

## **(A) EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**

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### **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 2008 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 2008.

### **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 2008.

### **3. Seasonal or Cyclical Factors**

The Group recognises tuition fee income based on the number of teaching periods over the entire duration of the respective courses. The revenue and profit for the second and fourth quarter of each financial year are usually higher due to more classes being conducted for courses from institutions in both the Northern and Southern Hemisphere.

### **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 interim periods of the current financial year or changes in estimates of amounts reported in prior financial years 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**

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

**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.

**11. Changes in Contingent Liabilities or Contingent Assets**

There were no contingent liabilities or contingent assets of the Group since the last annual balance sheet date.

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

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**1. Review of Performance**

	<b>Second Quarter 30/4/2009 RM'000</b>	<b>Second Quarter 30/4/2008 RM'000</b>	<b>Period Ended 30/4/2009 RM'000</b>	<b>Period Ended 30/4/2008 RM'000</b>
Revenue	<u>27,927</u>	<u>24,041</u>	<u>48,782</u>	<u>42,108</u>
Profit before taxation	<u>7,901</u>	<u>6,607</u>	<u>10,203</u>	<u>8,018</u>

For the second quarter under review, the Group's revenue increased by 16% from RM24.0 million last year to RM27.9 million. The Group's profit before taxation grew by 20% from RM6.6 million last year to RM7.9 million.

For the period ended 30 April 2009, the Group's revenue increased by 16% from RM42.1 million last year to RM48.8 million. In line with the higher revenue achieved, the Group's profit before taxation for the period ended 30 April 2009 increased by 27% from RM8.0 million last year to RM10.2 million.

The growth in revenue and profits for both the second quarter and financial year-to-date was driven by higher student numbers and increase in the number of programmes offered.

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

	<b>Second Quarter 30/4/2009 RM'000</b>	<b>First Quarter 31/1/2009 RM'000</b>	<b>Increase RM'000</b>
Revenue	<u>27,927</u>	<u>20,855</u>	<u>7,072</u>
Profit before taxation	<u>7,901</u>	<u>2,302</u>	<u>5,599</u>

The Group recorded a higher profit before taxation of RM7.9 million for this quarter as compared to RM2.3 million recorded in the immediate preceding quarter due to higher revenue achieved. The higher revenue was due to more classes being conducted in the 2nd quarter of the financial period for courses from institutions in both the Northern and Southern Hemisphere.

### 3. Commentary on Prospects

The current global financial crisis has created a lot of uncertainties across many countries.

In its 23 years of existence, HELP has experienced healthy growth even during economic downturns.

We expect the affordable cost of education in Malaysia to remain attractive to both local and foreign students particularly from developing countries.

Our franchise programmes continue to grow in Vietnam and Indonesia.

We are exploring exporting our programmes to Cambodia and the African continent.

Based on the above, the Directors expect the performance of the Group to be satisfactory for the financial year ending 31 October 2009.

### 4. Statement and Variance on Profit Forecast/Guarantee

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

### 5. Taxation

	<b>Current Year Quarter RM'000</b>	<b>Current Year- To-Date RM'000</b>
Current period charge	2,571	3,646
	<u>2,571</u>	<u>3,646</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 tax losses of subsidiaries which were not available for Group relief and certain expenses that were not deductible for tax purposes.

**6. 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.

**7. Quoted Securities other than Securities in Existing Subsidiaries and Associated Companies**

There were no investment in quoted securities as at the end of the reporting period.

**8. Corporate Proposals**

**(a) Status of Corporate Proposals**

On 14 March 2008, the Company announced the proposed acquisition by HELP University College Sdn Bhd, a wholly-owned subsidiary of the Company from Juta Permai (M) Sdn Bhd of a 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 Economic Planning Unit (Foreign Investment Committee) had vide its letter dated 22 May 2008, stated that it has no objection to the Proposed Acquisition. The Proposed Acquisition is pending fulfilment of the conditions precedent in the Sale and Purchase Agreement and the approvals from the relevant authorities.

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

The proceeds raised from the Company's listing have been utilised in the following manner:

<b>Purpose</b>	<b>Proposed Utilisation</b>	<b>Actual Utilisation as at 30 April 2009</b>	<b>Timeframe for Utilisation</b>
	<b>RM'000</b>	<b>RM'000</b>	
Improvement to existing facilities	4,000	4,000	By 21 November 2008
Investment in and development of intellectual property, including staff development	2,660	2,660	By 21 May 2009
International business development	1,179	1,179	By 21 November 2008
Working capital	1,982	1,982	By 21 May 2008
	<u>9,821</u>	<u>9,821</u>	

**9. Group Borrowings and Debt Securities**

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

	<b>RM'000</b>
<u>Hire purchase creditors</u>	
Short term portion payable within one year	11
	<u>11</u>

**10. Off Balance Sheet Financial Instruments**

There were no financial instruments with off balance sheet risk as at 30 April 2009.

## **11. Material Litigation**

There were no material litigation as at 30 April 2009.

## **12. Dividends**

The Board of Directors does not recommend any dividend for the second quarter ended 30 April 2009.

## **13. 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 RM6,557,000 and on the weighted average number of 88,776,000 ordinary shares 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  
26 June 2009