



# STAMFORD COLLEGE BERHAD

(Company No. 194977-A)  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2007 - UNAUDITED

In thousands of RM	Note	Three months ended 31 March		Three months ended 31 March	
		2007	2006	2007	2006
<b>Revenue</b>	9	7,856	8,132	7,856	8,132
Operating expenses		(8,566)	(8,646)	(8,566)	(8,646)
Other operating income		776	721	776	721
Interest income		-	4	-	4
Finance costs		(33)	(27)	(33)	(27)
<b>Profit before tax</b>		33	184	33	184
Income tax expense	19	(80)	47	(80)	47
<b>(Loss)/Profit for the period</b>		(47)	231	(47)	231
<b>Attributable to :</b>					
Shareholders of the company		(37)	201	(37)	201
Minority interests		(10)	30	(10)	30
<b>(Loss)/Profit for the period</b>		(47)	231	(47)	231
<b>Basic (loss)/earnings per share (sen)</b>	27	(0.09)	0.50	(0.09)	0.50

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



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## CONDENSED CONSOLIDATED BALANCE SHEETS AT 31 MARCH 2007

In thousands of RM	Note	Unaudited At 31 Mar 2007	Audited At 31 Dec 2006
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	5,856	6,105
Investment property		17,807	17,807
Investment in associates		-	-
Software development expenditure		826	816
Intangible assets		1,774	1,783
Land deposit		6,741	6,741
Deferred tax assets		1,450	1,530
<b>Total non-current assets</b>		<u>34,454</u>	<u>34,782</u>
<b>Current assets</b>			
Inventories		146	188
Trade and other receivables		6,543	4,139
Current tax asset		97	101
Cash and cash equivalents		347	257
<b>Total current assets</b>		<u>7,133</u>	<u>4,685</u>
<b>Total assets</b>		<u>41,587</u>	<u>39,467</u>
<b>EQUITY</b>			
Share capital	7	40,000	40,000
Reserves		(15,826)	(15,789)
<b>Total equity attributable to shareholders of the Company</b>		<u>24,174</u>	<u>24,211</u>
<b>Minority shareholders' interest</b>		315	325
<b>Total equity</b>		<u>24,489</u>	<u>24,536</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	23	265	304
Obligations under finance lease		30	-
<b>Total non-current liabilities</b>		<u>295</u>	<u>304</u>
<b>Current liabilities</b>			
Trade and other payables		14,971	13,349
Borrowings	23	1,818	1,278
Obligations under finance lease		14	-
<b>Total current liabilities</b>		<u>16,803</u>	<u>14,627</u>
<b>Total liabilities</b>		<u>17,098</u>	<u>14,931</u>
<b>Total equity and liabilities</b>		<u>41,587</u>	<u>39,467</u>
Net Assets per Share (RM)		<u>0.61</u>	<u>0.61</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



# STAMFORD COLLEGE BERHAD

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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE ENDED 31 MARCH 2007 - UNAUDITED

In thousands of RM	[----- Attributable to shareholders of the Company -----]						Total equity
	Share capital	Non-distributable Share premium	Accumulated losses	Sub-total	Total	Minority interest	
At 1 January 2006							
As previously stated	40,000	121	(20,559)	(20,438)	19,562	399	19,961
Effect of adopting FRS140	-	-	9,116	9,116	9,116	-	9,116
At 1 January 2006 (restated)	40,000	121	(11,443)	(11,322)	28,678	399	29,077
Net change in composition of Group	-	-	23	23	23	(23)	-
Issuance of Shares	-	-	-	-	-	40	40
Profit for the period	-	-	201	201	201	30	231
At 31 March 2006	40,000	121	(11,219)	(11,098)	28,902	446	29,348
At 1 January 2007	40,000	121	(15,910)	(15,789)	24,211	325	24,536
Loss for the period	-	-	(37)	(37)	(37)	(10)	(47)
At 31 March 2007	40,000	121	(15,947)	(15,826)	24,174	315	24,489

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



# STAMFORD COLLEGE BERHAD

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## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2007 - UNAUDITED

In thousands of RM	Three months ended 31 March 2007	Three months ended 31 March 2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers and receivables	6,129	8,080
Cash paid to suppliers and employees	<u>(6,458)</u>	<u>(7,453)</u>
Cash flows (used in)/generated from operations	(329)	627
Interest paid	(33)	(27)
Income taxes paid	-	(22)
Income taxes refund	<u>4</u>	<u>-</u>
<b>Net cash (used in)/generated from operating activities</b>	<u>(358)</u>	<u>578</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	-	4
Proceed from disposal of property, plant and equipment	3	-
Purchase of property, plant and equipment	(45)	(38)
Software development expenditure	<u>(10)</u>	<u>(157)</u>
<b>Net cash used in investing activities</b>	<u>(52)</u>	<u>(191)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of hire purchase and lease financing	(43)	(64)
Subscription of share in subsidiary by a minority shareholder	-	40
Advances to associates	-	(7)
<b>Net cash used in financing activities</b>	<u>(43)</u>	<u>(31)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(453)	356
<b>Cash and cash equivalents at 1 January</b>	<u>(850)</u>	<u>(272)</u>
<b>Cash and cash equivalents at 31 March</b>	<u>(1,303)</u>	<u>84</u>

### Cash and cash equivalents at the end of the financial period comprise the following:

Deposits placed with licensed banks	38	637
Cash and bank balances	<u>309</u>	<u>440</u>
	347	1,077
Bank Overdraft	<u>(1,650)</u>	<u>(993)</u>
	<u>(1,303)</u>	<u>84</u>

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



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## Part A – Explanatory Notes Pursuant to FRS 134

### 1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134 : Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2006 annual financial statements.

The preparation of an interim financial report in conformity with FRS 134 Interim Financial Reporting requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the 2006 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with FRSS.

### 2. Changes in accounting policies

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statement for year ended 31 December 2006 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for financial period beginning 1 January 2007 :

FRS 6 Exploration for and evaluation of Mineral Resources

Amendment to FRS 119 Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures

FRS 124 Related party Disclosures

FRS 6 and FRS 119 are not applicable to the Group and the Company. Hence, no further disclosure is warranted. The adoption of FRS 124 does not have significant financial impact on the Group.

### 3. Auditors’ report on preceding annual financial statements

The audited annual financial statements for the year ended 31 December 2006 were not subject to any qualification.

### 4. Seasonality of operations

The education segment of the Group’s performance is seasonal. Most of the courses were offered to students for registration during this quarter.



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### 5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter.

### 6. Changes in estimates

There were no changes in estimates that had a material effect in the current quarter and financial period-to-date results.

### 7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

### 8. Dividends paid

No dividends were paid since the end of the previous financial year.

### 9. Segment reporting

The Company's primary format for reporting segment information is business segments. The Group is principally engaged in the provision of academic, tertiary and professional courses and trading of assorted steel products.

In thousands of RM For the three months ended	Education		Trading		Consolidated	
	2007	2006	2007	2006	2007	2006
Revenue from external customers	5,749	6,529	2,107	1,603	7,856	8,132
Segment result	420	595	15	39	435	634
Unallocated expenses					(369)	(427)
Interest Income					-	4
Finance Costs					(33)	(27)
Profit before tax					33	184

The Group operates predominantly in Malaysia and accordingly, information by geographical location on the Group operations is not presented.



## **STAMFORD COLLEGE BERHAD**

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### **10. Property, plant and equipment**

#### **(a) Acquisitions and disposals**

During the three months ended 31 March 2007, the Group acquired items of plant and equipment with a cost of RM45,000 (three months ended 31 March 2006 : RM38,000). Item of equipment with a net book value of RM3,619 were disposed of during the three months ended 31 March 2007 (three months ended 31 March 2006 : Nil) resulting in a loss on disposal of RM604 (three months ended 31 March 2006 : Nil).

#### **(b) Valuations of Property, Plant and Equipment**

There was no revaluation of property, plant and equipment brought forward from the financial statements for the year ended 31 December 2006. The Group does not adopt a revaluation policy on its property, plant and equipment.

The carrying amounts of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

#### **(c) Valuation of Investment Property**

The value of the investment property have been brought forward without amendment from the financial statement for year ended 31 December 2006.

### **11. Post balance sheet events**

Saved as disclosed below, in the opinion of the Directors, no material events have arisen between the end of the reporting period and 23 May 2007, which is not earlier than 7 days from the date of issuance of this quarterly report, which will substantially affect the results of the Group.

Stamford College Berhad had on 4 May 2007, signed a Sale and Purchase of Shares and Shareholders' Agreement with Quill Construction Sdn Bhd ("Quill") for the disposal by Stamford College Berhad of 8,000,000 ordinary shares of RM1.00 each in Stamford College (Selangor) Sdn Bhd ("SCSSB"), a wholly-owned subsidiary of Stamford College Berhad, representing eighty percent (80%) of the total issued and paid-up capital of SCSSB to Quill for a total consideration of RM16,000,000. The proposed disposal is still pending approval of the shareholders and the relevant authorities.

### **12. Changes in the composition of the Group**

Save as disclosed below, there was no changes in the composition of the Group during the current quarter:

On 18 January 2007, Stamford College Berhad ("SCB" or "the Company") disposed of 34,800 ordinary shares of RM1 each representing 30% of its equity interest in Pusat Tuisyen Bersatu Sdn Bhd ("PTBSB") to Dato' Haji Abdul Halim bin Haji Abdul Samad for a cash consideration of RM1 only. ("Disposal").

The disposal had diluted SCB's equity interest in PTBSB from 100% to 70%, thereby rendering PTBSB to become a 70% owned subsidiary of SCB.



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### 13. Contingent Liabilities and Contingent Assets

As at date of this announcement, the company has contingent liabilities amounting to RM5,050,000 in respect of corporate guarantees given to banks to secure general banking facilities for a subsidiary company.

### 14. Capital Commitments

The amount of commitment for the purchase of property, plant and equipment which was contracted but not provided for in the interim financial statements as at 31 March 2007 is RM6,168,000.

## Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

### 15. Review of Performance

Group revenue for the first quarter decreased by RM0.276 million or 3% as compared to the corresponding quarter in the previous year. The revenue from the education segment decreased by RM0.780 million or 12% due to lower student enrolment numbers while the trading division recorded a revenue increase of RM0.504 million or 31% when compared to the corresponding quarter in the previous year.

Group profit before tax for the quarter was RM33,000 as compared to RM184,000 for the corresponding quarter in the previous year. The declining performance was mainly attributed to the reduction in revenue.

### 16. Variation of results against preceding quarter

In thousands of RM	Current Quarter	Immediate Preceding Quarter	Variance
Revenue	<u>7,856</u>	<u>5,414</u>	<u>2,442</u>
Profit/(Loss) before tax	<u>33</u>	<u>(3,700)</u>	<u>3,733</u>

Group revenue relating to education segment for the current quarter increased by RM2.447 million compared to immediate preceding quarter. The increase of education segment revenue was due to more intakes for the current quarter.

The revenue from trading activities during current quarter was RM2.107 million. (3 months ended 31 December 2006 : RM2.112 million).





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### **17. Current year prospects**

The rationalization of centres that was noted in the last quarter has been implemented. Stamford College Ampang has been merged with Stamford Management Centre, another entity within the group. Action has also been taken to eliminate the adverse impact from Stamford College Kuching.

Rationalization of courses are also ongoing with courses that are not contributing to strong enrolments being discontinued and more emphasis placed on those that still attract students. These include a degree in accountancy that will lead students to a professional qualification.

In order to meet the current financial circumstances of the company, the board of directors has proposed a disposal of 8,000,000 ordinary shares in Stamford College (Selangor) Sdn Bhd (SCSSB) to a joint venture partner. The proposed disposal is to enable Stamford College Berhad to enter into a joint venture to develop a parcel land in Petaling Jaya registered under the name of SCSSB for a profit. The disposal is subject to shareholders' approval and approval of regulatory agencies concerned. The transaction would enable Stamford to generate cash for existing operations and to provide funds to explore new business opportunities.

The management is confident that the abovementioned actions would lift the performance of the group in the immediate future.

### **18. Variance on Forecast Profit/Shortfall in Profit Guarantee**

Not applicable as the Group did not publish any profit forecast and profit guarantee.

### **19. Income tax expenses**

<b>In thousands of RM</b>	<b>Three months ended 31 March 2007</b>
Deferred tax	(80)

The deferred tax was in respect of a reversal of temporary differences in a subsidiary company.

### **20. Unquoted investments and properties**

Save as disclosed in note 12, there was no sale of unquoted investments and/or properties for the quarter under review.

### **21. Quoted Securities**

There was no purchase and disposal of quoted securities for the quarter under review.

There was no investment in quoted shares at 31 March 2007.



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### 22. Status of corporate proposals announced

Save as disclosed in Note 11, there was no corporate proposals announced but not completed on 23 May 2007.

### 23. Borrowings

**In thousands of RM**

**At 31 March 2007**

Current (unsecured)

Bank overdraft	1,650
Hire purchase liabilities	168

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1,818

Non-current (unsecured)

Hire purchase liabilities	265
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The above borrowings are denominated in Ringgit Malaysia.

### 24. Off Balance Sheet Financial Instruments

As at the reporting date, the Group does not have any off balance sheet financial instruments.

### 25. Material Litigation

There is a pending suit for a disputed tenancy claim arising out of an early termination of the tenancy agreement for which provision has been made in the previous financial periods and another in respect of advertising charges in which the Company denies liability. The former case is fixed for further case management on 1 August 2007. The court has fixed the trial on 11 to 13 June 2007 on the latter case.

The Kuala Lumpur Sessions Court has ordered the Company and a subsidiary to pay to a former student RM36,920.00 in damages plus cost and interest of 8% per annum from 25 October 2000 until full payment. Pursuant to the aforesaid order, the Company paid the sum of RM58,843.90 to the former student. The Company's solicitors are of the opinion that there are no merits in the claim and the Company has appealed to the High Court against the said decision. The appeal is pending.

The Company's solicitors are also of the view that the aforesaid decision will not bind the court in determining the remaining 23 cases of similar nature pending in court.

Of the 23 cases, 2 cases against the Company were dismissed. The former students in the 2 cases have appealed against the decision. The appeal is pending. One case was found in favour of a former student. The Company is appealing against the decision and the appeal is pending.



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### **26. Dividend**

The Board does not recommend any interim dividend for the current quarter (31 March 2006 : Nil).

### **27. Loss Per Share**

#### **(a) Basic loss per share**

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders for the period by the number of ordinary shares in issue during the period.

#### **(b) Fully diluted loss per share**

Not applicable as the market value of SCB existing shares was lower than the exercise price of converting warrants to SCB ordinary shares and there is unlikely for the warrants holders to exercise the conversion.

### **28. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 May 2007.

### **BY ORDER OF THE BOARD**

#### **CHOW CHOOI YOONG**

Company Secretary

MAICSA 0772574

23 May 2007