

## **(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 2009 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 2009.

### **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 2009.

### **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 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**

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.

**12. Commitments on Capital Expenditure**

The amount of capital commitments not provided for in the interim financial statements as at 31 January 2010 were as follows:-

	<b>RM'000</b>
Property and equipment	72,613
Deposit for lease of space	533
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	73,146
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**(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>First Quarter 31/1/2010 RM'000</b>	<b>First Quarter 31/1/2009 RM'000</b>
Revenue	<u>23,511</u>	<u>20,855</u>
Profit before taxation	<u>3,762</u>	<u>2,302</u>

For the first quarter under review, the Group's revenue increased by 13% from RM20.9 million last year's corresponding quarter to RM23.5 million. In line with the higher revenue achieved, the Group's profit before taxation increased by 63% from RM2.3 million to RM3.8 million.

The growth in profit was driven by increase in revenue mainly from our home-grown programmes and prudent cost management.

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

	<b>First Quarter 31/1/2010 RM'000</b>	<b>Fourth Quarter 31/10/2009 RM'000</b>	<b>Decrease RM'000</b>
Profit before taxation	<u>3,762</u>	<u>7,360</u>	<u>3,598</u>

The Group recorded a lower profit before taxation of RM3.8 million for this quarter as compared to RM7.4 million recorded in the immediate preceding quarter in line with the seasonal fluctuations of the industry.

### 3. Commentary on Prospects

There are signs of a slow economic recovery on the global and domestic front. 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. We maintain a positive outlook for the sector barring any unforeseen circumstances.

Our home-grown courses and franchising model continue to excel as enrollments increase. We are in the process of rolling out our E-Learning programmes to support our students overseas. 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

	<b>Current Year Quarter RM'000</b>	<b>Current Year- To-Date RM'000</b>
Current period income tax	<u>1,344</u>	<u>1,075</u>

The effective tax rate of the Group 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.

### 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 (“HUC”), 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 of Land”).

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 of Land. The Proposed Acquisition of Land 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 Corporate Proposal**

There were no corporate proposals involving fund raising.

## **9. Group Borrowings and Debt Securities**

The Group did not have borrowings as at the end of the reporting period.

## **10. Off Balance Sheet Financial Instruments**

There were no financial instruments with off balance sheet risk as at 31 January 2010.

## **11. Material Litigation**

There were no material litigation as at 31 January 2010.

## **12. Dividends**

The Board of Directors does not recommend any dividend for the first quarter ended 31 January 2010.

## **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 RM2,418,000 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)**  
Company Secretary

Kuala Lumpur  
24 March 2010