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HELP to work with existing and new partners on courses not offered

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KUALA LUMPUR: HELP International Corporation Bhd hopes to conclude talks on the proposed acquisition of three education institutions locally and abroad in about six months.

"I think if we were to grow faster, organic growth is not adequate. These complementary education institutions have a more regional and global reach, and not only restricted to Malaysia. If not, it won't be exciting for us," its group president Datuk Dr Paul Chan told reporters after the company's AGM here yesterday.

He added that the group might need external funding for the acquisitions, but that this was not a problem as some fund managers, both local and overseas, had approached it to participate in the equity shareholding.

Besides the acquisitions, Chan said HELP would be working with existing and new partners of local universities and private institutions on the courses it currently did not offer.

He added that the group would also work with them to provide joint degrees as well as professional and



Chan

executive development training.

"The fourth strategy we have is to extend the number of our own degrees, especially when our economy is now being restructured by the global turbulence and we need new training (programmes).

"For example, we are working with a US company for theme park and facilities management, and this will help to transfer technology skills and craft skills for designing theme parks," Chan said.

He said the group was still doing valuation on the projects, so investment figures were not available.

Currently, HELP has some RM74 million cash in hand. The group's external funding will come from some major funds — both overseas and

local — and not borrowings.

Chan believed that given the acquisition plans, the company was on track to achieve its revenue target of RM100 million by next year.

He also expected HELP-ICT to turn in a profit in 18 months. HELP-ICT had seen some programmes delayed when HELP took over the former and had to redo the programme submissions and approvals.

Klang-based HELP-ICT has been making losses due to its small student base relative to capacity. However, the losses have narrowed considerably since HELP took over in 2007.

HELP is also on track to develop two campuses in Subang and Sungai Besi. Construction of the campus in Subang — Subang 2 Green Technology — will begin this year.

The full residential campus, which will be able to accommodate 12,000 students, will be constructed in three phases, with the first phase to be completed in 2011.

Fraser Technology Park campus in Sungai Besi will specialise in professional and competency based courses, including hospitality, tourism and travel, culinary arts, graphic and design, as well as music.

HELP would spend some RM5 million renovating Fraser Technology Park this year. For Subang 2 Green Technology, a total of RM110 million would be spent over the next three years.

"Our internal funds are more than enough for the first two phases of the campus. We are not really burdened by the cash flow," Chan said, adding that the group would venture into Africa and the Middle East to provide courses this year.

The group expects to manage 18,000 students in Malaysia by 2015. It currently has an enrolment of 11,500.

Overseas students now make up about 20% of its student population and Chan expected this to increase to between 30% and 35% upon the completion of the Subang and Sungai Besi campuses by 2012. "They (overseas students) enrich our culture, by helping us to brand ourselves," he said.

Chan did not expect the demand for tertiary education to be impacted by the global financial crisis, with data showing a steady flow of inbound students into the group's university.

"Those who planned to study already have savings. I don't think this (the financial crisis) will impact the demand for education. Of course, fewer people will go overseas, and they may also switch from one discipline to another.

"Overall, I think the demand will increase, and what is more important to us is the share of this increase. That's why we have different models to capture these markets, especially the international market," he added.