



HELP INTERNATIONAL CORPORATION BERHAD (Company No. 700568-H)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2012**

| | Note | Current Year Quarter 31/10/2012 RM'000 | Preceding Year Quarter 31/10/2011 RM'000 | Current Year- To-Date 31/10/2012 RM'000 | Preceding Year- To-Date 31/10/2011 RM'000 |
|---|----------|--|--|---|---|
| Revenue | | 30,077 | 28,435 | 117,070 | 108,061 |
| Other operating income | | 1,591 | 1,997 | 5,809 | 5,704 |
| Other operating expenses | | (25,513) | (24,889) | (101,474) | (92,210) |
| | | <u>6,155</u> | <u>5,543</u> | <u>21,405</u> | <u>21,555</u> |
| Interest expense | | (46) | (272) | (720) | (1,166) |
| Share of results of jointly controlled entity | | (3) | - | (3) | - |
| Profit before taxation | B(5) | <u>6,106</u> | <u>5,271</u> | <u>20,682</u> | <u>20,389</u> |
| Taxation | B(6) | (1,639) | (1,684) | (7,170) | (7,327) |
| Profit for the period/year | | <u>4,467</u> | <u>3,587</u> | <u>13,512</u> | <u>13,062</u> |
| Other comprehensive income: | | | | | |
| Net gain on fair value changes on available-for-sale financial asset | | - | 337 | - | 337 |
| Transfer to profit or loss upon disposal of available-for-sale financial asset | | - | - | (337) | - |
| Foreign currency translation | | (1) | 15 | (1) | 15 |
| Other comprehensive income for the period/year, net of tax | | <u>(1)</u> | <u>352</u> | <u>(338)</u> | <u>352</u> |
| Total comprehensive income for the period/year | | <u>4,466</u> | <u>3,939</u> | <u>13,174</u> | <u>13,414</u> |
| Profit attributable to: | | | | | |
| Equity holders of the Company | | <u>4,467</u> | <u>3,587</u> | <u>13,512</u> | <u>13,062</u> |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of the Company | | <u>4,466</u> | <u>3,939</u> | <u>13,174</u> | <u>13,414</u> |
| Earnings per share attributable to the equity holders of the Company (sen) | | | | | |
| Basic earnings per share | B(12)(a) | 3.1 | 2.5 | 9.5 | 9.2 |
| Fully diluted earnings per share | | N/A | N/A | N/A | N/A |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 October 2011)

HELP INTERNATIONAL CORPORATION BERHAD (Company No. 700568-H)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2012

| | Unaudited As at end of current quarter 31/10/2012 RM'000 | Audited As at preceding financial year ended 31/10/2011 RM'000 |
|---|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 133,341 | 131,325 |
| Intangible assets | 5,408 | 3,874 |
| Investment in jointly controlled entity | 147 | - |
| | <u>138,896</u> | <u>135,199</u> |
| Current assets | | |
| Trade receivables | 4,619 | 4,461 |
| Other receivables | 5,596 | 5,678 |
| Tax recoverable | 388 | 1,682 |
| Cash and cash equivalents | 63,295 | 60,003 |
| | <u>73,898</u> | <u>71,824</u> |
| Asset classified as held for sale | - | 1,721 |
| | <u>73,898</u> | <u>73,545</u> |
| TOTAL ASSETS | <u>212,794</u> | <u>208,744</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 71,021 | 71,021 |
| Share premium | 2,372 | 2,372 |
| Retained earnings | 62,311 | 50,930 |
| Fair value adjustment reserve | - | 337 |
| Foreign currency translation reserve | 14 | 15 |
| Total equity | <u>135,718</u> | <u>124,675</u> |
| Non-current liabilities | | |
| Deferred tax liabilities | 4,984 | 4,363 |
| Other payable | 9,000 | 18,000 |
| | <u>13,984</u> | <u>22,363</u> |
| Current liabilities | | |
| Fees received in advance | 25,150 | 21,998 |
| Other payables | 37,803 | 39,708 |
| Tax payable | 139 | - |
| | <u>63,092</u> | <u>61,706</u> |
| Total liabilities | <u>77,076</u> | <u>84,069</u> |
| TOTAL EQUITY AND LIABILITIES | <u>212,794</u> | <u>208,744</u> |
| Net Assets Per Share (RM) | <u>0.96</u> | <u>0.88</u> |

Denotes RM1

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 October 2011)



HELP INTERNATIONAL CORPORATION BERHAD (Company No. 700568-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2012

| | Attributable to Equity Holders of the Company | | | | | Total Equity RM'000 |
|---|---|----------------------------|--------------------------------|--|---|---------------------------|
| | Share Capital RM'000 | Share Premium RM'000 | Retained Earnings RM'000 | Fair Value Adjustment Reserve RM'000 | Foreign Currency Translation Reserve RM'000 | |
| Balance as at 1 November 2011 | 71,021 | 2,372 | 50,930 | 337 | 15 | 124,675 |
| Total comprehensive income for the year | - | - | 13,512 | (337) | (1) | 13,174 |
| Dividends | - | - | (2,131) | - | - | (2,131) |
| Balance as at 31 October 2012 | 71,021 | 2,372 | 62,311 | - | 14 | 135,718 |
| Balance as at 1 November 2010 | 71,021 | 2,372 | 39,999 | - | - | 113,392 |
| Total comprehensive income for the year | - | - | 13,062 | 337 | 15 | 13,414 |
| Dividends | - | - | (2,131) | - | - | (2,131) |
| Balance as at 31 October 2011 | 71,021 | 2,372 | 50,930 | 337 | 15 | 124,675 |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 October 2011)



HELP INTERNATIONAL CORPORATION BERHAD (Company No. 700568-H)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2012**

| | Current Year- To-Date 31/10/2012 RM'000 | Preceding Year- To-Date 31/10/2011 RM'000 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 20,682 | 20,389 |
| Adjustments for: | | |
| Reversal of allowance for impairment of receivables, net | (66) | (52) |
| Depreciation and amortisation | 9,231 | 7,686 |
| Interest income | (1,474) | (1,495) |
| Interest expense | 720 | 1,166 |
| Gain on disposal of available-for-sale financial asset | (327) | - |
| Share of results of jointly controlled entity | 3 | - |
| Other non cash items | (74) | 113 |
| Operating profit before working capital changes | <u>28,695</u> | <u>27,807</u> |
| Increase in receivables | (12) | (479) |
| Decrease in payables, including fees received in advance | <u>1,247</u> | <u>1,260</u> |
| Net cash generated from operations | 29,930 | 28,588 |
| Interest received | 1,476 | 1,614 |
| Interest paid | (720) | (1,166) |
| Taxes paid | (5,116) | (7,495) |
| Net cash generated from operating activities | <u>25,570</u> | <u>21,541</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Subscription of shares in joint venture company | (150) | - |
| Proceeds from disposal of available-for-sale financial asset | 1,711 | - |
| Proceeds from disposal of property, plant, equipment and software | 98 | 79 |
| Purchase of property, plant, equipment and software | (12,805) | (16,525) |
| Payment for acquisition of property | (9,000) | (9,000) |
| Purchase of available-for-sale financial asset | - | (1,384) |
| Net cash used in investing activities | <u>(20,146)</u> | <u>(26,830)</u> |
| CASH FLOWS FROM FINANCING ACTIVITY | | |
| Dividends paid, representing net cash used in financing activity | <u>(2,131)</u> | <u>(2,131)</u> |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 3,293 | (7,420) |
| EFFECT OF EXCHANGE RATE CHANGES | (1) | 15 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>60,003</u> | <u>67,408</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>63,295</u> | <u>60,003</u> |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 October 2011)

(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 2011 and the accompanying explanatory notes. These notes provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the year ended 31 October 2011.

2. Significant 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 2011 except for the mandatory adoption of the following Financial Reporting Standards (“FRSs”), Amendments to FRSs and Interpretations that are effective for the financial periods beginning on or after 1 November 2011:

| FRSs, Amendments to FRSs and Interpretations | Effective for financial periods beginning on or after |
|--|--|
| Amendments to FRS 1 : Limited Exemption from Comparative FRS 7 Disclosures for First Time Adopters | 1 January 2011 |
| Amendments to FRS 7 : Improving Disclosures about Financial Instruments | 1 January 2011 |
| Amendments to FRS 1 : Additional Exemptions for First-time Adopters | 1 January 2011 |
| Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions | 1 January 2011 |
| IC Interpretation 4 Determining whether an Arrangement contains a Lease | 1 January 2011 |
| IC Interpretation 18 Transfers of Assets from Customers | 1 January 2011 |
| Amendments to FRSs contained in the document entitled “Improvements to FRSs (2010)” | 1 January 2011 |
| Amendments to FRS101 : Presentation of Financial Statements | 1 January 2011 |

| FRSs, Amendments to FRSs and Interpretations | Effective for financial periods beginning on or after |
|---|--|
| Amendments to FRS 121 : The Effects of Changes in Foreign Exchange Rates | 1 January 2011 |
| Amendments to FRS 128 : Investments in Associates | 1 January 2011 |
| Amendments to FRS 131 : Interests in Joint Ventures | 1 January 2011 |
| Amendments to FRS 132 : Financial Instruments: Presentation | 1 January 2011 |
| Amendments to FRS 134 : Interim Financial Reporting | 1 January 2011 |
| Amendments to FRS 139 : Financial Instruments: Recognition and Measurement | 1 January 2011 |
| IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments | 1 July 2011 |
| Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement | 1 July 2011 |

The application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

3. Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 October 2013. In presenting its first MFRS financial statements, the Group may be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments (if any) required on transition will be made, retrospectively, against opening retained earnings.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 October 2012 could be different if prepared under the MFRS Framework.

Nevertheless, the Group expects that there will not be any significant impact arising from the adoption of the MFRS Framework and that it will be in a position to fully comply with the requirements thereon for the financial year ending 31 October 2013.

4. 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.

5. Unusual Significant Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial year-to-date.

6. 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 the prior financial year that had a material effect in the current quarter and year-to-date results.

7. 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.

8. Dividends Paid

On 23 May 2012, a first and final dividend of 4% (2 sen per ordinary share of 50 sen each) less 25% income tax, in respect of the financial year ended 31 October 2011 amounting to RM2,130,624 was paid.

9. Segmental Reporting

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

10. Material Subsequent Events

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

11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial year-to-date.

12. Changes in Contingent Liabilities or Contingent Assets

A Writ of Summons was filed by Mr Roland Ramesh A/L Sandana Dass (trading as Seven Days Projects Solutions) ("7Days") and served on the Company's subsidiary, HELP University Sdn Bhd (formerly known as HELP University College Sdn Bhd) ("HU") for alleged default in payment of RM612,067 together with interest and costs to 7Days as a project contractor.

The Group is disputing the claim and intends to vigorously defend itself against the action and file a counter-claim against the Plaintiff for breach of contract.

However, as the outcome of these claims cannot be determined at this time in view of the fact that the said suit has been stayed by the Kuala Lumpur High Court on 27 June 2012 pending arbitration, the Group has made no provision for these contingencies in the financial statements.

13. Commitments on Capital Expenditure

The amount of capital commitments not provided for in the interim financial statements as at 31 October 2012 were as follows:-

| | RM'000 |
|-------------------------------|---------------|
| Property, plant and equipment | |
| - Approved and contracted for | <u>31,230</u> |

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

1. Review of Performance

| | Fourth Quarter 31/10/2012 RM'000 | Fourth Quarter 31/10/2011 RM'000 | Year Ended 31/10/2012 RM'000 | Year Ended 31/10/2011 RM'000 |
|-------------------|---|---|---|---|
| Revenue | <u>30,077</u> | <u>28,435</u> | <u>117,070</u> | <u>108,061</u> |
| Profit before tax | <u>6,106</u> | <u>5,271</u> | <u>20,682</u> | <u>20,389</u> |

For the fourth quarter under review, the Group's revenue grew by 5.8% to RM30.1 million from RM28.4 million last year. Profit before tax increased to RM6.1 million from RM5.3 million last year.

The growth in revenue and profit before tax were largely due to an increase in student enrollments into the various campuses in Damansara and Fraser Business Park.

For the year ended 31 October 2012, the Group's revenue and profit before tax were RM117.1 million and RM20.7 million as compared to revenue of RM108.1 million and profit before tax of RM20.4 million respectively last year.

Profit before tax increased marginally by 1.4% due to higher depreciation on campus facilities and the recruitment of more faculty with doctorate degrees to cover a wider spectrum of courses to be offered at the university.

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

| | Fourth Quarter 31/10/2012 RM'000 | Third Quarter 31/7/2012 RM'000 | Increase RM'000 |
|-------------------|---|---|----------------------------|
| Profit before tax | <u>6,106</u> | <u>907</u> | <u>5,199</u> |

The Group recorded a profit before tax of RM6.1 million for this quarter as compared to RM0.9 million recorded in the immediate preceding quarter in line with the seasonal fluctuations of the industry.

3. Commentary on Prospects

The education industry continues to grow both domestically and internationally. The industry is seeing increasing demand in areas like pre-school, primary and secondary, corporate training and tuition to complement the traditional tertiary level segment.

The construction of HELP International School is ongoing and is targeted to have its inaugural intake in September 2013. The Group remains optimistic of the success of the school and is confident of its positive financial contribution from 2014 onwards. The school has commenced pre-registration since November 2012 and the response has been encouraging.

The campus for the College of Automotive and Transportation Management ("CATM") is currently being renovated and we expect to have our first cohort of diploma students in the second quarter of 2013. CATM is currently offering short skills based courses.

The current economic uncertainties have not dampened the growing demand for education in the international market especially in ASEAN. HELP continues to expand its business development in the region through partnerships with reputable and established educational providers. HELP is also working aggressively to build on its foreign recruitment network in countries like China, India and Indonesia.

HELP continues to maintain its position as a leading educational institution in the ASEAN.

The Directors expect the financial performance of the Group to be satisfactory for the financial year 2013. The Directors remain confident that the Group is fundamentally strong and the initiatives taken during the past periods will prepare us to position HELP as a Global Education provider of quality education.

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. Profit Before Taxation

Profit before taxation is arrived at after charging/(crediting):

| | Current Year Quarter RM'000 | Current Year- To-Date RM'000 |
|---|--|---|
| Interest income | (373) | (1,474) |
| Depreciation and amortisation | 2,415 | 9,231 |
| Reversal of allowance for impairment of receivables, net | (72) | (66) |
| Gain on disposal of unquoted investment | - | (327) |
| Loss on foreign exchange | 307 | 44 |
| | <u>307</u> | <u>44</u> |

There was no provision for and write off of inventories, impairment of assets and gain or loss on derivatives for the current quarter under review and financial year ended 31 October 2012.

6. Taxation

| | Current Year Quarter RM'000 | Current Year- To-Date RM'000 |
|---|--|---|
| Current period income tax | 1,483 | 7,014 |
| Over provision of income tax in prior years | (465) | (465) |
| Deferred taxation | 552 | 552 |
| Under provision of deferred tax in prior years | 69 | 69 |
| | <u>1,639</u> | <u>7,170</u> |

The effective tax rate of the Group is higher than the statutory tax rate due principally to tax loss of a subsidiary and certain expenses that were not deductible for tax purposes.

7. Corporate Proposals

(a) Status of Corporate Proposals

There are no corporate proposals announced but not completed as at 19 December 2012 (being the latest practical date).

(b) Status of Utilisation of Proceeds Raised from Corporate Proposal

There are no corporate proposals involving fund raising.

8. Realised and Unrealised Profits

| | Current Year Quarter RM'000 | As At End of Last Financial Year RM'000 |
|--|--|--|
| Total retained earnings: | | |
| Realised | 95,332 | 83,156 |
| Unrealised | <u>(5,079)</u> | <u>(4,257)</u> |
| | 90,253 | 78,899 |
| Less: Consolidation adjustments | <u>(27,942)</u> | <u>(27,969)</u> |
| Total retained earnings as per consolidated accounts | <u>62,311</u> | <u>50,930</u> |

9. Group Borrowings and Debt Securities

The Group has no borrowings as at the end of the reporting period.

10. Material Litigation

As disclosed in Paragraph 12 of Part A, on 7 May 2012, a Writ of Summons was served on HU for an alleged default in payment to 7Days as a project contractor.

HU has filed an application in Court for a stay of proceedings pending arbitration. The said application was allowed with cost of RM750 against the Plaintiff on 27 June 2012. As such, the said suit has been stayed pending the commencement of arbitration proceedings by the Plaintiff. To date we are not aware of any such proceedings commenced by the Plaintiff.

11. Dividends

The Board of Directors recommends a First and Final Dividend of 4% (2 sen per ordinary share of 50 sen each) less income tax of 25% for the financial year ended 31 October 2012 subject to the approval of the shareholders at the forthcoming Annual General Meeting payable on a date to be determined later. Such dividend, if approved, will result in a total dividend declared of 2 sen on 142,041,600 ordinary shares of 50 sen each less 25% taxation, amounting to RM2,130,624 for the financial year ended 31 October 2012.

12. Earnings Per Share Attributable to the Equity Holders of the Company

(a) Basic Earnings Per Share

The basic earnings per share has been calculated by dividing the Group's profit for the period attributable to the equity holders of the Company on the number of ordinary shares in issue during the period.

| | Current Year Quarter 31/10/2012 | Preceding Year Quarter 31/10/2011 | Current Year- To-Date 31/10/2012 | Preceding Year- To-Date 31/10/2011 |
|---|--|--|---|---|
| Profit attributable to the equity holders of the Company (RM'000) | 4,467 | 3,587 | 13,512 | 13,062 |
| Number of ordinary shares | 142,042 | 142,042 | 142,042 | 142,042 |
| Basic earnings per share (sen) | 3.1 | 2.5 | 9.5 | 9.2 |

(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)
Elaine Wong Wei Syn (MAICSA 7048544)
Company Secretaries

Kuala Lumpur
21 December 2012