

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JANUARY 2013**

| | Note | Current Year Quarter 31/1/2013 RM'000 | Preceding Year Quarter 31/1/2012 RM'000 | Current Year- To-Date 31/1/2013 RM'000 | Preceding Year- To-Date 31/1/2012 RM'000 |
|---|----------|---|---|--|--|
| Revenue | | 28,684 | 26,850 | 28,684 | 26,850 |
| Other operating income | | 859 | 1,167 | 859 | 1,167 |
| Other operating expenses | | (25,937) | (24,529) | (25,937) | (24,529) |
| | | <u>3,606</u> | <u>3,488</u> | <u>3,606</u> | <u>3,488</u> |
| Interest expense | | (181) | (272) | (181) | (272) |
| Share of results of jointly controlled entity | | (17) | - | (17) | - |
| Profit before taxation | B(5) | <u>3,408</u> | <u>3,216</u> | <u>3,408</u> | <u>3,216</u> |
| Taxation | B(6) | (1,542) | (1,531) | (1,542) | (1,531) |
| Profit for the period | | <u>1,866</u> | <u>1,685</u> | <u>1,866</u> | <u>1,685</u> |
| Other comprehensive income: | | | | | |
| Transfer to profit or loss upon disposal of available-for-sale financial asset | | - | (337) | - | (337) |
| Other comprehensive income for the period, net of tax | | <u>-</u> | <u>(337)</u> | <u>-</u> | <u>(337)</u> |
| Total comprehensive income for the period | | <u>1,866</u> | <u>1,348</u> | <u>1,866</u> | <u>1,348</u> |
| Profit attributable to: | | | | | |
| Equity holders of the Company | | <u>1,866</u> | <u>1,685</u> | <u>1,866</u> | <u>1,685</u> |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of the Company | | <u>1,866</u> | <u>1,348</u> | <u>1,866</u> | <u>1,348</u> |
| Earnings per share attributable to the equity holders of the Company (sen) | | | | | |
| Basic earnings per share | B(12)(a) | 1.3 | 1.2 | 1.3 | 1.2 |
| 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 accompanying explanatory notes attached to these interim financial statements and the Annual Financial Report for the year ended 31 October 2012)



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2013

| | 31/1/2013 Unaudited RM'000 | 31/10/2012 Audited RM'000 | 1/11/2011 Audited RM'000 |
|---|---|--|---|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 140,410 | 133,341 | 131,325 |
| Intangible assets | 5,227 | 5,408 | 3,874 |
| Investment in jointly controlled entity | 130 | 147 | - # |
| | <u>145,767</u> | <u>138,896</u> | <u>135,199</u> |
| Current assets | | | |
| Trade receivables | 8,233 | 4,619 | 4,461 |
| Other receivables | 5,888 | 5,596 | 5,678 |
| Tax recoverable | 599 | 438 | 1,682 |
| Cash and cash equivalents | 62,973 | 63,295 | 60,003 |
| | <u>77,693</u> | <u>73,948</u> | <u>71,824</u> |
| Asset classified as held for sale | - | - | 1,721 |
| | <u>77,693</u> | <u>73,948</u> | <u>73,545</u> |
| TOTAL ASSETS | <u>223,460</u> | <u>212,844</u> | <u>208,744</u> |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of the Company | | | |
| Share capital | 71,021 | 71,021 | 71,021 |
| Share premium | 2,372 | 2,372 | 2,372 |
| Retained earnings | 64,183 | 62,317 | 50,930 |
| Fair value adjustment reserve | - | - | 337 |
| Foreign currency translation reserve | 14 | 14 | 15 |
| Total equity | <u>137,590</u> | <u>135,724</u> | <u>124,675</u> |
| Non-current liabilities | | | |
| Deferred tax liabilities | 5,045 | 5,045 | 4,363 |
| Other payable | 9,000 | 9,000 | 18,000 |
| | <u>14,045</u> | <u>14,045</u> | <u>22,363</u> |
| Current liabilities | | | |
| Fees received in advance | 34,074 | 25,150 | 21,998 |
| Other payables | 37,418 | 37,803 | 39,708 |
| Tax payable | 333 | 122 | - |
| | <u>71,825</u> | <u>63,075</u> | <u>61,706</u> |
| Total liabilities | <u>85,870</u> | <u>77,120</u> | <u>84,069</u> |
| TOTAL EQUITY AND LIABILITIES | <u>223,460</u> | <u>212,844</u> | <u>208,744</u> |
| Net Assets Per Share (RM) | <u>0.97</u> | <u>0.96</u> | <u>0.88</u> |

Denotes RM1

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements and the Annual Financial Report for the year ended 31 October 2012)



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JANUARY 2013

| | 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 2012 | 71,021 | 2,372 | 62,317 | - | 14 | 135,724 |
| Total comprehensive income for the period | - | - | 1,866 | - | - | 1,866 |
| Balance as at 31 January 2013 | 71,021 | 2,372 | 64,183 | - | 14 | 137,590 |
| Balance as at 1 November 2011 | 71,021 | 2,372 | 50,930 | 337 | 15 | 124,675 |
| Total comprehensive income for the period | - | - | 1,685 | (337) | - | 1,348 |
| Balance as at 31 January 2012 | 71,021 | 2,372 | 52,615 | - | 15 | 126,023 |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements and the Annual Financial Report for the year ended 31 October 2012)



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JANUARY 2013**

| | Current Year- To-Date 31/1/2013 RM'000 | Preceding Year- To-Date 31/1/2012 RM'000 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 3,408 | 3,216 |
| Adjustments for: | | |
| Depreciation and amortisation | 2,395 | 2,204 |
| Interest income | (319) | (351) |
| Interest expense | 181 | 272 |
| Gain on disposal of available-for-sale financial asset | - | (327) |
| Share of results of jointly controlled entity | 17 | - |
| Other non cash items | - | (10) |
| Operating profit before working capital changes | <u>5,682</u> | <u>5,004</u> |
| Increase in receivables | (3,923) | (4,697) |
| Increase in payables, including fees received in advance | <u>8,358</u> | <u>2,521</u> |
| Net cash generated from operations | 10,117 | 2,828 |
| Interest received | 336 | 373 |
| Taxes paid | (1,492) | (2,152) |
| Net cash generated from operating activities | <u>8,961</u> | <u>1,049</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Subscription of shares in a jointly controlled entity | - | (150) |
| Net proceeds from disposal of available-for-sale financial asset | - | 1,711 |
| Proceeds from disposal of property, plant, equipment and software | - | 16 |
| Purchase of property, plant, equipment and software | (9,283) | (2,086) |
| Installment payment for acquisition of property | - | (4,500) |
| Net cash used in investing activities | <u>(9,283)</u> | <u>(5,009)</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (322) | (3,960) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | <u>63,295</u> | <u>60,003</u> |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | <u>62,973</u> | <u>56,043</u> |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements and the Annual Financial Report for the year ended 31 October 2012)

(A) SELECTED EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

These condensed consolidated interim financial statements, for the period ended 31 January 2013, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 October 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS"). These condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 October 2012.

The condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 October 2013. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The explanatory notes attached to these condensed consolidated interim financial statements 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 2012.

2. Significant Accounting Policies

The audited financial statements of the Group for the year ended 31 October 2012 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements of the Group for the year ended 31 October 2012.

The adoption of MFRS 1 does not have significant impact on the reported financial position, financial performance and cash flows of the Group and hence, no reconciliations from FRS to MFRS were prepared.

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 the assets, liabilities, equity, net income or cash flows for the current financial year-to-date.

5. Changes in Estimates

There were no changes in estimates of amounts reported in the prior financial year that have 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 Events

There were no material events subsequent to the end of the current quarter and up to 22 March 2013.

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 material changes in contingent liabilities or assets of the Group for the current quarter and financial period ended 31 January 2013.

12. Commitments on Capital Expenditure

The capital commitments incurred by the Group as at 31 January 2013 include the following amount approved and contracted for:-

| | |
|-------------------------------|---------------|
| | RM'000 |
| Property, plant and equipment | <u>24,509</u> |

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

1. Review of Performance

| | First Quarter 31/1/2013 RM'000 | First Quarter 31/1/2012 RM'000 |
|-------------------|---|---|
| Revenue | <u>28,684</u> | <u>26,850</u> |
| Profit before tax | <u>3,408</u> | <u>3,216</u> |

For the first quarter under review, the Group's revenue grew by 6.8% to RM28.7 million from RM26.9 million last year. Profit before tax increased to RM3.4 million from RM3.2 million last year.

The growth in revenue and profit before tax were largely due to an increase in student enrollments and a higher number of subjects undertaken by students in the various campuses in Damansara and Fraser Business Park.

Operating and depreciation expenses had stabilized over the quarter under review. HELP College of Arts and Technology has continued to show a turnaround and student numbers increased during the past quarter in the various programmes offered at Fraser campus.

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

| | First Quarter 31/1/2013 RM'000 | Fourth Quarter 31/10/2012 RM'000 | Decrease RM'000 |
|-------------------|---|---|----------------------------|
| Profit before tax | <u>3,408</u> | <u>6,106</u> | <u>2,698</u> |

The Group recorded a profit before tax of RM3.4 million for this quarter as compared to RM6.1 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. There is growing demand for quality private education for pre-school, primary and secondary school to tertiary level.

The construction of HELP International School (“HIS”) is ongoing and is targeted to be completed this year. The school is expected to be contributing to the Group from 2014 onwards.

The current economic uncertainties have not dampened the growing demand for education in the international market especially in ASEAN. HELP continues to maintain its position as a leading educational institution in ASEAN and remains committed to expand its presence in the region.

HELP will further expand its business development in the region through partnerships with reputable and established educational providers. HELP is also strengthening its foreign recruitment network in countries like China and Indonesia.

HELP University has been continuously developing new programmes and intellectual property and will be launching them progressively. The Group is confident the larger portfolio of programmes will set a stronger footing for additional recruitment of students in future.

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 | (319) | (319) |
| Depreciation and amortisation | 2,395 | 2,395 |
| Gain on foreign exchange | <u>(125)</u> | <u>(125)</u> |

There was no provision for and write off of receivables and inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets and gain or loss on derivatives for the current quarter under review and financial period ended 31 January 2013.

6. Taxation

| | Current Year Quarter RM'000 | Current Year- To-Date RM'000 |
|---------------------------|--|---|
| Current period income tax | <u>1,542</u> | <u>1,542</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.

(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 | 97,127 | 95,418 |
| Unrealised | <u>(4,967)</u> | <u>(5,140)</u> |
| | 92,160 | 90,278 |
| Less: Consolidation adjustments | <u>(27,977)</u> | <u>(27,961)</u> |
| Total retained earnings as per consolidated accounts | <u>64,183</u> | <u>62,317</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 the last quarterly report, on 7 May 2012, a Writ of Summons was served on HELP University Sdn Bhd (formerly known as HELP University College Sdn Bhd) ("HU") for the alleged default in payment of RM612,067 together with interest and costs to Seven Days Projects Solutions as the 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

At the forthcoming Annual General Meeting, a First and Final dividend in respect of the financial year ended 31 October 2012, of 4% less 25% taxation on 142,041,600 ordinary shares of RM0.50 each, amounting to a dividend payable of RM2,130,624 (1.5 sen net per ordinary share) will be proposed for shareholders' approval. The interim financial statements for the current financial year-to-date do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial period in which the approval is obtained.

The Board of Directors does not recommend any dividend for the first quarter ended 31 January 2013.

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 31/1/2013 | Preceding Year Quarter 31/1/2012 | Current Year- To-Date 31/1/2013 | Preceding Year- To-Date 31/1/2012 |
|---|---|---|--|--|
| Profit attributable to the equity holders of the Company (RM'000) | 1,866 | 1,685 | 1,866 | 1,685 |
| Number of ordinary shares | 142,042 | 142,042 | 142,042 | 142,042 |
| Basic earnings per share (sen) | 1.3 | 1.2 | 1.3 | 1.2 |

(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)
Cheng Chia Ping (MAICSA 1032514)
Company Secretaries

Kuala Lumpur
25 March 2013