

(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 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

On 28 December 2009, HELP University College Sdn Bhd ("HUC"), a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement with Zhao Yang Sdn Bhd for the acquisition of a piece of freehold land held under Geran 58384, Lot No.54327 (formerly known as HS(D) 100362, PT No.5783), Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan measuring approximately 1,112 square metres, together with the building erected thereon known as HELP Residence for a total cash consideration of RM50 million ("Proposed Acquisition").

The Proposed Acquisition is pending fulfilment of the conditions precedent in the sale and purchase agreement and the approval from the 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.

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)

1. Review of Performance

	Fourth Quarter 31/10/2009 RM'000	Fourth Quarter 31/10/2008 RM'000	Year Ended 31/10/2009 RM'000	Year Ended 31/10/2008 RM'000
Revenue	<u>26,203</u>	<u>26,163</u>	<u>96,579</u>	<u>86,546</u>
Profit before taxation	<u>7,360</u>	<u>5,430</u>	<u>21,828</u>	<u>16,083</u>

For the fourth quarter ended 31 October 2009, the Group recorded a revenue of RM26.2 million. The Group's profit before taxation was RM7.4 million.

For the year ended 31 October 2009, the Group's revenue increased by 11.6% from RM86.5 million last year to RM96.6 million. Pre-tax profit increased by 35.7% from RM16.1 million last year to RM21.8 million.

The growth in revenue was driven by an increase in the number of home-grown programmes offered and higher student numbers. This coupled with prudent cost management has contributed to a strong growth in Group's profit. The pre-tax margin improved from 18.6% to 22.6% reflecting the strength of its business.

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

	Fourth Quarter 31/10/2009 RM'000	Third Quarter 31/7/2009 RM'000	Increase RM'000
Revenue	<u>26,203</u>	<u>21,594</u>	<u>4,609</u>
Profit before taxation	<u>7,360</u>	<u>4,265</u>	<u>3,095</u>

The Group recorded a higher profit before taxation of RM7.4 million for this quarter as compared to RM4.3 million recorded in the immediate preceding quarter. The higher profit is in line with the expected seasonal higher revenue and prudent cost management.

3. Commentary on Prospects

There are signs of a slow economic recovery on the global and domestic fronts. The local economy is expected to remain resilient boosted by the various economic stimulus measures undertaken by the government. The education industry continues to be strong and shows good growth.

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

Our home-grown courses and franchising model continue to excel as enrollment increases. We will also give more attention to increase our income base by looking at investment opportunities in the education and training sector abroad.

The Directors remain confident that the Group is fundamentally strong and expect the performance of the Group to be satisfactory for the financial year ending 31 October 2010.

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

	Current Year Quarter RM'000	Current Year- To-Date RM'000
Current period income tax	1,293	4,785
Deferred taxation	466	1,966
Over provision of income tax in prior years	(14)	(14)
Over provision of deferred tax in prior years	(359)	(359)
	<u>1,386</u>	<u>6,378</u>

The effective tax rate of the Group for the current year quarter is lower than the statutory tax rate due to certain income being exempted from tax. The effective tax rate of the Group for the 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 HUC 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.

On 28 December 2009, HUC entered into a conditional sale and purchase agreement with Zhao Yang Sdn Bhd for the acquisition of a piece of freehold land held under Geran 58384, Lot No.54327 (formerly known as HS(D) 100362, PT No.5783), Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan measuring approximately 1,112 square metres, together with the building erected thereon known as HELP Residence for a total cash consideration of RM50 million ("Proposed Acquisition").

The Proposed Acquisition is pending fulfilment of the conditions precedent in the sale and purchase agreement and the approvals from the shareholders.

(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:

	RM'000
<u>Hire purchase creditors</u>	
Short term portion payable within one year	<u>4</u>

10. Off Balance Sheet Financial Instruments

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

11. Material Litigation

There were no material litigation as at 31 October 2009.

12. Dividends

The Board of Directors recommends a Final Dividend of 6% less income tax of 25% (3 sen per ordinary share of 50 sen each less 25% taxation) for the financial year ended 31 October 2009 subject to the approval of the shareholders at the forthcoming Annual General Meeting payable on a date to be determined later.

The Final Dividend, if approved, will result in a total dividend declared of 3 sen on 88,776,000 ordinary shares of 50 sen each less 25% taxation, amounting to RM1,997,460 for the financial year ended 31 October 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 RM15,450,000 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
28 December 2009