



the people's university

ANNUAL REPORT 2012

A world of possibilities



2011 Rating System
for Malaysian Higher
Education Institutions
(SETARA)

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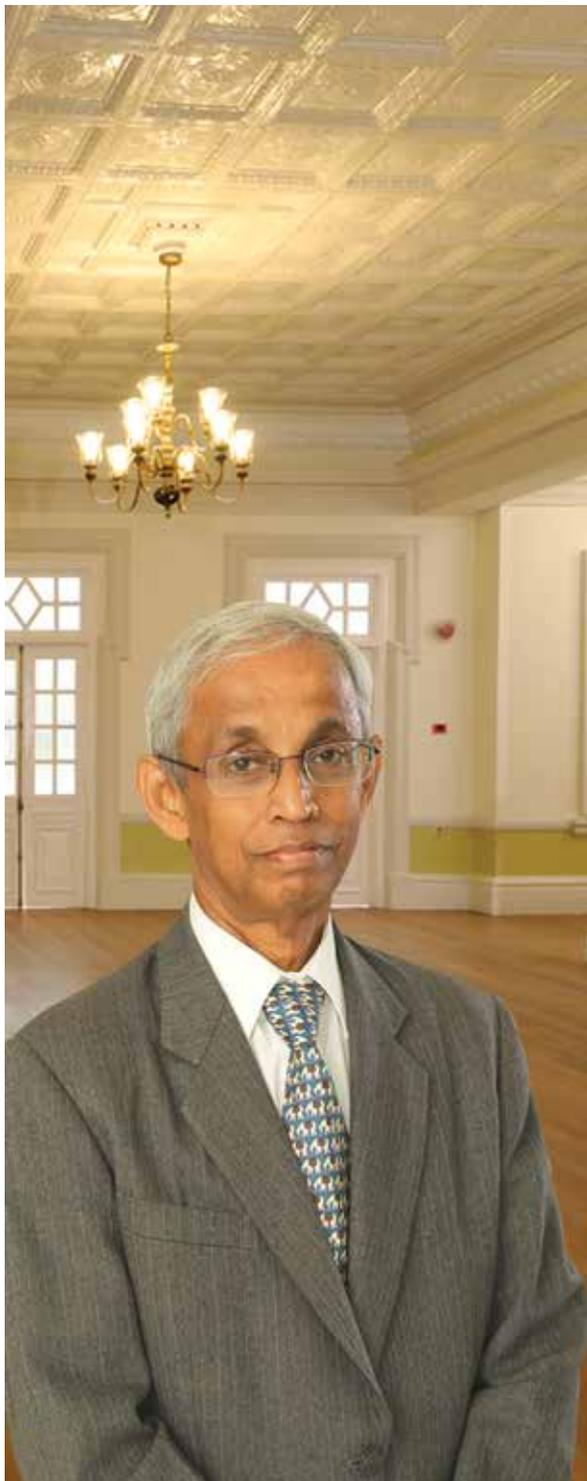
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BOARD OF GOVERNORS CHAIRMAN'S MESSAGE

Tan Sri Emeritus Prof Gajaraj Dhanarajan

Chairman, Board of Governors, Wawasan Open University



I am pleased to present the Annual Report for the year 2012 of the Wawasan Open University on behalf of the Board of Governors of the University. This is in compliance with the expectations of the Wawasan Education Foundation and the Ministry of Higher Education, Malaysia. This is also the fourth such report of the University, which was established in 2006 under the Private Higher Educational Institutions Act 1996 (Act 555) of the Government of Malaysia.

The work recorded and reported by the University was mostly carried out during the governance of the Wawasan Open University Council, under the chairmanship of the late Tun Dr Lim Keng Yaik, the force behind the setting up of this University with the noble aims as articulated eloquently by the Vice Chancellor Prof Dato' Dr Ho Sinn Chye in his report.

In compliance with the new constitution mandated by the Ministry of Higher Education, Malaysia, the Council of the Wawasan Open University ceased to exist as of 31 July 2011. The Board of Governors of the University of which I have the pleasure of chairing has replaced it.

This report records the accomplishments and achievements of the University during the last year (2012). It is a proud record of a University that has clearly established itself as a provider of quality higher education using distance education methods suited to the work and lifestyle of adult Malaysians. The accreditation of the University's initial offer of 20 programmes at the undergraduate and postgraduate levels by the Malaysian Qualifications Agency, as well as the respect of regional and global peers are testaments to both the quality and dynamism of the University's leadership and staff. This last year and the five years before it have laid the foundations for orderly growth and progress of the University in the ever-expanding higher education sector of Malaysia. While the University has come a long way, this report also signals its preparation to meet the challenges of the future with confidence and knowledge that its mission is noble and its goals achievable.

I commend this report for your reading.

VICE CHANCELLOR'S MESSAGE

Prof Dato' Dr Ho Sinn Chye

Vice Chancellor & Chief Executive Officer, Wawasan Open University

Year 2012 had been an exceptionally busy year for the Wawasan Open University community. Nonetheless the University had managed to attain most of the set academic goals, experienced several significant happenings and earned several accolades of one form or another along the way. The valuable guidance and support received from the Wawasan Education Foundation, the Board of Directors and Board of Governors of WOU are hereby acknowledged with grateful thanks.

The year witnessed the retirement of WOU's second Vice Chancellor and CEO, Prof Dato' Dr Wong Tat Meng, on 15th September 2012 and the appointment of Prof Dato' Dr Ho Sinn Chye as the successor on 1st October 2012. The WOU community also mourned the demise of our respected Founder and Chancellor, the late Tun Dr Lim Keng Yaik, on December 22nd. We are all truly indebted to Tun Dr Lim for his vision and selfless sacrifice to the University.

Two convocation ceremonies were conducted this year. The first was the Special Convocation Ceremony on 16 June 2012 in Menara PGRM, Kuala Lumpur for the conferment of Honorary Degrees to three distinguished recipients namely Dato' Sri Nazir Razak (Doctor of Business), Emeritus Prof Dr Wang Gungwu (Doctor of Laws) and Mr R Padmanathan (Master of Administration).

The second one was the University's 3rd Convocation Ceremony for graduating students held on 24th and 25th November 2012 at the Main Campus in Penang. The Ceremony also witnessed the proclamation of YB Tan Sri Dr Koh Tsu Koon as the first Pro-Chancellor of WOU. At the same ceremony, Dato' Seri Chet Singh was conferred the Honorary Doctor of Letters.

A total of 365 graduates (highest to date) received their degree or graduate diploma scrolls that day, out of which 265 were from undergraduate programmes and 100 from postgraduate programmes. The University also rolled out its first batch of 13 graduates from the Post-Graduate Diploma in Education programme.

cont.



VICE CHANCELLOR'S MESSAGE

Prof Dato' Dr Ho Sinn Chye

Vice Chancellor & Chief Executive Officer, Wawasan Open University

WOU was offering a total of 43 programmes in 2012 out of which 20 have been fully accredited by the MQA. The 43 programmes include 3 new programmes that were approved by MOHE in 2012. Of the 20 fully accredited programmes, 7 obtained full accreditation from MQA in 2012. The combined total number of active students who had registered for under- and post-graduate studies in the January and July semesters in 2012 was 3,796 and 3,888 respectively.

It is fair to add that since crossing the 10th semester timeline in 2011, the steady growth in student population in WOU has partly been eroded by a gradual increase in the number of graduates exiting the University. The University therefore intensified its efforts in 2012 to increase student recruitment and retention by applying a multi-prong approach targeted at different market segments and existing student population. Examples include the *Friends and Family Programme*, WOU's unique *Valued Partnership Programme*, and the online *MyEnrolment* system. The Wawasan Education Foundation Study Grant which is aimed at recruiting new undergraduate students had its terms and conditions revised in favour of the student.

The total number of Regional Centres stood at six (6) in 2012. To increase outreach and student recruitment opportunities in the Klang Valley two new Regional Support Centres were established; one in Klang and the other in Subang in mid 2012.

The provision of quality education has always been one of the core values of Wawasan Open University. In 2012, WOU was accorded a 5-Star (Excellent) rating by MOHE in its SETARA 2011 ranking exercise conducted on local institutions of higher learning. Indeed the "excellent" rating reaffirms our all time commitment to quality. We will certainly continue with the good practice, guided by our rigorous quality assurance protocols and monitored by the Quality Assurance Office. The aim is to turn this quality culture into a unique competitive advantage for WOU.

On the research front, academic staff participation in research had been further promoted through funding of 4 new research projects. The University's funds for such research are managed by its Institute of Research and Innovation (IRI).

The year also witnessed the relocation of the School of Education, Languages and Communications and the Centre for Professional Development and Continuing Education back from their original base of operations in the Regional Centre in Cheras, Kuala Lumpur to the main campus in Penang as part of a management stream-lining and efficiency enhancement

exercise. The move was approved by the Board of Governors of WOU.

The University's Moodle based multi-feature online Learning Management System (LMS) was upgraded. The new Moodle 2.0 platform allows for more interactive features to be incorporated in the LMS. A single sign-on feature had been added to enable students and tutors to directly access the LMS from their respective online portals. This upgraded LMS went on stream in July 2012.

As part of the overall plan to reduce cost in course content development and revision, the four Schools, assisted by the Educational Technology and Publishing Unit and the Library had begun sourcing for and incorporating more open educational resources (OER) materials in their courses guided by the University's OER policy.

WOU hosted the inaugural OER symposium for the Asian region in its main campus from September 19-21, 2012. The objective of the Symposium was to add impetus in Asia to this new wave of knowledge sharing which involves the use of OER. The event was largely funded by the International Development Research Centre (IDRC).

WOU continued to helm the Presidency and Secretariat of the Asian Association of Open Universities (AAOU) in 2012. Prof Ho succeeded Prof Wong as the AAOU President as endorsed by the Executive Board of AAOU at its 27th meeting held during the 26th AAOU Annual Conference in Chiba, Japan. The Board also endorsed the appointment of Dr Andy Liew Teik Kooi as the Secretary General. At this conference, WOU won 2 out of the 3 prizes in the Best Paper Award category.

The University also established academic linkages with three academic institutions this year. It signed MoUs with Chonnam National University (South Korea), Universiti Tunku Abdul Rahman and with HAAGA-HELIA University of Applied Sciences, Finland.

Moving forward, WOU will continue to develop academic programmes that are industry relevant and meet market demand. There will be intensified efforts to increase student recruitment and retention. New applications of information technology for teaching and learning will be explored to enhance the learning experience of students. At the management level, financial prudence and cost-efficient use of all available resources will continue to be the order of the day.

THE CONTINUING YEARS OF WOU

10 May



Dr Carl Vadivella Belle, an Australian independent scholar, shares on the racial history of Malaysia.

11 May



WOU academics listen to a talk on Intellectual Property.

19 May



Public talk on the plague fighter, Dr Wu Lien-teh.

22 May



Staff participate in a blood donation drive.

16 June



The late Chancellor with the Honorary Graduates.

23 June



Relay for Life Penang.

29 June



Fire drill at the Main Campus.

15 July



Students recite the pledge during Orientation Day.

THE CONTINUING YEARS OF WOU

20 July



Meeting with delegates from Kwame Nkrumah University of Science and Technology, Ghana.

28 August



Prof Sugata Bose from Harvard University talks about Tagore.

19-21 Sept



Delegates attend the OER symposium for the Asian region at WOU.

17-18 Oct

Dr Andy Liew (right) wins Best Paper Award at the AAOU Annual Conference in Japan.



31 Oct



WOU hosts Media Appreciation Night.

24 Nov



Tan Sri Dr Koh Tsu Koon becomes Pro-Chancellor of WOU.

24-25 Nov



All smiles on graduation day.

14 Dec 2012

Hosting a Christmas party for the less fortunate.



Vision

To be a vibrant learning community that inspires learning, supports innovation and nurtures all-round personal growth.

Mission

We commit ourselves to the expansion of opportunities in higher education and excellence in teaching so as to increase the level of knowledge and scholarship among all Malaysians.

Values

We believe that you have the potential to develop to the fullest, in line with the cherished noble values that we all share. We believe in:

- Upholding high institutional standards;
- Celebrating the diversity of our students;
- Recognising our employees;
- Valuing citizens and the community; and
- Academic freedom and fairness.

GOVERNANCE

Wawasan Open University Sdn Bhd (WOUSB) is a private, not-for-profit university, established in accordance with the Private Higher Educational Institutions Act 1996 (Act 555), and wholly owned by the Wawasan Education Foundation (WEF), a tax-exempt entity.

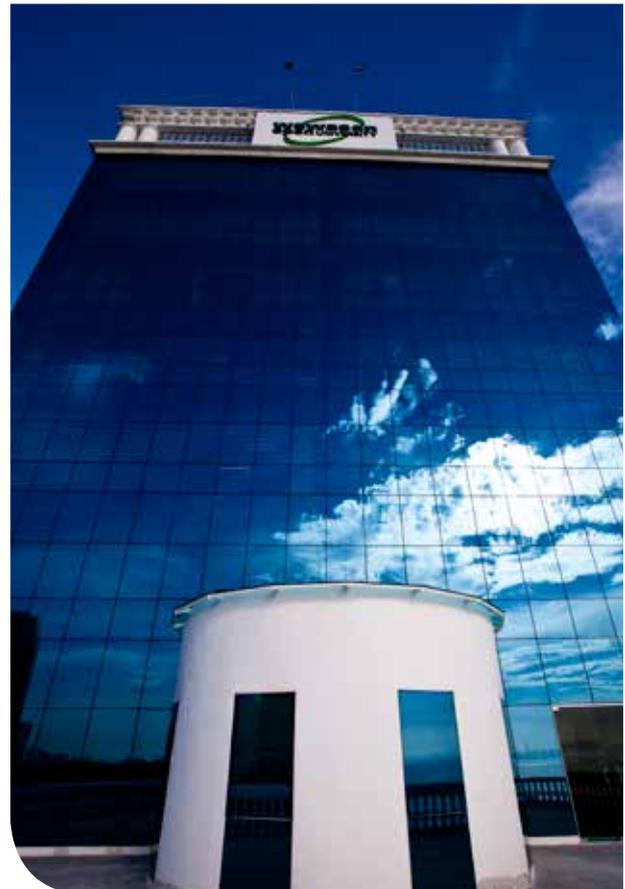
In line with the principles of good and transparent governance, the functions, structure, leadership, membership and reporting protocols of the major permanent decision-making bodies are clearly defined in the Wawasan Open University Constitution, developed in accordance with the Private Higher Educational Institutions Act 1996 (Act 555).

WOU has in place a governance structure that reflects international good practice and one that is underpinned by a culture of openness, transparency, accountability and academic excellence.

The key features of WOU's governance structure are:

- Accountability - the University's academic and operational bodies are ultimately accountable to the Council and Board of Directors of the WEF;
- Transparency - full records of all University Authority meetings are archived and available for inspection;
- A clearly defined system of 'checks and balances' where each operational body reports to a higher authority all the way to the governing Council and the Board of Directors of the WEF.

In accordance with the new WOU Constitution that was revised to comply with a Ministry of Higher Education (MOHE) directive, a Board of Governors was formed in November 2011 to replace the role played by the former Council.





Tun Dr Lim Keng Yaik
*Chancellor of Wawasan Open University
(until his passing on 22 Dec 2012)*

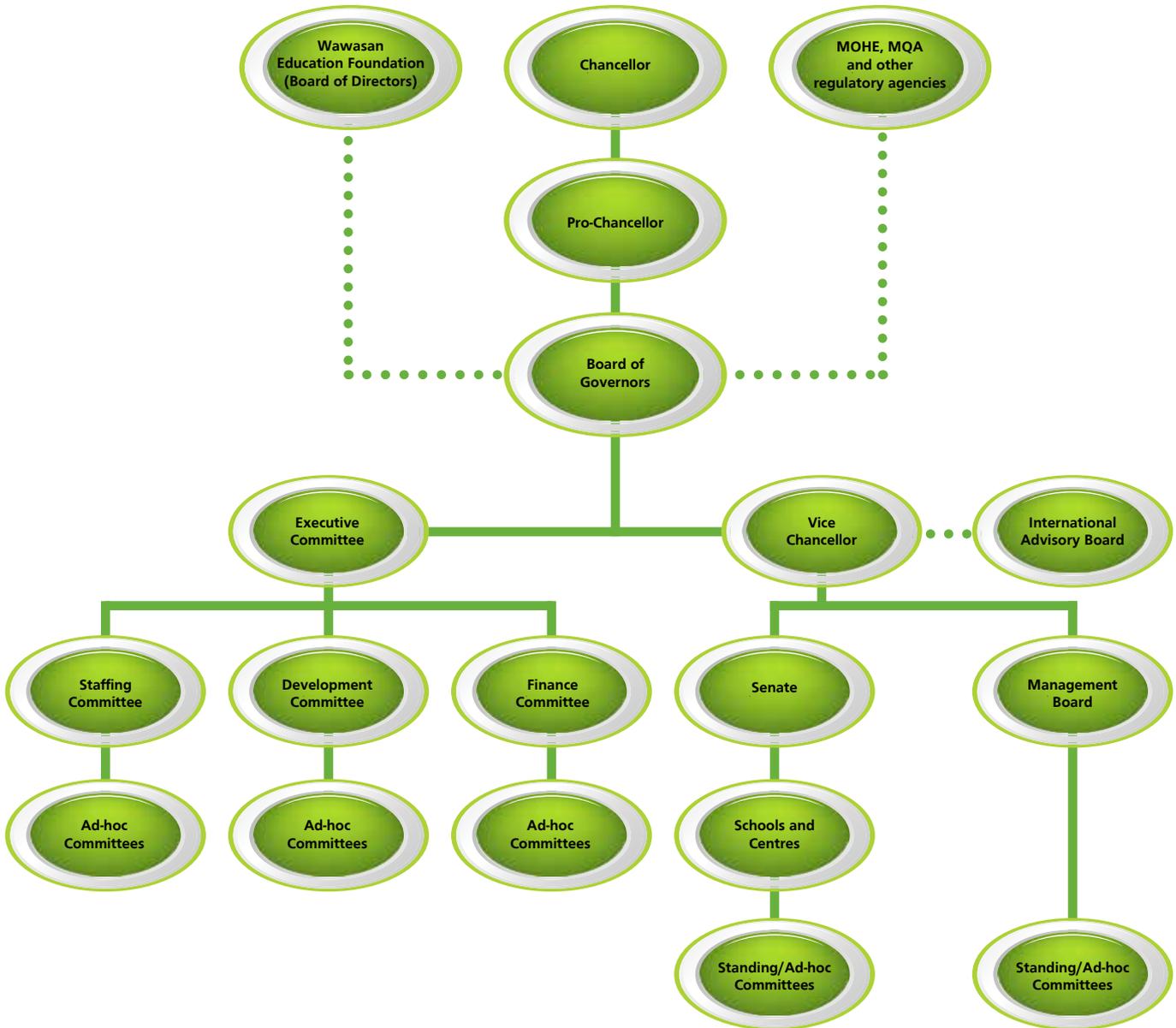


Tan Sri Dr Koh Tsu Koon
Pro-Chancellor of Wawasan Open University (since November 2012)

WOU'S GOVERNANCE STRUCTURE



the people's university



WAWASAN EDUCATION FOUNDATION (WEF)

DIRECTORS



Dato' Seri Stephen Yeap Leong Huat

Chairman,
Heng Lee Group of Companies



Tan Sri Emeritus Prof Gajaraj Dhanarajan

Chairman,
Board of Governors, Wawasan Open University



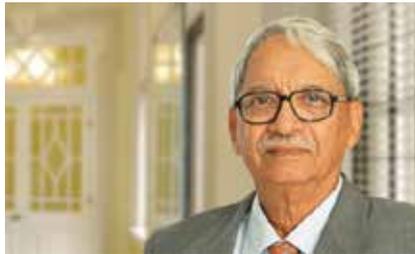
Dato' Lim Kheng Guan

Director,
Malaysian Management Consultants Sdn Bhd



Mr Loo Choo Teng

Chief Executive Officer,
Heng Lee Group of Companies



Dato' Seri Chet Singh Karam Singh

Director,
Penang Institute



Mr Yeap Leong Soon

Director,
Heng Lee Group of Companies



Mr Chen Yow Seong

Independent Director,
Packet One Networks (Malaysia) Sdn Bhd

WAWASAN EDUCATION FOUNDATION (WEF)



MEMBERS

Tun Dr Lim Keng Yaik *(until his passing on 22 Dec 2012)*

Chairman,
Immovable Assets, Parti Gerakan Rakyat Malaysia

Dato' Seri Chia Kwang Chye

Vice President,
Parti Gerakan Rakyat Malaysia

Dato' Seri Kerk Choo Ting

Former Deputy President,
Parti Gerakan Rakyat Malaysia

Tan Sri Emeritus Prof Gajaraj Dhanarajan

Chairman, Board of Governors,
Wawasan Open University

Tan Sri Dr Koh Tsu Koon

Minister in the Prime Minister's Department
President, Parti Gerakan Rakyat Malaysia

Dato' Dr Teng Hock Nan

Vice President,
Parti Gerakan Rakyat Malaysia

Datuk Ng Chiang Chin @ Ng Wang

Treasurer,
Parti Gerakan Rakyat Malaysia

Dato' Seri Stephen Yeap Leong Huat

Chairman,
Heng Lee Group of Companies

Dato' Dr Sharom Bin Ahmat

Member, Board of Governors,
Albukhary International University

Dato' Lim Kheng Guan

Director,
Malaysian Management Consultants Sdn Bhd

Dato' Seri Goh Eng Toon

Chairman,
Salcon Berhad

THE BOARD OF GOVERNORS



Tan Sri Emeritus Prof Gajaraj Dhanarajan

Chairman,
Hon. Director, Institute of Research & Innovation



Dato' Seri Stephen Yeap Leong Huat

Chairman,
Heng Lee Group of Companies



Dato' Seri Chet Singh

Director,
Penang Institute



Dato' Dr R Thillainathan

Independent Non-Executive Director,
Genting Berhad



Dato' Dr Freezailah Che Yeom

Chairman,
Malaysian Timber Certification Council

THE BOARD OF GOVERNORS



Mr Loo Choo Teng

Chief Executive Officer,
Heng Lee Group of Companies



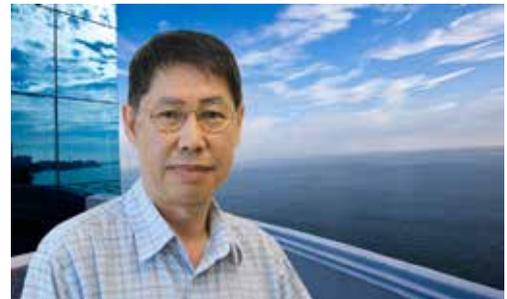
Mr Ooi Teng Chew

Chairman,
RGB International Berhad



Prof Dato' Dr Ho Sinn Chye

Vice Chancellor/Chief Executive Officer,
Wawasan Open University



Prof Tham Choy Yoong

Acting Deputy Vice Chancellor (Academic) & Dean,
School of Science & Technology, Wawasan Open University
(Senate representative)



Mr Yeong Sik Kheong

Secretary to Board of Governors/Registrar,
Wawasan Open University

INTERNATIONAL ADVISORY BOARD



The International Advisory Board connects WOU to the heart of the international ODL community. IAB members are all globally-recognised experts in the field of ODL and regularly consult with WOU to ensure that the University's programmes, teaching and delivery methods are in accordance with the highest international standards.



Sir John Daniel

Former President and Chief Executive Officer,
Commonwealth of Learning, Canada



Prof Dr Jim Taylor

Director of Australian Digital Futures Institute,
University of Southern Queensland, Australia



Prof Dr Brenda Gourley

Former Vice Chancellor, The Open University,
United Kingdom



Prof Dr Duk Hoon Kwak

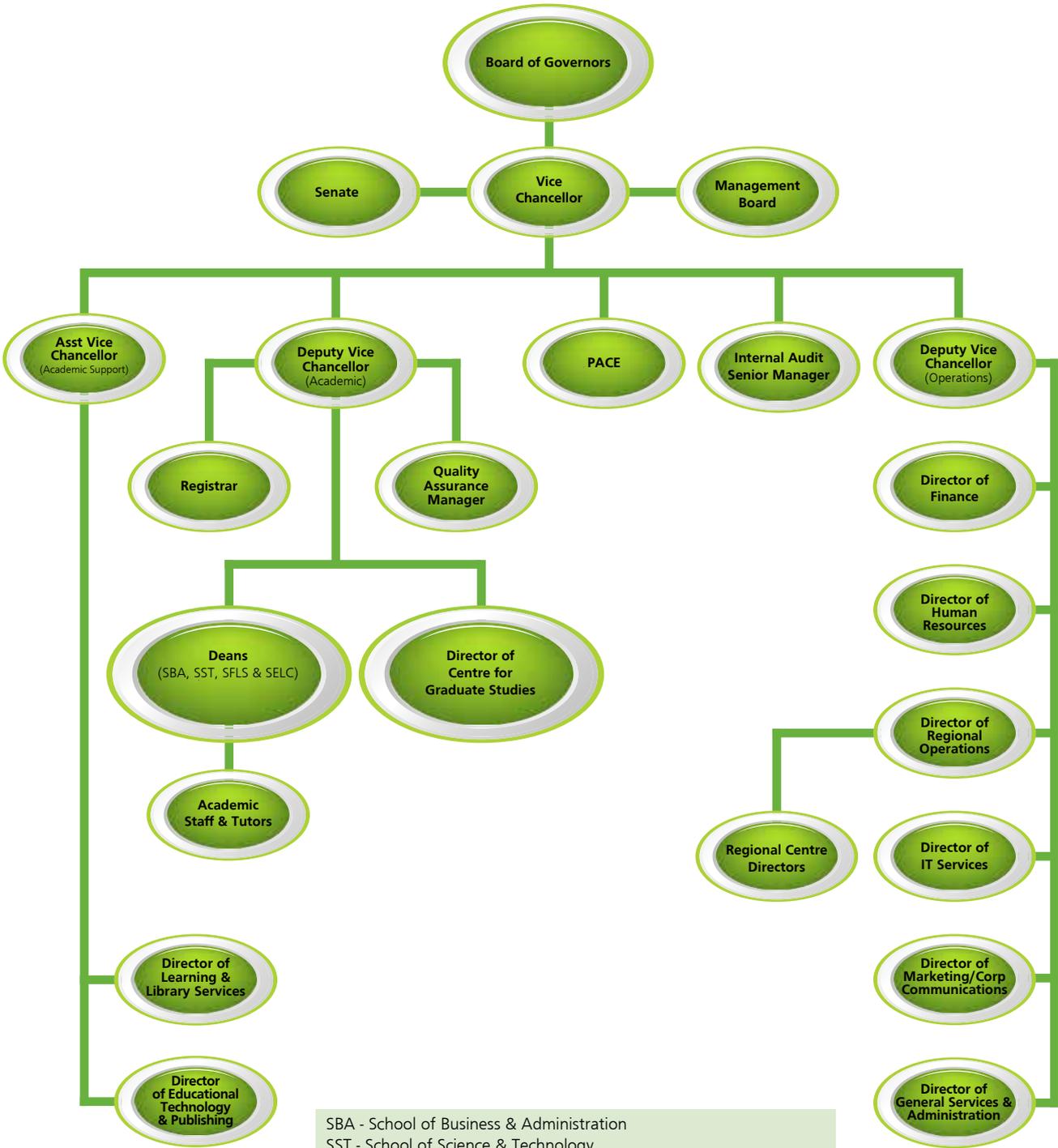
President, EBS (Korean Educational
Broadcasting System), Seoul



Prof Dr Tian Belawati

Rector, Universitas Terbuka Indonesia

ORGANISATIONAL STRUCTURE



SBA - School of Business & Administration
 SST - School of Science & Technology
 SFLS - School of Foundation & Liberal Studies
 SELC - School of Education, Languages & Communications
 PACE - Centre for Professional Development and Continuing Education

THE SENATE



Prof Dato' Dr Ho Sinn Chye

Vice Chancellor



Prof Tham Choy Yoong

Acting Deputy Vice Chancellor (Academic) & Dean,
School of Science & Technology



Dr Seah Soo Aun

Deputy Vice Chancellor
(Operations)



Prof Mohandas B Menon

Assistant Vice Chancellor
(Academic Support)



**Prof Narne Venkata
Narasimham**

Dean, School of Business & Administration &
Acting Director, Centre for Graduate Studies



**Associate Prof Dr Santhiram
Raman**

Dean, School of Education, Languages and
Communications



Dr S Nagarajan

Acting Dean,
School of Foundation & Liberal Studies



Mr Yeong Sik Kheong

Registrar



Pn Kamsiah Mohd Ali

Director,
Learning & Library Services



Ms Grace Lau Pee Hoay

Director,
Educational Technology & Publishing



Ms Chua Saw Nee

Director,
Finance



Mr Tan Pooi See

Senior Manager,
Information Technology Services



Dr Andy Liew Teik Kooi

Manager,
Quality Assurance



**Prof Phalachandra
Bhandigadi**

Professor,
Educational Technology & Publishing



Ms Sovindar Kaur

Deputy Registrar



Dr Koo Wee Kor

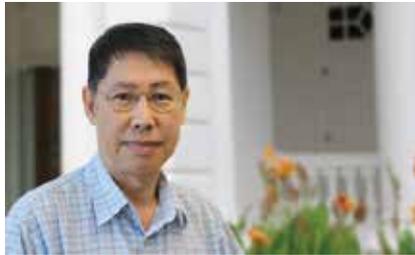
President,
DISTED College

MANAGEMENT BOARD



Prof Dato' Dr Ho Sinn Chye

Vice Chancellor



Prof Tham Choy Yoong

Acting Deputy Vice Chancellor (Academic) & Dean,
School of Science & Technology



Dr Seah Soo Aun

Deputy Vice Chancellor
(Operations)



Prof Mohandas B Menon

Assistant Vice Chancellor
(Academic Support)



**Prof Narne Venkata
Narasimham**

Dean, School of Business & Administration &
Acting Director, Centre for Graduate Studies



**Associate Prof Dr Santhiram
Raman**

Dean, School of Education, Languages and
Communications



Dr S Nagarajan

Acting Dean,
School of Foundation & Liberal Studies



Mr Yeong Sik Kheong

Registrar



Mr Andrew Joseph

Director,
General Services & Administration

MANAGEMENT BOARD



Pn Kamsiah Mohd Ali

Director,
Learning & Library Services



Ms Grace Lau Pee Hoay

Director,
Educational Technology & Publishing



Mr Chong Kong Hoong

Director, Marketing & Corporate Communications,
and Regional Operations



Ms Chua Saw Nee

Director,
Finance



Ms Shirley Khoo

Director,
Human Resources



Mr Tan Pooi See

Senior Manager,
Information Technology Services



Dr Andy Liew Teik Kooi

Manager,
Quality Assurance

REGIONAL CENTRE DIRECTORS



Mr Adrian Siew Wai Yen

Director, Klang Valley Regional Operations



Ms Ching Huey Ling

Director, Ipoh Regional Centre



Pn Nooraini Youp

Director, Kuala Lumpur Regional Centre



Dr Ng Peng Long

Director, Johor Bahru Regional Centre



Mr K Manoharan

Director, Penang Regional Centre



Mr Jimmy Chai

Director, Kuching Regional Centre



En Azly Yong Abdullah

Director, Kota Bharu Regional Centre

HEADS OF REGIONAL SUPPORT CENTRES



Mr K Rajasekaran

Head, Bandar Utama Regional Support Centre



En Mohd Shuib Md Jadi

Head, Subang Regional Support Centre



Ms Ng Ai Chen

Head, Klang Regional Support Centre



SCHOOL OF BUSINESS & ADMINISTRATION (SBA)

Overview

The School of Business and Administration is headed by the Dean, Prof Narne Venkata Narasimham. There are 16 academic staff in the School. SBA is guided by the following aims:

- To develop and disseminate business and management knowledge to fulfil the needs of the business community and public service sector;
- To equip learners with the necessary skills to excel in the competitive global business environment and business-government relationships;
- To produce excellent research outcomes for the advancement of the business community and government in Malaysia;
- To maintain the highest standards of academic quality in all our pursuits.

SBA currently offers eight Bachelor of Business (Hons) programmes, one Bachelor of Management (Hons) programme, five graduate diplomas and two graduate certificates:

- Bachelor of Business (Hons) in Accounting
- Bachelor of Business (Hons) in Banking and Finance
- Bachelor of Business (Hons) in Business Information Systems

- Bachelor of Business (Hons) (Corporate Administration)
- Bachelor of Business (Hons) in Entrepreneurship and Small Business Management
- Bachelor of Business (Hons) in Logistics and Supply Chain Management
- Bachelor of Business (Hons) in Management
- Bachelor of Business (Hons) in Sales and Marketing
- Bachelor of Management (Hons) with Psychology
- Graduate Diploma in Banking and Finance
- Graduate Diploma in Business Accounting
- Graduate Diploma in Corporate Administration
- Graduate Diploma in Sales and Marketing
- Graduate Diploma in Supply Chain Management
- Graduate Certificate in Business Management
- Graduate Certificate in Logistics Management

SBA also currently offers the following two Master's programmes and one post-graduate diploma programme:

- Commonwealth Executive Master of Business Administration (CeMBA)
- Commonwealth Executive Master of Public Administration (CeMPA)
- Post-Graduate Diploma in Business Administration

ACADEMIC PROFILE

New Programmes

The School developed two new Bachelor of Business (Hons) programmes that have been submitted to the Malaysian Qualifications Agency (MQA) for approval:

- Bachelor of Business (Hons) in Human Resource Management
- Bachelor of Business (Hons) in Hospitality and Tourism Management

The School will begin on-campus face-to-face (F2F) teaching programmes at the main campus in September 2013 (subject to approval from MQA) with two new Bachelor of Business (Hons) programmes that have been developed and submitted to the MQA for approval:

- Bachelor of Business (Hons) in Accounting
- Bachelor of Business (Hons) in Management

The School is currently developing three more new on-campus face-to-face programmes for the approval of the University's Senate and Board of Governors:

- Bachelor of Business (Hons) in Banking and Finance
- Bachelor of Business (Hons) in Logistics and Supply Chain Management
- Bachelor of Business (Hons) in Sales and Marketing



Highlights

The School successfully launched two new programmes:

- Post-Graduate Diploma in Business Administration - commencing July 2012 semester
- Bachelor of Management (Hons) with Psychology - commencing January 2013 semester

A total of 271 students graduated and received their degrees in the 3rd Convocation on 24-25 November 2012. The convocation comprised 41 Bachelor of Business (Hons) in Accounting, 34 Bachelor of Business (Hons) in Banking and Finance, 9 Bachelor of Business (Hons) in Business Information Systems, 19 Bachelor of Business (Hons) in Logistics and Supply Chain Management, 62 Bachelor of Business (Hons) in Management, 19 Bachelor of Business (Hons) in Sales and Marketing, 84 Commonwealth Executive Master of Business Administration (CeMBA), and 3 Commonwealth Executive Master of Public Administration (CeMPA) graduates.

SBA's following three Graduate Diploma programmes and two Graduate Certificate programmes were successfully granted full accreditation by the MQA:

- Graduate Diploma in Business Accounting
- Graduate Diploma in Sales and Marketing
- Graduate Diploma in Supply Chain Management
- Graduate Certificate in Business Management
- Graduate Certificate in Logistics Management

The Bachelor of Business (Hons) in Accounting was awarded exemptions by two British professional accounting bodies, namely the Institute of Chartered Accountants of England and Wales (ICAEW) and the Association of Chartered Certified Accountants (ACCA). Apart from the above mentioned bodies, the Chartered Institute of Management Accountants (CIMA) and CPA Australia have accredited the Bachelor of Business (Hons) in Accounting for exemptions into their programmes. Graduates of WOU's Bachelor of Business (Hons) in Accounting are also eligible to sit for Qualifying Examinations of the Malaysian Institute of Accountants (MIA).

The Bachelor of Business (Hons) (Corporate Administration) has been granted exemptions by MAICSA. Holders of the degree will only need to complete four subjects.

The Graduate Diploma in Corporate Administration has also been granted exemptions by MAICSA. Holders of the graduate diploma will need to complete only four subjects

by examination to obtain the MAICSA's Professional Diploma in Corporate Administration (PDCA). The MAICSA PDCA is a feeder route to the ICSA International Qualifying Scheme.

In line with the School's aim to bolster research, eight staff members are currently pursuing their doctoral studies.

Dr Tung Lai Cheng, a staff member of SBA was sanctioned research grant of RM13,000 by WOU's Institute of Research and Innovation (IRI) to conduct a study on the feasibility of deploying an ELGG platform to support student learning.

SBA's academic staff were encouraged to publish articles and attend conferences. In 2012, three SBA academic staff were selected to present their papers at the 26th Annual conference of AAOU in Japan. Paper entitled *Comparative Study on the Usage of Internet-based Plagiarism-detection service Presenting Two Distance Learning Courses: Wawasan Open University Perspective* by Loo Choo Hong and Tung Lai Cheng was one of the six papers shortlisted for the Best Paper Award.

There has been an increase in publications by SBA staff in the year 2012. The School had five journal publications and 17 national and international conference proceedings to its credit in 2012.

In pursuit of Corporate Social Responsibility, WOU has been participating for the last five years in the Young Enterprise (YE) Programme which is directly under the purview of the American Malaysian Chamber of Commerce (AMCHAM) and the Ministry of Education. Deehbanjli Lakshmayya, a staff member of SBA, is the Chief Corporate Advisor of the WOU Team that mentors the students of WOU-sponsored secondary schools.

As part of its ongoing collaboration with WOU, the Commonwealth of Learning assigned the responsibility of revising 12 courses from the CeMBA/CeMPA programme to the University. SBA completed the revision of 10 courses by involving international experts.

In response to a specific request from PERODUA, SBA developed the Executive Diploma in Sales and Services Management (EDSSM) programme to meet the specified needs of the sales and service segment of PERODUA's workforce.

Aspirations

SBA will continue to pursue exemptions from professional bodies such as the Chartered Institute of Logistics and Transport (CILT, UK) and Chartered Institute of Marketing (CIM, UK).



ACADEMIC PROFILE



RESEARCH & PUBLICATIONS

Conference Proceedings

Faizul Awang, Khor Wei Min, Navindran Rajundran, Ravindran Raman, Jamal Mohammed Esmail Alekam, Nik Kamariah Nik Mat (2012). *The Importance of Strategic Alignment into Manufacturing Industries*, 2nd Global Conference for Academic Research on Management and Economics, December 7, 2012, Grand Season Hotel, Kuala Lumpur, Malaysia.

Lee Kian Tek, Hooy Chee Wooi and Hooy Guat Khim (2012). *Ownership Structure, International and Industrial Diversification, and Firm Value: The Malaysian Evidence*, The 14th Malaysian Finance Association Conference, June 1-3, 2012, Penang, Malaysia.

Lee Kian Tek (2012). *The Influence of Corporate Governance on the Relationship between Diversification and Firm Value: Malaysian Evidence*, Postgraduate Colloquium in conjunction with The 14th Malaysian Finance Association Conference, June 1-3, 2012, Penang, Malaysia.

Loo Choo Hong (2012). *The Acceptance of Best Practices in the Malaysian Environmental Tax Laws: A Concept Paper*, 2nd Accounting Research and Education Conference (AREC), February 21, 2012, Universiti Teknologi Mara, Shah Alam, Malaysia.

Loo Choo Hong (2012). *Bringing Video Gaming and BD-Live from Being an Entertainment Tool to a Becoming a Distance Learning Tool: A Concept Paper*, 26th Annual Conference of the Asian Association of Open Universities (AAOU), October 16-18, 2012, Chiba, Japan.



Loo Choo Hong, Deehbanjli Lakshmayya and Tung Lai Cheng (2012). *Subsidies: Boon or Bane in Promoting Proper Implementation of Good Environmental Public Policy*, 6th Asian Business Research Conference, April 8-10, 2012, Bangkok, Thailand. Published at conference proceedings "Research for Progress", ISBN 978-1-922069-02-3 (<http://www.wbiconpro.com/239-Deehbanjili.pdf>).

Loo Choo Hong and Tung Lai Cheng (2012). *Comparative Study on the Usage of Internet-based Plagiarism-detection service Presenting Two Distance Learning Courses: Wawasan Open University Perspective*, 26th Annual Conference of the Asian Association of Open Universities (AAOU), October 16-18, 2012, Chiba, Japan.

Loo Choo Hong and Tung Lai Cheng (2012). *A Study of the Readiness and Awareness of Future Accounting Educators in*

Introducing ISAE 3410 Standards: A Pilot Study in Malaysia, International Management Accounting Conference 6 (IMAC 6), March 26-27, 2012, Bangi, Selangor Darul Ehsan, Malaysia. Published at conference proceedings "Managing Innovation and Sustaining Excellence", pp 494-510, ISBN 978-983-3198-69-6.



Prakash Arumugam (2012). *PowerPoint and Narration: Substituting the Classroom*. 26th Annual Conference of Asian Association of Open Universities (AAOU), October 16-18, 2012, Chiba, Japan

Prakash Arumugam (2012). *Personalised System of Instructions: The ODL way*. 26th Annual Conference of Asian Association of Open Universities (AAOU), October 16-18, 2012, Chiba, Japan

Prakash Arumugam (2012). *Assessment and Learning Outcomes: QA in motion*. International Seminar on Open and Distance Learning, October 26-28, 2012, Danang, Vietnam.

Tung, L. (2012). *Applying Social Constructionist Theory of Learning to Improve Student Learning: An Elgg Experimental Study*, International Conference on Information (ICI 2012), December 12-14, 2012, Kuala Lumpur, Malaysia.

Tung, L. (2012). *Retirement Age Policy Analysis: A Case Study from HR Perspective*, AUT International Conference on Sustainable Economic Development: Policies and Strategies, November 17-18, 2012, Penang, Malaysia.

Tung, L. (2012). *Networked Learning: A New Paradigm of Teaching and Learning in ODL*, 26th Annual Conference of Asian Association of Open Universities (AAOU), October 16-18, 2012, Chiba, Japan.

Tung, L. (2012). *The Preliminary Assessment of Proactive Retention Interventions to Improve Student Retention: A Case Study*, 26th Annual Conference of Asian Association of Open Universities (AAOU), October 16-18, 2012, Chiba, Japan.

Tung, L. (2012). *Evaluating In-house Online Assignment Submission System (OAS) in ODL Environment: Perspective View from Students and Tutors*, 1st International Conference on Active Learning, September 18-20, 2012, Universiti Teknikal Malaysia, Melaka, Malaysia. Published at conference proceedings "Harnessing for Transformation of Best Practice in Education", pages 279-285, ISBN 978-967-0257-15-0.

Tung, L. and Chong, F. (2012). *Online Learner Interaction: Comparative Study on Structured and Less Structured Course Content in Learning Management System*, 1st International Conference on Active Learning, September 18-20, 2012, Universiti Teknikal Malaysia, Melaka, Malaysia. Published at conference proceedings "Harnessing for Transformation of Best Practice in Education", page 256 –260, ISBN 978-967-0257-15-0.



ACADEMIC PROFILE

Journals

Lee Kian Tek, Hooy Chee Wooi and Hooy Guat Khim (2012). *The Value Impact of International and Industrial Diversification on Publicly Listed Firms in Malaysia*, Emerging Markets Review, Vol 13, Issue 3, pp.366-380. (ISI-Cited Publication, 2011 Impact Factor: 1.067)

Libson K.B., and N.V. Narasimham (2012). *Information Asymmetry in the Post-IPO Market: Analysis Based on Shareholding Pattern Data for Initial Public Offerings (IPOs) from India*. Botswana Journal of Business. Vol 5, No 1, pp. 53-64.

Oei Hong Lim. 2012. *Public-Private Partnership as an Institutionalised Means for Effective Political Agency: The Case of Pemudah, Malaysia*. International Journal of Institutions and Economies Vol. 4, No 1, pp. 63-83.

Tung, L. and Comeau, J (2012). *Perceived Benefits and Drawbacks of the Retirement Age Policy in Malaysia: HR Perspective*, International Journal of Business and Management, Vol.7, No.19, pp 1-15. ISSN 1833-3850 (Print) ISSN 1833-8119 (online) DOI: 10.5539/ijbm.v7n19p1

Tung, L. (2012). *Proactive Intervention Strategies for Improving Online Student Retention in a Malaysian Online Distance Institution*. MERLOT Journal of Online Learning and Teaching, Vol 8, No 4, pg 313 -322. ISSN:1558-9528 http://jolt.merlot.org/vol8no4/tung_1212.htm

Book Review

Loo Choo Hong for Lazar, Jane & Tan Lay Leng (2012) *Company and Group Financial Reporting, 7ed.*, Pearson Malaysia, Petaling Jaya, Malaysia



ADVISORY PEER GROUP

Prof Dr Koh Hian Chye

Dean and Professor, School of Business, SIM University, Singapore.

Prof Dr Muhamad Jantan

Director, Corporate and Sustainable Development Division, Universiti Sains Malaysia (USM), Penang.

Dato' Lee Ow Kim

Senior Consultant cum Company Secretary, Toray Malaysia Group and Toray Malaysia Science Foundation; Council Member cum Chairman of the Federation of Malaysian Manufacturers (Northern Branch); Council Member (Area 16, South East Asia) cum Past President (Malaysia Division), Chartered Institute of Management Accountants.

Assoc Prof Dr Ooi Keng Boon

Dean & Associate Professor, Department of Economics, Faculty of Business & Finance, UTAR Perak Campus, Kampar.

Dato' Ooi Sang Kuang

Deputy Governor, Bank Negara Malaysia (BNM).

Dr Veerinderjeet Singh

CPA Australia and Executive Committee Chairman, Managing Director, Taxand Malaysia Sdn Bhd; Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants (MICPA), Chartered Tax Institute of Malaysia (formerly known as Malaysian Institute of Taxation).

Dato' Hj Waris Abdul Carrim

Executive Chairman, Tanjung Serbaneka Holdings Sdn Bhd and Equarater (Penang) Sdn Bhd; Managing Director, Maritrans (M) Sdn Bhd; Director, PERDASAMA Pulau Pinang and Konsortium Barter Trade Centre Sdn Bhd.



SCHOOL OF SCIENCE & TECHNOLOGY (SST)

Overview

The School of Science and Technology (SST) has a student enrolment of 1,152 as at July 2012. There are currently 11 full-time academic staff with specialisation in the various engineering and technology disciplines; including electronics, computing and information technology, construction management, manufacturing, and mathematics. The School also has two administrative support staff. The School is headed by the Dean, Prof Tham Choy Yoong.

The School currently offers two Master's degrees, 12 Bachelor of Technology degrees with Honours and three Graduate Diplomas as follows:

- Master of Business Administration in Construction Management
- Master of Business Administration in Manufacturing and Production Management
- Bachelor of Technology (Hons) in Computer Systems and Networks
- Bachelor of Technology (Hons) in Computing and Intelligent Systems
- Bachelor of Technology (Hons) in Construction Management
- Bachelor of Technology (Hons) in Database Management
- Bachelor of Technology (Hons) in Electronics
- Bachelor of Technology (Hons) in Electronic Commerce
- Bachelor of Technology (Hons) in Information and Communications Technology (ICT)
- Bachelor of Technology (Hons) in Information Systems

- Bachelor of Technology (Hons) in Multimedia Design
- Bachelor of Technology (Hons) in Networks and Data Communication
- Bachelor of Technology (Hons) in Software Engineering
- Bachelor of Technology (Hons) in Telecommunications
- Graduate Diploma in Database Management
- Graduate Diploma in Electronics
- Graduate Diploma in Telecommunications

New Programmes

In addition to the programmes listed above, the School is planning to develop more new programmes including the following:

- Master of Philosophy (MPhil) and Doctor of Philosophy (PhD) by research
- Master of Science in Networks and Mobile Systems
- Master of Engineering in Electronic Systems
- Bachelor of Technology (Hons) in Mechatronics
- Bachelor of Technology (Hons) in Property and Facilities Management

Among the list of these new programmes, Mechatronics and Property and Facilities Management are in the process of obtaining approval from the Ministry of Higher Education (MOHE). The rest are in the planning stage.



Aspirations

The School will continue its efforts to forge partnerships with strategic partners from the relevant science and technology sectors and industries, and work synergistically with them to identify new specific needs of employers and develop new programmes to meet such needs.

At the same time it will study future market needs for opportunities to develop new cross-disciplinary programmes jointly with the School of Business and Administration, School of Foundation and Liberal Studies and School of Education, Languages and Communications in fields like education, management and communication.

Highlights

- Five Honours degree programmes - Electronics, Information and Communications Technology, Computer Systems and Networks, Computing and Intelligent Systems, and Electronic Commerce have full accreditation from the Malaysian Qualifications Agency (MQA); others will undergo accreditation at the scheduled time as required by the MQA.
- As of December 2012, 93 graduates have received their degrees from the School's five accredited programmes mentioned above.
- The two Master's programmes - MBA in Manufacturing and Production Management and MBA in Construction Management – were well received, with a total of 116 students enrolled as of July 2012.

Industry and Academic Collaboration

The School continued to strengthen its links with industry and outside institutions through a number of research initiatives:

- School member Dr PC Teoh and colleagues are working on the research project *Application of Mobile Learning in Manufacturing Operation and Machine Maintenance* with funding by the Institute of Research and Innovation (IRI) in collaboration with Motorola Solutions Sdn Bhd. This project carries out comparison studies between traditional approach with trainer and mobile learning approach.

- The project *Virtual Computing Lab (VCL) Conceptualisation and Implementation to promote Resource Sharing and Green Computing in Open Distance Learning (ODL) Environment* by Chandarasageran Natarajan in collaboration with researchers from USM and funded by a RM30,000 grant from the Institute of Research and Innovation is in progress. Phase I of the project has been completed and work on Phase II is now starting.
- The Astrophysics Department of the University of Oxford who is collaborating with Prof Tham Choy Yoong and colleagues from the School in the IRI funded research project on *Supra-THz Superconducting Mixers for the ALMA Radio Telescope*. The University has signed a Memorandum of Understanding with Oxford University for this collaboration.



- Ishan Sudeera Abeywardena completed an *Executive Secondment* to the Commonwealth of Learning, Vancouver, Canada to work on *Location of Desirable Open Educational Resources in the Commonwealth Connect Portal Directory of Open Educational Resources (DOER) using the OERScout Artificial Intelligence Based Search Engine*. Ishan was also appointed a member of the Board of Advisors, OERAsia (www.oerasia.org) online community dedicated to Open Educational Resources in Asia.

Research Publications

Conference Proceedings

Abeywardena, I S, Tham, C Y and Chan, C S, *Autonomous Clustering of Open Educational Resources using Keyword-Document Matrix*, 26th Asian Association of Open Universities Conference, 17 – 18 October 2012, Chiba, Japan.

Abeywardena, I S, *Searching and Locating OER: Barriers to the Wider Adoption of OER for Teaching in Asia*, "Regional Symposium on Open Educational Resources: an Asian Perspective on Policies and Practice", 19 – 21 September 2012, Penang, Malaysia.

Abeywardena, I. S. and Dhanarajan, G, *OER in Asia Pacific: Trends and Issues*, "Policy Forum for Asia and the Pacific: Open Education Resources", Keynote Address, UNESCO and the Commonwealth of Learning, Bangkok, Thailand, 23 April 2012.

Abeywardena, I S and Dhanarajan, G, *Open Educational Resources in Asia*, "Symposium on E-learning and Open Educational Resources: Practices and New Initiatives", The Open University of Hong Kong, Hong Kong, 18 April 2012. (Invited speaker)

Teoh Ping Chow and Wong Voon Hee, *Mobile Learning Practices in Manufacturing Environment*, 26th Asian Association of Open Universities Conference, 17 – 18 October 2012, Chiba, Japan.

ACADEMIC PROFILE

Journals

Abeywardena, I S, Raviraja, R, and Tham, C Y (2012). *Conceptual Framework for Parametrically Measuring the Desirability of Open Educational Resources using D-index*, International Review of Research in Open and Distance Learning, 13(2), 104 – 121.

Abeywardena, I S, and Tham, C Y (2012). *Implementation of Facebook Study Groups as Supplements for Learning Management Systems (LMS) in Adult ODL Environments*, Journal of the Asian Association of Open Universities.



ADVISORY PEER GROUP

During the semester, a new member of the School's Advisory Peer Group came on board. The expertise of Ir Cheang will strengthen the School's effort in developing our core activity and industrial links with the manufacturing and electronics sector. APG members are prominent academics or industry executives who are the School's links to external stakeholders. APG members provide advice on design of new programmes, and feedback on our courses for continuous quality improvement.

Dato' Boonler Somchit

Chief Executive Officer, Penang Skills Development Centre.

Dr David Ngo Chek Ling

Chief Technologist Director, Corentix Technologies Sdn Bhd;

Deputy Vice Chancellor (Research and Higher Degree), Sunway University College, Malaysia.

Dato' Wong Siew Hai

Chairman, Malaysian-American Electronics Industry (MAEI); Governor, American Malaysian Chamber of Commerce; Formerly Vice President, Technology & Manufacturing Group and General Manager, Assembly & Test Manufacturing, Intel Malaysia.

Ir Cheang Wai Mun

Vice President, Manufacturing Division, Northern Corridor Implementation Authority, Penang.

Dato' Ir Goh Chye Koon

Director, IJM Corporation Bhd; Chairman, Working Group for Construction Projects, Construction Industry Development Board; and Member of the Construction Industry Master Plan Committee.

Ir Dr Clarence Augustine T H Tee

Group Chief Executive Officer, T-Capital Industry Inc (international IT consultants).

Eugenie Lip

Chartered Quantity Surveyor, Head, KPK Contracts Support Group, and Director, KPK Quantity Surveyors (Singapore) Pte Ltd, Singapore.



SCHOOL OF EDUCATION, LANGUAGES & COMMUNICATIONS (SELC)

Overview

The School of Education, Languages and Communications (SELC) was established to support the University in its efforts to increase the level of knowledge and scholarship in the broad areas of education, languages and communications by developing and delivering programmes leading to the award of degrees and qualifications at the undergraduate and postgraduate levels.

Professor Rahil Mahyuddin served as the third Dean of the School from December 2011 – November 2012. Associate Professor Dr Santhiram Raman is the current Dean and the School includes five academics and an administrative executive. In 2012, SELC relocated from the Kuala Lumpur Regional Centre to the Main Campus.

Programmes

The Master of Education (TESL) was offered from July 2012 to an initial intake of eight students. Currently, it has grown to 35 students. The Master of Education (Educational Management specialisation) is being planned for 2014.

The School, in collaboration with the Centre for Graduate Studies (CGS), is offering postgraduate programme at the doctoral level by research from January 2013.

SELC is working towards providing a strong positive presence in the field of education, languages and communications both in Malaysia and around the world.

Research & Publications

Conference Proceedings

Ong Theng Theng (2012). *Representation of Prostitution in Malaysian news media and fictional texts: A Feminist Analysis*. Shanghai International Conference on Social Science (SICSS 2012), Shanghai, China. 14 – 17 August 2012.

Parahakaran, S. (2012). *Human Values based Integrated Education for a new water ethic: Factors that can impact service delivery and social development*. Conference Poster presentation at World Water Week, Stockholm, Sweden.

Vighnarajah, Kam, L.L.E., Chin, Y.L. (2012). *Understanding the Role of Set Inductions in the Facilitation of Reading Skills*. 1st International Conference on Tertiary Education Language, 11-12 October, 2012, Subang Jaya, Taylor's University Press.



ACADEMIC PROFILE

Journals

Rahil Mahyuddin (2012). *The Relationship between Influencing Factors and the Implementation of Early Intervention Programme: The Possibility of Open Distance Learning*. International Journal of Asian Social Science, Vol.2, No.8, pp.1307 -1316.

R. Santhiram & Hoh Thian Soo (2012). *ICT Literacy among secondary school students in Brunei Darussalam*. Jurnal Pendidikan (Journal of Education) Vol. 16, July 2012. JPK. Ministry of Education Brunei. pp 1–16.

R. Santhiram & Hazri Jamil (2012). *Malaysian educational policy for national integration: contested terrain of multiple aspirations in a multicultural nation*. Journal of Language & Culture. Vol 3 (1) pp. 20-31.



ADVISORY PEER GROUP

Prof Dato' Dr. Ibrahim Bajunid

Deputy President
INTI University College (INTI-UC) Laureate International Universities

Prof Yvonne Fung Shi Yuk Hang

Dean, School of Education and Languages, Open University of Hong Kong (OUHK)

Prof Dr Molly N N Lee

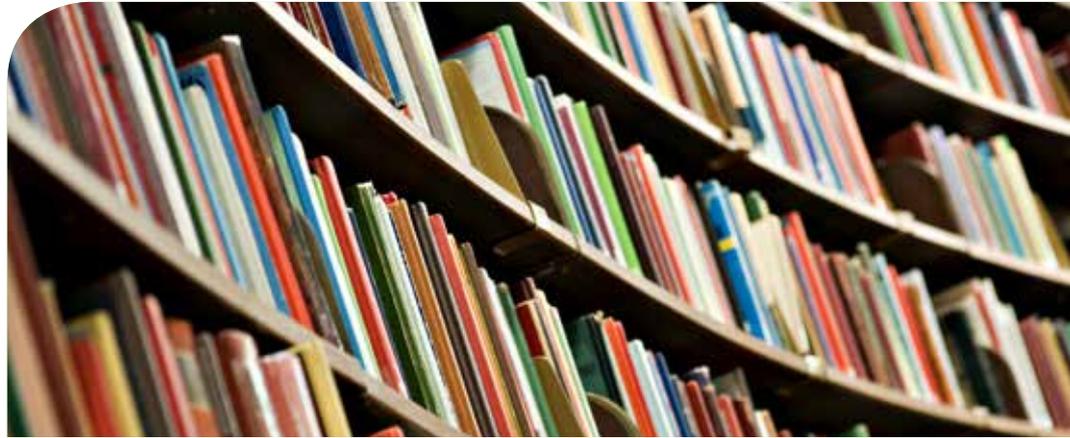
Coordinator, Asia-Pacific Programme of Education Innovation for Development (APEID),
Asia and Pacific Regional Bureau for Education, UNESCO Bangkok.

Dr Azian T S Abdullah

Director, Southeast Asian Ministers of Education Organisation - Regional Centre for Education in Science and Mathematics (SEAMEO RECSAM), Penang.

Dato' Tang Hon Yin

Former Director of Education, Penang



SCHOOL OF FOUNDATION & LIBERAL STUDIES (SFLS)

Overview

In line with the principle of lifelong learning and the belief that the main purpose of education is to produce well rounded and balanced individuals whose potential is developed to the fullest extent possible, the School of Foundation and Liberal Studies (SFLS) offers the Bachelor of Arts (Hons) in Liberal Studies and Bachelor of Arts (Hons) in Psychology degree programmes. The School is led by Acting Dean Dr S Nagarajan and has six full-time faculty members.

Programmes

The BA (Hons) in Liberal Studies programme allows learners to explore a range of courses across various disciplines in the Social Sciences and Humanities. It also uses a cluster of business courses from the School of Business and Administration. Courses from other clusters/disciplines will be included at a later date.

Learners will be required to register for courses from at least any two clusters and undertake basic major/general education courses in the liberal studies programme. It is aimed at widening their horizons as well as developing their academic knowledge and intellectual ability, necessary for critical and analytical thinking and understanding life and society. These courses will also enable learners to communicate and express themselves effectively as well as to anticipate and solve unexpected problems.

The BA (Hons) in Psychology programme was developed towards meeting the needs of working adults in various industries to better equip them for challenges in a demanding global environment. Depending on the nature of their work and chosen career pathways, the course would enable individuals with opportunities for pursuing further studies for their personal and professional advancement. They include Master's and doctorates in various fields of psychology and other related areas.

Besides the BA (Hons) in Liberal Studies and BA (Hons) in Psychology degree programmes, the SFLS also conducts a Headstart programme to enhance learners' readiness for tertiary study before they embark on degree programmes at the University.

Other activities

The School also conducts short courses in communication and public seminars. A 30-hour course on Basic Language Skills was conducted for Security and Administrative staff of Bank Negara, Penang. The course was customised in accordance to the work needs of the staff.

It organised a public lecture on *Colonial Ideologies of Race and Their Application in British Malaya* by Dr Carl Vadivella Belle in May 2012.

ACADEMIC PROFILE

Aspirations

SFLS plans to develop other lifelong learning programmes which include short and long-term courses as well as degree programmes. The courses will be designed to help people enrich their knowledge and living skills while upgrading their workplace skills and competencies.

Research & Publications

S. Nagarajan

Book

Nagarajan, S & Arumugam, K. (2012). *Violence Against an Ethnic Minority in Malaysia: Kampung Medan*, 2011, Petaling Jaya, Suaram.



ADVISORY PEER GROUP

Dato' Dr Sharom Ahmat

Member, Board of Governors, Albukhary International University

Prof Dato' Anwar Fazal

Director, Right Livelihood College, Centre for Policy Research & International Studies (CenPRIS), USM

Prof Dato' Dr Ghulam-Sarwar Yousof

Adjunct Prof, Cultural Centre, Universiti Malaya

Dr Lalitha Jeyasingam

Palliative Care Physician, National Cancer Society of Malaysia, Penang Branch

Dato' Seri Nazir Ariff

Executive Director, Ivory Properties Group

Assoc Prof Dr Neelam Aggarwal

Dean, School of Arts and Social Sciences, SIM University, Singapore

Dr Tan Liok Ee

President, BOLD Association for Children with Special Needs, Penang



CENTRE FOR GRADUATE STUDIES (CGS)

The Centre for Graduate Studies (CGS) was established in May 2007 with the mission to provide leadership and support for postgraduate education and WOU's expanding research endeavour. Its primary role is to coordinate and manage all activities related to the implementation of postgraduate programmes in partnership with all Schools in the University.

Currently, together with all the Schools, CGS manages the following nine postgraduate programmes:

- Ph.D in Arts and Humanities
- M.Phil in Arts and Humanities
- Commonwealth Executive Master of Business Administration (CeMBA)
- Commonwealth Executive Master of Public Administration (CeMPA)
- MBA in Construction Management (MBA-CM)
- MBA in Manufacturing and Production Management (MBA-MPM)
- Master of Education
- Post-Graduate Diploma in Education
- Post-Graduate Diploma in Business Administration

WOU is the only Malaysian institute of higher learning to offer the CeMBA and CeMPA programmes, which were specially developed by a consortium of universities associated with the Commonwealth of Learning, Vancouver, Canada.

New Programmes

Over the next few years, the University plans to offer the following programmes:

- Master of Philosophy (Science, Engineering, Technology / Management and Business / Social Sciences)
- Doctor of Philosophy (Science, Engineering, Technology / Management and Business / Social Sciences)
- Doctorate of Business Administration (DBA)
- MBA with specialisation in the functional areas of Finance, Human Resource Management and Marketing.

Milestones

CGS launched M.Phil and Ph.D programmes in Arts and Humanities in 2012 in association with the School of Education, Languages and Communications (SELC) and the School of Foundation and Liberal Studies (SFLS).

Enrolment in Post-Graduate Diploma in Business Administration commencing July 2012 semester, in association with the School of Business and Administration (SBA).

Enrolment in Master of Education commencing July 2012 semester, in association with the School of Education, Languages and Communications (SELC).

The third batch of 84 CeMBA students and three CeMPA students successfully graduated during the 3rd Convocation on 24th November, 2012.

ACADEMIC PROFILE

In association with SBA, CGS organised the 6th Residential School and Project Workshop (RSPW) in Kuala Lumpur in April 2012 and the 7th Residential School and Project Workshop



in Penang in November 2012. RSPW is a two-day residential training workshop organised every semester on practical aspects of conducting research project for CeMBA/CeMPA students who undertake the compulsory six-credit project course as part of their Master's programme. RSPW included a half-day session on SPSS training to enable students to familiarise themselves with the software and to learn to analyse data.

Aspirations

CGS is committed to promoting quality and market-driven postgraduate programmes in association with all Schools at WOU and in partnership with other universities as well as professional bodies and the private sector.



INSTITUTE OF RESEARCH AND INNOVATION (IRI)

The University Council, at its eighth meeting held on 25th August 2007 (Ref Min 76.4), had approved the recommendations of the Senate for the establishment of the Institute of Research and Innovation (IRI). In approving this recommendation, Council also noted that the Institute would be set up as an integral part of the University and pursue specific areas of research.

It was further envisaged that the Institute would be managed by a Board of Management and the Director would serve as the chairperson and be answerable to the Vice Chancellor. The specific role of the Board of Management would be to:

1. Set the policies of the institute concerning research.
2. Approve the research agenda and projects.
3. Approve the acceptance of research students.

The Board of Management for IRI was established in August 2010. The IRI Board comprises of both internal WOU and external board members with expertise in research and related industries.

The inaugural meeting of the IRI Board of Management was held in April 2011. Subsequently, two further meetings had been convened in December 2011 and May 2012.

Current members of the IRI Management Board:

Tan Sri Emeritus Prof Gajaraj Dhanarajan	Honorary Director, IRI (Chairman)
Prof Dato' Dr Ho Sinn Chye	Deputy Vice Chancellor (Academics), WOU (until September 2012)
Prof Tham Choy Yoong	Acting Deputy Vice Chancellor (Academics) cum Dean, School of Science and Technology, WOU
Mr Yeong Sik Kheong	Registrar, WOU (Secretary to IRI)
Dato' Dr R Ratnalingam	Honorary Consul for Norway at Penang
Dato' Wong Siew Hai	Chairman, Malaysian-American Electronics Industry
Prof Ahmad Shukri Mustapha Kamal	Deputy Vice Chancellor (Academic & International Affairs), USM
Datin Dr Kam Suan Pheng	Senior Research Scientist, The World Fish Centre
Mr R Padmanathan (By Invitation)	IRI, WOU
Ms Chua Saw Nee (By Invitation)	Director, Finance, WOU

Terms of Reference

The overall terms of reference are as follows:-

1. To develop and review as necessary the University policy for research and development, and where applicable the patenting of research outcomes of commercial value.
2. To receive, screen and approve applications from staff for research funds.
3. To determine the infrastructure required to support research and development activities of the University.
4. To establish the University research priorities and direct staff attention to areas of high potential for further development.
5. To advise on the allocation of research funds and other related resource.
6. To seek funding from external sources in line with the priorities identified for University submissions for major external funding.
7. To determine mechanisms for disseminating information on research matters to University staff and the wider community.
8. To consider and recommend the support of applications for conferences and other meetings related to the payment.
9. To co-opt members as appropriate and to establish such other sub-committees as may be deemed necessary.

Status of IRI Research Grants approved

There were four research projects approved for IRI research grants in year 2011 and the total grant approved was RM116,930.

In 2012, there was one research project approved and the amount approved was RM12,000.

The total IRI Research Grants approved in year 2011 and 2012 (five projects) is RM128,930.



ACADEMIC PROFILE



CENTRE FOR PROFESSIONAL DEVELOPMENT AND CONTINUING EDUCATION (PACE)

PACE serves as a bridge between the University and the community at large. The Centre extends the learning resources of Wawasan Open University (WOU) beyond the University's distance learning environment by delivering high quality short courses and training programmes to meet the needs of the public and private sectors.

PACE's programmes are designed and delivered in collaboration with academic colleagues from the University, professional bodies outside as well as through its own trainers. The broad reach of the Centre and its collaborative approach enables it to develop and deliver courses that are specially customised to meet the continuing professional development needs of the business world and civil society.

PACE had all this while been operating out of the University's Regional Centre in Kuala Lumpur, but its courses can also be conducted at the main campus in Penang and from other Regional Centres of the University distributed across the country as well as from third party or client's premises.

However for reason of functional and cost-saving efficiency and sustainability, the University made a strategic decision in July 2012 to restructure and relocate PACE from Kuala Lumpur to its Penang main campus. The role and function of PACE is currently undertaken by the Vice Chancellor working in cooperation with the Deans of the four Schools.





REGISTRY

The Registry is responsible for student admissions, enrolment, scholarship administration, maintenance of student records, examinations and graduation. The Department liaises closely with the Regional Centres to support student and tutor-related operations. The Registry has a total of 14 staff and is led by Mr Yeong Sik Kheong.

Advanced Standing

The recognition of prior learning (RPL) through the award of advanced standing and the practice of credit transfer is widely adopted in many Commonwealth countries. The recognition of prior learning through advanced standing, accompanied by the granting of credit transfers reduces the unnecessary duplication of study time for WOU students.

The advanced standing office of the Registry successfully facilitated a total of 1,360 cases of advanced standing/credit transfers involving 169 external institutions both at the undergraduate and postgraduate levels.

Admissions and Enrolments

Student admissions since the University's inaugural intake of 721 students in January 2007 have grown steadily. As of the July 2012 census date, a total of 10,265 students have experienced open distance learning at WOU. The University has also increased its academic programme offerings to a total of 35 undergraduate degrees and nine postgraduate degrees; a variety of new programmes are currently awaiting approval from MOHE and MQA.

Tutor Management

As the University has expanded, WOU has enjoyed increased participation from various academics and professionals throughout Malaysia, in line with WOU's mission to be the 'people's university'.



Since its inception, a total of 850 academics and professionals have served as tutors at WOU. Since 2010, approximately 400-450 tutors and project supervisors have provided active service to the University each semester. Close to 260 tutors have faithfully served between 4-10 semesters since January 2007.

Scholarships and Grants

During 2012, a total of 533 study grants were awarded to new students pursuing their studies at WOU. The grants were meant to encourage students to enrol at WOU and to reduce their financial burden.

Continuing students at WOU who excelled in their academic studies and were financially needy, were also awarded scholarships in the form of tuition fee waivers. A total of 74 students were awarded the Chancellor's Merit Scholarship for the period 2012.



LEARNING AND LIBRARY SERVICES

At WOU, the Tun Dr Lim Chong Eu Library provides vital support for its distance learners, complementing the University's academic activities. A wide range of information services, quality resources and comfortable facilities suitable for individual or group learning are provided at the main campus library in Penang and five other libraries at WOU Regional Centres in Kuala Lumpur, Ipoh, Johor Bahru, Kota Bharu and Kuching.

Given the dispersed geographic distribution of WOU students, many of the services provided utilise the latest electronic technology. Many of the e-resources can be accessed via desktops and mobile devices. Latest information, reference enquiries and library alerts are disseminated using various social media tools. The Library's website too has been given a makeover to cater to the WOU-DISTED library merger, as a result it is now more user-friendly.

Collections

Patrons expect more and more from the collection of materials available, including the availability of electronic books. Meeting the changing needs of users, acquiring quality printed materials and electronic books that support the learning and scholarship functions of the University and overcoming fiscal restraints were some of the challenges faced by the Library.

For 2012, the Library decided to downsize the physical collection and to buy print only when e-content was not available, when digital licensing fees were unaffordable or publishers' terms and conditions were complex. There was a reduction in the number of physical books acquired for 2012 and 2,149 materials were added to the collection bringing the total number of physical books available to 22,560.

The number of electronic books available is 671 and number of periodical titles subscribed to is 17. However, the electronic library collection was further strengthened with a mix of subscribed databases and journals and open access online resources. By 2012, the subscribed databases contained hundreds of thousands of electronic journals and books which could be accessed on-site or off-site by library-registered users using their WOU username and password.

WOU-DISTED Library Integration

The integration of the WOU and DISTED libraries was successfully carried out in 2012. Some of the benefits brought about by the merger are the increased availability of physical and electronic resources for library patrons, higher quality of library services, savings in subscriptions, resource sharing, better policies and procedures and technological enhancements.

The successful merger of the two library catalogues in June was a capstone project combining existing bibliographic records of both libraries and making it appear as one seamless library database to students and staff wanting to search for available library materials to read or borrow. Staff and students of both institutions are allowed to borrow materials from each other. To streamline borrowing privileges, the rules and regulations for borrowing have been standardised. In the meantime, efforts to implement WOU smartcard application and single sign-on authentication for accessing the digital library collection for DISTED College are still ongoing.

Preserving the University's past through digital collections

Called Repository@WOU, this record management system holds all University records of administrative, historical, operational and informational significance dating back to 2005. All the records are available in digital format and are easily accessible to senior staff. The small investment made in improving the technology to capture the fast growing number of University records has benefited the University as the search facility has improved and is now web-based. As of December 2012, the total number of records available, not including in-house e-publications and press cuttings, is 5,220.

Electronic Theses and Dissertations

The Library started an ETD collection project whereby the digital format of all WOU theses and dissertations, including CeMBA/CeMPA project reports were electronically archived and recorded. As of 2012, about 85 project reports are available in the collection. Currently access rights are provided to course coordinators only.



Supporting the Open Educational Resources (OER) Movement

The Library developed an OER repository using a free and open-source software package for University course materials, educational articles and workshop/symposium papers developed and released as OERs. The other objective is to enable others to use WOU's educational resources, discuss and comment on these, and collaborate in developing these further.

All OERs in this repository are created under an Attribution / Non-Commercial / Share Alike (BY-NC-SA) Creative Commons license.

The Library has also developed another repository using proprietary record management software to store externally published OERs available on the Internet and identified as useful reference resources.

ACADEMIC SUPPORT



EDUCATIONAL TECHNOLOGY AND PUBLISHING UNIT

The Educational Technology and Publishing Unit (ETPU) combines the tasks of publishing and instructional design of student course materials. The Unit is led by Grace Lau and staffed by 19 members.

In 2012, ETPU embarked on a new project to explore other means to convert print-based course materials into multimedia CD format, in line with WOU's objective to deliver quality and accessible course materials to students. ETPU ventured into producing electronic-publication (i.e. ePub) course materials which were more environmentally-friendly, economical and accessible to students in the open distance learning environment.

New course materials

ETPU published a total of 42 new course materials in 2012, including 31 undergraduate and 11 postgraduate courses for the five Schools.

Development of multimedia CD materials

Within two semesters - from January 2012 semester until July 2012 semester - ETPU has successfully converted 23 courses into multimedia CD format. The total number of courses converted to multimedia CD format is 98 courses since the January 2010 semester.

ePub and the OER initiative

In year 2012, ETPU produced its first seven courses in ePub format as part of its multimedia CD materials. The ePub course materials are more user-friendly as the contents of these materials can be accessed via different platforms i.e. iPad, tablets etc. using ePub readers which are available for free via the Internet. This project is also part of the University's OER initiative to create a more dynamic learning environment where course contents and other information can be shared freely without constraints, to create a more vibrant learning community.





QUALITY ASSURANCE UNIT

WOU is committed to providing academically-rich learning experiences to students and maintaining high quality academic standards benchmarked against international best practices. In carrying out its role in WOU, the Quality Assurance Unit (QAU) has defined its own set of vision and mission statements as stated below:

Vision

Aspire to inculcate and sustain a culture of excellence in academic standards and quality in teaching, learning and research.

Mission

To establish a quality assurance framework; to coordinate, monitor and conduct procedural and operational reviews in line with the set QA objectives of the University.

Quality assurance at WOU is viewed as a shared responsibility executed in a centralised and decentralised manner. Whilst the Vice Chancellor and senior management staff play a major role in 'driving' the University's quality assurance system, all members of the University community are entrusted and expected to recognise and promulgate best quality practices.

All the procedures and systems introduced to manage quality can only be improved through the active involvement of all the relevant stakeholders in the University. WOU sees quality assurance as a developmental process that continuously evolves in achieving higher standards. The emphasis in regard to University policies is on improving the status quo rather than censuring areas of weakness.

Quality assurance in WOU is based on a system of internal and external peer scrutiny.

Internally, quality assurance is implemented through:

- School Board
- Management Board
- Quality Assurance, Teaching and Learning Committee
- Senate
- Board of Governors

External peer review is conducted through:

- External Advisory Peer Groups (APG) for each academic School which review and advise on the curriculum especially in the development of new programmes and courses.
- An External Course Assessor (ECA) system which ensures that each course (developed by a team of specialists that includes instructional designers/technologists, academic content experts and language editors) is peer assessed during its development by an experienced external subject expert with respect to relevance, appropriateness, depth and treatment to ensure that it meets acceptable standards used in reputable Universities.
- An External Examiner (EE) system which ensures parity of standards with internationally accepted benchmarks.
- Malaysian Qualifications Agency (MQA) programme accreditation and periodic external institutional reviews to assess the entire organisation for relevance, effectiveness, and efficiency of its quality assurance systems and processes.

Given the nature of WOU and its operation as a distance learning institution, the University is aware that the assurance of quality cannot be limited to just academic elements only. Towards achieving the vision and mission of QAU, Quality Assurance Policies in key areas have been developed and implemented to reflect international good practice. The Quality Assurance Policies focus on the following major areas:

- Programme planning and development
- Course design, development and production
- Course delivery
- Examination and assessment
- Tutor assessment
- Staff development
- Programme accreditation
- Research, development and community service

The QAU maintains a Policy Register which is regularly updated and easily accessible in electronic format at the staff portal for reference. This ensures all existing University-wide policies are transparent, recorded and centrally monitored. The Learning and Library Services, in their role as Records and Document Repository of the University, is the main custodian of all master hard copies of the policies and procedures.



MARKETING & CORPORATE COMMUNICATIONS (MARCOM)

The Marketing and Corporate Communications (Marcom) Department is led by its Director, Chong Kong Hoong, with a team of 12 staff – seven from Marketing and five from Corporate Communications.

Corporate Communications

Corporate Communications strives to project an image of WOU's vibrant learning community - innovative in approach, inspirational in values, socially responsible and committed to its students – to the general public via the media.

The Department liaises and coordinates with academic and administrative staff, at the headquarters and the Regional Centres & Regional Support Centres, to develop effective communication strategies and messages that ensure that the University's capabilities are projected in a positive manner to meet defined targets.

Public events that educate and inspire

For the period 2012 the Department successfully managed and organised 40 high profile events, including:

- E-Business Workshop to expose participants to a better understanding of e-Commerce. Conducted at the Main Campus on May 5th – 6th, the two-day workshop was run by Interbase Resources Sdn Bhd, the company behind Malaysia's pioneer auction website, *Lelong.com.my*.
- Public lecture on *Plague Fighter Dr Wu Lien Teh: A Penang Hero who modernised medicine in China*, jointly organised by Think City, Penang Heritage Trust, Old Frees' Association and WOU. It was held at the WOU Main Campus on May 19th;

- WOU conferred honorary degrees on three distinguished recipients at the Special Convocation in Menara PGRM, Kuala Lumpur on June 16th. The recipients were Dato' Sri Nazir Razak (Doctor of Business), Emeritus Prof Dr Wang Gungwu (Doctor of Laws) and Mr R Padmanathan (Master of Administration);
- WOU hosted the Regional Symposium on *Open Educational Resources: An Asian perspective on Policies and Practices*. It was held at WOU Main Campus on September 19th – 21st. The three-day event was attended by delegates from more than 20 countries and among them were Australia, Canada, China, Hong Kong, India, Japan, Indonesia, Thailand, New Zealand, Singapore and Philippines.
- *WOU Media Appreciation Night 2012* was held on October 31st at the Main Campus to recognise and thank the media for their support.
- Public lectures on various topics at the Main Campus, amongst them were the *Colonial Ideologies of Race and Their Application in British Malaya* on May 10th by Dr Carl Vadivella Belle, a former diplomat with the Australian High Commission in Kuala Lumpur; and *Building bridges across the Bay of Bengal: Tagore and his contemporaries* on August 28th by Prof Sugata Bose, a Gardiner Professor of History from Harvard University.

Corporate Social Responsibility

Managing the University's corporate social responsibility (CSR) initiatives is another key task for Corporate Communications. The Department works closely with various charities and NGOs to organise charity events and provide venue and monetary sponsorship.

In 2012, Marcom worked with the American Malaysian Chamber of Commerce (AMCHAM) to give secondary school students an opportunity to become entrepreneurs; and the National Cancer Society Malaysia to provide financial and moral support for cancer victims and survivors.



Providing a clear corporate voice

The Department handles all media relations for the University, the University's website, staff portal, its 12-page quarterly newsletter, *WawasanLink*, and the University's official social media channels on Facebook, YouTube and Twitter.

As part of WOU's Green Living Campaign, the Department has initiated various exercises to reduce its carbon footprint through e-WawasanLink, WOU e-News and WOU e-Card.

Marketing

The Marketing Department is in charge of the planning and implementation of strategic marketing, media, promotion and publicity campaigns. These activities are targeted at working adults and are designed to position WOU's Open Distance Learning programmes as one of the best choices for flexible, affordable and accessible part-time education.

Besides that, the department also maintains public and student relations through the establishment of its Call Centre as well as monitoring and updating the University's Facebook and Twitter accounts.

Corporate Marketing Update

In supporting the aspirations of Malaysian employees to equip themselves with quality qualifications and industry-relevant knowledge, WOU introduced its Valued Partnership Programme (VPP) for multinational corporations and local companies in October 2011.

This education partnership provides a continual upgrading of the professional skills of the workers, contributing to better job performances and higher staff retention for the benefit and success of the corporations. The Marketing team has been actively promoting the VPP and as at end of 2012, 70 companies have become WOU's education partners on a nationwide basis, including Maybank, Maxis, Sony, Dell, Intel, Plexus, Texchem, Flextronics, Jabil, Agilent Technologies, Canon Marketing, Carsem and many others.



The Marketing team has been actively participating in education fairs including The Star Education Fair, Facon Education Fair, Post Graduate Education Fair and other regional exhibitions to create awareness and promote WOU's programmes among working adults nationwide.

OPERATIONAL SUPPORT



FINANCE

The Finance Department supports the University's mission by providing effective stewardship over the University's financial resources.

The Department headed by Chua Saw Nee with a team of 10 staff provides a broad range of services which includes Financial, Treasury & Investment services, Procurement and Risk Management to the University; incorporating business policies, practices and compliance with financial regulations.

Some major initiatives undertaken by the Department during the year include:

Innovations for WOU students

Given the current difficult financial environment and taking into account the busy lifestyles of many of WOU's students, the Department developed and successfully introduced a number of cost and time saving innovations:

- **Online enrolment and payment**
Students can now enrol and make payments online via Internet banking and mobile banking services through smartphones, tablets and other mobile devices. This allows students the convenience of 24 hours, 7 days a week banking services.
- **MyEnrolment System (epayment)**
Enhancing *MyEnrolment* (which allows students to re-enrol and make their fee payments online using credit cards) by including more banks and introducing payments through debit cards.

Enhanced student financial assistance programme

More partnerships were established with selected financial service providers to enable students to enjoy the benefits of interest-free instalment payments of their tuition fees by credit card.

Compliance with new accounting standards (IFRS)

The statutory reporting was carefully reviewed and revised for adaptation to the new International Financial Reporting Standards (IFRS) and Malaysian Financial Reporting Standards (MFRS).

Operational efficiency and standardisation

The financial policy, processes and procedures were reviewed to identify areas for simplification and automation to enhance operational efficiency and standardisation.



GENERAL SERVICES AND ADMINISTRATION

The General Services and Administration (GSA) Department's core functions involve project management, property and estate management and administration support in order to create a safe, conducive and comfortable working and study environment at WOU and its Regional Centres.

GSA acts as an efficient, effective and responsible guardian of the University's assets and buildings in order to enhance the quality of life of its staff and students.

The Department is led by Andrew Joseph and his team of technical and administrative staff.

Project management, property and estate management

For the year 2012, the Department successfully undertook a range of diverse renovation and set-up projects at the Main Campus and Regional Centres throughout Malaysia, including:

- The relocation of the Penang Regional Centre from Bangunan Wawasan to the Main Campus. Renovation works were also completed on 26th March 2012 within the approved budget and time frame.
- The setting up of the Klang Regional Support Centre where the renovation works were completed on time and within budget by 4th June 2012.
- The setting up of the Subang Regional Support Centre where the renovation works were completed on time and within budget by 29th June 2012.

- Completed the repairs to the Homestead roof within the stipulated budget by 14th September 2012.
- Completed the set-up of DISTED's Hospitality School at the ground floor of Bangunan Wawasan in China Street Ghaut in January 2012.
- Successfully secured Allied Healthcare Centre of Excellence (AHCoE), that is a project initiated by Khazanah Nasional Berhad to take up the remaining floor space of around 5,300 sq ft at Level 12 of the Albukhary Building in February 2012. The total space occupied by AHCoE is around 9,800 sq ft

Health, Safety and Environment Initiatives

- Continued efforts in promoting awareness of good hygiene habits among staff, students and visitors to prevent the spread of the H1N1 virus and other airborne diseases.
- Successfully conducted a Health and Safety Campaign in June with active participation from BOMBA, NIOSH (National Institute of Occupational Safety & Health) and the Malaysian Red Crescent Society.
- Intensified initiatives in electricity and energy conservation in terms of usage of air-conditioning as well as switching off lights and electrical items when not in use.
- Instilled greater awareness on *Green Living @ WOU* among staff and students where there was active participation from all in the recycling of paper, plastic and aluminium.

OPERATIONAL SUPPORT

- Initiated a successful campaign to collect used toys and clothes which were donated to Rumah Kebajikan Seri Cahaya and Ramakrishna Ashrama in November.

University and Public Events

- Reviewed and improved the venue booking system for internal and external use of the theatres, seminar rooms, function rooms and exhibition areas in the University.
- Managed numerous University events including the 3rd Convocation and 1st Regional OER (Open Educational Resources) symposium; as well as public events organised by the Penang Philharmonic Orchestra, George Town World Heritage Incorporated, Temple of Fine Arts, Think City and the Penang Institute.

Policies and Resource Administration

- Implemented various policies, procedures and systems; reviewed and improved existing policies with a view to conserve resources and save costs wherever possible.
- The Mail Room operations were relocated to the Front Office in Homestead and to Level 8 where GSA is located, in order to enable better space optimisation and smoother operations.
- Improved the tracking and monitoring systems for the technical team to effectively undertake preventative maintenance management on air conditioning systems, lifts, fire fighting system, plumbing and sanitary systems, as well as other mechanical and electrical systems.
- Implemented the ERP System for better control over resource usage, improved process flow and to allow inter-departmental charging of costs.



- Intensified efforts in optimising the Help Desk facilities for postal and courier service requisition to enable better service delivery to end-users.
- Benchmarked pricing of goods and services supplied by vendors and contractors which resulted in cost savings.
- Undertook various cost cutting measures where numerous innovative and out-of-the-box methodologies were applied to keep the costs of building maintenance low which in turn resulted in cost savings, shortened lead times and improved service to end-users.
- Implemented WOU's Asset Tracking System and the Stationery Procurement System at DISTED College.
- Conducted annual audits on assets and security at the HQ Campus and at all the Regional Centres.





HUMAN RESOURCES

Human Resources is responsible for the full spectrum of recruitment of high calibre staff, especially in building a qualified academic team that meets Government regulations. The HR team supports over 200 WOU employees throughout the country.

The Department is responsible for talent management; performance management and reward systems that recognise achievers; policies and activities that encourage academic staff development such as staff educational assistance programme, participation in regional conferences/seminars, engaging in research or consultancy projects and part-time teaching.

Five-year training plan

In line with WOU's long-term commitment to talent development, a five-year training plan in support of its five-year strategic plans was drawn up for both academic and non-academic staff. The inaugural Certificate in Open Distance Learning (ODL) programme was organised for the academic and academic support groups to enhance their design development skills and delivery of ODL programmes. A workshop on Open Educational Resources (OER) was introduced for the first time, paving the way towards eLearning.

Manpower audit 2012

As the University's population has grown over the six years it has been in operation, there was a growing need to check and ensure a balanced distribution of duties in each department. Towards this end, a manpower audit exercise

was conducted company wide in 2012 with the following objectives:

- Obtain clearer job definitions for employees and superiors;
- Minimise internal inequities relative to job responsibilities among peers;
- Obtain the mechanism to redesign jobs or to re-skill manpower.

Ultimately, the manpower audit exercise will provide management with a more objective tool for effective manpower planning that is relevant to WOU's core business and in support of its strategic business plans.

Integration with DISTED College – harmonising HR policies

WOU's integration with DISTED College gathered momentum in 2012 with the harmonisation of HR policies, practices and benefits. A case in point is the harmonisation of Educational Assistance Programme for staff children, a DISTED staff benefit which was approved by WOU's Board of Governors for implementation effective January 1, 2013. A Family Day that was jointly organised by WOU and DISTED for the first time with the theme "2 Hearts 1 Family" was held on 3 November 2012.

OPERATIONAL SUPPORT



INFORMATION TECHNOLOGY SERVICES

The Information Technology Services (ITS) Department provides IT management, strategic planning and implementation, aligned with the University's vision, mission and business strategy objectives.

The Department is the custodian of the University's core information systems and IT assets. It also acts as an enabling driver in implementing appropriate emerging IT where possible, to improve WOU's operational efficiencies. The department is led by Tan Pooi See and his team, which provide infrastructure and application support.

New IT infrastructure initiatives

In 2012, the Department enhanced and made some major improvements to WOU's IT infrastructure, including:

- The replacement of desktop computers for laboratory 1 and 2 at the KL Regional Centre. The exercise was successfully carried out in August as part of the plan aimed at gradually phasing-out the University's aging computers.
- Setting up of IT infrastructure for the new Regional Support Centre (RSC) at Klang in early June. This included devices and equipment such as switches, firewall, Wi-Fi access point, Cisco IP phone and desktop PCs for staff and open access. The office is connected with a high speed broadband (Unifi Biz10) line for Internet access as well as for VPN connection to the Main Campus in Penang. A similar IT infrastructure set up for the Subang RSC was successfully deployed in early July.
- The Learning Management System (*WawasanLearn*) has been upgraded from Moodle version 1.8 to version 2.0. The new version allows the following features to be

incorporated in the LMS (*WawasanLearn*) beginning July 2012 semester:

- A new course layout which is segmented and simplified to meet students' needs on the course content.
- A front page called "Site home" containing University related news.
- A personalised page called "My home" where students will receive updates on activities in their enrolled course(s).
- A new feature in the forum which allows students to attach two files in a single forum or discussion post.
- Direct videos from YouTube.

These interactive features will further enhance and enrich the students' learning experience at WOU.

- The retrofitting/enhancement of the integrated SIS-LMS processes such as auto transferring the student profile, student enrolment information, tutors' profile and tutoring record was carried out. A single sign-On (SSO) feature has been added to enable students and tutors to directly access the newly upgraded LMS from their respective online portals.



Application system developments and enhancements

A number of applications enhancements were completed in 2012, including:

- *Student Information System (SIS)*, was enhanced to include more details about graduating students' profiles, including, "Student Awaiting Graduation" and "Graduated but Returning to Study" and allow them to continue pursuing other programmes. The enhancement has also provided flexibility for the Registry to redefine student status when necessary.
- New features have been added for automated monitoring and control of SST project course enrolment criteria in *MyEnrolment*. This basically allows students to be eligible to register for SST's project courses upon fulfilling certain conditions e.g:
 - Total of earned credit hours plus credit hours to be earned at current semester before results can be released must be a least 90 credit hours.
 - Only earned credit hours from courses that are related to the graduation programme structure as enrolled by the students are taken in consideration as total earned credit hours.
 - The total earned credit hours include credit exempted due to advanced standing and credit exempted due to 120 credit hours migration.

The enhancement was rolled out in March 2012.

Conversion of manual forms for Registry into electronic version or e-Forms was successfully carried out and implemented for use in July 2012 Semester. This included:

- *Tutor Monitoring Form* – to allow respective course coordinators to moderate their tutor's TMA marking performance.
- *Online Request for EPF Withdrawal Letters / e-Forms* – to allow the Registry to receive online requests for EPF Withdrawal Letters.

The online forms/e-forms have eased the workloads of both the Registry and the Regional Centres, improved their operational efficiencies as well as facilitated and simplified the information flow with other stakeholders including students, tutors and course coordinators.

- The new University-wide ERP system was rolled out in January 2012. As part of the system fine-tuning exercise, this system is currently running in parallel with the existing financial Microsoft GP accounting system.



REGIONAL OPERATIONS



Penang



Ipoh



Kuala Lumpur



Bandar Utama



Johor Bahru



Kota Bahru



Kuching



Klang



Subang

There are currently six Regional Centres and three Regional Support Centres throughout Malaysia, located in Penang, Ipoh, Kuala Lumpur, Johor Bahru, Kota Bahru, Kuching, Bandar Utama, Klang and Subang respectively.

The Regional Centres are an important first point of contact for prospective students and also offer a range of student support services.

The physical facilities offered by the Regional Centres include:

- Computer labs
- Tutorial rooms
- Library and study areas
- Computer facilities
- Video conferencing facilities
- Disabled-friendly building including stair-lifts
- Counselling room/student service room
- Mini theatres
- Male/female prayer rooms
- Parking facilities
- Wireless Internet service

In mid 2012, two new Regional Support Centres were set up in Klang and Subang. These two new Regional Support Centres have the same role as the Bandar Utama Regional Support Centre in supporting the Kuala Lumpur Regional Centre to expand WOU's market reach to potential students within the Klang Valley and to enhance the University's presence in the Klang Valley.

The Regional Support Centres' set-up is much smaller without many of the learning support facilities. Since both Klang and Subang Regional Support Centres were fully operational towards the tail-end of the recruitment period for the July 2012 intake, they are expected to create an impact on the student recruitment from the January 2013 intake onwards.

On 1st April 2012, the Penang Regional Centre was relocated from Bangunan Wawasan in China Street Ghaut to the Main Campus. The relocation augurs well for the future, as most students can now enjoy the necessary support services and learning support facilities all at one location.

Given the large pool of working adults within the Klang Valley, Northern region and Iskandar Malaysia in the southern region, there is still much growth potential that has yet to be fully explored by the respective Regional Centres. To tap into this, further attempts shall be made to extend the Regional Centres' market reach through collaboration with partners within each region.



INTERNAL AUDIT

The Internal Audit (IA) function is considered an integral part of the assurance framework and its primary mission is to provide assurance on the adequacy and effectiveness of the risk and internal control governance framework of Wawasan Open University (WOU).

The Internal Audit head reports directly to the Vice Chancellor of WOU to ensure independence of reporting on the operations departments, academic support units as well as the academic units.

During the year, the IA department conducted various internal audit engagements in accordance with the risk-based audit plan that is consistent with WOU's goals. The IA Department evaluated the adequacy and effectiveness of internal controls in responding to risks affecting WOU's governance, operations and information systems in the following areas: -

- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations
- Safeguarding of assets; and
- Compliance with laws, regulations and policies and procedures

During 2012, various internal audit activities were carried out at the Main Campus, Ipoh Regional Centre as well as the Johor Bahru Regional Centre. The Regional Centres were selected on a rotational basis. The audit scope for the audits conducted was based on the audit plan for the year. For each of the audited areas, the internal controls were reviewed and compliance with policies and procedures were checked. Recommendations had been made to the respective Heads

of Department for rectification of any weaknesses and non-compliances noted during the audits.

Corrective actions to be taken were agreed upon and indicated in the audit reports together with the comments of the auditees. The respective audit reports were issued and reported to the Vice Chancellor and all the Deputy Vice Chancellors as well as the Assistant Vice Chancellor. Apart from the regular audit role, internal audit also played a consulting role in reviewing new proposed operating policies and procedures.



STRATEGIC PARTNERSHIPS

WOU makes concerted efforts to engage with established, credible academic and professional organisations, underlining the University's commitment to excellence and the provision of lifelong learning opportunities for working Malaysians.

These partnerships strengthen the University's efforts to provide market-driven tertiary education that meets the needs of industry, benefiting the Malaysian economy as a whole.

Chonnam National University (South Korea) and DISTED College

The University signed a Memorandum of Understanding (MoU) with Chonnam National University (CNU) and DISTED College on 3 February 2012 to facilitate academic cooperation and collaboration. The three institutions have worked out an arrangement to enable Korean students from CNU to pursue credit-hour bearing courses in its short-term study abroad programme in Penang. The course credits earned by the CNU students from this study abroad English Language programme, will be recognised by CNU and hence qualify them for credit transfer when they go on to pursue a degree-level programme back in Chonnam National University.



Meeting between CNU, DISTED and WOU on the MoU



Exchange students from CNU visit the Main Campus



The Korean students get a close-up look of WOU's library facilities

Universiti Tunku Abdul Rahman (UTAR)

A Memorandum of Understanding was signed with Universiti Tunku Abdul Rahman (UTAR) on 9 March 2012 with the following objectives:

- To initiate joint research and development projects and application for joint research funding.
- To facilitate academic development exchanges between the universities, including mutual visits by faculty members to pursue research, teaching, and to participate in seminars, conferences, workshops, etc.
- To facilitate joint supervision of postgraduate students of either side.
- To organise and participate in joint academic activities such as conferences, workshops, publications, and seminars.

Efforts are being made to identify possible areas of collaborations.

HAAGA-HELIA University of Applied Sciences (UAS), Finland

WOU and DISTED College signed a Memorandum of Understanding with HAAGA-HELIA University of Applied Sciences (UAS) on 5 December 2012 to explore cooperation in areas of higher education. The MoU covers several broad activities that relate to the mutual exchange of students, faculty and staff, and partnership in research, development projects, workshops and conferences. With this MoU, the three institutions will share ideas in institutional operations development and commercial service, and develop workshops and certification for teaching in pedagogy and didactics, psychology, counselling, and entrepreneur development in tertiary education.

STRATEGIC PARTNERSHIPS



WOU strengthens cooperation with FMM

WOU added a new dimension to its ongoing collaboration with the Federation of Malaysian Manufacturers (FMM) – both organisations signed an MoU in March 2008 to accelerate the development of skilled labour in the manufacturing and services industry.

Three major areas of collaboration include the provision of advanced-level training and educational opportunities to FMM members' staff and their families; FMM participation as WOU's Strategic Academic Partner (SAP) and the use of the FMM facilities to run WOU undergraduate programmes



In 2012, each Regional Centre was able to recruit at least one SAP and these included Synergy Central Academy Sdn Bhd, Perai which conducts skilled vocational education and training, and Excel LTC, Ipoh which is engaged in training and consultancy.



MAJOR EVENTS

An integral part of the University's commitment to the pursuit of lifelong learning and academic excellence is the organising and hosting of conferences, workshops, public talks, gatherings and arts events, geared at building bridges and sharing knowledge, culture and the arts with the community.

Building OER capacity within WOU

About 20 academic and academic support staff attended the first in a series of workshops on *Open Educational Resources (OER) Capacity Building* organised by the Human Resources Department of Wawasan Open University on 26-27 April 2012. The workshop was conducted by Zaid Ali Alsagoff, lecturer from the International Medical University.

E-Commerce workshop

Over 200 participants attended the first-ever free *Lelong.com.my* training session on e-Commerce for Penang hosted by WOU at the Main Campus on 5-6 May 2012. The workshop titled *Class 101 – Now Everybody Can Sell Online* was run by Interbase Resources Sdn Bhd, the company behind Malaysia's pioneer auction website, *Lelong.com.my*.

Intellectual Property rights seminar

About 20 academics attended the in-house seminar on *Intellectual Property Commercialisation – Strategies for Universities and Research Institutions* held at the Main Campus on 11 May 2012. The briefing by Lok Choon Hong, founding partner of Pintas IP Group, looked at the various types and the protection of intellectual property.



Special Convocation Ceremony

The Special Convocation Ceremony on 16 June 2012 at Dewan Cempaka, Menara PGRM in Kuala Lumpur witnessed three distinguished recipients receiving their honorary degrees. They were eminent banker Dato' Sri Nazir Razak who received the Honorary Doctor of Business degree, celebrated scholar Emeritus Prof Dr Wang Gungwu the Honorary Doctor of Laws degree, and longstanding university administrator R Padmanathan, the Honorary Master of Administration degree.



Inaugural Regional OER Symposium

WOU hosted the inaugural Open Educational Resources (OER) symposium for the Asian region at the main campus from 19-21 September 2012, attended by some 80 international educators, policy makers, institutional administrators, OER advocates, researchers and Open Distance Learning (ODL) practitioners.



The objective of the Regional Symposium on *Open Educational Resources: An Asian perspective on Policies and Practices* was to give impetus to the OER movement in Asia. The event was organised by WOU in collaboration with DISTED College, the International Development Research Centre (IDRC), the International Council for Open and Distance Education (ICDE), the Asian Association of Open Universities (AAOU), the Commonwealth of Learning (COL) and UNESCO.

The delegates came from more than 20 countries – among them were Australia, Canada, China, Hong Kong, Japan, India, Indonesia, Korea, Pakistan, Philippines, New Zealand, Singapore, South Africa, Thailand, and Malaysia.

Media Appreciation Night

The function at the main campus on 31 October 2012, was attended by over 100 members from 17 media organisations in Penang, to recognise and thank them for their invaluable support.



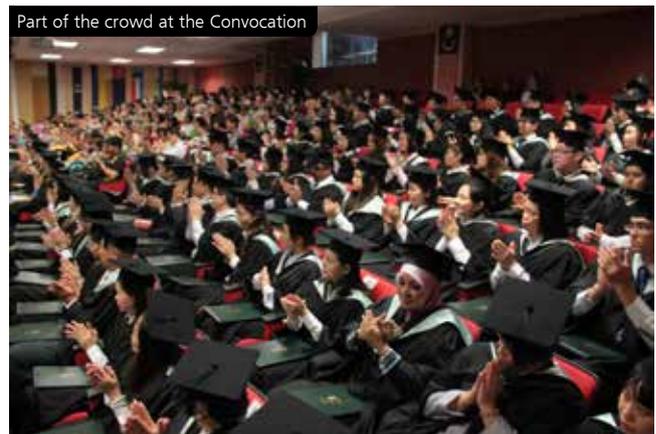
Media personnel take part in the karaoke singing contest



Receiving goodie bags from WOU

Third Convocation Ceremony

The third Convocation Ceremony on 24-25 November 2012 at the WOU Main Campus, Penang saw the graduation of 365 students – 100 at the postgraduate level and 265 at the undergraduate degree level. At the ceremony, the University proclaimed Tan Sri Dr Koh Tsu Koon as Pro-Chancellor and conferred the Honorary Doctor of Letters degree on Dato' Seri Chet Singh, founding general manager of Penang Development Corporation.



Part of the crowd at the Convocation



Tan Sri Dr Koh Tsu Koon with top degree student Chan Chu Aik



The late Chancellor presents award to CeMBA graduate Poh Boon Fong

A glimpse of a Malaysian Hero

The public talk on *Plague Fighter Dr Wu Lien Teh: A Penang Hero who modernised medicine in China* at the Main Campus on 19 May 2012 was jointly organised by Think City, Penang Heritage Trust, Old Frees' Association and WOU. The talk, which was part of the Penang Story Lecture series, was given by Ong Lay Hong, Managing Director of Singapore Media Academy, a MediaCorp Enterprise.



Racial history of Malaysia

The public lecture on *Colonial Ideologies of Race and Their Application in British Malaya* at the Main Campus on 10 May 2012 was organised by WOU's School of Foundation and Liberal Studies. Dr Carl Vadivella Belle, a former diplomat with the Australian High Commission in Kuala Lumpur, expounded on the role of the British in the racial history of Malaysia, highlighting how British theories and policies of race following the Indian Mutiny in colonial India were reproduced in colonial Malaya.



Tagore and his contemporaries

The lecture on *Building bridges across the Bay of Bengal: Tagore and his contemporaries* at the Main Campus on 28 August 2012 was delivered by Prof Sugata Bose, a Gardiner Professor of History from Harvard University. He explored the intellectual, political and cultural conversations across Asia conducted by poet Rabindranath Tagore and his contemporaries. The event was organised by Think City and Penang Heritage Trust with the support of WOU and the Indian High Commission.





Maestro Woon Wen Kin

An evening of musical delights

WOU hosted the Penang Philharmonic Orchestra (PPO)'s second concert, held on the grounds of the Main Campus on 25 February 2012 – the first was in February 2011. The event themed *Cinematic Greats and Jazz Works* was performed by 100 musicians, under the musical direction of maestro Woon Wen Kin. The PPO serenaded and entertained a 2,000-strong crowd of music enthusiasts with classics from the movies, cartoon shows and Broadway.



VIPs at the concert



Aerial view of the concert performance



TOWARDS A QUALITY ENVIRONMENT



WOU – Green and People-friendly

As part of the University's commitment to green, ecologically friendly measures a number of initiatives have been put in place, to reduce WOU's carbon footprint and reduce waste output, including:

- The move from printed course materials to CD-ROM based course materials has significantly reduced the amount of paper needed. The new CD-ROM format also helps to make learning more interactive and engaging for students.
- The installation of black-out curtains in the main campus has reduced the heat from the sun and consequently reduced electricity usage for air-conditioning.
- The *Green Living @ WOU* campaign was launched to actively encourage WOU staff and students to reuse, recycle and reduce (3Rs) stationery and everyday objects to minimise the University's carbon footprint.

Three large MPPP recycling bins - for plastic, aluminium and paper-were placed in the Albukhary Building (main campus), with the proceeds given to the Eden Handicap Centre.

- To conserve energy, appropriate measures have been taken to reduce electricity usage. This includes the effective usage of the chiller system for the centralised air-conditioning at the Albukhary Building.

WOU's responsibilities also extend to safeguarding the health and safety of all staff and visitors to the main campus and Regional Centres, by:

- Ensuring that all staff are familiar with emergency procedures including fire drills. Each of WOU's departments includes a member of staff trained in basic first aid.
- Disseminating up-to-date health information among staff and visitors and ensuring that preventative measures are taken. Antiseptic gel is provided at the main campus to reduce the risk of infection.
- Providing disabled-friendly access. WOU's main campus and Regional Centres are all equipped with disabled-friendly ramps, lifts (with Braille) and washrooms as part of our efforts to be an inclusive university.
- A Herb Garden was set up at the main campus, to create awareness and promote the benefits of traditional herbs towards a healthier lifestyle.



CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

WOU is fully committed to playing its role as a responsible, caring corporate entity in line with the University's mission of providing quality, tertiary education to all Malaysians regardless of socio-economic background.

The University has played an active and involved role in community CSR initiatives, from providing venue sponsorship, monetary sponsorship and project management expertise. Some CSR highlights for 2012 include:

Blood donation drive

WOU organised a blood donation drive in collaboration with Loh Guan Lye Specialists Centre at its premises on 22 May 2012. Some 30 staff turned up to donate blood and another 20 took advantage of the free basic health screening provided, which covered a blood sugar test, and measurement of the body mass index and blood pressure.



Relay for Life 2012 campaign

WOU lent its support as a gold sponsor and also sent a team comprising of about 20 staff to participate in the walkabout at the Youth Park on 23 June 2012, providing moral support support for cancer victims and survivors.



Kids from the Home in Prai



Penang Shan Children's Home

WOU's Staff Recreational Club (SRC) organised an in-house charity drive for the Penang Shan Children's Home in Prai. The drive raised close to RM5,000 which was used to

purchase items from the Home's wish list. The SRC members brought cheer to the children with their visit on 30 June 2012 to hand over the items and also distribute angpows.



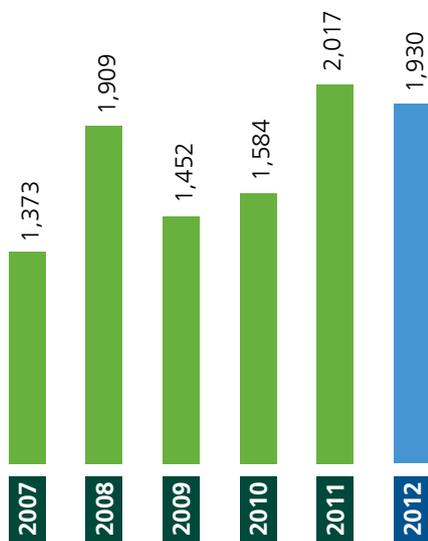
WOU's Santa Claus distribute sweets to the kids at the Main Campus

WOU also hosted a Christmas party at the Main Campus on 14 December 2012 for the children from the Home in Tanjung Tokong, presenting the 22 children with gifts and also the Home with a cheque of RM1,200 raised by donations from the University staff.

STUDENT ENROLMENT & GRADUATION



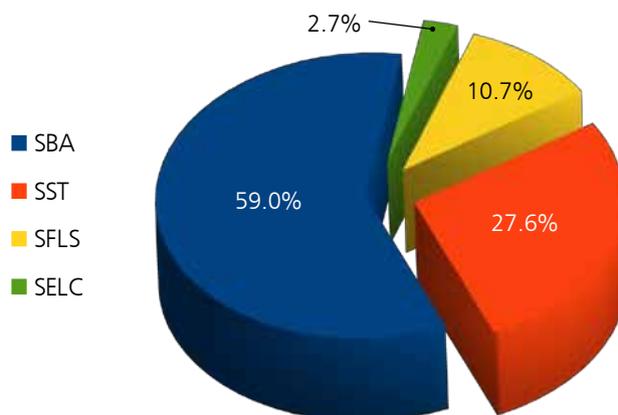
Total Enrolment from 2007-2012 = 10,265 students



Cumulative Enrolment by School (2007-2012)

SBA – 6,059 Students (59.0%)
 SST – 2,833 Students (27.6%)
 SFLS – 1,094 Students (10.7%)
 SELC – 279 Students (2.7%)

Based on the total cumulative enrolment of 10,265 students who have benefitted from WOU's unique educational experience since January 2007 till December 2012.



Total Graduates

	Postgraduate	Undergraduate
2010	38	-
2011	80	70
2012	100	265
Total	218	335

STUDY GRANTS & SCHOLARSHIPS



During 2012, a total of 533 study grants were awarded to new students pursuing their studies at WOU. The grants were meant to encourage students to enrol at WOU and to reduce their financial burden.

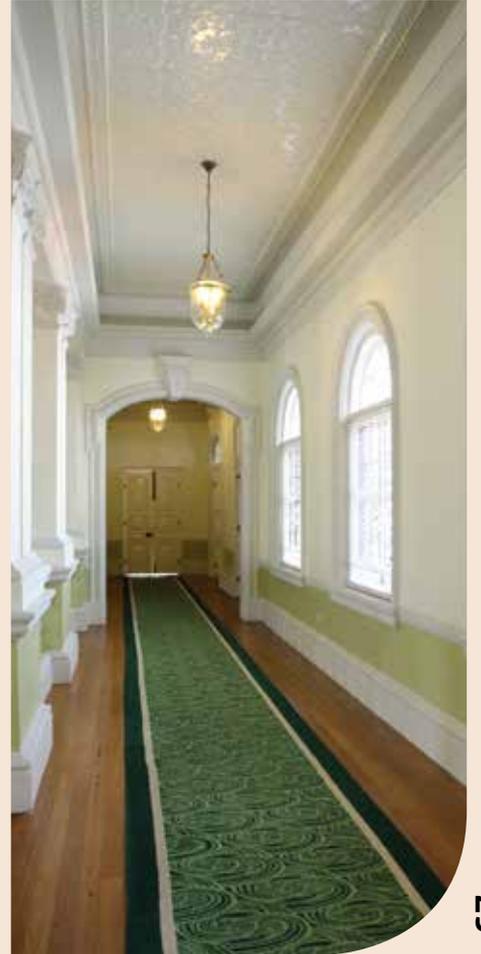
Continuing students at WOU who excelled in their academic studies and were financially needy were also awarded scholarships in the form of tuition fees waivers. A total of 74 students were awarded the Chancellor's Merit Scholarship for the period of 2012.





Wawasan Open University







FINANCIAL STATEMENTS

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- 79 - 108** Notes to the financial statements

The directors have pleasure in presenting their report together with the audited financial statements of the Company for the financial year ended 31 December 2012.

Principal activities

The principal activities of the Company are to establish all types of educational institutions, to provide courses of study or training and to hold examinations in collaboration with any institutions of higher learning for the advancement and development of education related initiatives. There have been no significant changes in the nature of these principal activities during the financial year.

Results

	RM
Loss after tax	<u>8,400,861</u>

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operation of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Seri Yeap Leong Huat
Tan Sri Dato' Emeritus Prof. Gajaraj A/L Munusamy Dhanarajan
Loo Choo Teng
Dato' Seri Chet Singh a/l Karam Singh
Dato' Dr. Thillainathan a/l Ramasamy
Ooi Teng Chew
Tun Dr. Lim Keng Yaik (Deceased on 22 December 2012)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REPORT

Directors' benefits (contd.)

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Directors' interests

None of the directors who held office at the end of the financial year, had according to the register required to be kept under Section 134 of the Companies Act, 1965, an interest in shares in the Company, its holding company and its related corporations.

Other statutory information

- (a) Before the statement of comprehensive income and statement of financial position of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or to make any provision for doubtful debts in respect of these accounts of the Company; and
 - (ii) the values attributed to the current assets in the financial statements of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company which would render any amount stated in the financial statements misleading.

Other statutory information (contd.)

- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

Ultimate holding company

The holding and ultimate holding company is Wawasan Education Foundation, a company limited by guarantee and incorporated in Malaysia.

Significant event

The significant event during the year is disclosed in Note 27 to the financial statements.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 15 April 2013.

Dato' Seri Yeap Leong Huat

**Tan Sri Dato' Emeritus Prof.
Gajaraj a/I Munusamy Dhanarajan**

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, Dato' Seri Yeap Leong Huat and Tan Sri Dato' Emeritus Prof. Gajaraj a/l Munusamy Dhanarajan, being two of the directors of Wawasan Open University Sdn. Bhd., do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 75 to 108 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2012 and of its financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 15 April 2013.

Dato' Seri Yeap Leong Huat

**Tan Sri Dato' Emeritus Prof.
Gajaraj a/l Munusamy Dhanarajan**

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Professor Dato' Dr Ho Sinn Chye, being the officer primarily responsible for the financial management of Wawasan Open University Sdn. Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 75 to 108 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Professor Dato' Dr Ho Sinn Chye
at Georgetown in the state of Penang
on 15 April 2013.

Professor Dato' Dr Ho Sinn Chye

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF **WAWASAN OPEN UNIVERSITY SDN. BHD.** (INCORPORATED IN MALAYSIA)

Report on the financial statements

We have audited the financial statements of Wawasan Open University Sdn. Bhd., which comprise statement of financial position as at 31 December 2012 and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 75 to 108.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2012 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF **WAWASAN OPEN UNIVERSITY SDN. BHD.** (INCORPORATED IN MALAYSIA)

Other matters

1. As stated in Note 3.2 to the financial statements, Wawasan Open University Sdn. Bhd. adopted Malaysian Financial Reporting Standards on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2011 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the year then ended.
2. This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young

AF : 0039

Chartered Accountants

Penang, Malaysia

Date: 15 April 2013

Oo Boon Beng

No.1939/12/14(J)

Chartered Accountant

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Note	31.12.2012 RM	31.12.2011 RM
Revenue	5	15,342,698	12,812,816
Other item of income			
Other income	6	6,424,739	1,086,946
Other items of expense			
Employee benefits expense	7	(14,442,225)	(13,498,261)
Depreciation and amortisation expense		(910,459)	(1,072,744)
Other expenses		(14,815,614)	(17,026,670)
Loss before tax	8	(8,400,861)	(17,697,913)
Income tax expense	9	-	-
Loss after tax		(8,400,861)	(17,697,913)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>(8,400,861)</u>	<u>(17,697,913)</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

	Note	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Non-current assets				
Property, plant and equipment	10	1,949,723	2,331,561	2,297,371
Intangible assets	11	2,699,177	2,755,487	2,839,718
		<u>4,648,900</u>	<u>5,087,048</u>	<u>5,137,089</u>
Current assets				
Inventories	12	1,089,220	1,493,851	1,232,865
Other receivables	13	159,758	198,900	351,254
Other current assets	14	468,607	658,073	407,785
Amount due from a related company	15	44,643	41,916	12,959
Cash and bank balances	16	3,333,663	7,381,895	10,655,360
		<u>5,095,891</u>	<u>9,774,635</u>	<u>12,660,223</u>
Current liabilities				
Trade and other payables	17	4,409,572	4,384,120	4,452,166
Other current liabilities	18	5,892,228	5,789,574	5,111,344
Amount due to holding company	19	8,151,379	4,995,516	2,843,416
		<u>18,453,179</u>	<u>15,169,210</u>	<u>12,406,926</u>
Net current (liabilities)/assets		<u>(13,357,288)</u>	<u>(5,394,575)</u>	<u>253,297</u>
		<u>(8,708,388)</u>	<u>(307,527)</u>	<u>5,390,386</u>
Financed by:				
Share capital	20	72,000,000	72,000,000	60,000,000
Accumulated losses		<u>(80,708,388)</u>	<u>(72,307,527)</u>	<u>(54,609,614)</u>
(Shareholder's deficit)/Total equity		<u>(8,708,388)</u>	<u>(307,527)</u>	<u>5,390,386</u>

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Share capital RM	Accumulated losses RM	Total RM
At 1 January 2011	60,000,000	(54,609,614)	5,390,386
Issuance of shares	12,000,000	-	12,000,000
Total comprehensive income for the year	-	(17,697,913)	(17,697,913)
At 31 December 2011	<u>72,000,000</u>	<u>(72,307,527)</u>	<u>(307,527)</u>
At 1 January 2012	72,000,000	(72,307,527)	(307,527)
Issuance of shares	-	-	-
Total comprehensive income for the year	-	(8,400,861)	(8,400,861)
At 31 December 2012	<u>72,000,000</u>	<u>(80,708,388)</u>	<u>(8,708,388)</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	31.12.2012	31.12.2011
	RM	RM
Operating activities		
Loss before tax	(8,400,861)	(17,697,913)
Adjustments for:		
Amortisation of intangible assets	1,038,816	987,494
Depreciation	910,460	1,072,744
Property, plant and equipment written off	1,123	300
Loss/(Gain) on disposal of property, plant and equipment	1,449	(271)
Interest income	(101)	(225)
Operating cash flows before changes in working capital	<u>(6,449,114)</u>	<u>(15,637,871)</u>
Decrease/(Increase) in inventories	404,631	(260,986)
Decrease in other receivables	39,141	152,354
Decrease/(Increase) in other current assets	189,466	(250,288)
Increase in amount due from a related company	(2,727)	(28,957)
Increase/(Decrease) in trade and other payables	25,452	(68,046)
Increase in other current liabilities	102,654	678,230
Increase in amount due to holding company	3,155,863	2,152,100
Net cash used in operating activities	<u>(2,534,634)</u>	<u>(13,263,464)</u>
Investing activities		
Increase in share capital	-	12,000,000
Additions to intangible assets	(982,505)	(903,263)
Purchase of property, plant and equipment	(538,635)	(1,107,349)
Proceeds from disposal of property, plant and equipment	7,441	386
Interest received	101	225
Net cash (used in)/from investing activities	<u>(1,513,598)</u>	<u>9,989,999</u>
Net decrease in cash and cash equivalents	(4,048,232)	(3,273,465)
Cash and cash equivalents at 1 January	<u>7,381,895</u>	<u>10,655,360</u>
Cash and cash equivalents at 31 December	<u>3,333,663</u>	<u>7,381,895</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

1. Corporate information

"The principal activities of the Company are to establish all types of educational institutions, to provide courses of study or training and to hold examinations in collaboration with any institutions of higher learning for the advancement and development of education related initiatives. There have been no significant changes in the nature of these principal activities during the financial year.

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 51-23 Menara BHL, Jalan Sultan Ahmad Shah, 10050 Penang.

The holding and ultimate holding company is Wawasan Education Foundation, a company limited by guarantee and incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 15 April 2013.

2. Fundamental accounting concept

As at 31 December 2012, the Company has net current liabilities and shareholder's deficit of RM18,357,288 and RM13,708,388 respectively. The Company relies on its holding company for continued financial support and has obtained an undertaking from the holding company to enable it to meet its obligations and liabilities as and when they fall due.

3. Summary of significant accounting policies

3.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

For all periods up to and including the year ended 31 December 2011, the Company prepared its financial statements in accordance with Financial Reporting Standards in Malaysia ("FRS"). These financial statements for the year ended 31 December 2012 are the first the Company has prepared in accordance with MFRS and MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The financial statements of the Company have also been prepared on a historical basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to nearest thousand except when otherwise indicated.

3.2 First-time Adoption of MFRS

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Company has not adjusted the amounts previously reported in financial statements prepared in accordance with FRS as the adoption of the MFRS did not have a material impact on the financial statements. Accordingly, notes relating to the statement of financial position as at the date of transition to MFRS are not presented.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

3. Summary of significant accounting policies (contd.)

3.2 First-time Adoption of MFRS (contd.)

Exemptions Applied

MFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain MFRS. The Company has not applied any of the exemptions allowed by MFRS 1 as they are not applicable to the Company.

Estimates

The estimates at 1 January 2011 and 31 December 2011 are consistent with those made for the same dates in accordance with FRS (after adjustments to reflect any differences in accounting policies). The estimates used by the Company to present these amounts in accordance with MFRS reflect conditions at 1 January 2011, the date of transition to MFRS and as of 31 December 2011.

3.3 Standards Issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Company's financial statements are disclosed below. The Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
MFRS 101: Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)	1 July 2012
Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)	1 January 2013
MFRS 3: Business Combinations (IFRS 3: Business Combinations issued by IASB in March 2004)	1 January 2013
MFRS 10: Consolidated Financial Statements	1 January 2013
MFRS 11: Joint Arrangements	1 January 2013
MFRS 12: Disclosure of interests in Other Entities	1 January 2013
MFRS 13: Fair Value Measurement	1 January 2013
MFRS 119: Employee Benefits	1 January 2013
MFRS 127: Separate Financial Statements	1 January 2013
MFRS 128: Investment in Associate and Joint Ventures	1 January 2013
MFRS 127: Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)	1 January 2013
Amendment to IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009-2011 Cycle)	1 January 2013
IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

3. Summary of significant accounting policies (contd.)

3.3 Standards Issued but not yet effective (contd.)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Government Loans	1 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 132: Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS134: Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to MFRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to MFRS 12: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
MFRS 9: Financial Instruments	1 January 2015

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application.

3.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss as incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

3. Summary of significant accounting policies (contd.)

3.4 Property, plant and equipment (contd.)

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Office equipment	10 years
Laboratory equipment	5 years
Computer equipment	3 years
Furniture, fixtures and fittings	10 years
Motor vehicles	5 years
Books	5 years
IT Infrastructure	3 years
Renovation	5 years

Capital work-in progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

3.5 Impairment of non-financial assets

The carrying amounts of assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the year in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

3. Summary of significant accounting policies (contd.)

3.5 Impairment of non-financial assets (contd.)

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

3.6 Intangible assets

Development expenditure

An intangible asset arising from expenditure incurred on the development of materials for courses is recognised only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the ability of resources to complete and the availability to measure reliably the expenditure during the development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment loss. Any expenditure capitalised is amortised over the period of expected future usage of the materials for a specific course.

Development expenditure is amortised systematically over a period of five years upon the commencement of enrolment of students for the specific course.

The carrying value of development expenditure is reviewed for impairment annually when the asset is not yet in use or more frequently when an indication of impairment arises during the reporting year.

Software

Software is recognised on a cost model basis where the asset is to be carried at cost less any accumulated amortisation and accumulated impairment loss. The software is amortised over 3 years.

The carrying value is reviewed for impairment annually when the asset is not yet in use or more frequently when an indication of impairment arises during the reporting year.

Movie copyright

The movie copyright is recognised on a cost model basis where the asset is to be carried at cost less accumulated amortisation and accumulated impairment loss. The copyright is amortised over 5 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

3. Summary of significant accounting policies (contd.)

3.7 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first in, first out method. The cost of printing materials comprises costs of purchase. The costs of manual and text books comprise costs of printing materials, direct labour and other direct costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

3.8 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.9 Leases

As lessee

Finance leases, which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

As lessor

Leases where the Company retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 3.13(iii).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

3. Summary of significant accounting policies (contd.)

3.10 Income taxes

i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

ii. Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

3. Summary of significant accounting policies (contd.)

3.10 Income taxes (contd.)

ii. Deferred tax (contd.)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.11 Employee benefits

i. Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii. Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

3.12 Foreign currency

i. Functional and presentation currency

The financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

3. Summary of significant accounting policies (contd.)

3.12 Foreign currency (contd.)

ii. Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in Ringgit Malaysia at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss for the year.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the year except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

3.13 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

i. Course and education fees

Course and education fees represent course fees, resource and service fees and processing and administrative fee net of refunds and discount allowed.

Course fees are recognised on an accrual basis whereas non-refundable, resource and services fees and processing and administrative fee are recognised in full upon commencement of the course in profit or loss for the year.

Revenue from course fees is recognised over the duration of the course.

ii. Interest income

Interest income is recognised on an accrual basis using the effective interest method.

iii. Rental income

Rental income is recognised on an accrual basis unless collectibility is in doubt.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

3. Summary of significant accounting policies (contd.)

3.14 Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Company has become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Company determines the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

i. Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date. The Company has not designated any financial assets as at fair value through profit or loss.

ii. Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

3. Summary of significant accounting policies (contd.)

3.14 Financial assets (contd.)

iii. Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current. The Company has not designated any financial assets as held-to-maturity investment.

iv. Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date. The Company has not designated any financial assets as available-for-sale.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commit to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

3. Summary of significant accounting policies (contd.)

3.15 Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the cost at the reversal date. The amount of reversal is recognised in profit or loss.

3.16 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Company has not designated any financial liabilities as at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

3. Summary of significant accounting policies (contd.)

3.16 Financial liabilities (contd.)

ii. Other financial liabilities

The Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.17 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments with a maturity of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Company's cash management.

4. Significant accounting judgements and estimates

(a) Judgements made in applying accounting policies

In the process of applying the Company's accounting policies, there were no significant judgements made by the Company which may have significant effect of the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

4. Significant accounting judgements and estimates (contd.)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i. Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

ii. Depreciation of tangible and intangible assets

The cost of tangible and intangible assets are depreciated on a straight-line basis over the assets' useful lives. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

5. Revenue

	31.12.2012	31.12.2011
	RM	RM
Course fees	14,406,390	11,764,805
Registration and resource fees	1,335,550	1,203,515
Lab and practicum fees	351,413	345,450
Discounts and rebates	(750,655)	(500,954)
	<u>15,342,698</u>	<u>12,812,816</u>

6. Other income

	31.12.2012	31.12.2011
	RM	RM
Miscellaneous collections	556,382	396,326
Rental Income	780,907	298,591
Interest income	101	225
University development operating grant	5,000,000	-
Others	87,349	391,804
	<u>6,424,739</u>	<u>1,086,946</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

7. Employee benefits expense

	31.12.2012	31.12.2011
	RM	RM
Wages and salaries	12,398,549	11,847,939
Social security contributions	108,453	103,718
Contributions to defined contribution plan	1,586,265	1,359,001
Other benefits	348,958	187,603
	<u>14,442,225</u>	<u>13,498,261</u>

Included in employee benefits expense of the Company is director's remuneration amounting to RM75,000 (31.12.2011: RM118,050).

8. Loss before tax

	31.12.2012	31.12.2011
	RM	RM
The following amounts have been included in arriving at loss before tax:		
After charging:		
Amortisation of intangible assets	1,038,818	987,494
Auditors' remuneration		
- current year	30,000	30,000
- other services		-
- overprovision in prior year	(10,000)	(5,000)
Directors' remuneration:	75,000	118,050
Depreciation	910,460	1,072,744
Loss on disposal of property, plant and equipment	1,449	-
Property, plant and equipment written off	1,123	300
Realised exchange loss	208	-
Rental of furniture & fitting	50	-
Rental of plant and equipment	38,373	29,096
Rental of premises	<u>1,432,513</u>	<u>1,280,235</u>
and crediting:		
Gain on disposal of property, plant and equipment	<u>-</u>	<u>271</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

9. Income tax expense

The reconciliation of income tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 December 2012 and 2011 are as follows:

	31.12.2012 RM	31.12.2011 RM
Loss before tax	<u>(8,400,861)</u>	<u>(17,697,913)</u>
Taxation at Malaysian statutory tax rate of 25% (31.12.2011: 25%)	(2,100,215)	(4,424,478)
Expenses not deductible for tax purposes	38,691	12,619
Utilisation of current year business loss for group relief	476,059	749,658
Deferred tax assets not recognised on unutilised tax losses and unabsorbed capital allowances	<u>1,585,465</u>	<u>3,662,201</u>
Income tax expense recognised in profit or loss	<u>-</u>	<u>-</u>

Domestic current income tax is calculated at the Malaysian statutory tax rate of 25% (31.12.2011 : 25%) of the estimated assessable profit for the year.

Tax losses are analysed as follows:

Unutilised tax losses carried forward	63,214,460	58,280,000
Unabsorbed capital allowances carried forward	<u>13,074,324</u>	<u>12,646,000</u>

The unutilised tax losses and unabsorbed capital allowances are available for offsetting against future taxable profits subject to no substantial change in shareholdings of the Company under the Income Tax Act, 1967 and guidelines issued by the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

10. Property, plant and equipment

	Office and laboratory equipment		Furniture, fixtures and fittings		Motor vehicles		Books		IT Infrastructure		Office renovation		Capital work-in-progress		Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
31.12.2012															
Cost															
At 1 January 2012	683,172	2,519,219	295,682	678,522	1,217,205	4,811,862	260,900	258,288	10,724,850						
Additions	135,755	66,293	20,876	-	100,630	63,986	107,779	43,316	538,635						
Disposals	-	(264,000)	(21,314)	-	-	-	-	-	(285,314)						
Written off	(145)	(12,864)	(2,533)	-	-	-	-	-	(15,542)						
At 31 December 2012	818,782	2,308,648	292,711	678,522	1,317,835	4,875,848	368,679	301,604	10,962,629						
Accumulated depreciation															
At 1 January 2012	292,345	2,318,751	105,658	615,487	686,645	4,335,268	39,135	-	8,393,289						
Charge for the year	89,948	133,185	30,016	63,035	209,334	315,615	69,327	-	910,460						
Disposals	-	(264,000)	(12,424)	-	-	-	-	-	(276,424)						
Written off	(85)	(12,864)	(1,470)	-	-	-	-	-	(14,419)						
At 31 December 2012	382,208	2,175,072	121,780	678,522	895,979	4,650,883	108,462	-	9,012,906						
Net carrying amount															
At 31 December 2012	436,574	133,576	170,931	-	421,856	224,965	260,217	301,604	1,949,723						

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

10. Property, plant and equipment (contd.)

	Office and laboratory equipment		Furniture, fixtures and fittings		Motor vehicles		Books		IT Infrastructure		Office renovation		Capital work-in-progress		Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
31.12.2011															
Cost															
At 1 January 2011	584,917	2,442,129	294,682	678,522	1,080,658	4,586,934	-	-	-	-	-	-	-	9,667,842	
Additions	98,950	126,303	1,000	-	136,980	224,928	260,900	258,288	1,107,349						
Disposals	-	-	-	-	(265)	-	-	-	(265)						
Written off	(695)	(49,213)	-	-	(168)	-	-	-	(50,076)						
At 31 December 2011	683,172	2,519,219	295,682	678,522	1,217,205	4,811,862	260,900	258,288	10,724,850						
Accumulated depreciation															
At 1 January 2011	228,951	2,182,608	76,090	508,220	460,148	3,914,454	-	-	7,370,471						
Charge for the year	63,846	185,356	29,568	107,267	226,758	420,814	39,135	-	1,072,744						
Disposals	-	-	-	-	(150)	-	-	-	(150)						
Written off	(452)	(49,213)	-	-	(111)	-	-	-	(49,776)						
At 31 December 2011	292,345	2,318,751	105,658	615,487	686,645	4,335,268	39,135	-	8,393,289						
Net carrying amount															
At 31 December 2011	390,827	200,468	190,024	63,035	530,560	476,594	221,765	258,288	2,331,561						

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

11. Intangible assets

	Development expenditure RM	Software RM	Copyright RM	Total RM
31.12.2012				
Cost				
At 1 January 2012	4,400,143	2,473,633	125,163	6,998,939
Additions	860,860	84,105	37,540	982,505
At 31 December 2012	5,261,003	2,557,738	162,703	7,981,444
Accumulated amortisation				
At 1 January 2012	2,073,029	2,059,860	110,562	4,243,451
Amortisation	803,549	213,157	22,110	1,038,816
At 31 December 2012	2,876,578	2,273,017	132,672	5,282,267
Net carrying amount				
At 31 December 2012	2,384,425	284,721	30,031	2,699,177
31.12.2011				
Cost				
At 1 January 2011	3,847,627	2,122,885	125,163	6,095,675
Additions	552,515	350,748	-	903,263
At 31 December 2011	4,400,142	2,473,633	125,163	6,998,938
Accumulated amortisation				
At 1 January 2011	1,302,142	1,868,286	85,529	3,255,957
Amortisation	770,887	191,574	25,033	987,494
At 31 December 2011	2,073,029	2,059,860	110,562	4,243,451
Net carrying amount				
At 31 December 2011	2,327,113	413,773	14,601	2,755,487

12. Inventories

	31.12.2012 RM	31.12.2011 RM
Printing materials	33,028	60,048
Manuals and text books	1,056,192	1,433,803
	1,089,220	1,493,851

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

13. Other receivables

	31.12.2012	31.12.2011
	RM	RM
Deposits	157,493	115,586
Other receivables	2,265	83,314
Total other receivables	<u>159,758</u>	<u>198,900</u>
Amount due from a related company	44,643	41,916
Cash and bank balances (Note 16)	<u>3,333,663</u>	<u>7,381,895</u>
Total loans and receivables	<u><u>3,538,064</u></u>	<u><u>7,622,711</u></u>

14. Other current assets

	31.12.2012	31.12.2011
	RM	RM
Prepayments	468,607	538,975
Deferred expenses	-	119,098
	<u>468,607</u>	<u>658,073</u>

15. Amount due from a related company

Amount due from a related company is unsecured, non-interest bearing and is repayable upon demand.

16. Cash and bank balances

	31.12.2012	31.12.2011
	RM	RM
Cash at bank and on hand	1,393,663	1,791,895
Repo with a licensed bank	1,600,000	2,350,000
Fixed deposits with a licensed bank	340,000	3,240,000
	<u>3,333,663</u>	<u>7,381,895</u>

The interest rates earned during the financial year and the maturities of deposits as at 31 December 2012 are as follows:

	Interest rate %		Maturities (days)	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Repo	2.00 - 2.80	2.00 - 2.80	3-30 days	4-26 days
Fixed deposits	<u>3.10 - 3.15</u>	<u>3.15</u>	<u>31 days</u>	<u>31 days</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

17. Trade and other payables

	31.12.2012 RM	31.12.2011 RM
Trade payables		
Third parties	175,115	203,980
Other payables		
Accruals	3,240,439	2,924,110
Other payables	994,018	1,256,030
	<u>4,234,457</u>	<u>4,180,140</u>
Total trade and other payables	<u>4,409,572</u>	<u>4,384,120</u>
Amount due to holding company (Note 19)	8,151,379	4,995,516
Total financial liabilities carried at amortised cost	<u>12,560,951</u>	<u>9,379,636</u>

17.1 Trade payables

Trade payables are non-interest bearing and the normal trade credit term granted to the Company is 30 days (31.12.2011: 30 days).

17.2 Other payables

Other payables are non-interest bearing and are normally settled on an average term of 30 days (31.12.2011: 30 days).

18. Other current liabilities

	31.12.2012 RM	31.12.2011 RM
Deferred income	5,680,061	5,557,276
Provision for unutilised leave	212,167	232,298
	<u>5,892,228</u>	<u>5,789,574</u>

Deferred income represents unearned courses fee, unearned tuition fee and other income which are amortised over the duration of the courses.

18.1 Provision for unutilised leave

	31.12.2012 RM	31.12.2011 RM
At 1 January	232,298	238,581
(Utilisation)/Addition during the year - net	(20,131)	(6,283)
At 31 December	<u>212,167</u>	<u>232,298</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

19. Amount due to holding company

The amount due to holding company is unsecured, interest free and has no fixed term of repayment. However, the outstanding amount of RM7,500,000 will be converted into additional allotment of ordinary share capital of RM1 each at par to its holding company, Wawasan Education Foundation ("WEF") on or before 31 December 2013 as additional investment in the Company, pending approval from the Ministry of Higher Education.

20. Share capital

	Number of shares		Amount	
	Ordinary shares of RM 1 each	Irredeemable Preference shares of RM 1 each	Ordinary shares RM	Irredeemable Preference shares RM
Authorised:				
At 1 January 2011	150,000,000	50,000,000	150,000,000	50,000,000
Created during the year	-	-	-	-
At 31 December 2011	150,000,000	50,000,000	150,000,000	50,000,000
Issued and fully paid:				
At 1 January 2011	60,000,000	-	60,000,000	-
Issued during the year	12,000,000	-	12,000,000	-
At 31 December 2011	72,000,000	-	72,000,000	-
Issued during the year	-	-	-	-
At 31 December 2012	72,000,000	-	72,000,000	-

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Irredeemable Preference Shares

The Irredeemable Preference Shares ("IPS") shall confer on their holders thereof the following rights and privileges and be subject to the following conditions:

- (i) The IPS are not redeemable and convertible into ordinary shares of the Company.
- (ii) All IPS issued shall rank parri-passu or equally with each other regardless of the date of issuance. The issuance of IPS in tranches will not be deemed to vary the rights of existing IPS issued by the creation or issuance of further IPS ranking equally with each other.
- (iii) The right to receive out of the profits of the Company's dividends the amount of which shall be determined and declared by the Board of Directors of the Company. Such IPS shall rank in regards to payment of dividend and return of capital in priority to all other shares for the time being of the Company. There is no fixed dividend rate or right.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

20. Share capital (contd.)

Irredeemable Preference Shares (contd.)

- (iv) Subject to Section 148 of the Companies Act, 1965 the IPS holders shall not have any right to vote at any general meetings.
- (v) The IPS holders shall have the right to receive notice, of, to be present and to vote, either in person or by proxy, at any general meeting of the Company or by way of written notice if:
- at the date of the notice or requisition to convene the meeting where the dividends or any part thereof which have been declared by the Board of Directors of the Company remains unpaid for more than 12 months after the date of declaration of dividends; or
 - any resolution is proposed for the winding-up of the Company, in which case the IPS holders may only then vote at such general meeting on the election of a chairman and any motion for adjournment and the resolution for winding-up; or
 - the proposition to be submitted to the meeting that abrogates or varies or otherwise directly effects the special rights and privileges attaching to the IPS or;
 - any resolution is proposed to reduce the Company's share capital.

On a show of hands every holder of IPS present in person shall have one vote and on a poll every such holder present in person or by proxy shall have one vote for every IPS held by the holder. Save as aforesaid the IPS shall confer no further rights to vote or to participate in the profits or assets of the Company.

- (vi) The IPS holders are not entitled to participate in the distribution of surplus assets and profit beyond the dividends declared.
- (vii) The right on winding-up or other return of capital to repayment together with the dividend, to the holders of any other shares in the capital of the Company, of:
- the amounts paid up on the IPS held by them (including any premium); and
 - any arrears or accruals of the fixed dividends on the IPS held by them, whether declared or earned, or not, calculated down to the date of such repayment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

21. Deferred tax

	31.12.2012 RM	31.12.2011 RM
Deferred tax	-	-
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	(676,684)	(882,248)
Deferred tax assets	676,684	882,248
	-	-

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	At 1 January 2012 RM	Recognised in profit or loss RM	At 31 December 2012 RM
Deferred tax liabilities			
Property, plant and equipment	882,248	205,564	676,684
Deferred tax assets			
Unabsorbed capital allowances	(882,248)	(205,564)	(676,684)
	-	-	-
	At 1 January 2011 RM	Recognised in profit or loss RM	At 31 December 2011 RM
Deferred tax liabilities			
Property, plant and equipment	846,100	36,148	882,248
Deferred tax assets			
Unabsorbed capital allowances	(846,100)	(36,148)	(882,248)
	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

21. Deferred tax (contd.)

21.1 Deferred tax assets not recognised

Deferred tax assets have not been recognised in respect of the following items:

	31.12.2012 RM	31.12.2011 RM
Unutilised business losses	63,216,000	58,280,000
Unabsorbed capital allowances	10,368,000	9,117,000
Other deductible temporary differences	67,000	70,000

22. Commitments

(a) Operating lease commitments - as lessee

Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	31.12.2012 RM	31.12.2011 RM
Not later than 1 year	1,059,592	469,200
Between 1 year to 5 years	1,198,978	589,080
Later than 5 years	490,400	539,440
	<u>2,748,970</u>	<u>1,597,720</u>

(b) Operating lease commitments - as lessor

The Company has entered into sub-leases on properties leased from its ultimate holding company, Wawasan Education Foundation. These non-cancellable sub-leases have remaining lease terms of between two and thirty years.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	31.12.2012 RM	31.12.2011 RM
Not later than 1 year	567,371	219,009
Between 1 year to 5 years	883,269	100,197
Later than 5 years	1,440,735	1,502,954
	<u>2,891,375</u>	<u>1,822,160</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

23. Related party disclosures

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Company has the following transactions with related parties during the financial year:

	31.12.2012	31.12.2011
	RM	RM
Advances from holding company	2,500,000	13,400,000
Rental paid to holding company	761,900	761,900
Rental paid to a related company	57,960	54,860
Rental paid to a related party	86,940	86,940
Rental received from a related company	198,000	148,500
Shared expenses paid by a related company	76,877	163,793
Tax loss utilised by a related company	476,059	749,658
University development operating grant received from holding company	<u>5,000,000</u>	<u>-</u>

Information regarding outstanding balances arising from related party transactions as at 31 December 2012 are disclosed in Note 15 and Note 19.

- (b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	31.12.2012	31.12.2011
	RM	RM
Short term employee benefits	551,896	882,781
Post-employment benefits:		
- Defined contribution plan	<u>60,801</u>	<u>97,185</u>
	<u>612,697</u>	<u>979,966</u>

Included in the total compensation of key management personnel are:

Director's remuneration	<u>75,000</u>	<u>118,050</u>
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

24. Fair value of financial instruments

- (a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

As at 31 December 2012, the Company does not have any financial instruments where the fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value.

- (b) **Determination of fair value**

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Other receivables (current)	13
Amount due from a related company	15
Trade and other payables (current)	17

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

Amount due to holding company

The carrying amount of amount due to holding company is a reasonable approximation of fair value as the outstanding amount of RM7,500,000 will be converted into additional allotment of ordinary share capital of RM1 each at par to its holding company, Wawasan Education Foundation ("WEF") on or before 31 December 2013 as additional investment in the Company, pending approval from the Ministry of Higher Education.

25. Financial risk management objectives and policies

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's businesses whilst managing its credit risk, interest rate risk, foreign currency risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Company's policy that no trading in derivative financial instruments shall be undertaken except for the use of hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

25. Financial risk management objectives and policies (contd.)

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Company does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company had no interest rate risk relating to interest bearing debt and had no substantial long term interest bearing assets as at 31 December 2012. The investments in financial assets are mainly short term and fixed rate in nature.

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has transactional currency exposure arising from the grant received from The International Development Research Centre (IDRC) that are denominated in a currency other than the functional currency of the Company. The foreign currencies in which these transactions are denominated are mainly United States Dollars ("USD") and Canadian Dollars ("CAD").

There are no balances denominated in a currency other than the functional currency of the Company as at the reporting date.

(d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Company manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Company maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

25. Financial risk management objectives and policies (contd.)

(d) Liquidity risk (contd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	31.12.2012			Total
	On demand or within one year	One to five years	Over five years	
Trade and other other payables - current	4,409,572	-	-	4,409,572
Amount due to holding company	8,151,379	-	-	8,151,379
	<u>12,560,951</u>	<u>-</u>	<u>-</u>	<u>12,560,951</u>

	31.12.2011			Total
	On demand or within one year	One to five years	Over five years	
Trade and other other payables - current	4,384,120	-	-	4,384,120
Amount due to holding company	4,995,516	-	-	4,995,516
	<u>9,379,636</u>	<u>-</u>	<u>-</u>	<u>9,379,636</u>

26. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2012, 31 December 2011 and 1 January 2011.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

27. Significant event

The Company has applied to the Ministry of Higher Education ("MOHE") for approval to acquire all the shares in a related company, Distel Pulau Pinang Sdn. Bhd. ("DPPSB") from its holding company. As of the date of these financial statements, MOHE has yet to grant the Company approval to acquire DPPSB.



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