



STAMFORD COLLEGE BERHAD

(Company No. 194977-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 - UNAUDITED

| In thousands of RM | Note | Three months ended 31 March | | Three months ended 31 March | |
|--|------|-----------------------------|-------------|-----------------------------|-------------|
| | | 2008 | 2007 | 2008 | 2007 |
| Revenue | 9 | 9,593 | 7,856 | 9,593 | 7,856 |
| Operating expenses | | (9,181) | (8,566) | (9,181) | (8,566) |
| Other operating income | | 868 | 776 | 868 | 776 |
| Interest income | | 41 | - | 41 | - |
| Finance costs | | (8) | (33) | (8) | (33) |
| Share of profit/(loss) of associates | | - | - | - | - |
| Profit before tax | | <u>1,313</u> | <u>33</u> | <u>1,313</u> | <u>33</u> |
| Income tax expense | 19 | (35) | (80) | (35) | (80) |
| Profit /(loss) for the period | | <u>1,278</u> | <u>(47)</u> | <u>1,278</u> | <u>(47)</u> |
| Attributable to : | | | | | |
| Shareholders of the company | | 1,225 | (37) | 1,225 | (37) |
| Minority interests | | 53 | (10) | 53 | (10) |
| Profit/(loss) for the period | | <u>1,278</u> | <u>(47)</u> | <u>1,278</u> | <u>(47)</u> |
| Basic profit/(loss) per share (sen) | 27 | 3.06 | (0.09) | 3.06 | (0.09) |

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED BALANCE SHEETS AT 31 MARCH 2008

| In thousands of RM | Unaudited Note At 31 Mar 2008 | Audited At 31 Dec 2007 |
|---|----------------------------------|---------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 10 3,220 | 3,426 |
| Investment in associates | 3,910 | 3,910 |
| Amount due from Associates | 86 | 89 |
| Software development expenditure | 833 | 833 |
| Intangible assets | 1,832 | 1,842 |
| Land deposit | 6,741 | 6,741 |
| Deferred tax assets | 1,399 | 1,434 |
| Total non-current assets | <u>18,021</u> | <u>18,275</u> |
| Current assets | | |
| Inventories | 193 | 173 |
| Trade and other receivables | 8,026 | 6,326 |
| Current tax asset | 85 | 85 |
| Cash and cash equivalents | 7,584 | 8,164 |
| Total current assets | <u>15,888</u> | <u>14,748</u> |
| Total assets | <u>33,909</u> | <u>33,023</u> |
| EQUITY | | |
| Share capital | 7 40,000 | 40,000 |
| Reserves | (19,463) | (20,688) |
| Total equity attributable to shareholders of the Company | <u>20,537</u> | <u>19,312</u> |
| Minority shareholders' interest | 168 | 115 |
| Total equity | <u>20,705</u> | <u>19,427</u> |
| LIABILITIES | | |
| Non-current liabilities | | |
| Borrowings | 23 152 | 261 |
| Obligations under finance lease | 65 | 77 |
| Total non-current liabilities | <u>217</u> | <u>338</u> |
| Current liabilities | | |
| Trade and other payables | 12,769 | 13,108 |
| Borrowings | 23 173 | 106 |
| Obligations under finance lease | 45 | 44 |
| Total current liabilities | <u>12,987</u> | <u>13,258</u> |
| Total liabilities | <u>13,204</u> | <u>13,596</u> |
| Total equity and liabilities | <u>33,909</u> | <u>33,023</u> |
| Net Assets per Share (RM) | <u>0.52</u> | <u>0.49</u> |

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2008 - UNAUDITED

| In thousands of RM | I----- Attributable to shareholders of the Company -----I | | | | | | Total equity |
|-----------------------|---|---------------------------------|--------------------|-----------|--------|-------------------|--------------|
| | Share capital | Non-distributable Share premium | Accumulated losses | Sub-total | Total | Minority interest | |
| 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 |
| At 1 January 2008 | 40,000 | 121 | (20,809) | (20,688) | 19,312 | 115 | 19,427 |
| Profit for the period | - | - | 1,225 | 1,225 | 1,225 | 53 | 1,278 |
| At 31 March 2008 | 40,000 | 121 | (19,584) | (19,463) | 20,537 | 168 | 20,705 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THREE MONTHS ENDED 31 MARCH 2008 - UNAUDITED

| In thousands of RM | Three months ended 31 Mar 2008 | Three months ended 31 Mar 2007 |
|--|--------------------------------------|--------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash receipts from customers and receivables | 8,735 | 6,129 |
| Cash paid to suppliers and employees | (9,206) | (6,458) |
| Cash flows used in operations | <u>(471)</u> | <u>(329)</u> |
| Interest paid | (8) | (33) |
| Income taxes paid | - | - |
| Income taxes refund | - | 4 |
| Net cash used in operating activities | <u>(479)</u> | <u>(358)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 41 | - |
| Proceeds from disposal of property, plant and equipment | 5 | 3 |
| Purchase of property, plant and equipment | (78) | (45) |
| Purchase of intangible assets | (19) | - |
| Software development expenditure | - | (10) |
| Net cash generated from/(used in) investing activities | <u>(51)</u> | <u>(52)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayments of hire purchase and lease financing | (53) | (43) |
| Repayments from Associates | 3 | - |
| Net cash used in financing activities | <u>(50)</u> | <u>(43)</u> |
| Net increase/(decrease) in cash and cash equivalents | <u>(580)</u> | <u>(453)</u> |
| Cash and cash equivalents at 1 January | <u>8,164</u> | <u>(850)</u> |
| Cash and cash equivalents at 31 December | <u>7,584</u> | <u>(1,303)</u> |
| Cash and cash equivalents at the end of the financial period comprise the following : | | |
| Cash and bank balances | 1,345 | 38 |
| Deposits placed with licensed banks | 6,239 | 309 |
| | <u>7,584</u> | <u>347</u> |
| Bank Overdraft | - | (1,650) |
| | <u>7,584</u> | <u>(1,303)</u> |

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2007 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 2007 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 the year ended 31 December 2007.

3. Auditors' report on preceding annual financial statements

The audited annual financial statements for the year ended 31 December 2007 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.

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.



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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 | |
|--|------------------|-------------|----------------|-------------|---------------------|-------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Revenue from external customers | 6,782 | 5,749 | 2,811 | 2,107 | 9,593 | 7,856 |
| Segment result | 1,658 | 420 | 42 | 15 | 1,700 | 435 |
| Unallocated expenses | | | | | (420) | (369) |
| Interest Income | | | | | 41 | - |
| Finance Costs | | | | | (8) | (33) |
| Profit before tax | | | | | 1,313 | 33 |

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

10. Property, plant and equipment

(a) Acquisitions and disposals

During the three months ended 31 March 2008, the Group acquired items of plant and equipment with a cost of RM77,805 (three months ended 31 March 2007 : RM45,000). Item of equipment with a net book value of RM3,283 were disposed of during the three months ended 31 March 2008 (three months ended 31 March 2007 : RM3,619) resulting in a gain on disposal of RM1,889 (three months ended 31 March 2007 : loss on disposal of RM604).



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(b) Valuations of Property, Plant and Equipment

There were no revaluation of property, plant and equipment brought forward from the financial statements for the year ended 31 December 2007. 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.

11. Post balance sheet events

In the opinion of the Directors, no material events have arisen between the end of the reporting period and 27 May 2008, 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.

12. Changes in the composition of the Group

Save as disclosed below, there were no changes in the composition of the Group during the current quarter and the financial period to date:-

On 22 May 2008, SCB Industries Sdn Bhd, a 99.99% owned subsidiary of Stamford College Berhad, entered into a Sale and Purchase Agreement with the shareholders of Sang Cahaya Sdn Bhd (“Sang Cahaya”) namely Norasmah binti Jupri and Azizah binti Abu to acquire 100% equity interest in Sang Cahaya.

13. Contingent Liabilities and Contingent Assets

As at date of this announcement, the company has contingent liabilities amounting to RM5,070,000 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 2008 is RM6,146,745.

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 increased by RM1.737 million or 22% as compared to the corresponding quarter in the previous year. The increase in revenue was mainly from the education segment which recorded a higher revenue with an increase of RM1.033 million or 18%. The trading division recorded a revenue increase of RM0.704 million or 33% when compare to corresponding quarter in the previous year.



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Group profit before tax for the quarter was RM1.313 million compared to group profit before tax of RM0.033 million for the corresponding quarter in the previous year.

The financial performance for the first quarter has shown significant improvement compared to the corresponding period in the previous year. The encouraging performance was due largely to the increase in student enrolment numbers for the University of East London degree courses in Business, Marketing, Engineering and Computer Science. Niche courses such as Hospitality Education from the Educational Institute of the American Hotel and Lodging Association also continue to attract strong enrolment numbers. Aggressive marketing in the overseas market has also seen an increasing number of foreign students enrolled in the Stamford Colleges. In addition, the Stamford Online courses launched last year has also seen a steady flow of student registration for the established degree and postgraduate courses from foreign universities.

16. Variation of results against preceding quarter

| In thousands of RM | Current Quarter | Immediate Preceding Quarter | Variance |
|--------------------------|-----------------|-----------------------------|--------------|
| Revenue | <u>9,593</u> | <u>6,548</u> | <u>3,045</u> |
| Profit/(Loss) before tax | <u>1,313</u> | <u>(3,813)</u> | <u>5,126</u> |

Group revenue for the current quarter increased by RM3.045 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 RM2.811 million. (3 months ended 31 December 2007 : RM4.210 million).

17. Current Year Prospects

The rationalization of centers and courses that were introduced to consolidate the company's business in the previous year have yielded positive results as highlighted in Note 15. The planned introduction of a degree in accountancy from an Australian university that will take students to a professional qualification recognized by regulatory bodies is scheduled to take in the first intake of students in July 2008. The degree that is being introduced will also offer a major in management.

The Group is also actively sourcing for other degree and postgraduate courses from established foreign universities. Discussions with these foreign universities are in an advanced stage. There are also plans to bring about some diversification to the company's business.

The Board is optimistic that the current year prospects will be positive with the consolidation of the company's business in place and with the imminent introduction of more courses in the current year.



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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

In thousands of RM

**Three months ended
31 March 2008**

Under provision of Malaysian income
tax in prior year
Deferred tax

-
(35)

(35)
====

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 were no sale of unquoted investments and/or properties for the quarter under review.

21. Quoted Securities

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

There were no investment in quoted shares at 31 March 2008.

22. Status of corporate proposals announced

Save as disclosed in Note 12, there were no corporate proposals announced but not completed on 27 May 2008.



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23. Borrowings

| In thousands of RM | At 31 March 2008 |
|--------------------------------|-----------------------------|
| <u>Current (unsecured)</u> | |
| Hire purchase liabilities | 173 |
| <u>Non-current (unsecured)</u> | |
| Hire purchase liabilities | 152 |

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 trial on 2nd and 3rd December 2008. The court has fixed the trial on 19 June 2008 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 RM58,844 to the former student's solicitor. 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 25 cases of similar nature pending in court.

Of the 25 cases, 4 cases against the Company were dismissed with costs. The former students in the 4 cases have appealed against the decision and the appeal is pending. In another case, the Court found in favour of a former student at a much lesser quantum of RM10,931. Both the Company and the former student is appealing against the decision and the appeal is also pending. 7 other cases against the Company were struck off of which 2 are now pending reinstatement application. The remaining 13 cases are still ongoing.

26. Dividend

The Board does not recommend any interim dividend for the financial period ended 31 March 2008 (31 March 2007 : Nil).



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27. Profit/(Loss) Per Share

(a) Basic profit/(loss) per share

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

(b) Fully diluted profit/(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 27 May 2008.

BY ORDER OF THE BOARD

CHOW CHOOI YOONG

Company Secretary
MAICSA 0772574

27 May 2008