



STAMFORD COLLEGE BERHAD

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

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR YEAR ENDED 31 DECEMBER 2009 - UNAUDITED

In thousands of RM	Note	Three months ended 31 Dec		Year ended 31 Dec	
		2009	2008	2009	2008
Revenue	9	4,355	3,793	20,351	28,519
Operating expenses	9	(8,160)	(6,318)	(24,852)	(34,261)
Other operating income		1,477	1,518	6,946	4,393
Interest income		-	1	-	67
Finance costs		(25)	(33)	(107)	(67)
Share of profit of associates		-	25	-	25
Profit/(loss) before tax		<u>(2,353)</u>	<u>(1,014)</u>	<u>2,338</u>	<u>(1,324)</u>
Income tax expense	19	-	34	(13)	(2)
Profit/(loss) for the period		<u>(2,353)</u>	<u>(980)</u>	<u>2,325</u>	<u>(1,326)</u>
Attributable to :					
Shareholders of the company		(2,285)	(892)	2,244	(1,234)
Minority interests		(68)	(88)	81	(92)
Profit/(loss) for the period		<u>(2,353)</u>	<u>(980)</u>	<u>2,325</u>	<u>(1,326)</u>
Basic profit/(loss) per share (sen)	27	(5.71)	(2.23)	5.61	(3.09)

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 31 DECEMBER 2009

In thousands of RM	Note	Unaudited At 31 Dec 2009	Audited At 31 Dec 2008
ASSETS			
Non-current assets			
Property, plant and equipment	10	20,554	20,371
Software development expenditure		866	833
Intangible assets	10	13,052	1,837
Amount due from Associates		62	61
Land deposit		-	6,741
Deferred tax assets		1,427	1,437
Total non-current assets		<u>35,961</u>	<u>31,280</u>
Current assets			
Inventories		218	187
Trade and other receivables		4,708	4,041
Assets classified as held for sale		-	1,935
Current tax asset		100	102
Cash and cash equivalents		3,490	474
Total current assets		<u>8,516</u>	<u>6,739</u>
Total assets		<u>44,477</u>	<u>38,019</u>
EQUITY			
Share capital	7	40,000	40,000
Reserves		(19,678)	(21,922)
Total equity attributable to shareholders of the Company		<u>20,322</u>	<u>18,078</u>
Minority shareholders' interest		<u>104</u>	<u>23</u>
Total equity		<u>20,426</u>	<u>18,101</u>
LIABILITIES			
Non-current liabilities			
Other payables*		2,601	-
Borrowings	23	464	710
Obligations under finance lease		10	63
Total non-current liabilities		<u>3,075</u>	<u>773</u>
Current liabilities			
Trade and other payables		13,211	17,232
Fees received in advance**		6,185	-
Borrowings	23	1,531	1,850
Obligations under finance lease		49	63
Total current liabilities		<u>20,976</u>	<u>19,145</u>
Total liabilities		<u>24,051</u>	<u>19,918</u>
Total equity and liabilities		<u>44,477</u>	<u>38,019</u>
Net Assets per Share (RM)		<u>0.51</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 of RM1.313 million has been reclassified from current liabilities to non current liabilities under "Other Payables due to its long term and continuous nature. Revenue is recognised upon utilisation of the education fund by the beneficiary students. (2008 : RM0.946 million)

**Security deposit and student bond amounting to RM1.288 million are reclassified as "Other Payables" and refundable 12 months later. (2008 : RM0.633m)

**Fees received in advance will be recognised as revenue to the College when new semesters commence. (2008 : RM3.981m)



STAMFORD COLLEGE BERHAD

(Company No. 194977-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 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	-	-	(1,234)	(1,234)	(1,234)	(92)	(1,326)
At 31 December 2008	40,000	121	(22,043)	(21,922)	18,078	23	18,101
At 1 January 2009	40,000	121	(22,043)	(21,922)	18,078	23	18,101
Profit for the period	-	-	2,244	2,244	2,244	81	2,325
At 31 December 2009	40,000	121	(19,799)	(19,678)	20,322	104	20,426

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 YEAR ENDED 31 DECEMBER 2009 - UNAUDITED

In thousands of RM	Unaudited Year ended 31 Dec 2009	Audited Year ended 31 Dec 2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers and receivables	30,469	34,599
Cash paid to suppliers and employees	(21,087)	(32,636)
Cash flows used in operations	9,382	1,963
Interest paid	(106)	(67)
Income taxes paid	(2)	(3)
Income taxes refund	-	2
Net cash generated from/(used in) operating activities	9,274	1,895
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	-	67
Proceeds from disposal of property, plant and equipment	7	28
Proceeds from disposal of subsidiary	3,913	-
Proceeds from disposal of investment	2,800	2,470
Purchase of property, plant and equipment	(1,336)	(13,295)
Purchase of intangible assets	(11,011)	(129)
Investment in subsidiary	-	(36)
Net cash used in investing activities	(5,627)	(10,895)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of hire purchase and lease financing	(380)	(261)
Repayment from associates	-	28
Net cash used in financing activities	(380)	(233)
Net increase/(decrease) in cash and cash equivalents	3,267	(9,233)
Cash and cash equivalents at 1 January	(1,069)	8,164
Cash and cash equivalents at 31 December	2,198	(1,069)
Cash and cash equivalents at the end of the financial period comprise the following :		
Cash and bank balances	3,490	434
Deposits placed with licensed banks	-	40
	3,490	474
Bank Overdraft	(1,292)	(1,543)
	2,198	(1,069)

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. The major courses offered during the quarter were Degree in Business, Engineering and Computing.

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 year ended	Education		Trading		Manufacturing		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008
Revenue from external customers	20,351	20,274	-	8,245	-	-	20,351	28,519
Segment result	3,667	285	-	178	-	(75)	3,667	388
Unallocated expenses							(1,223)	(1,737)
Interest Income							-	67
Finance Costs							(106)	(67)
Share of results of associates								25
Profit/(Loss) before tax							2,338	(1,324)

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

Operating expenses include RM1.72 million being loss on disposal of a 98.88% owned subsidiary company.



STAMFORD COLLEGE BERHAD

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

10. Property, plant and equipment

(a) Acquisitions and disposals

During the year ended 31 December 2009, the Group acquired items of plant and equipment with a cost of RM1.336 million (year ended 31 December 2008 : RM14.211 million of which RM916,498 was financed through hire purchase and finance lease). Item of equipment with net book value of RM5,157 was disposed off during the year ended 31 December 2009 (year ended 31 December 2008 : RM38,304) resulting a gain of disposal of RM1,555 (year ended 31 December 2008 : loss on disposal RM9,479).

In addition, RM11.20 million worth of machinery were reclassified from plant and machinery to development costs as defined under FRS 138 Intangible Assets. The reclassification reflects the costs incurred in the training of skilled labour in relation to the design, development and implementation of a technically new production processes. The production technique is expected to generate the flow of future economic benefits into the company from the sale of products resulting from the use of the asset.

(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 February 2010, 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 Distd 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

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

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 had on 1 December 2009 signed a Sales and Purchase of Shares Agreement with Dato' Lee Swee Ann, Lee Kok Hing, Lee Kien Huat and Lee Swee Hong for the disposal by Stamford College Berhad of 1,760,000 ordinary shares of RM1.00 each in the share capital of Advantage 2000 Dotcom Sdn Bhd (ADSB), representing 98.88% of the total issued and paid up capital of ADSB for a total cash consideration of RM3,913,179. The transaction was completed on 30 December 2009

13. Contingent Liabilities and Contingent Assets

As at date of this announcement, the company has contingent liabilities amounting to RM4,990,000 in respective of corporate guarantees given to banks to secure general banking facilities comprising of RM3 million for foreign exchange line, RM1.910 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 31 December 2009 is RM421,940.



STAMFORD COLLEGE BERHAD

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

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 RM4.355 million as compared to RM3.793 million recorded in the corresponding quarter in the preceding year, representing an increase of RM0.562 million or 14.82%.

The loss before tax for the Group for the quarter under review was RM2.353 million as compared to the group's loss before tax of RM1.014 million for the corresponding quarter in the preceding year. The following factors were attributable to the substantial losses being incurred during the quarter under review:

- 1 Loss on disposal of a subsidiary company amounting to RM1.72 million;
- 2 Legal expenses on instituting legal proceeding against a franchise partner for wrongful termination of collaboration agreement and professional fees for the upliftment of PN17 status. The legal expenses and professional fees incurred to date amount to RM0.346 million;
- 3 Provision for doubtful debts of RM0.366 million on students who have already dropped out from the college.

Nevertheless, the Group had recorded profit before tax of RM2.338 million for the twelve months ended 31 December 2009 compared to a loss before tax of RM1.324 million in the corresponding year. The improvement in profit before tax was mainly due to 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>4,355</u>	<u>5,532</u>	<u>(1,177)</u>
Profit before tax	<u>(2,353)</u>	<u>1,677</u>	<u>(4,030)</u>

The Group's revenue for the current quarter decreased by RM1.177 million compared to immediate preceding quarter. Most of the programmes have not commenced their new semester during the quarter under review.



STAMFORD COLLEGE BERHAD

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

17. Prospects for the next financial year ending 31 December 2010

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 coming 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 had commenced trial commercial production on 1 February 2010.

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 December 2009	Year ended 31 December 2009
Under provision of Malaysian income tax in prior year	-	(3)
Deferred tax	-	(10)
	-----	-----
	-	(13)
	====	====

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.



STAMFORD COLLEGE BERHAD

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

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 31 December 2009.

22. Status of corporate proposals announced

There were no corporate proposals announced but not completed on 25 February 2010.

23. Borrowings

In thousands of RM

At 31 December 2009

Current (unsecured)

Bank Overdraft

1,292

Hire purchase liabilities

239

1,531

Non-current (unsecured)

Hire purchase liabilities

464

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 in respect of advertising charges in which the Company denies liability. The Kuala Lumpur High Court had on 18 May 2009 allowed the plaintiff's claim but the quantum of claim had yet to be assessed. The Company had filed an application for stay of execution and appealed against the Kuala Lumpur High Court's decision. The hearing of the appeal and stay of execution is pending.

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.



STAMFORD COLLEGE BERHAD

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

The Company had on 16 October 2009 submitted a request for arbitration to the International Chamber of Commerce International Court of Arbitration (“ICC”) at its Asia Office in Hong Kong on a claim for the loss and damages suffered by the Company arising from the wrongful termination by UNN of the Agreements dated 23 May 2003 made between the Company and UNN which permits the Company to offer the UNN’s BEng (Hons) Electrical and Electronic Engineering programme on a part-time basis and BA (Hons) International Business Administration, BA (Hons) Marketing, BA (Hons) Accounting and Finance, MA Marketing and MA International Business Administration programmes on a full-time and part-time basis. The ICC had nominated the arbitrator on 7 December 2009. UNN filed its Answer on 21-12-2009. The Arbitrator is to draw up the Terms of Reference.

The Company’s solicitors are of the opinion that the Company has a good chance of success in its claim against the franchise partner.

26. Dividend

The Board does not recommend any interim dividend for the financial year ended 31 December 2009 (31 December 2009 : Nil).

27. Profit Per Share

(a) Basic profit per share

Basic profit/(loss) 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 February 2010.

BY ORDER OF THE BOARD

CHOW CHOOI YOONG

Company Secretary
MAICSA 0772574

25 February 2010