



STAMFORD COLLEGE BERHAD

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

In thousands of RM	Note	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
		Current quarter ended 30 June 2010	Comparative quarter ended 30 June 2009	Current year to date ended 30 June 2010	Preceding year to date ended 30 June 2009
Revenue	9	6,962	3,757	16,702	10,464
Operating expenses		(9,542)	(5,388)	(18,128)	(11,131)
Other operating income		959	1,825	2,161	3,745
Interest income		-	-	-	-
Finance costs		(31)	(40)	(46)	(64)
Profit/(Loss) before tax		<u>(1,652)</u>	<u>154</u>	<u>689</u>	<u>3,014</u>
Income tax expense	19	382	-	(263)	(10)
Profit/ (Loss) for the period		<u>(1,270)</u>	<u>154</u>	<u>426</u>	<u>3,004</u>
Attributable to :					
Shareholders of the company		(1,279)	106	336	2,918
Non-controlling interest		9	48	90	86
Profit/ (Loss) for the period		<u>(1,270)</u>	<u>154</u>	<u>426</u>	<u>3,004</u>
Basic profit/ (loss) per share (sen)	27	(3.20)	0.27	0.84	7.30

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



STAMFORD COLLEGE BERHAD

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Current quarter ended	Comparative quarter ended	Current year to date ended	Preceding year to date ended
In thousands of RM	30 June 2010	30 June 2009	30 June 2010	30 June 2009
Profit/(Loss) for the period	(1,270)	154	426	3,004
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income/ (loss) for the period , net of tax	<u>(1,270)</u>	<u>154</u>	<u>426</u>	<u>3,004</u>
Total comprehensive income/ (loss) attributable to :				
Shareholders of the company	(1,279)	106	336	2,918
Non-controlling interest	9	48	90	86
Profit/(Loss) for the period	<u>(1,270)</u>	<u>154</u>	<u>426</u>	<u>3,004</u>

The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



STAMFORD COLLEGE BERHAD

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of RM		Unaudited Note At 30 June 2010	Audited At 31 Dec 2009
ASSETS			
Non-current assets			
Property, plant and equipment	10	20,168	20,554
Software development expenditure		391	866
Intangible assets	10	13,886	13,051
Amount due from Associates		64	62
Deferred tax assets		1,164	1,427
Total non-current assets		<u>35,673</u>	<u>35,960</u>
Current assets			
Inventories		2,856	218
Trade and other receivables		7,549	4,708
Current tax asset		102	101
Cash and cash equivalents		434	3,490
Total current assets		<u>10,941</u>	<u>8,517</u>
Total assets		<u>46,614</u>	<u>44,477</u>
EQUITY			
Share capital	7	40,000	40,000
Reserves		(19,462)	(19,798)
Total equity attributable to shareholders of the Company		<u>20,538</u>	<u>20,202</u>
Non-controlling interest		<u>314</u>	<u>224</u>
Total equity		<u>20,852</u>	<u>20,426</u>
LIABILITIES			
Non-current liabilities			
Payables and deposits *		2,876	2,601
Borrowings	23	95	116
Obligations under finance lease		298	358
Total non-current liabilities		<u>3,269</u>	<u>3,075</u>
Current liabilities			
Trade and other payables		15,904	13,211
Fees received in advance**		4,913	6,185
Borrowings	23	1,528	1,417
Obligations under finance lease		148	163
Total current liabilities		<u>22,493</u>	<u>20,976</u>
Total liabilities		<u>25,762</u>	<u>24,051</u>
Total equity and liabilities		<u>46,614</u>	<u>44,477</u>
Net Assets per Share (RM)		<u>0.51</u>	<u>0.51</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

* Education Fund of RM1.512 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. (Six months ended 30 June 2009 : RM1.122 million)

**Security deposit and student bond amounting to RM1.365 million are reclassified as "Other Payables" and refundable 12 months later. (Six months ended 30 June 2009 : RM1.070m)

**Fees received in advance will be recognised as revenue to the College when new semesters commence. (Six months ended 30 June 2009 : RM5.570m)



STAMFORD COLLEGE BERHAD

(Company No. 194977-A)

(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

In thousands of RM	I----- Attributable to shareholders of the Company -----I				Total	Non- controlling interest	Total equity
	Share capital	Non- distributable Share premium (a)	Accumulated losses (b)	Sub- total (a) + (b)			
At 1 January 2009	40,000	121	(22,043)	(21,922)	18,078	23	18,101
Profit for the period	-	-	2,918	2,918	2,918	86	3,004
At 30 June 2009	40,000	121	(19,125)	(19,004)	20,996	109	21,105
At 1 January 2010	40,000	121	(19,919)	(19,798)	20,202	224	20,426
Profit for the period	-	-	336	336	336	90	426
At 30 June 2010	40,000	121	(19,583)	(19,462)	20,538	314	20,852

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



STAMFORD COLLEGE BERHAD

(Company No. 194977-A)

(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010 UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of RM	Current year to date ended 30 Jun 2010	Preceding year to date ended 30 Jun 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers and receivables	14,198	14,366
Cash paid to suppliers and employees	(15,865)	(10,113)
Cash flows generated from/(used in) operations	<u>(1,667)</u>	<u>4,253</u>
Interest paid	(46)	(64)
Income taxes paid	(3)	-
Income taxes refund	-	-
Net cash generated from/(used in) operating activities	<u>(1,716)</u>	<u>4,189</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net of cash, disposal of investment in associate	-	2,800
Purchase of property, plant and equipment	(209)	(5,638)
Purchase of intangible assets	(1,147)	(75)
Net cash generated used in investing activities	<u>(1,356)</u>	<u>(2,913)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of hire purchase and lease financing	(139)	(219)
Advances to associates	-	(1)
Net cash used in financing activities	<u>(139)</u>	<u>(220)</u>
Net increase/(decrease) in cash and cash equivalents	(3,211)	1,056
Cash and cash equivalents at 1 January	<u>2,198</u>	<u>(1,069)</u>
Cash and cash equivalents at 30 June	<u>(1,013)</u>	<u>(13)</u>
Cash and cash equivalents at the end of the financial period comprise the following :		
Cash and bank balances	434	437
Deposits placed with licensed banks	-	40
	<u>434</u>	<u>477</u>
Bank Overdraft	(1,447)	(1,581)
	<u>(1,013)</u>	<u>(1,104)</u>

The Condensed Consolidated Statement Of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 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 should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

The significant accounting policies adopted are consistent with those of the audited financial statement for the year ended 31 December 2009, except the adoption of the following new Financial Reporting Standards (FRSs), Amendment to FRs and the Interpretations with effects from 1 January 2010. On 1 January 2010, the Group adopted the following FRSs :-

a) FRS 8 : Operating Segments

FRS 8 requires disclosure of information about Group's operating segments and replaced the requirement to determined primary (business) and secondary (geographical) reporting segments of the Group. The Group concluded that the operating segments determined in accordance with FRS 8 are the same as the business segments previously adopted. Adoption of FRS 8 did not have any effect on the financial position or performance of the Group.

b) FRS 101 : Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements.

With the adoption of the revised FRS 101, the components of the interim financial statements presented consist of a statement of financial position, an income statement, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

The revised FRS 101 requires the Group to present all owner changes in equity and all non-owner changes be presented in either in one statement of comprehensive income or in two separate statements of income and comprehensive income. In addition, the standards require retrospective restatement of comparative statement of financial position as at beginning of the earliest comparative period.

The adoption of FRS 101 did not impact the financial position or results of the Group as the changes introduced are presentational in nature.

c) FRS 139 : Financial Instruments : Recognition and Measurement

The adoption of FRS 139 has resulted in changes to the accounting policies relating to recognition and measurement of financial instruments. A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial instrument is recognized initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition or issue of the financial instrument.



STAMFORD COLLEGE BERHAD

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

Borrowings

Prior to the adoption of FRS 139, transaction costs attributable to borrowings were expensed off as incurred. With the adoption of FRS 139, borrowings are now recognised initially at fair value, plus directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest rate method. As allowed under the transitional provisions of FRS 139, the Group has not applied the standard retrospectively.

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 2009.

3. Auditors' report on preceding annual financial statements

The audited annual financial statements for the year ended 31 December 2009 were not subject to any qualification.

4. Seasonality of operations

The education segment of the Group's performance is seasonal. There were fewer courses being offered 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 quarter under review.

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.



STAMFORD COLLEGE BERHAD

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

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 micro steel mill has commenced commercial production on 1 February 2010.

In thousands of RM For six months ended	Education		Manufacturing		Consolidated	
	2010	2009	2010	2009	2010	2009
Revenue from external customers	11,266	10,464	5,436	-	16,702	10,464
Segment result	1,293	3,501	186	-	1,479	3,501
Unallocated expenses					(744)	(423)
Interest Income					-	-
Finance Costs					(46)	(64)
Profit before tax					689	3,014

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 six months ended 30 June 2010, the Group acquired items of plant and equipment with a cost of RM0.209 million (six months ended 30 June 2009 : RM5.638 million). No item of equipment were disposed during the six months ended 30 June 2010 (six months ended 30 June 2009 : RM Nil).

An additional development cost of RM1.062 million was incurred during the first quarter as defined under FRS 138 Intangible Assets. The development costs reflect 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 2009. 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.



STAMFORD COLLEGE BERHAD

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

11. Post balance sheet events

In the opinion of the Directors, no material events have arisen between the end of the reporting period and 30 August 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

There were no changes in the composition of the Group during the current quarter and the financial period to date.

13. Contingent Liabilities and Contingent Assets

As at date of this announcement, the company has contingent liabilities amounting to RM4,810,000 in respective of corporate guarantees given to banks to secure general banking facilities comprising of RM3 million for foreign exchange line, RM1.730 million overdraft and RM80,000 for the provision of services.

14. Capital Commitments

There 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 June 2010 is about RM200,000.



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 RM6.962 million as compared to RM3.757 million recorded in the corresponding quarter in the preceding year, representing an increase of RM3.205 million or 85.31%. The increase in revenue was mainly due to the manufacturing segment which has contributed revenue of RM3.367 million for the quarter under review. The education has recorded a revenue of RM3.595 million representing a decrease of RM162,000 or 4.31% when compared to RM3.767 million in the corresponding quarter of previous year.

The loss before tax for the Group for the quarter under review was RM1.652 million as compared to the group's profit before tax of RM0.154 million for the corresponding quarter in the preceding year.

For the six months ended 30 June 2010, the Group achieved a profit before tax of 0.689 million compared to RM3.014 million in the corresponding period in the previous year. The lower profit before tax was due mainly to the legal and professional fees for the legal proceeding against a franchise partner for wrongful termination of collaboration agreement and the upliftment of PN17 status. The legal and professional fee was amounted to RM0.855 million. In addition, software development expenditure of RM0.475 million was written off. Also, there was a gain of RM0.824 million in the preceding year arising from the disposal of 20% interest in an associate company.

The manufacturing has achieved a contribution of RM186,000 during the period under review.

16. Variation of results against preceding quarter

In thousands of RM	Current Quarter	Immediate Preceding Quarter	Variance
Revenue	<u>6,962</u>	<u>9,655</u>	<u>(2,693)</u>
Profit /(Loss)before tax	<u>(1,652)</u>	<u>2,341</u>	<u>(3,993)</u>

The Group's revenue for the current quarter decreased by RM2.693 million compared to immediate preceding quarter. The decrease in revenue was mainly due to fewer student intakes for the current quarter.



STAMFORD COLLEGE BERHAD

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

17. Current Year Prospects

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. First batch of students would be enrolled by the middle of November this year.

With more new courses at the undergraduate and Master levels to be introduced to the College's range of courses, Stamford College hopes to capture new markets and new segments locally and overseas.

The company has set up a micro steel mill project located in the outskirts of Klang Valley. The plant had commenced commercial production on 1 February 2010 and began to contribute favourably to the Group's results.

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 June 2010	Six months ended 30 June 2010
Under provision of Malaysian income tax in prior year	-	-
Deferred tax	(382)	263
	-----	-----
	(382)	263
	====	====

The increase in income tax expense as compared to the corresponding period in the preceding year is due to the utilisation of deferred tax asset against the taxable profit of the current quarter in the subsidiary companies.

20. Unquoted investments and properties

There was 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 investments in quoted shares as at 30 June 2010.

22. Status of corporate proposals announced

Save as disclosed below, there were no corporate proposals announced but not completed on 30 August 2010.

(a) On 4 March 2010, Public Investment Bank Berhad, on behalf of Stamford College Berhad (“SCB” or “the Company”), had announced that the Company proposes to undertake the following to regularise its financial condition under Paragraph 8.04 and PN 17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”):

(i) proposed reduction of the issued and paid-up share capital of SCB pursuant to Section 64 of the Companies Act, 1965 involving cancellation of RM0.50 of the par value of each existing ordinary share of RM1.00 each in SCB; and

(ii) proposed amendments to the memorandum and articles of association of SCB,

collectively referred to as the Proposed Regularisation Plan.

PIBB, on behalf of SCB, had submitted the Proposed Regularisation Plan to Bursa Securities on 5 March 2010 for approval.

The Proposed Regularisation Plan is subject to and conditional upon approvals being obtained from the following which are still outstanding to-date:

(i) Bursa Securities for the Proposed Regularisation Plan;

(ii) the shareholders of the Company at an extraordinary general meeting (“EGM”) to be convened for the Proposed Regularisation Plan;

(iii) the High Court of Malaya for the Proposed Par Value Reduction; and

(iv) any other relevant authorities or parties, if any.

(b) On 4 March 2010, the Board of Directors of SCB had announced that the Company proposes to undertake a proposed diversification of the business of SCB and its subsidiaries into manufacturing of low alloyed, alloyed and long steel products (“Proposed Diversification”).

On 26 July 2010, Bursa Securities had vide its letter rejected the Company’s application in relation to the Proposed Regularisation Plan. On 5 August 2010, the company had decided to appeal against the decision of Bursa Securities within one (1) month from the date of the Decision Letter.



STAMFORD COLLEGE BERHAD

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

23. Borrowings

In thousands of RM	At 30 June 2010
<u>Current (unsecured)</u>	
Bank Overdraft	1,447
Hire purchase liabilities	81
	<hr/> 1,528 <hr/>
<u>Non-current (unsecured)</u>	
Hire purchase liabilities	95
	<hr/> 95 <hr/>

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 stay of execution fixed on 18 May 2010 was dismissed with costs. The appeal against the decision is pending. The hearing on the assessment of damages at the Court of Appeal which was fixed on 23 August 2010 has been postponed until the disposal of the company's appeal to the Court of Appeal.

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 made between the Company and UNN which permits the Company to offer UNN's degree and master programmes.

The ICC had nominated the arbitrator on 7 December 2009. UNN filed its answer on 21 December 2009. The Arbitrator has drawn up the Terms of Reference as well as the Procedural Rules. The Company has filed its Detailed Statement of Claim and UNN has until 16 September 2010 to file its Detailed Reply.

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



STAMFORD COLLEGE BERHAD

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

26. Dividend

The Board does not recommend any interim dividend for the financial six months ended 30 June 2010 (30 June 2009 : Nil).

27. Profit Per Share

(a) Basic profit/(loss) 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 30 August 2010.

BY ORDER OF THE BOARD

CHOW CHOOI YOONG

Company Secretary
MAICSA 0772574

30 August 2010