

## **(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 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**

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**

On 28 May 2009, a final dividend of 6% (3 sen per ordinary share of 50 sen each) less 25% income tax, in respect of the financial year ended 31 October 2008 amounting to RM1,997,460 was paid.

## **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>Third Quarter 31/7/2009 RM'000</b>	<b>Third Quarter 31/7/2008 RM'000</b>	<b>Period Ended 31/7/2009 RM'000</b>	<b>Period Ended 31/7/2008 RM'000</b>
Revenue	<u>21,594</u>	<u>18,275</u>	<u>70,376</u>	<u>60,383</u>
Profit before taxation	<u>4,265</u>	<u>2,635</u>	<u>14,468</u>	<u>10,653</u>

For the third quarter under review, the Group's revenue increased by 18% from RM18.3 million last year to RM21.6 million. The Group's profit before taxation grew by 62% from RM2.6 million last year to RM4.3 million.

For the period ended 31 July 2009, the Group's revenue increased by 17% from RM60.4 million last year to RM70.4 million. In line with the higher revenue achieved, the Group's profit before taxation for the period ended 31 July 2009 increased by 36% from RM10.7 million last year to RM14.5 million.

The growth in revenue and profits for both the third 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>Third Quarter 31/7/2009 RM'000</b>	<b>Second Quarter 30/4/2009 RM'000</b>	<b>Decrease RM'000</b>
Revenue	<u>21,594</u>	<u>27,927</u>	<u>6,333</u>
Profit before taxation	<u>4,265</u>	<u>7,901</u>	<u>3,636</u>

The Group recorded a lower profit before taxation of RM4.3 million for this quarter as compared to RM7.9 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 in the third quarter of the financial year for courses from institutions in the Northern Hemisphere.

### 3. Commentary on Prospects

The financial crisis in 2008 proved to be a challenging time for most companies across the globe. However, during this period, the education industry has shown resilience and the industry showed good growth as enrollments into undergraduate and postgraduate studies improved.

The Group sees strong potential for the remaining of the financial year and beyond. We maintain a positive outlook for the sector barring any unforeseen obstacles.

Our franchising model continues to grow as enrollments in Vietnam and Indonesia increase. We are actively pursuing new opportunities in the region and remain positive of the franchising model.

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 income tax	971	3,492
Deferred taxation	375	1,500
	<u>1,346</u>	<u>4,992</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 fully utilised.

**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	<u>7</u>

**10. Off Balance Sheet Financial Instruments**

There were no financial instruments with off balance sheet risk as at 31 July 2009.

**11. Material Litigation**

There were no material litigation as at 31 July 2009.

**12. Dividends**

The Board of Directors does not recommend any dividend for the period ended 31 July 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 RM9,476,000 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  
25 September 2009