

**TANJONG public limited company (990903-V)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER**  
**ENDED 31 JULY 2002**  
**The figures have not been audited.**

**CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/07/2002 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/07/2001 RM'000	CURRENT YEAR TO DATE 31/07/2002 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/07/2001 RM'000
1 (a) Revenue	636,352	522,633	1,245,357	1,030,376
(b) Investment income	340	4,618	718	6,200
(c) Other income	4,953	3,721	8,246	6,449
2 (a) Profit/(loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	181,616	112,611	338,730	226,335
(b) Finance cost	(14,920)	(11,577)	(29,444)	(24,197)
(c) Depreciation and amortisation	(35,330)	(27,358)	(65,479)	(54,630)
(d) Exceptional items	-	-	-	-
(e) Profit/(loss) before income tax, minority interests and extraordinary items	131,366	73,676	243,807	147,508
(f) Share of profits and losses of associated companies	427	227	990	(474)
(g) Profit/(loss) before income tax, minority interests and extraordinary items	131,793	73,903	244,797	147,034
(h) Income tax	(40,621)	(23,840)	(75,230)	(48,040)
(i) (i) Profit/(loss) after income tax before deducting minority interests	91,172	50,063	169,567	98,994
(ii) Less minority interests	(10,539)	(8,490)	(17,661)	(14,956)
(j) Pre-acquisition profit/(loss), if applicable	-	-	-	-
(k) Net profit/(loss) from ordinary activities attributable to members of the company	80,633	41,573	151,906	84,038
(l) (i) Extraordinary items	-	-	-	-
(ii) Less minority interests	-	-	-	-
(iii) Extraordinary items attributable to members of the company	-	-	-	-
(m) Net profit/(loss) attributable to members of the company	80,633	41,573	151,906	84,038
3 Earnings per share based on 2(m) above after deducting any provision for preference dividends, if any :-				
(a) Basic (based on 2002: 384,394,119 (2001:379,977,622) ordinary shares) - sen	20.9	10.9	39.5	22.1
(b) Fully diluted (based on 2002: 386,819,380 (2001:380,130,479) ordinary shares) - sen	20.8	10.9	39.3	22.1
4 (a) Dividend per share (sen)			10.0	8.0
(b) Dividend description			Tax exempt	Tax exempt
Interim				

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**CONSOLIDATED BALANCE SHEET**

	<b>AS AT END OF CURRENT QUARTER 31/07/2002 RM'000 (Unaudited)</b>	<b>AS AT PRECEDING FINANCIAL YEAR END 31/01/2002 RM'000 (Audited)</b>
1 Property, plant and equipment *	2,399,961	2,173,588
2 Investment property	365,000	365,000
3 Investment in associated companies	32,022	30,710
4 Long term investments	8,014	12,691
5 Intangible assets	58,570	60,457
6 Current Assets		
<i>Inventories</i>	86,215	91,837
<i>Trade receivables</i>	158,182	92,757
<i>Short term investments</i>	47,014	26,629
<i>Short term placements</i>	610,513	465,924
<i>Cash</i>	20,227	14,451
<i>Other debtors, deposits and prepayments</i>	65,877	39,816
	<u>988,028</u>	<u>731,414</u>
7 Current Liabilities		
<i>Trade payables</i>	60,273	37,874
<i>Other payables</i>	209,018	127,070
<i>Short term borrowings</i>	316,147	175,299
<i>Provision for taxation</i>	32,370	18,093
<i>Proposed dividends</i>	103,685	64,374
	<u>721,493</u>	<u>422,710</u>
8 Net Current Assets	266,535	308,704
	<u>3,130,102</u>	<u>2,951,150</u>
9 Shareholders' Funds		
Share Capital	137,666	136,033
Reserves		
<i>Share premium</i>	99,692	65,547
<i>Revaluation reserve</i>	9,915	9,915
<i>Retained profit</i>	1,476,130	1,363,809
	<u>1,723,403</u>	<u>1,575,304</u>
10 Minority interests	270,806	253,145
11 Long term borrowings	958,240	970,960
12 Other long term liabilities	5,512	5,604
13 Deferred taxation	172,141	146,137
	<u>3,130,102</u>	<u>2,951,150</u>
Net tangible assets per share (RM)	<u>4.31</u>	<u>3.97</u>

\* Included in property, plant and equipment is construction progress amounting to RM600.1million  
(31.1.2002 - RM468.1 million)

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**NOTES**

**1. Accounting policies**

The quarterly financial statements have been prepared based on the accounting policies and methods of computation consistent with those adopted in the annual audited accounts for the year ended 31 January 2002.

**2. Exceptional item**

There was no exceptional item for the current quarter and financial year to date.

**3. Extraordinary item**

There was no extraordinary item for the current quarter and financial year to date.

**4. Taxation**

	Individual Quarter		Cumulative Quarter	
	31/07/2002	31/07/2001	31/07/2002	31/07/2001
	RM'000	RM'000	RM'000	RM'000
<b>Malaysian Taxation</b>				
Income tax				
- Current year	24,088	15,421	48,828	33,632
- Prior year	-	-	-	94
	24,088	15,421	48,828	33,726
Deferred tax	16,367	8,194	26,076	13,926
	40,455	23,615	74,904	47,652
<b>Foreign Taxation</b>	166	225	326	388
	40,621	23,840	75,230	48,040

The effective tax rates for current quarter and financial year to date are 30.8% and 30.7% respectively. The variance between the effective tax rate and the statutory tax rate is mainly due to losses of subsidiaries not available for relief at Group level and non-deductibility of certain items for tax purposes.

**5. Sale of unquoted investments and/or properties**

There was no disposal of unquoted investments and/or properties for the current quarter and financial year to date.

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**6. Quoted securities**

(a) Summary of dealings in quoted securities for the period ended 31 July 2002: -	<b>Individual Quarter RM'000</b>	<b>Cumulative Quarter RM'000</b>
(i) Total purchase consideration	12,104	13,102
(ii) Total sale proceeds	-	1,623
(iii) Total profit on disposal	-	256
 (b) Investments in quoted securities as at the reporting period:		
		<b>RM'000</b>
(i) At cost		45,062
(ii) At carrying value/book value; and		38,053
(iii) At market value		43,901

**7. Changes in the composition of the Group**

There have been no changes in the composition of the Group for the current quarter and financial year to date.

**8. Status of corporate proposals announced but not completed**

As at to date there have been no further corporate proposals announced by Tanjong except for the following:

The Voluntary General Offer (“VGO”) by Commerce International Merchant Bankers Berhad on behalf of Tanjong Energy Holdings Sdn Bhd (“TEHSB”) (a wholly-owned subsidiary of Tanjong plc) on 31 July 2002, to acquire the remaining 39,819,256 ordinary shares of RM1.00 each in Powertek Berhad (“Powertek”) [Offer Share(s)] which are not already owned by TEHSB at a cash offer price of RM8.50 for each Offer Share.

The VGO is progressing as scheduled with the approval of various authorities being sought. The VGO is expected to be completed within the current financial year.

TEHSB has, since the announcement of the VGO, purchased an additional 93,000 ordinary shares of Powertek through the open market.

**9. Debt and equity securities**

**9.1 Issuance of debt securities**

Pahlawan Power Sdn Bhd (a wholly-owned subsidiary of Powertek) had on 11 June 2002, issued Murabahah Commercial Papers with a nominal value of RM11 million to repay intercompany advances received from Powertek.

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**9. Debt and equity securities (Continued)**

**9.2 Issue of new shares**

For the current financial year to date, 4,599,000 new shares in the Company were issued for a total subscription amount of RM35.8 million pursuant to the exercise of options by eligible employees under the Company's Employees' Share Option Scheme No. 2.

Except as disclosed above, there was no issuance or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial year to date.

**10. Group borrowings and debt securities**

	<i>Short Term RM'000</i>	<i>Long Term RM'000</i>	<i>Total RM'000</i>
<i>Secured</i>			
Murabahah Commercial Papers*	10,707	-	10,707
Al-Bai' Bithaman Ajil Islamic Debt Securities (BaIDS)*	-	450,000	450,000
Syndicated loan	5,440	158,240	163,680
	16,147	608,240	624,387
<i>Unsecured</i>			
Redeemable Bonds	-	350,000	350,000
Bridging loan**	300,000	-	300,000
	300,000	350,000	650,000
As at 31 July 2002	<u>316,147</u>	<u>958,240</u>	<u>1,274,387</u>

\* *These debt securities are secured by way of an assignment of certain insurances in relation to its properties, assets and business, and a charge over its finance service reserve account.*

\*\* *These borrowings are intended to be refinanced with long term borrowings to be procured in the current financial.*

**11. Contingent liabilities**

There were no contingent liabilities at the date of this report.

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**12. Off balance sheet financial instruments**

Panglima Power Sdn Bhd ("Panglima") (a wholly-owned subsidiary of Powertek) is obliged to make progressive payments in EURO currency pursuant to the Engineering, Procurement and Construction Contract ("EPC Contract") entered for the construction and development of the new 720MW Combined Cycle Gas Turbine ("CCGT") power plant. The CCGT power plant project comprises two (2) phases namely, the construction of a 460MW Open Cycle Gas Turbine ("OCGT") power plant comprising two (2) gas turbine units which have commenced commercial operations in February and March 2002 respectively in the first phase. The second phase relates to the conversion project of the OCGT power plant into a 720MW CCGT power plant which is currently in progress. In this respect, Panglima has entered into forward contracts to hedge the above progressive payments in EURO currency. These contracts have been executed with three (3) licensed financial institutions and are accounted for on a basis which is consistent with accounting policies adopted by the Group.

At the date of this report, the notional principal amount outstanding under the forward contracts entered into by Panglima is RM216.4 million. These contracts have various maturity periods straddling over the next eight months to meet the payment obligations under the EPC Contract.

**13. Litigation**

There is no pending material litigation since the last annual balance sheet date to the date of issue of this quarterly report.

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**14. Segmental results**

'in RM' 000	Period ended 31 July 2002			Period ended 31 July 2001		
	Revenue	Operating profit/(loss)	Net assets/ (liabilities)	Revenue	Operating profit/(loss)	Net assets/ (liabilities)
<b>Malaysia</b>						
NFO	730,372	102,849	(6,112)	704,267	69,863	(6,523)
Power Generation	463,380	152,595	1,129,494	276,249	106,481	1,122,895
RTO	10,692	19	51,911	4,219	(14,889)	51,752
Property Investment	22,561	14,266	198,938	18,710	11,238	168,202
	1,227,005	269,729	1,374,231	1,003,445	172,693	1,336,326
<b>People's Republic of China</b>						
Liquefied Petroleum Gas	22,626	(763)	3,089	31,051	(4,199)	76,756
<b>Segment totals</b>	<b>1,249,631</b>	<b>268,966</b>	<b>1,377,320</b>	<b>1,034,496</b>	<b>168,494</b>	<b>1,413,082</b>
Inter-segment elimination	(4,274)			(4,120)		
Non-segment operating expenditure		(1,034)			(955)	
Non-segment net assets			616,889			380,053
Investment income		718			6,200	
Provision for diminution in value of investments		(5,130)			(5,965)	
		(4,412)			235	
Foreign exchange gain/(loss)		1,485			(2,518)	
<b>Net interest expense</b>						
Interest income		8,246			6,449	
Interest expense		(29,444)			(24,197)	
		(21,198)			(17,748)	
	<b>1,245,357</b>	<b>243,807</b>	<b>1,994,209</b>	<b>1,030,376</b>	<b>147,508</b>	<b>1,793,135</b>

**15. Variation of current quarter's profit before tax to preceding quarter**

Group's profit before taxation of RM131.8 million is higher than the RM113.0 million reported in the preceding quarter due mainly to the full contribution of Panglima which OCGT power plant attained full generating capacity in March 2002.

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**16. Review of performance**

**16.1 Material factors affecting current quarter's results**

The current quarter's profit before taxation of RM131.8 million is higher than the corresponding quarter's profit before taxation of RM73.9 million due mainly to the maiden contribution of Panglima.

**16.2 Material factors affecting financial year to date results**

Group turnover for the 6 month period increased by 20.9% to RM1,245.4 million from RM1,030.4 million in the corresponding period in the previous financial year ("corresponding period"). Group operating profit is, at RM269.0 million, higher by RM100.5 million or 59.6%.

Power Generation recorded a higher turnover of RM463.4 million against RM276.2 million for the corresponding period with the commencement of the commercial operations of Panglima. The resulting contribution has increased Power Generation's operating profit by RM46.1 million from RM106.5 million to RM152.6 million.

The Numbers Forecast Operations ("NFO") segment registered an increased turnover of RM730.4 million against RM704.3 million in the corresponding period on the back of 3 additional draws. NFO operating profit has increased by RM33.0 million to RM102.8 million due to improved operating margins. The Racing Totalisator Operations segment has recorded a marginal operating profit of RM19,000 compared to the operating loss of RM14.9 million in the corresponding period, as a result of higher totalisator turnover.

Overall, profit attributable to shareholders has increased from RM84.0 million to RM151.9 million, resulting in an increase in earnings per share, from 22.1 sen to 39.5 sen in the current period.

**17. Material subsequent events**

There were no material events up to the date of this report that have not been reflected in the financial statements for the said period.

**18. Seasonal / cyclical factors**

The principal business operations of the Group were not materially affected by seasonal or cyclical factors during the quarter under review.

**19. Current year prospects**

Barring unforeseen circumstances, the Board of Directors anticipates a satisfactory performance for the Group for the remainder of this financial year.

**20. Variance to profit forecast or shortfall in profit guarantee (only applicable to the final quarter)**

Not applicable.



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**21. Dividend**

An interim dividend of **10 sen per share exempt from Malaysian income tax** (2002: 8 sen per share exempt from Malaysian income tax) in respect of the financial year ending 31 January 2003 amounting to RM38,598,014 (2002 : RM30,467,291) has been declared payable on 10 December 2002 to shareholders on record of the Company at the close of business on 15 November 2002 subject to the following paragraphs.

The Register of Members of the Company will be closed from 16 November 2002 to 19 November 2002 (both dates inclusive) for the purpose of determining each shareholder's entitlement to the dividend.

Each person whose name appears in the Register of Members or the Record of Depositors as at the close of business on 15 November 2002 (the "Record Date") shall be entitled to participate in the dividend in respect of those shares of which they are registered as member or recorded as depositor.

Registrable transfers received by the **Company's Branch Registrars in Malaysia, Signet Share Registration Services Sdn. Bhd. at 11th Floor, Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia, or the Company's Principal Registrars in the United Kingdom, Capita IRG Plc at Balfour House, 390/398 High Road, Ilford, Essex IG1 1NQ, England**, up to the close of business at 5.00 p.m. (local time) on 15 November 2002 will be registered by the Record Date.

A holder of a securities account maintained with the Malaysian Central Depository Sdn. Bhd. ("Depositor") shall qualify for entitlement only in respect of: -

- (a) shares deposited into the Depositor's securities account before 12.30 p.m. (Malaysian time) on 13 November 2002 (in respect of shares which are exempted from mandatory deposit);
- (b) shares transferred into the Depositor's securities account before 12.30 p.m. (Malaysian time) on 15 November 2002 in respect of ordinary transfers; and
- (c) shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

Any employee of the Company who has exercised, or wishes to exercise, an option to subscribe for shares in the Company granted to such employee under the Tanjong public limited company Employees' Share Option Scheme No. 2 should note that the shares to be issued upon the exercise of such option will not confer on any person any entitlement to the dividend unless as at the Record Date such person is recorded as depositor of such shares under the Record of Depositors.

By order of the Board

Siuagamy Ramasamy  
Group Company Secretary

18 September 2002  
Kuala Lumpur