



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

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

	Note	Current Year Quarter 31/7/2013 RM'000	Preceding Year Quarter 31/7/2012 RM'000	Current Year- To-Date 31/7/2013 RM'000	Preceding Year- To-Date 31/7/2012 RM'000
Revenue		28,018	25,411	90,414	86,993
Other operating income		938	1,200	3,526	4,218
Other operating expenses		(27,787)	(25,512)	(81,525)	(75,961)
		<u>1,169</u>	<u>1,099</u>	<u>12,415</u>	<u>15,250</u>
Interest expense		(101)	(192)	(457)	(674)
Share of results of jointly controlled entity		6	-	(6)	-
Profit before taxation	B(5)	<u>1,074</u>	<u>907</u>	<u>11,952</u>	<u>14,576</u>
Taxation	B(6)	(632)	(577)	(4,572)	(5,531)
Profit for the period		<u>442</u>	<u>330</u>	<u>7,380</u>	<u>9,045</u>
Other comprehensive income:					
Transfer to profit or loss upon disposal of available-for-sale financial asset		-	-	-	(337)
Other comprehensive income for the period, net of tax		<u>-</u>	<u>-</u>	<u>-</u>	<u>(337)</u>
Total comprehensive income for the period		<u>442</u>	<u>330</u>	<u>7,380</u>	<u>8,708</u>
Profit attributable to:					
Equity holders of the Company		<u>442</u>	<u>330</u>	<u>7,380</u>	<u>9,045</u>
Total comprehensive income attributable to:					
Equity holders of the Company		<u>442</u>	<u>330</u>	<u>7,380</u>	<u>8,708</u>
Earnings per share attributable to the equity holders of the Company (sen)					
Basic earnings per share	B(12)(a)	0.3	0.2	5.2	6.4
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 JULY 2013

	31/7/2013 Unaudited RM'000	31/10/2012 Audited RM'000	1/11/2011 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	149,888	133,341	131,325
Intangible assets	4,811	5,408	3,874
Investment in a jointly controlled entity	141	147	- #
	<u>154,840</u>	<u>138,896</u>	<u>135,199</u>
Current assets			
Trade receivables	4,002	4,619	4,461
Other receivables	7,430	5,596	5,678
Tax recoverable	355	438	1,682
Cash and cash equivalents	34,723	63,295	60,003
	<u>46,510</u>	<u>73,948</u>	<u>71,824</u>
Asset classified as held for sale	-	-	1,721
	<u>46,510</u>	<u>73,948</u>	<u>73,545</u>
TOTAL ASSETS	<u>201,350</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	67,566	62,317	50,930
Fair value adjustment reserve	-	-	337
Foreign currency translation reserve	7	14	15
Total equity	<u>140,966</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	18,000
	<u>5,045</u>	<u>14,045</u>	<u>22,363</u>
Current liabilities			
Fees received in advance	20,048	25,150	21,998
Other payables	34,215	37,803	39,708
Tax payable	1,076	122	-
	<u>55,339</u>	<u>63,075</u>	<u>61,706</u>
Total liabilities	<u>60,384</u>	<u>77,120</u>	<u>84,069</u>
TOTAL EQUITY AND LIABILITIES	<u>201,350</u>	<u>212,844</u>	<u>208,744</u>
Net Assets Per Share (RM)	<u>0.99</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 JULY 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	-	-	7,380	-	(7)	7,373
Dividends	-	-	(2,131)	-	-	(2,131)
Balance as at 31 July 2013	71,021	2,372	67,566	-	7	140,966
Balance as at 1 November 2011	71,021	2,372	50,930	337	15	124,675
Total comprehensive income for the period	-	-	9,045	(337)	-	8,708
Dividends	-	-	(2,131)	-	-	(2,131)
Balance as at 31 July 2012	71,021	2,372	57,844	-	15	131,252

(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 JULY 2013**

	Current Year- To-Date 31/7/2013 RM'000	Preceding Year- To-Date 31/7/2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	11,952	14,576
Adjustments for:		
Depreciation and amortisation	7,269	6,816
Interest income	(922)	(1,101)
Interest expense	457	674
Gain on disposal of available-for-sale financial asset	-	(327)
Share of results of jointly controlled entity	6	-
Other non cash items	12	(16)
Operating profit before working capital changes	<u>18,774</u>	<u>20,622</u>
Increase in receivables	(1,251)	(1,468)
Decrease in payables, including fees received in advance	<u>(147)</u>	<u>(2,296)</u>
Net cash generated from operations	<u>17,376</u>	<u>16,858</u>
Interest received	956	1,077
Interest paid	-	(540)
Taxes paid	(3,535)	(4,252)
Net cash generated from operating activities	<u>14,797</u>	<u>13,143</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	-	43
Purchase of property, plant, equipment and software	(23,231)	(7,484)
Installment payment for acquisition of property	(18,000)	(9,000)
Net cash used in investing activities	<u>(41,231)</u>	<u>(14,880)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid, representing net cash used in financing activity	<u>(2,131)</u>	<u>(2,131)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(28,565)	(3,868)
EFFECT OF EXCHANGE RATE CHANGES	(7)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	63,295	60,003
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>34,723</u>	<u>56,135</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 July 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 prior interim periods of the current financial year or 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

On 22 May 2013, 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 2012 amounting to RM2,130,624 was paid.

8. Segmental Reporting

The Group is principally involved in education related 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 24 September 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 July 2013.

12. Commitments on Capital Expenditure

The amount of capital commitments not provided for in the interim financial statements as at 31 July 2013 were as follows:-

	RM'000
Property, plant and equipment	
- Approved and contracted for	20,051
- Approved but not contracted for	<u>314</u>
	<u>20,365</u>

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

1. Review of Performance

	Third Quarter 31/7/2013 RM'000	Third Quarter 31/7/2012 RM'000	Period Ended 31/7/2013 RM'000	Period Ended 31/7/2012 RM'000
Revenue	<u>28,018</u>	<u>25,411</u>	<u>90,414</u>	<u>86,993</u>
Profit before tax	<u>1,074</u>	<u>907</u>	<u>11,952</u>	<u>14,576</u>

For the third quarter under review, the Group's revenue grew by 10% to RM28.0 million as compared to RM25.4 million last year. Profit before tax also increased to RM1.1 million from RM0.9 million last year. The growth in revenue and profit before tax were largely due to the increase in student enrollment.

For the nine months ended 31 July 2013, the Group's revenue at RM90.4 million represented an increase of 4% over last year. However, profit before tax decreased to RM12.0 million from RM14.6 million last year. The decrease was mainly attributed to higher personnel costs following the recruitment of expatriate teachers for HELP International School in Subang, Selangor.

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

	Third Quarter 31/7/2013 RM'000	Second Quarter 30/4/2013 RM'000	Decrease RM'000
Profit before tax	<u>1,074</u>	<u>7,470</u>	<u>6,396</u>

The Group recorded a profit before tax of RM1.1 million for this quarter as compared to RM7.5 million recorded in the immediate preceding quarter in line with the seasonal fluctuations of the industry as disclosed in Note (A)3 of the financial report.

3. Commentary on Prospects

The Group continues to enjoy a strong reputation for its quality education and this has enabled it to attract quality students into its various programmes at the three campuses.

HELP International School (“HIS”) will have its inaugural intake in January 2014. Enquiries for HIS have been strong and the Group remains optimistic of the success of the school and is confident of its positive financial contribution from 2014 onwards.

HELP University will further expand its business development in the region through partnerships with reputable and established educational providers. The Group intends to offer more of its programmes through the franchising model in these new places and it would also enable HELP to strengthen its foreign recruitment network.

During the past academic year, HELP’s students had achieved sterling academic results particularly in the A-Levels and the Group intends to leverage on this success to promote itself as an institution of academic excellence.

HELP University has been continuously developing and launching new programmes during the past academic year and expects these programmes to progressively contribute positively over the financial year. These new programmes will be offered throughout the Group’s different campuses.

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	(230)	(922)
Depreciation and amortisation	2,440	7,269
Loss on foreign exchange	<u>25</u>	<u>120</u>

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

6. Taxation

	Current Year Quarter RM'000	Current Year- To-Date RM'000
Current period income tax	<u>632</u>	<u>4,572</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 Developments

On 9 July 2013, the Company announced that its wholly owned subsidiary, HELP Education Services Sdn. Bhd. ("HESSB") has received a letter dated 21 June 2013 from the Malaysian Investment Development Authority ("MIDA") granting its approval for HESSB's application of Investment Tax Allowance ("ITA") incentive.

HESSB has been granted an allowance of 100% in respect of the qualifying capital expenses ("QCE") incurred within 5 years from the date when the first QCE was incurred. The said allowance can be utilised by HESSB to set-off up to 70% of its statutory income in the year of assessment.

As at 24 September 2013, there are no corporate proposals announced and pending completion, save for the following:

On 8 July 2013, the Company announced its proposal to issue renounceable rights issue of RM71,020,800 nominal value of 5-year 4% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at 100% of its

nominal value on the basis of one (1) RM0.50 nominal value of ICULS for every one (1) existing ordinary share of RM0.50 each in HELP International Corporation Berhad (“HIC Shares”) held by the entitled shareholders of the Company on an entitlement date to be determined later (“Proposed Rights Issue”).

On 2 September 2013, the Company announced that Bursa Malaysia Securities Berhad had vide its letter dated 30 August 2013, approved the following:

- (i) admission to the official list and the listing and quotation of RM71,020,800 nominal value of 5-year 4% ICULS at 100% of its nominal value (or equivalent to 142,041,600 ICULS of RM0.50 nominal value) to be issued pursuant to the Proposed Rights Issue; and
- (ii) listing of up to 47,347,200 new HIC Shares arising from the conversion of the ICULS.

8. Realised and Unrealised Profits

	Current Year Quarter RM'000	As At End of Last Financial Year RM'000
Total retained earnings:		
Realised	100,580	95,418
Unrealised	(5,048)	(5,140)
	<u>95,532</u>	<u>90,278</u>
Less: Consolidation adjustments	(27,966)	(27,961)
Total retained earnings as per consolidated accounts	<u>67,566</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 previous quarterly report, on 7 May 2012, a Writ of Summons was served on HELP University 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

The Board of Directors does not recommend any dividend for the period ended 31 July 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 31/7/2013	Preceding Year Quarter 31/7/2012	Current Year- To-Date 31/7/2013	Preceding Year- To-Date 31/7/2012
Profit attributable to the equity holders of the Company (RM'000)	442	330	7,380	9,045
Number of ordinary shares	142,042	142,042	142,042	142,042
Basic earnings per share (sen)	0.3	0.2	5.2	6.4

(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
26 September 2013