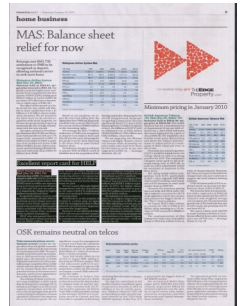


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Excellent report card for HELP

HELP International Corp Bhd (Dec 29, RM1.78)

Maintain buy at RM1.74, target price raised to RM1.95: HELP's results in the financial year ended October 2009 (FY09) came in within our expectations as revenue and net profit grew by 11.6% and 31% year-on-year (y-o-y) respectively, helped by higher student enrolment and fees.

In quarterly terms, revenue and net profit soared 21.3% and 104% respectively as more classes were conducted in the fourth quarter compared to the preceding third quarter which coincided with the holiday season for courses from countries in the northern hemisphere.

HELP also announced that it is acquiring a piece of land and property for RM50 million. The prop-

erty, known as HELP Residence, comprises a piece of freehold land measuring about 1,112 square metres that comes with a 21-storey hostel building and four levels of basement car park.

We are neutral although slightly disappointed with the acquisition as we expect HELP to emphasise more on acquiring its rivals instead of buying assets.

Nevertheless, as the property is located in a prime area, we agree with the management that it offers attractive potential price appreciation over the longer term.

However, we are still hopeful that HELP will announce further acquisitions of its rivals soon, as indicated by management earlier this year.

Based on the assumption of higher

student enrollment next year, we revised up our FY10 forecast by 12% and introduced our FY11 numbers.

We expect HELP to register FY10 revenue and net profit of RM114.6 million and RM18.5 million respectively. In FY11, the higher education provider is expected to post a RM135.2 million revenue, and a net profit of RM23 million.

We maintain our buy recommendation at a higher target price of RM1.95 compared to RM1.70 earlier after adjusting our forecast, and income residual model. HELP remains Malaysia's most profitable listed education institution, which can lay claim to having strong growth potential due to its capacity expansion locally and abroad. — *OSK Research, Dec 29*