



STAMFORD COLLEGE BERHAD

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

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 - UNAUDITED

| In thousands of RM | Note | Three months ended 30 Sept | | Nine months ended 30 Sept | |
|--|------|----------------------------|-------------|---------------------------|--------------|
| | | 2009 | 2008 | 2009 | 2008 |
| Revenue | 9 | 5,532 | 5,888 | 15,996 | 24,726 |
| Operating expenses | | (5,561) | (7,078) | (16,692) | (27,943) |
| Other operating income | | 1,724 | 1,164 | 5,469 | 2,875 |
| Interest income | | - | - | - | 66 |
| Finance costs | | (18) | (18) | (82) | (34) |
| Profit/(loss) before tax | | <u>1,677</u> | <u>(44)</u> | <u>4,691</u> | <u>(310)</u> |
| Income tax expense | 19 | (3) | (1) | (13) | (36) |
| Profit/(loss) for the period | | <u>1,674</u> | <u>(45)</u> | <u>4,678</u> | <u>(346)</u> |
| Attributable to : | | | | | |
| Shareholders of the company | | 1,611 | (42) | 4,529 | (342) |
| Minority interests | | 63 | (3) | 149 | (4) |
| Profit/(loss) for the period | | <u>1,674</u> | <u>(45)</u> | <u>4,678</u> | <u>(346)</u> |
| Basic profit/(loss) per share (sen) | 27 | 4.03 | (0.11) | 11.32 | (0.86) |

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.



STAMFORD COLLEGE BERHAD

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

CONDENSED CONSOLIDATED BALANCE SHEETS AT 30 SEPTEMBER 2009

| In thousands of RM | Unaudited Note At 30 Sept 2009 | Audited At 31 Dec 2008 |
|---|-----------------------------------|---------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 10 29,192 | 20,371 |
| Software development expenditure | 866 | 833 |
| Intangible assets | 1,844 | 1,837 |
| Amount due from Associates | 61 | 61 |
| Land deposit | 6,734 | 6,741 |
| Deferred tax assets | 1,427 | 1,437 |
| Total non-current assets | <u>40,124</u> | <u>31,280</u> |
| Current assets | | |
| Inventories | 249 | 187 |
| Trade and other receivables | 6,411 | 4,041 |
| Assets classified as held for sale | - | 1,935 |
| Current tax asset | 100 | 102 |
| Cash and cash equivalents | 586 | 474 |
| Total current assets | <u>7,346</u> | <u>6,739</u> |
| Total assets | <u>47,470</u> | <u>38,019</u> |
| EQUITY | | |
| Share capital | 7 40,000 | 40,000 |
| Reserves | (17,393) | (21,922) |
| Total equity attributable to shareholders of the Company | <u>22,607</u> | <u>18,078</u> |
| Minority shareholders' interest | 172 | 23 |
| Total equity | <u>22,779</u> | <u>18,101</u> |
| LIABILITIES | | |
| Non-current liabilities | | |
| Other payables* | 1,214 | - |
| Borrowings | 23 598 | 710 |
| Obligations under finance lease | 19 | 63 |
| Total non-current liabilities | <u>1,831</u> | <u>773</u> |
| Current liabilities | | |
| Trade and other payables | 14,730 | 17,232 |
| Fees received in advance** | 7,168 | - |
| Borrowings | 23 905 | 1,850 |
| Obligations under finance lease | 57 | 63 |
| Total current liabilities | <u>22,860</u> | <u>19,145</u> |
| Total liabilities | <u>24,691</u> | <u>19,918</u> |
| Total equity and liabilities | <u>47,470</u> | <u>38,019</u> |
| Net Assets per Share (RM) | <u>0.57</u> | <u>0.45</u> |

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

* Education Fund has been reclassified from current liabilities to non current liabilities under "Other Payables" due to its long term and continuous nature. Utilisation depends on the application from the education fund beneficiaries.

**Fees received in advance will be recognised as revenue to the College when new semesters commence.



STAMFORD COLLEGE BERHAD

(Company No. 194977-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 - UNAUDITED

| In thousands of RM | I----- Attributable to shareholders of the Company -----I | | | | | | Total equity |
|-----------------------|---|-------------------------------------|------------------------|---------------------|--------|-------------------|--------------|
| | Share capital | Non-distributable Share premium (a) | Accumulated losses (b) | Sub-total (a) + (b) | Total | Minority interest | |
| At 1 January 2008 | 40,000 | 121 | (20,809) | (20,688) | 19,312 | 115 | 19,427 |
| Loss for the period | - | - | (342) | (342) | (342) | (4) | (346) |
| At 30 September 2008 | 40,000 | 121 | (21,151) | (21,030) | 18,970 | 111 | 19,081 |
| At 1 January 2009 | 40,000 | 121 | (22,043) | (21,922) | 18,078 | 23 | 18,101 |
| Profit for the period | - | - | 4,529 | 4,529 | 4,529 | 149 | 4,678 |
| At 30 September 2009 | 40,000 | 121 | (17,514) | (17,393) | 22,607 | 172 | 22,779 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.



STAMFORD COLLEGE BERHAD

(Company No. 194977-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR NINE MONTHS ENDED 30 SEPTEMBER 2009 - UNAUDITED

| In thousands of RM | Nine months ended 30 Sept 2009 | Nine months ended 30 Sept 2008 |
|--|--------------------------------------|--------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash receipts from customers and receivables | 23,671 | 23,174 |
| Cash paid to suppliers and employees | (15,569) | (23,897) |
| Cash flows used in operations | 8,102 | (723) |
| Interest paid | (82) | (34) |
| Income taxes paid | (3) | (1) |
| Income taxes refund | - | - |
| Net cash generated from/(used in) operating activities | 8,017 | (758) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | - | 66 |
| Proceeds from disposal of property, plant and equipment | 6 | 25 |
| Proceeds from disposal of investment | 2,800 | - |
| Purchase of property, plant and equipment | (9,512) | (7,410) |
| Purchase of intangible assets | (92) | (74) |
| Investment in subsidiary | - | (36) |
| Net cash used in investing activities | (6,798) | (7,429) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayments of hire purchase and lease financing | (305) | (170) |
| Net cash used in financing activities | (305) | (170) |
| Net increase/(decrease) in cash and cash equivalents | 914 | (8,357) |
| Cash and cash equivalents at 1 January | (1,069) | 8,164 |
| Cash and cash equivalents at 30 September | (155) | (193) |
| Cash and cash equivalents at the end of the financial period comprise the following : | | |
| Cash and bank balances | 545 | 582 |
| Deposits placed with licensed banks | 41 | 40 |
| | 586 | 622 |
| Bank Overdraft | (741) | (815) |
| | (155) | (193) |

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.



STAMFORD COLLEGE BERHAD

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

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 2008 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 2008 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 2008.

3. Auditors' report on preceding annual financial statements

The audited annual financial statements for the year ended 31 December 2008 were not subject to any qualification. However, the auditors have modified the report by adding an emphasis of matter paragraph to highlight that the financial statements have been prepared based on going concern assumption notwithstanding that the current liabilities appearing in the financial statement exceeded its current assets. This resulting financial position was mainly due to the acquisition of a new subsidiary company by the Company and capital expenditure incurred in the manufacturing facilities by the new subsidiary company.

4. Seasonality of operations

The education segment of the Group's performance is seasonal. Degree programmes with larger enrolment numbers were offered during the quarter under review.

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 quarter under review.



STAMFORD COLLEGE BERHAD

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

6. Changes in estimates

There were no changes in estimates that had a material effect in the quarter under review 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 quarter under review.

8. Dividends paid

No dividends were paid since the end of the preceding 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. The Company has also embarked into a micro steel mill project through the acquisition of a subsidiary company, Sang Cahaya Sdn. Bhd. The micro steel mill is principally engaged in the manufacture of all kinds of steel products. The manufacturing activity has not commenced commercial production and does not have any rental income.

| In thousands of RM For the nine months ended | Education | | Trading | | Manufacturing | | Consolidated | |
|---|------------------|-------------|----------------|-------------|----------------------|-------------|---------------------|-------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Revenue from external customers | 15,996 | 16,481 | - | 8,245 | - | - | 15,996 | 24,726 |
| Segment result | 5,628 | 705 | - | 184 | - | - | 5,628 | 889 |
| Unallocated expenses | | | | | | | (855) | (1,231) |
| Interest Income | | | | | | | - | 66 |
| Finance Costs | | | | | | | (82) | (34) |
| Profit/(Loss) before tax | | | | | | | 4,691 | (310) |

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



STAMFORD COLLEGE BERHAD

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

10. Property, plant and equipment

(a) Acquisitions and disposals

During the nine months ended 30 September 2009, the Group acquired items of plant and equipment with a cost of RM9.512 million (Nine months ended 30 September 2008 : RM7.550 million of which RM140,000 was financed through hire purchase and finance lease).

(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 2008. 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 25 November 2009, 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:-

Stamford Education Networks Sdn Bhd, (formerly known as Cyma College Sdn Bhd), (SEN) a wholly owned subsidiary of Stamford College Berhad, had on 7 November 2008, signed a Sale of Shares Agreement with Wawasan Education Foundation (WEF) for the disposal by SEN of 40,000 ordinary shares of RM1.00 each in the share capital of Distid Stamford Sdn Bhd,(DSSB), an associate company of Stamford College Berhad, representing twenty percent (20%) of the total paid up share capital of DSSB to WEF for a total consideration of RM470,400. The Disposal was completed on 12 January 2009 and DSSB ceased to be an associate company of Stamford College Berhad as at that date.

Stamford College Berhad had on 2 December 2008 signed a Sale of Shares Agreement with Quill Lot 308 Sdn Bhd ('QUILL') for the disposal by Stamford College Berhad of 2,000,000 ordinary shares of RM1.00 each in the share capital of Quill-Stamford Lot 308 Sdn Bhd ("QSSB"), representing twenty percent (20%) of the total issued and paid up capital of QSSB to QUILL for a total cash consideration of RM4,800,000. The full purchase price was received on 13 February 2009.



STAMFORD COLLEGE BERHAD

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

13. Contingent Liabilities and Contingent Assets

As at date of this announcement, the company has contingent liabilities amounting to RM5,080,000 in respective of corporate guarantees given to banks to secure general banking facilities comprising of RM3 million for foreign exchange line, RM2 million overdraft and RM80,000 for the provision of services.

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 30 September 2009 is RM6,233,295.

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

15. Review of Performance

The revenue for the Group for the quarter under review was RM5.532 million as compared to RM5.888 million recorded in the corresponding quarter in the preceding year decreased by RM0.356 million or 6%.

The profit before tax for the Group for the quarter under review was RM1.677 million as compared to the group's loss before tax of RM0.044 million for the corresponding quarter in the preceding year.

For the nine months ended 30 September 2009, the Group recorded a profit before tax of RM4.691 million compared to RM0.310 million loss in the corresponding period in the preceding year.

The significant improvement in profit before tax, both for the quarter under review as well as nine months was mainly due to the fact that more students were registered for degree programmes, more efficient use and deployment of resources through rationalization of centres and programmes, a gain of RM0.824 million on disposal of 20% interest in an associate company, reversal of accruals overprovided and deposits write back.

16. Variation of results against preceding quarter

| In thousands of RM | Current Quarter | Immediate Preceding Quarter | Variance |
|--------------------|-----------------|-----------------------------|--------------|
| Revenue | <u>5,532</u> | <u>3,757</u> | <u>1,775</u> |
| Profit before tax | <u>1,677</u> | <u>154</u> | <u>1,523</u> |



STAMFORD COLLEGE BERHAD

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

The Group's revenue for the current quarter increased by RM1.775 million compared to immediate preceding quarter. The increase in revenue was mainly due to larger enrolment numbers for degree programmes being offered in the quarter under review.

17. Current Year Prospects

The rationalization of centres and courses implemented in the beginning of 2008 and the relocation of centers in Kuala Lumpur to Petaling Jaya at the end of third quarter of 2008 had resulted in a significant improvement in financial performance through cost savings. The rationalization exercise is expected to continue to yield positive results for the year.

In sourcing for other degree and postgraduate courses from established foreign universities, Stamford College has obtained approval from University of East London to offer Master in Technology Management, Master in Computer Systems Engineering and a degree in Business Information Systems. Master in Business Administration of University of Ballarat, Australia is also currently offered at Stamford College.

The Stamford Online education portal launched on 3 September 2007 providing a platform for the development of full online courses, is continued to offer to students.

The diversification from the company's business has seen the establishment of a micro steel mill project located in the outskirts of Klang Valley. The plant is in the process of commissioning and testing of production machinery. The plant is expected to be operational by the last quarter of 2009.

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 30 Sept 2009 | Nine months ended 30 Sept 2009 |
|--|------------------------------------|-----------------------------------|
| Under provision of Malaysian income tax in prior year | (3) | (3) |
| Deferred tax | - | (10) |
| | ----- | ----- |
| | (3) | (13) |
| | ==== | ==== |

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



STAMFORD COLLEGE BERHAD

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

20. Unquoted investments and properties

Save as disclosed in Note 11 and 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 as at 30 September 2009.

22. Status of corporate proposals announced

There were no corporate proposals announced but not completed on 25 November 2009.

23. Borrowings

In thousands of RM

At 30 September
2009

Current (unsecured)

Bank Overdraft

741

Hire purchase liabilities

164

905

Non-current (unsecured)

Hire purchase liabilities

598

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 was fixed for trial on 27 to 29 October 2009. On 29 October 2009, Consent Judgement was entered wherein SCB had agreed to settle the sum of RM1,450,000 to the landlord inclusive of interest and costs. The settlement sum is to be paid to the landlord's solicitors in 14 instalments on or before 7 of each month. The first instalment of RM150,000 is to be paid on 7 December 2009 and subsequent instalment of RM100,000 each month until full settlement. On the latter case, the Kuala Lumpur High Court had on 18 May 2009 allowed the plaintiff's claim but the



STAMFORD COLLEGE BERHAD

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

quantum of claim had yet to be assessed. The Company had instructed its solicitors to file an application for stay of execution and to appeal against the Kuala Lumpur High Court's decision. The matter is now pending appeal and hearing of our application for stay of execution.

The Kuala Lumpur Sessions court has ordered the Company and a subsidiary to pay to a former student RM36,920 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 5 cases of similar nature pending in court.

26. Dividend

The Board does not recommend any interim dividend for the financial nine months ended 30 September 2009 (30 September 2008 : Nil).

27. Profit Per Share

(a) Basic profit per share

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

(b) Fully diluted profit 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 25 November 2009.

BY ORDER OF THE BOARD

CHOW CHOOI YOONG

Company Secretary
MAICSA 0772574

25 November 2009