

(A) EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention. The unaudited interim financial statements have been prepared in accordance with FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 October 2007 and the accompanying explanatory notes. These notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 October 2007.

2. Accounting Policies

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the year ended 31 October 2007 except for the adoption of the new/revised Financial Reporting Standards (“FRS”), Amendment to FRS and Interpretations, that are mandatory for financial periods beginning on or after the following dates.

FRSs, Amendment to FRS and Interpretations	Effective for financial periods beginning on or after
FRS 6: Exploration for and Evaluation of Mineral Resources	1 January 2007
Amendment to FRS 119 ₂₀₀₄ : Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2007
FRS 107: Cash Flow Statements	1 July 2007
FRS 111: Construction Contracts	1 July 2007
FRS 112: Income Taxes	1 July 2007
FRS 118: Revenue	1 July 2007
FRS 120: Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 134: Interim Financial Reporting	1 July 2007
FRS 137: Provision, Contingent Liabilities and Contingent Assets	1 July 2007

FRSs, Amendment to FRS and Interpretations	Effective for financial periods beginning on or after
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation	1 July 2007
IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6: Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7: Applying the Restatement Approach under FRS 129 ₂₀₀₄ – Financial Report in Hyperinflationary Economies	1 July 2007
IC Interpretation 8: Scope of FRS 2	1 July 2007

The adoption of the above FRSs, Amendment to FRS and Interpretations, where applicable, upon their effective dates does not have any significant financial impact on the Group.

3. Seasonal or Cyclical Factors

The Group recognises tuition fees income based on the number of teaching periods over the entire duration of the respective courses. The revenue and profit for the first and third quarter of each financial year are usually lower due to summer period for courses from institutions in United Kingdom/United States and Australia.

4. Unusual Significant Items

Except for the information disclosed in this interim financial statements, 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 repayments of debt and equity securities during the current financial year-to-date.

7. Dividends Paid

There were no dividends paid during the current financial year-to-date.

8. Segmental Reporting

The Group is principally involved in education activities carried out in Malaysia and accordingly no segment reporting has been prepared.

9. Material Subsequent Event

Save as disclosed below, there were no material event subsequent to the end of the current quarter.

On 14 March 2008, HELP University College Sdn Bhd ("HUC"), a wholly owned subsidiary of the Company entered into a Sale & Purchase Agreement ("SPA") with Juta Permai (M) Sdn Bhd for the acquisition of leasehold land measuring approximately 23.29 acres in Seksyen U4 (Subang Delima), Mukim of Sungai Buloh, District of Petaling, State of Selangor for a total cash consideration of RM20,290,248 ("Proposed Acquisition").

The Proposed Acquisition is pending fulfilment of the conditions precedent in the SPA, the approvals from the relevant authorities and shareholders.

10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial year-to-date except for the following:-

On 6 November 2007, the Company completed the acquisition of the entire issued and paid-up capital of HELP ICT Sdn. Bhd. ("HICT") (formerly known as Sepang Education Centre Sdn. Bhd.) comprising 5,000,000 ordinary shares of RM1.00 each for a total cash consideration of RM2.0 million.

The acquisition has contributed the following results to the Group:-

	Current Year Quarter RM'000	Current Year-To-Date RM'000
Revenue	1,714	1,714
Loss for the financial period	<u>(669)</u>	<u>(669)</u>

The assets and liabilities arising from the acquisition as at the date of acquisition are as follows:-

	Fair value recognised on acquisition RM'000	Acquiree's carrying amount RM'000
Property and equipment	752	752
Receivables	1,608	1,608
Cash and bank balances	2,355	2,355
Fees received in advance and other payables	(6,086)	(6,086)
Hire purchase creditors	<u>(32)</u>	<u>(32)</u>
Increase in Group net liabilities	(1,403)	<u>(1,403)</u>
Goodwill on consolidation	<u>3,403</u>	
Purchase consideration	<u>2,000</u>	

The cash inflow on acquisition is as follows:

	RM'000
Purchase consideration	2,000
Deposit paid in prior year	<u>(1,000)</u>
Balance of purchase consideration satisfied by cash	1,000
Cash and cash equivalents of subsidiary acquired	<u>(2,355)</u>
Net cash inflow to the Group for the financial period	<u>1,355</u>

11. Changes in Contingent Liabilities or Contingent Assets

There were no material changes in contingent liabilities or assets of the Group since 1 November 2007.

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

1. Review of Performance

For the quarter under review, the Group achieved revenue of RM18.1 million, representing an increase of RM4.7 million from RM13.4 million recorded for the corresponding quarter last year. The increase in revenue during the quarter under review was mainly due to higher fees earned, growth in franchising activities and revenue contribution by HICT's operation, which was acquired on 6 November 2007.

The Group recorded a profit before taxation of RM1.4 million for the current quarter as compared to RM1.9 million in the corresponding quarter last year. The pre-tax profit for the current quarter under review would be higher at RM2.1 million if not for the inclusion of losses of RM0.7 million incurred by HICT, during the gestation period of our new acquisition.

2. Material Changes in the Profit Before Taxation for the Quarter Reported on as Compared to the Immediate Preceding Quarter

The Group reported a profit before taxation of RM1.4 million in the current quarter as compared to RM4.2 million recorded in the immediate preceding quarter. The lower profit is in line with the expected seasonal lower revenue whereby less classes were being conducted during year end period for courses from institutions in Australia. In addition, there was a higher cost invested in marketing for the first quarter of the year to strengthen the market presence of the Group.

3. Commentary on Prospects

The Group will continue to develop and offer new proprietary courses to capture a wider target population of students. Complementing its proprietary courses, the Group will continue to collaborate with reputable partner universities to offer courses and programs broader in scope to meet the demands of local and regional economies, and personal career goals.

In parallel, the Group has intensified its marketing and recruiting efforts to increase its market share of international students within and beyond Asean.

Based on the above circumstances, the Directors expect the performance of the Group for the financial year ending 31 October 2008 to be satisfactory.

4. Statement on Profit Forecast

Not applicable.

5. Variance on Profit Forecast/ Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document for the current financial period.

6. Taxation

	Current Year Quarter RM'000	Current Year- To-Date RM'000
Current period charge	644	644
Over provision of income tax in prior years	(60)	(60)
	<u>584</u>	<u>584</u>

The effective tax rate of the Group for the current year quarter and current year-to-date is higher than the statutory tax rate due principally to certain expenses that were not deductible for tax purposes and tax losses of subsidiaries which were not available for Group relief.

7. Profits/(Losses) on Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments or properties during the current quarter and financial year-to-date.

8. Quoted Securities other than Securities in Existing Subsidiaries and Associated Companies

- (a) There were no purchases or disposal of quoted securities during the current quarter and financial year-to-date.
- (b) Investment of the Group in quoted securities as at the end of the reporting period comprise marketable securities as follows:

	RM'000
At cost	3
At carrying value	2
At market value	<u>2</u>

9. Corporate Proposals

(a) Status of Corporate Proposals

On 14 March 2008, the Company announced the proposed acquisition by HUC from Juta Permai (M) Sdn Bhd of leasehold land measuring approximately 23.29 acres in Seksyen U4 (Subang Delima), Mukim of Sungai Buloh, District of Petaling, State of Selangor for a total cash consideration of RM20,290,248 ("Proposed Acquisition").

The Proposed Acquisition is pending fulfilment of the conditions precedent in the SPA, the approvals from the relevant authorities and shareholders.

(b) Status of Utilisation of Proceeds Raised from the Company's listing on 22 May 2007

Purpose	Proposed Utilisation RM'000	Actual Utilisation as at 31 January 2007 RM'000	Intended Timeframe for Utilisation	Deviation/ Balance		Explanations
				Amount RM'000	%	
Improvement to existing facilities	4,000	3,000	By 21 November 2008	1,000	25	Note (i)
Investment in and development of intellectual property, including staff development	2,660	537	By 21 May 2009	2,123	80	Note (ii)
International business development	1,179	470	By 21 November 2008	709	60	Note (i)
Working capital	1,982	1,982	By 21 May 2008	-	-	-
	<u>9,821</u>	<u>5,989</u>		<u>3,832</u>	39	

(i) Progressive utilisation within 18 months from date of Company's listing.

(ii) Progressive utilisation within 24 months from date of Company's listing.

10. Group Borrowings and Debt Securities

The Group's borrowings as at the end of the reporting period is as follows:

	RM'000
<u>Hire purchase creditors</u>	
Short term portion payable within one year	14
Long term portion payable after one year	14
	<u>28</u>

11. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 31 January 2008.

12. Material Litigation

There were no changes in material litigation since the last annual balance sheet date as at 19 March 2008, being a date not earlier than 7 days from the date of issue of this quarterly report.

13. Dividends

The Board of Directors does not recommend any dividend for the first quarter ended 31 January 2008.

14. Earnings per share attributable to equity holders of the Company

(a) Basic earnings per share

The basic earnings per share for the current financial year-to-date has been calculated based on the Group's profit for the current financial year-to-date attributable to the equity holders of the Company of RM819,000 and on the weighted average number of 88,776,000 ordinary shares assumed in issue during the period.

(b) Fully diluted earnings per share

Fully diluted earnings per share were not computed as there were no potential ordinary shares to be issued as at the end of the reporting period.

BY ORDER OF THE BOARD

Chua Siew Chuan (MAICSA 0777689)

Tan Ai Ning (MAICSA 7015852)

Company Secretaries

Kuala Lumpur
25 March 2008