded Multimedia Super Corridor status by the Multimedia Development Corporation ("MDC") in April 1999 for our IT academic and physical infrastructure. We were also the first educational institution in Malaysia to receive ISO9001:2000 certification from Anglo Japanese American Registrars in 2002, having attained international standards for quality management and administration of higher education services. We were also the recipients of a 'Special Award' at the inaugural Department of Private Education Awards Night in 2003, designed to acknowledge and recognise institutional contributions to the industry.

**9.18.3 Industrial links**

We developed various industrial linkages and alliances as described below:

- (i) the first private higher learning institution to become an Ericsson Associate for the development of Mobile Internet applications and services;
- (ii) a Microsoft Authorised Academic Training Programme;
- (iii) a Research & Development Centre for WebObjects 5.1 under a software grant from Apple Computer;
- (iv) an internship programme with Ogilvy & Mather;
- (v) a collaboration with the Asia-Pacific Institute for Broadcasting Development where students will be exposed to internationally acclaimed industry experts in the field;
- (vi) a management training programme for McDonalds' personnel; and
- (vii) a staff training programme for the Selangor Freight Forwarders and Logistics Association.

We also have arrangements for student training programmes with various Fortune 500 companies, such as UNISYS Malaysia and Siemens Nixdorf. We believe our students are very much in demand by multinational corporations or firms such as General Electric, PricewaterhouseCoopers and KPMG and are often being recruited before graduation.

**9.18.4 Student achievements**

Our students have consistently produced impressive academic results and have won prestigious competitive scholarships, such as the Standard Chartered Bank Scholarships and the British High Commissioner Chevening Award. They have also gone on to secure places in top universities, including Oxford University, Cambridge University, LSE, The Wharton School of the University of Pennsylvania and University of Chicago. Our graduates have gained important leadership positions with multinational corporations or firms such as General Electric, Boston Consulting, McKinsey & Co, Accenture, Ernst & Young, KPMG and PricewaterhouseCoopers. Our students are also active in extracurricular activities and have won various national essay and quiz competitions and are the current MAPCU Sports Champions, a title held for the past four (4) consecutive years up to 2006.



**9. BUSINESS (Cont'd)****9.19 INTERRUPTIONS TO BUSINESS ACTIVITIES**

Our business has not experienced any interruption which may have a significant effect on our operations during the 12 months preceding 15 March 2007.

**9.20 EMPLOYEES**

As at 15 March 2007, we have 373 employees. The following is a schedule showing the staff breakdown and average number of years of service:

Category of Staff	Number of Staff		Total	Average number of years of service
	Permanent	Contractual		
Academic	113	34	147	4.2
Senior Management	3	1	4	14.8
Management	37	5	42	8.1
Executive	85	11	96	4.6
Junior Executive	22	3	25	5.3
Clerical	33	26	59	6.3
<b>Total</b>	<b>293</b>	<b>80</b>	<b>373</b>	

None of our employees is a member of any union and there have been no instances of strike action by our employees since we commenced our operations.

Staff is trained and developed under our formalised training programmes at various levels of their career path. Such training programmes include Language Proficiency/Communication Courses, ISO Training, Management Development Programmes, Academic Training, IT Based Training, MS Office Programmes, Malaysian Institute of Accountants Training and Human Resource Development related Workshops.

We also provide study grants or scholarships to selected staff who wish to further their studies.

Our staff is eligible for medical treatment by our Company's approved panel of doctors. Hospitalisation and surgical charges are being covered by an insurance scheme for our staff. We also provide Group Life Policy and Group Accidental Death and Disablement coverage through our insurer for our eligible staff.

**9.21 MANAGEMENT SUCCESSION PLAN**

We believe that the success of our Group is due to its visionary leadership, high performance management, and the choice of the right strategic positioning. These have created the culture of a healthy organisation. To sustain this high performance, a succession programme is planned. This includes:

- (i) restructuring the role and responsibilities of the Human Resource Department to give it a more pivotal role in strategic corporate planning;
- (ii) creating the right climate for leadership emergence;
- (iii) identifying individuals from within and outside our Group with the appropriate entrepreneurial, leadership, managerial competencies and behavioural traits;

**9. BUSINESS (Cont'd)**

- (iv) develop a compensation scheme that helps to recruit and retain key people;
- (v) coaching and multiplying teams of selected individuals;
- (vi) setting up the Centre for Staff Training and Development that oversees all staff training and development;
- (vii) phasing in various individuals to key positions that give them exposure to business and managerial decision making; and
- (viii) focusing on team leadership building and organisational performance.

**9.22 COMPETITION**

Currently, there is neither institutional ranking system nor any official assessment of the relative qualities of institutions in the private sector. The LAN is tasked with reviewing the quality of individual programmes offered and making recommendations to the JPS and the Minister of Higher Education as to whether programmes meet either LAN minimum standards or accreditation status. However, if a ranking exercise similar to those conducted in the UK or US were to take place, we believe that it is likely that HUC would make it to the top five of the premier league of private multidisciplinary institutions in Malaysia.

However, it is not an easy task to make such assessments and to differentiate between the institutions. Some specialist institutions place emphasis on IT, engineering, art, multimedia or business. Others tend to focus on niche areas such as tourism, hospitality, mass communication and advertising. Multidisciplinary institutions offer programmes in a range of academic fields, usually in collaboration with foreign universities. Some focus on inter-related areas, whilst others are truly diverse. Some of the larger institutions have comprehensive, well-resourced single campuses; others have one main campus and a series of branch campuses in strategic locations nationwide. Despite this competition, we have proven that HELP University College is one of the leading private education institutions in Malaysia.

**9.23 INSURANCE**

We maintain the following key insurance policies, which are material to our operations:

Policy Type	Insurer	Insured	Coverage Period	Sum Insured	Territorial Limit / Location of Risk
Special All Risk Policy	Axa Affin General Insurance Berhad	HUC, HTC & HA	01.01.07 - 31.12.07	2,500,000	BZ-2 Pusat Bandar Damansara 50490 Kuala Lumpur
				1,500,000	Wisma HELP Jalan Dungun 50490 Kuala Lumpur
				100,000	Basement 2, AEI Extension Pusat Bandar Damansara Kuala Lumpur (Store)
				600,000	Block A, Kompleks Pejabat Damansara, Jalan Dungun 50490 Kuala Lumpur

**9. BUSINESS (Cont'd)**

Policy Type	Insurer	Insured	Coverage Period	Sum Insured	Territorial Limit / Location of Risk
Special All Risk Policy (Cont'd)				600,000	Block E, Kompleks Pejabat Damansara, Jalan Dungun 50490 Kuala Lumpur
				800,000	Level 1 & 4, Block D Kompleks Pejabat Damansara 50490 Kuala Lumpur
				250,000	Anywhere in Malaysia
				100,000	Worldwide
Commercial Fire Insurance Policy	Axa Affin General Insurance Berhad	HUC, HTC & HA	01.01.07 - 31.12.07	23,037,000	Wisma HELP Jalan Dungun 50490 Kuala Lumpur
				1,800,000	BZ-2 Pusat Bandar Damansara 50490 Kuala Lumpur
				100,000	Basement 2, AEI Extension Pusat Bandar Damansara Kuala Lumpur (Store)
				3,500,000	Wisma HELP Jalan Dungun 50490 Kuala Lumpur
				2,000,000	Block A, Kompleks Pejabat Damansara Jalan Dungun 50490 Kuala Lumpur
				2,000,000	Block E, Kompleks Pejabat Damansara, Jalan Dungun 50490 Kuala Lumpur
				2,000,000	Level 1 & 4, Block D Kompleks Pejabat Damansara 50490 Kuala Lumpur
Public Liability Policy	Axa Affin General Insurance Berhad	HUC, HTC & HA	01.01.07 - 31.12.07	(Any one occurrence or series of occurrences arising from one source or original cause) RM2,000,000  (Any one period) Unlimited	BZ-2 Pusat Bandar Damansara 50490 Kuala Lumpur Wisma HELP Jalan Dungun 50490 Kuala Lumpur Basement 2 AEI Extension Pusat Bandar Damansara Kuala Lumpur (Store) Level 1 & 4, Block D Kompleks Pejabat Damansara 50490 Kuala Lumpur Block A, Kompleks Pejabat Damansara, Jalan Dungun 50490 Kuala Lumpur Block E, Kompleks Pejabat Damansara, Jalan Dungun 50490 Kuala Lumpur

**9. BUSINESS (Cont'd)**

Policy Type	Insurer	Insured	Coverage Period	Sum Insured	Territorial Limit / Location of Risk
Public Liability Policy (Cont'd)					No. 6A, 6-1A, 6-2A 6-3A, 6-4A, 6-5A 6-6A & 6-7A, Jalan Batai Damansara Heights 50490 Kuala Lumpur
Money Insurance Policy	RHB Insurance Berhad	HUC	07.11.06 - 06.11.07	650,000	BZ-2 Pusat Bandar Damansara 50490 Kuala Lumpur

We believe that the types and amounts of insurance coverage we currently maintain are adequate for the conduct of our business. However, we cannot assure you that all risks are covered or are adequately insured against.

**9.24 LICENSING**

Currently, HELP University College is conducting various courses at Certificate, Diploma, Degree and Master's levels. HUC has obtained approval from the JPS of the MOHE for all these courses. Besides the JPS's approval, HUC has also obtained approval from the LAN to conduct these courses. There are three (3) types of recognition granted by the LAN, namely the full Accreditation Standard, Provisional Accreditation and the Minimum Standard. The full Certificate of Accreditation granted by LAN has to be renewed every five (5) years.

Additionally, the management of HUC has applied for a licence for HA to be a provider of higher learning courses, programmes and establishment as an institute of higher education. Consequently, HA has applied for several courses which will be in line with the development of our Group's business strategies.

**9.25 LEGAL PROCEEDINGS**

Save as disclosed below:-

- (a) we have not, as at 15 March 2007, engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on our financial position;
- (b) our Directors do not foresee any pending or threatened proceedings that are likely to have material adverse effect on our Group's financial condition, results of operations, business or prospects; and
- (c) our Directors are not aware of any fact likely to give rise to such proceedings.

**9. BUSINESS (Cont'd)**

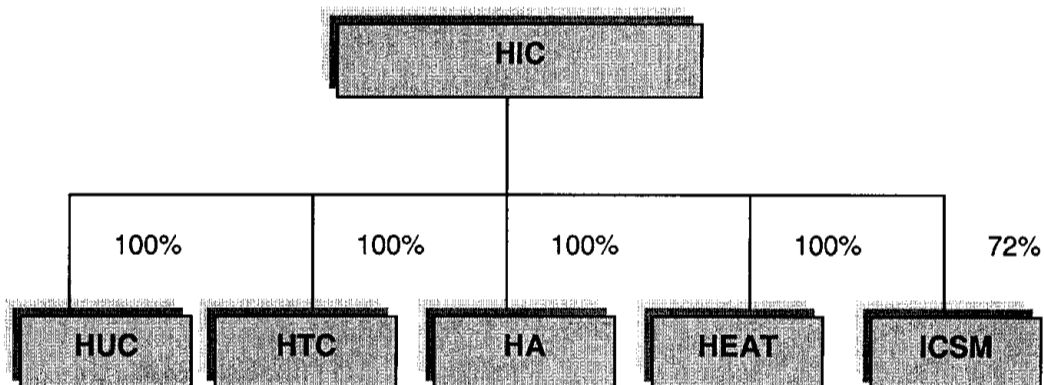
Although our Directors do not foresee or know of any pending or threatened legal proceedings that are likely to have a material adverse effect on our financial condition, we believe it is prudent to disclose the following legal proceeding (the status of which is as of 15 March 2007) that are material to the investors' knowledge:

<b>Plaintiff</b>	<b>Defendant</b>	<b>Suit No.</b>	<b>Remarks</b>
Damansara Realty Berhad	HUC ("First Defendant") and HTC ("Second Defendant")	Kuala Lumpur High Court S4-22-1274-2002	In this claim the Plaintiff alleges that the First Defendant is in breach of the terms of a lease entered into between the First Defendant and the Plaintiff ("Lease"). It is alleged that the First Defendant failed to declare the true amount of gross earnings and/or gross fees collected from its students. The Plaintiff is currently seeking an order from the court for the Defendants to disclose to the Plaintiff all their statements of accounts, especially the gross amount of fees collected from the First Defendant's students from 1995 to the date of disposal of the action. The Plaintiff's claim for damages will be based upon the said review of accounts and accordingly a calculation of arrears allegedly owed under the Lease. The directors, supported by legal advice, are of the opinion that the claim is without merit, the Defendants have a sound defence and the civil suit will be dismissed at trial.

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**10. INFORMATION ON SUBSIDIARIES**

The following chart illustrates the corporate structure of our Group:



As at the date of this Prospectus, we do not have any associated company. The sections below discuss our subsidiaries. All of our subsidiaries except ICSM are wholly-owned.

**10.1 HUC (84963-D)**

HUC is our wholly-owned subsidiary. It was incorporated in Malaysia under the Companies Act on 19 May 1982 as a private limited company under the name of Information Resources Incorporated Sdn Bhd. This name was changed to HELP Institute Sdn Bhd on 12 March 1997. Subsequently, HUC adopted its present name on 21 March 2005. The principal activity of HUC is providing university focused education for a wide range of pre-university, undergraduate and postgraduate degree programmes. HUC commenced its business on 1 April 1986.

HUC has an authorised share capital of RM25,000,000 divided into 25,000,000 ordinary shares of RM1.00 each. As at to date, its issued and paid-up share capital is RM22,293,000 comprising 22,293,000 ordinary shares of RM1.00 each. We hold all the ordinary shares in HUC. The changes in the issued and paid-up share capital of HUC since its incorporation are as follows:

Date of allotment	No. of ordinary shares allotted	Par Value RM	Consideration	Cumulative issued and paid-up share capital RM
19.05.1982	2	1.00	Cash	2
25.01.1984	24,998	1.00	Cash	25,000
01.04.1986	200,000	1.00	Cash	225,000
07.02.1987	175,000	1.00	Cash	400,000
18.02.1987	2,400,000	1.00	Bonus Issue (6 for 1)	2,800,000
27.07.1993	3,200,000	1.00	Capitalisation of renovation, furniture and fittings	6,000,000
01.09.2000	15,000,000	1.00	Bonus Issue (2.5 for 1)	21,000,000
14.11.2000	833,000	1.00	Cash	21,833,000
22.12.2000	460,000	1.00	Cash	22,293,000

**10. INFORMATION ON SUBSIDIARIES (Cont'd)**

As at the date of this Prospectus, HUC does not have any outstanding warrants, options, convertibles or uncalled capital. In addition, HUC does not have any subsidiaries or associated companies.

**10.2 HTC (328359-X)**

HTC is our wholly-owned subsidiary. It was incorporated in Malaysia under the Companies Act on 22 December 1994 as a private limited company under the name of Arenson Technology Sdn Bhd. On 8 March 1996, it changed its name to Arenson Learning Centre Sdn Bhd and on 27 October 1997, it assumed its present name. The principal activity of HTC is providing education and other learning facilities through its own centre and in twinning with other education institutions. HTC commenced its business on 1 November 1997.

HTC has an authorised share capital of RM100,000 divided into 100,000 ordinary shares of RM1.00 each. As at to date, its issued and paid-up share capital is RM2 comprising 2 ordinary shares of RM1.00 each. We hold all the ordinary shares in HTC. There has been no change in the issued and paid-up share capital of HTC since its incorporation.

As at the date of this Prospectus, HTC does not have any outstanding warrants, options, convertibles or uncalled capital. In addition, HTC does not have any subsidiaries or associated companies.

**10.3 HA (700201-H)**

Our wholly-owned subsidiary HA was incorporated in Malaysia under the Companies Act on 10 June 2005 as a private limited company under its present name. The company has not commenced business as yet. On 12 October 2006, HA was established as an institute of higher education by the MOHE and its intended principal activity is to provide higher learning courses, educational and other learning facilities through its own centres and in twinning with other educational institutions. Its focus includes pre-university and distance learning programmes.

HA's authorised share capital is currently RM1,000,000 divided into 1,000,000 ordinary shares of RM1.00 each. As at the date hereof, the issued and paid-up share capital is RM200,000 comprising 200,000 ordinary shares of RM1.00 each. We hold all the ordinary shares in HA. The changes in the issued and paid-up share capital of HA since its incorporation are as follows:

Date of allotment	No of ordinary shares allotted	Par Value (RM)	Consideration	Cumulative issued and paid-up share capital (RM)
10.06.2005	2 (subscribers' shares)	1.00	Cash	2
11.07.2005	199,998	1.00	Cash	200,000

As at the date of this Prospectus, HA does not have any outstanding warrants, options, convertibles or uncalled capital. In addition, HA does not have any subsidiaries or associated companies.

**10. INFORMATION ON SUBSIDIARIES (Cont'd)****10.4 HEAT (700743-D)**

HEAT is our wholly-owned subsidiary. It was incorporated in Malaysia under the Companies Act on 22 June 2005 as a private limited company under its present name. The company has not commenced business as yet. However, the intended principal activity of HEAT is to provide professional and executive education and training.

HEAT's authorised share capital is currently RM100,000 divided into 100,000 ordinary shares of RM1.00 each. As at the date hereof, its issued and paid-up share capital is RM2 comprising 2 ordinary shares of RM1.00 each. We hold all the ordinary shares in HEAT. There has been no change in the issued and paid-up share capital of HEAT since its incorporation.

As at the date of this Prospectus, HEAT does not have any outstanding warrants, options, convertibles or uncalled capital. In addition, HEAT does not have any subsidiaries or associated companies.

**10.5 ICSM (688311-H)**

ICSM, our 72%-owned subsidiary, was incorporated in Malaysia under the Companies Act on 13 April 2005 as a private limited company under its present name. The principal activity of ICSM is in managing business of an institute of higher studies or educational establishment and events management.

ICSM's authorised share capital is currently RM500,000 divided into 500,000 ordinary shares of RM1.00 each. As at the date hereof, its issued and paid-up share capital is RM284,002 comprising 284,002 ordinary shares of RM1.00 each. We hold approximately 72% of the ordinary shares in ICSM; Tan Sri Dato' Razali Bin Ismail and Mr. Anand Pon A/L Ponnudurai each hold approximately 14% of the ordinary shares in ICSM. The changes in the issued and paid-up share capital of ICSM since its incorporation are as follows:

Date of allotment	No of ordinary shares allotted	Par Value (RM)	Consideration	Cumulative issued and paid-up share capital (RM)
13.04.2005	2 (subscribers' shares)	1.00	Cash	2
21.11.2005	284,000	1.00	Cash	284,002

As at the date of this Prospectus, ICSM does not have any outstanding warrants, options, convertibles or uncalled capital. In addition, ICSM does not have any subsidiaries or associated companies.