TANJONG public limited company

(Incorporated in England 1926 – No. 210874)
(Registered as a foreign company in Malaysia – No. 990903-V)

QUARTERLY REPORT FOR THE QUARTER ENDED 31 JANUARY 2006

Condensed Group Income Statement

in RM'000	Note	3 months ended 31-Jan-06 (Unaudited)	3 months ended 31-Jan-05	12 months ended 31-Jan-06 (Unaudited)	12 months ended 31-Jan-05
Revenue	**8**	**804,673**	761,666	**3,209,534**	2,952,027
Operating costs	**28**	**(688,633)**	(633,412)	**(2,652,125)**	(2,344,139)
Operating profit	**8**	**116,040**	128,254	**557,409**	607,888
Net investment income		**4,393**	10,192	**13,313**	11,050
Finance costs		**(33,823)**	(32,133)	**(133,297)**	(124,443)
Interest income		**13,546**	11,475	**53,475**	38,533
Finance costs - net		**(20,277)**	(20,658)	**(79,822)**	(85,910)
Share of (loss)/profits from joint ventures and associates		**(2,648)**	1,091	**10,267**	5,638
Profit before taxation		**97,508**	118,879	**501,167**	538,666
Taxation	**18**	**(10,474)**	(11,598)	**(132,051)**	(139,161)
Profit after taxation		**87,034**	107,281	**369,116**	399,505
Attributable to:					
Tanjong's shareholders		**86,261**	109,148	**374,494**	399,928
Minority interests		**773**	(1,867)	**(5,378)**	(423)
		87,034	107,281	**369,116**	399,505
Earnings per share (sen)	**26**				
- Basic / Diluted		**21.4**	27.1	**92.9**	99.8

The condensed group income statement should be read in conjunction with Part A explanatory Note 1 of this quarterly report.

TANJONG public limited company

(Incorporated in England 1926 – No. 210874)
(Registered as a foreign company in Malaysia – No. 990903-V)

QUARTERLY REPORT FOR THE QUARTER ENDED 31 JANUARY 2006

Condensed Group Balance Sheet

in RM'000	Note	As at 31-Jan-06 (Unaudited)	As at 31-Jan-05
Non-current assets			
Intangible assets		**49,132**	49,251
Property, plant and equipment		**2,896,184**	3,002,471
Investment property		**470,000**	470,000
Investments in joint ventures and associates		**58,414**	35,409
Deferred income tax assets		**45,382**	19,385
Available-for-sale financial assets	**27 (v)**	**400,483**	-
Derivative financial instruments	**27 (v)**	**2,183**	-
Long term investments	**27 (v)**	**-**	185,007
		3,921,778	3,761,523
Current assets			
Inventories		**140,002**	119,261
Trade and other receivables		**337,667**	309,924
Held-for-trading financial assets	**27 (v)**	**3,438**	-
Available-for-sale financial assets	**27 (v)**	**43,535**	-
Current asset investments	**27 (v)**	**-**	223,147
Short term placements		**1,319,480**	1,140,767
Cash at bank and in hand		**29,778**	36,359
		1,873,900	1,829,458
Current liabilities			
Trade and other payables		**354,228**	365,647
Short term borrowings		**459,125**	378,064
Current income tax liabilities		**19,693**	16,662
		833,046	760,373
Net current assets		**1,040,854**	1,069,085
Non-current liabilities			
Borrowings and other non-current liabilities		**1,679,318**	1,833,064
Deferred income tax liabilities		**494,346**	452,730
Net assets		**2,788,968**	2,544,814
Equity			
Paid up share capital		**146,107**	146,107
Share premium account		**240,808**	240,808
Fair value reserve		**101,951**	-
Currency translation reserve		**14,394**	10,340
Retained earnings		**2,166,473**	2,022,350
Total shareholders' equity		**2,669,733**	2,419,605
Minority interests in equity		**119,235**	125,209
Total equity		**2,788,968**	2,544,814
Net Tangible Assets per share (RM)		**6.50**	5.88
Net Assets per share (RM)		**6.92**	6.31

The condensed group balance sheet should be read in conjunction with Part A explanatory Note 1 of this quarterly report.

TANJONG public limited company

(Incorporated in England 1926 – No. 210874)
(Registered as a foreign company in Malaysia – No. 990903-V)

QUARTERLY REPORT FOR THE QUARTER ENDED 31 JANUARY 2006

Condensed Group Cash Flow Statement

in RM'000	Note	12 months ended 31-Jan-06 (Unaudited)	31-Jan-05
Cash flows from operating activities			
Cash generated from operations	**29**	**725,806**	832,163
Malaysian and other taxes paid		**(115,413)**	(103,738)
Net cash generated from operating activities		**610,393**	728,425
Cash flows from investing activities			
Purchase of property, plant and equipment		**(90,049)**	(115,396)
Proceeds from sales of property, plant and equipment		**4,960**	3,108
Acquisition and construction of a resort		**(38,671)**	(322,924)
Acquisition of intangible assets		**-**	(121)
Net (investment in)/repayment from joint ventures		**(19,368)**	15,887
Purchase of Available-for-sale financial assets		**(87,210)**	-
Proceeds from sale of Available-for-sale financial assets		**141,142**	-
Purchase of current asset investments		**-**	(228,687)
Proceeds from sale of current asset investments		**-**	98,964
Investment in long term investments		**-**	(179,639)
Proceeds from disposal of an associate		**4,295**	-
Net repayment from/(investment in) associates		**1,491**	(2,812)
Interest received		**56,207**	36,502
Dividend income received		**12,911**	2,838
Net cash outflow used in investing activities		**(14,292)**	(692,280)
Cash flows from financing activities			
Issue of ordinary shares		**-**	66,523
Proceeds from borrowings		**24,347**	630,614
Repayment of borrowings		**(80,000)**	(230,740)
Finance costs paid		**(132,060)**	(122,814)
Dividends paid to Company's shareholders		**(232,921)**	(236,578)
Advances from minority interests		**-**	3,918
Net cash (used in)/generated from financing activities		**(420,634)**	110,923
Currency translation differences		**(3,335)**	(5,238)
Net increase in cash and cash equivalents		**172,132**	141,830
Cash and cash equivalents			
- at start of the year		**1,177,126**	1,035,296
- at end of period		**1,349,258**	1,177,126
		-	-
Cash and cash equivalents			
Short term placements		**1,319,480**	1,140,767
Cash at bank and in hand		**29,778**	36,359
		1,349,258	1,177,126

The condensed group cash flow statement should be read in conjunction with Part A explanatory Note 1 of this quarterly report.

TANJONG public limited company

(Incorporated in England 1926 – No. 210874)
(Registered as a foreign company in Malaysia – No. 990903-V)

QUARTERLY REPORT FOR THE QUARTER ENDED 31 JANUARY 2006

Condensed Group Statement of Changes in Equity

in RM'000	Share Capital	Share Premium	Fair value Reserve	Currency Translation Reserve	Retained Earnings	Minority Interests	Total Equity 31-Jan-06 (Unaudited)	Total Equity 31-Jan-05 (Unaudited)
	Attributable to Equity Holders of Company							
Balance as at 1 February before adoption of IAS 39 [1]	146,107	240,808	-	10,340	2,022,350	125,209	**2,544,814**	2,292,485
Effect of adoption of IAS 39 [2]	-	-	43,459	-	2,550	-	**46,009**	-
Balance as at 1 February after adoption of IAS 39	146,107	240,808	43,459	10,340	2,024,900	125,209	**2,590,823**	2,292,485
Movements during the period:								
Net profit for the period	-	-	-	-	374,494	(5,378)	**369,116**	399,505
Fair value gains on Available-for -sale financial assets	-	-	58,492	-	-	-	**58,492**	-
Issuance of shares arising from exercise of share options	-	-	-	-	-	-	**-**	66,523
Dividends	-	-	-	-	(232,921)	-	**(232,921)**	(235,377)
Dividend entitlements of new shares issued between declaration and book closure date	-	-	-	-	-	-	**-**	(1,201)
Exchange differences on foreign currency net investments	-	-	-	4,054	-	(596)	**3,458**	(517)
Minority interest equity contribution	-	-	-	-	-	-	**-**	23,396
Balance carried forward as at 31 January 2006	146,107	240,808	101,951	14,394	2,166,473	119,235	**2,788,968**	2,544,814

The condensed group statement of changes in equity should be read in conjunction with Part A explanatory Note 1 of this quarterly report.

1 Balance as at 1 February 2005 before adoption of IAS 39 has been restated from the previous UK GAAP to IFRS. Please refer to Note 27.

2 Adjustments under IAS 39 relating to the recognition of cumulative gains on Available-for-sale financial assets.

Part A Explanatory notes in compliance with reporting requirements of FRS 134 - Interim Financial Reporting

1. Basis of preparation

The Quarterly Report has been prepared in accordance with the reporting requirements outlined in *Financial Reporting Standard (FRS) 134* - "*Interim Financial Reporting*" issued by the Malaysian Accounting Standards Board and Paragraph 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 January 2005.

Until 31 January 2005, Tanjong's consolidated financial statements were prepared in accordance with United Kingdom's Generally Accepted Accounting Principles ("UK GAAP"). Following changes in reporting regulations in the UK, Tanjong is now required to prepare and present audited financial statements in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union ("EU") for all accounting periods beginning on or after 1 February 2005. Tanjong's interim financial statements have therefore been prepared in accordance with those IFRS standards (including the applicable International Accounting Standards (IAS) and International Financial Reporting Interpretations Committee ("IFRIC") interpretations) issued and effective or issued and early adopted as at the time of preparing these statements.

In conjunction with other international gaming industry participants who are in the process of adopting IFRS, the Group is continuing to assess the impact of IAS 32 and IAS 39 on its accounting policy in respect of gaming revenue recognition. Any changes to this policy will however only impact the presentation of revenue and operating costs and will not impact the quantum of operating profit that has been reported.

The comparative figures in respect of 2005 have been restated to reflect the relevant adjustments.

As permitted under *IFRS 1 – First Time Adoption of IFRS*, fair value adjustments arising from the acquisition of Powertek have not been restated retrospectively as these adjustments are considered to be representative of the underlying value of the assets and liabilities acquired. In addition, the Group has made use of the exemption available under IFRS 1 to only apply *IAS 32 - "Financial Instruments: Disclosure and Presentation"* and *IAS 39 - "Financial Instruments: Recognition and Measurement"* from 1 February 2005.

Reconciliations and descriptions of the effect of the transition from UK GAAP to IFRS on the Group's equity and its net income are provided in Note 27.

The adoption of IFRS has resulted in an increased Profit after tax for the current year amounting to RM9.4 million (corresponding year – RM7.7 million increase in Profit after tax) and an increase in net assets of RM98.1 million as at 31 January 2006 (31 January 2005 – RM21.9 million increase in net assets).

Part A Explanatory notes in compliance with reporting requirements of FRS 134 - Interim Financial Reporting

2. Qualification of preceding annual financial statements

There was no audit qualification to the preceding annual audited financial statements of the Group.

3. Seasonal / cyclical factors

Apart from the Chinese New Year seasonal effect on draws carried out in the current quarter and disclosed in Note 14.1, the principal business operations of the Group are not materially affected by seasonal or cyclical factors.

4. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the period under review.

5. Material changes in estimates of amounts reported

There were no material changes in estimates of amounts reported in the prior financial year.

6. Movements in debt and equity securities

6.1 Issuance and repayment of debt securities

There was no issuance of debt securities for the quarter under review. However, there was repayment of RM50,000,000 Al-Bai' Bithaman Ajil Islamic Debt Securities ("BaIDS") by a subsidiary company for the quarter under review.

6.2 Issuance of equity securities

There was no issuance of equity securities for the quarter under review.

7. Dividend paid

		Per ordinary share		Paid on
Fourth interim dividend for FY 31 January 2005	-	12.0 sen	gross	29 April 2005
Final dividend for FY 31 January 2005	-	10.0 sen	gross	22 July 2005
	-	16.0 sen	tax exempt	22 July 2005
First interim dividend for FY 31 January 2006	-	12.0 sen	gross	29 July 2005
Second interim dividend for FY 31 January 2006	-	12.0 sen	gross	31 October 2005
Third interim dividend for FY 31 January 2006	-	12.0 sen	gross	17 January 2006

Part A Explanatory notes in compliance with reporting requirements of FRS 134 - Interim Financial Reporting

8. Segmental results

(a) Primary reporting format – business segments

in RM' 000	Power Generation	Gaming	Property Investment	Liquefied Petroleum Gas	Leisure	Others	Group
Year ended 31 January 2006							
Revenue							
Total revenue	1,086,665	1,941,838	65,367	33,280	96,905	-	3,224,055
Inter-segment elimination	-	-	(14,521)	-	-	-	(14,521)
External revenue	1,086,665	1,941,838	50,846	33,280	96,905	-	3,209,534
Results							
Operating profit/(loss)	386,624	195,461	49,294	(700)	(68,651)	(4,619)	557,409
Net investment income							13,313
Interest income							53,475
Finance costs	(106,580)	-	(7,352)	-	(9,827)	(9,538)	(133,297)
Share of post tax results from joint ventures and associates	9,299	(3,940)	-	-	4,210	698	10,267
Profit before taxation							501,167
Taxation							(132,051)
Profit after taxation							369,116
Other segment items							
Capital expenditure	73,405	15,226	947	32	38,671	439	128,720
Depreciation	207,911	8,123	917	14	24,083	79	241,127
As at 31 January 2006							
Segment assets	2,861,186	157,018	489,220	8,999	339,261	54,130	3,909,814
Joint venture and associates	9,724	16,737	-	-	30,228	1,725	58,414
Unallocated assets							1,827,450
Total assets							5,795,678
Segment liabilities	166,169	130,504	22,425	6,646	46,390	6,783	378,917
Unallocated liabilities							2,627,793
Total liabilities							3,006,710

8. Segmental results (continued)

(a) Primary reporting format – business segments (continued)

in RM' 000	Power Generation	Gaming	Property Investment	Liquefied Petroleum Gas	Leisure	Others	Group
Year ended 31 January 2005							
Revenue							
Total revenue	1,104,012	1,748,781	53,580	35,949	21,433	-	2,963,755
Inter-segment elimination	-	-	(11,728)	-	-	-	(11,728)
External revenue	1,104,012	1,748,781	41,852	35,949	21,433	-	2,952,027
Results							
Operating profit/(loss)	459,555	176,331	35,029	(2,520)	(51,034)	(9,473)	607,888
Net investment income							11,050
Interest income							38,533
Finance costs	(110,850)	-	(9,286)	-	(4,004)	(303)	(124,443)
Share of post tax results from joint ventures and associates	-	-	-	-	4,993	645	5,638
Profit before taxation							538,666
Taxation							(139,161)
Profit after taxation							399,505
Other segment items							
Capital expenditure	157,993	9,945	376	31	322,924	3,014	494,283
Depreciation and amortisation	182,291	9,578	878	-	6,968	749	200,464
As at 31 January 2005							
Segment assets	2,950,765	130,642	482,845	9,191	350,812	51,644	3,975,899
Joint venture and associates	418	21	-	-	31,835	3,135	35,409
Unallocated assets							1,579,673
Total assets							5,590,981
Segment liabilities	177,717	100,991	23,170	6,005	18,417	7,324	333,624
Unallocated liabilities							2,712,543
Total liabilities							3,046,167

8. Segmental results (continued)

(b) Secondary reporting format – geographical segments

All business segments are located in Malaysia except for the Liquefied Petroleum Gas ("LPG") business, which is based in the People's Republic of China and the Tropical Islands Resort which is based in the Federal Republic of Germany.

in RM' 000	**Malaysia**	**Other countries**	**Group**
Year ended 31 January 2006			
Total external revenue	3,079,349	130,185	3,209,534
Total capital expenditure	90,017	38,703	128,720
As at 31 January 2006			
Segment assets	3,510,441	399,373	3,909,814
Joint ventures and associates			58,414
Unallocated assets			1,827,450
Total assets			5,795,678
Year ended 31 January 2005			
Total external revenue	2,894,645	57,382	2,952,027
Total capital expenditure	171,328	322,955	494,283
As at 31 January 2005			
Segment assets	3,569,043	406,856	3,975,899
Joint ventures and associates			35,409
Unallocated assets			1,579,673
Total assets			5,590,981

Segment revenue from external customers are based on the geographical location of its customers whereas the total carrying amount of assets and capital expenditure is allocated based on the location of the assets.

9. Valuations of property, plant and equipment

The fair value of the investment property as at 31 January 2006 has been assessed internally by the Group at RM470 million.

10. Material events subsequent to the end of the financial period

On 3 March 2006, the Company announced that following the satisfaction of the conditions precedent under the conditional share purchase agreement on 2 March 2006, the proposed acquisition of Egyptian Power Assets had been successfully completed. The purchase consideration of USD307 million has been funded by combination of bank borrowings and Group's internally generated funds.

Further details are in the Company's announcement to Exchanges dated 3 March 2006.

11. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review.

12. Commitments and contingencies

12.1 *Capital commitments as at 31 January 2006*

		RM million
Authorised and contracted		1,441
Authorised and not contracted		164
Analysed as follows:		
Investment commitments	(a)	1,428
Power generating assets		23
Fixtures, fittings and equipment		43
Tropical Islands project expenditure		97
Others		14
		1,605

(a) Includes the investment commitment relating to the acquisition of the Egyptian Power Assets, which was successfully completed on 3 March 2006.

12.2 *Contingencies*

As at 31 January 2006, the Group has provided the following guarantees and indemnities in favour of:

a) a financial institution in Abu Dhabi in respect of a bank guarantee issued to Abu Dhabi Water and Electricity Company pursuant to the Power and Water Purchase Agreement in relation to Taweelah B Independent Water and Power Project in Abu Dhabi, United Arab Emirates ("Project Taweelah") up to the maximum amount of AED44.32 million (an equivalent of RM45.78 million); and

b) a financial institution and Taweelah United Power Company in respect of Pendekar Power (Labuan) Ltd's capital contribution in Project Taweelah, up to the maximum amount of AED198.6 million (an equivalent of RM205.15 million).

Part A Explanatory notes in compliance with reporting requirements of FRS 134 - Interim Financial Reporting

13. Significant related party disclosures

The following is a summary of material transactions which have been contracted in the ordinary course of business and on normal commercial terms between the Group and companies that are associated with:

(i) The trustee of the trust that is associated with the family of Ananda Krishnan Tatparanandam and foundations ("the Trust"); and

(ii) The family of Ananda Krishnan Tatparanandam.

The Trust is the controlling shareholder of the Company as defined by the United Kingdom Financial Services Authority Listing Rules.

	12 months ended	
in RM'000	**31-Jan-06**	**31-Jan -05**
Income credited to the Group profit and loss account		
Lease rental and tenant service revenue	**31,165**	23,832
Management services revenue	**189**	131
Car park income	**119**	121
Others	**295**	76
	31,768	24,160
Recovery of expenses and shared overhead costs	**8,762**	8,020
Expenses charged to the Group profit and loss account		
Consultancy services	**15,750**	15,573
Provision of gas, electricity and water supplies	**6,585**	-
Technical advisory, operations & maintenance services	**5,012**	4,869
Closed circuit television broadcasting services	**2,938**	2,551
Telecommunication and related services	**1,797**	1,678
Bloodstock management, service fees, accounting & clerical services	**1,346**	1,371
Sponsorship of events	**1,109**	2,522
Sub-tenancy of premises	**432**	529
Software support and licence fees	**385**	4,620
Equipment lease rentals	**140**	1,680
Connection and transaction fees	**21**	500
Safety related services	**182**	-
Other services	**422**	173
	36,119	36,066

Part B Explanatory notes in compliance with Bursa Securities Listing Requirements (Part A of Appendix 9B)

14. Review of performance

14.1 *Material factors affecting current quarter's results*

Group revenue for the current quarter increased by RM43 million to RM805 million over the corresponding quarter in the previous year ("corresponding quarter") due to higher Gaming turnover per draw arising mainly from Chinese New Year seasonal effect.

The current quarter's profit before tax of RM98 million was lower by RM21 million as compared to the profit before tax for the corresponding quarter mainly due to higher depreciation charges and some RM3.5 million of additional costs relating to business development for the Power Generation segment.

14.2 *Material factors affecting financial year to date results*

Group revenue has increased by RM258 million from RM2,952 million in the corresponding year to RM3,210 million in the current year. Group operating profit is, however, lower by RM51 million at RM557 million.

Gaming revenue increased by 11% from RM1,749 million to RM1,942 million in the current year mainly due to improved demand for Number Forecast products and additional 7 draws during the year. The higher revenue and lower prize payouts have contributed to a substantial increase in the segment's operating profit from RM176 million in the previous year to RM196 million in the current year.

Power Generation's revenue decreased to RM1,087 million from RM1,104 million in the previous year, due to lower capacity and energy billings from the power plants which underwent scheduled major maintenance during the year. These maintenance costs, together with the expenses relating to bidding for a major international power business, contributed to a RM73 million reduction in the segment's operating profit from RM460 million in the previous year to RM387 million in the current year.

The Leisure segment recorded a RM76 million increase in revenue following the commencement of Tropical Islands operations in December 2004. The segment registered an operating loss of RM69 million in the current year due to delays in the completion of certain facilities in Tropical Islands which resulted in lower than expected admissions and revenue.

The operating profit of the Property Investment segment includes the receipt of RM14 million relating to prior period rental charges to tenants.

For the year under review, Group profit attributable to shareholders decreased by RM25 million from RM400 million to RM375 million. Net earnings per share decreased from 99.8 sen to 92.9 sen.

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

The current quarter's profit before taxation of RM98 million is lower than the preceding quarter's profit before taxation of RM117 million mainly due to lower admissions and a significant increase in marketing spend for Tropical Islands.

Part B Explanatory notes in compliance with Bursa Securities Listing Requirements (Part A of Appendix 9B)

16. Prospects for the next financial year

The Directors expect that the following factors will impact Group's prospects for the next financial year:-

(i) additional contribution arising from the 2 power plants acquired in Egypt, which became wholly-owned subsidiaries, subsequent to this financial year end;
(ii) improving demand for the Group's gaming products in line with initiatives to increase its market presence and product competitiveness;
(iii) costs relating to the expansion of the Group's activities overseas; and
(iv) continuing losses in Tropical Islands ahead of benefits to be derived from the implementation of measures to improve product mix and overall performance.

Barring unforeseen circumstances, the Board anticipates a satisfactory performance by the Group for the financial year ending 2007.

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

The Group did not issue a profit forecast during the period under review.

18. Taxation

	Current Quarter		Year to Date	
in RM'000	**31/1/2006**	**31/1/2005**	**31/1/2006**	**31/1/2005**
Malaysian Taxation				
Income tax				
- Current year	**26,467**	30,696	**117,484**	109,407
- Prior year	**(89)**	(1,616)	**(1,485)**	1,112
	26,378	29,080	**115,999**	110,519
Deferred tax	**(15,940)**	(18,046)	**16,016**	27,981
	10,438	11,034	**132,015**	138,500
Foreign Taxation	**36**	564	**36**	661
	10,474	11,598	**132,051**	139,161

The effective tax rate for the current quarter is 10.7%, lower than the statutory tax rate mainly due to the inclusion of deferred tax benefits arising from the expected utilisation of Tropical Island's start up losses against its future taxable profits. The year to date effective tax rate at 26.4%, is marginally lower than Malaysian statutory tax rate of 28% due to overseas investment income which is not subject to tax.

19. Sale of unquoted investments and/or properties

There were no disposals of unquoted investments or properties during the period under review.

Part B Explanatory notes in compliance with Bursa Securities Listing Requirements (Part A of Appendix 9B)

20. Quoted securities

in RM'000	**Current Quarter**	**Year to Date**
(a) Summary of dealings in quoted securities for the period ended 31 January 2006		
(i) Total purchase consideration	1,966	9,029
(ii) Total sale proceeds	8,156	15,936
(iii) Total profit on disposal	1,929	2,339
(b) Investments in quoted securities as at the end of the reporting period:		
(i) At cost		57,093
(ii) At book value/market value		104,786

21. Status of corporate proposals announced but not completed

All corporate proposals announced in previous quarter have been completed.

Part B Explanatory notes in compliance with Bursa Securities Listing Requirements (Part A of Appendix 9B)

22. Group borrowings and debt securities

in RM'000	Short Term	Long Term	As at 31 January 2006
Secured			
Denominated in RM			
Al-Bai' Bithaman Ajil Islamic Debt Securities ("BaIDS") [1]	45,000	280,000	325,000
Al-Murabahah Medium Term Notes [1]	-	15,000	15,000
Serial bonds [2]	-	830,000	830,000
Al-Bai' Bithaman Ajil ("ABBA") [3]	15,000	112,500	127,500
Term loan [4]	-	167,130	167,130
	60,000	1,404,630	1,464,630
Denominated in EURO			
Bridging loan [5]	161,068	-	161,068
Transferable bridging loan [6]	138,057	-	138,057
	299,125	-	299,125
Unsecured			
Denominated in RM			
Redeemable bonds	100,000	250,000	350,000
	459,125	1,654,630	2,113,755

22. Group borrowings and debt securities (continued)

[1] *These debt securities are secured by way of assignment of Pahlawan Power Sdn. Bhd's ("Pahlawan") rights, titles, benefits and interest in and under certain insurances procured by Pahlawan in relation to its properties, assets and business and all amounts standing to the credit of its finance service reserve account.*

[2] *These debts are undertaken by Panglima and are secured against a debenture over its assets and properties, a charge over its landed properties, an assignment of its rights, titles, benefits and interest in and under certain insurances and project agreements and an assignment of all amounts standing to the credit of a designated project and finance service reserve accounts of Panglima.*

[3] *The loan is secured by a fixed legal charge over Menara Maxis and a corporate guarantee by Tanjong plc.*

[4] *The £25 million loan drawndown by Invest Allied Limited is secured by way of a corporate guarantee issued by Tanjong plc.*

[5] *The €35 million loan which has been drawndown by Tanjong Entertainment (Labuan) Ltd. ("TEL") is secured by way of a corporate guarantee issued by Tanjong plc.*

[6] *The €30 million loan which has been drawndown by TEL is secured by way of a corporate guarantee issued by Tanjong plc.*

23. Off-balance sheet financial instruments

Not applicable as the adoption of IAS 39 requires all off-balance sheet financial instruments to be recognised in the financial statements.

24. Changes in material litigation

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

25. Dividend

Tanjong continues to pursue a progressive dividend policy that seeks to achieve a balance between long-term capital growth and immediate cash returns. To this end, the Company intends to maintain an attractive payout ratio at around current levels, whilst conserving adequate funds to enable it to pursue new investment opportunities that will be critical to its long term growth.

Pursuant to the above policy, your Board is recommending the following:

(a) A fourth interim gross dividend of **12 sen per share, less Malaysian income tax at 28%** in respect of the financial year ended 31 January 2006 (the "**Fourth Interim Dividend**"). Subject to the relevant provisions of the following paragraphs, the **Fourth Interim Dividend** will be **paid on 5 May 2006** to those shareholders on the record of the Company **at the close of business on 21 April 2006.**

This will result in interim gross dividends totaling **48 sen** per share (net 34.56 sen per share) paid in respect of the financial year ended 31 January 2006.

(a) A final dividend consisting of:

(i) **18 sen gross dividend per share, less Malaysian income tax at 28%**; and
(ii) **4 sen tax exempt dividend per share**,

in respect of the financial year ended 31 January 2006 (the "**Final Dividends"**).

Subject to the approval of the Company at the forthcoming Annual General Meeting and to the relevant provisions of the following paragraphs, the **Final Dividends** will be **paid on 11 August 2006** to those shareholders on the record of the Company **at the close of business on 28 July 2006**.

Should the **Final Dividends** be approved at the forthcoming Annual General Meeting, the total interim and final dividends approved in respect of the financial year ended 31 January 2006 would be **70 sen** gross (net 51.52 sen per share); representing a payout of RM207.8 million or some 56% of the net profit for the year ended 31 January 2006.

25. Dividend (Continued)

The Register of Members of the Company will be closed:

(i) in respect of the **Fourth Interim Dividend,** from **22 April 2006 to 24 April 2006** (both dates inclusive); and

(ii) in respect of the **Final Dividends,** from **29 July 2006 to 31 July 2006** (both dates inclusive),

for the purpose of determining each shareholder's entitlement to the **Fourth Interim Dividend** and the **Final Dividends** respectively.

Each person whose name appears in the Register of Members or the Record of Depositors as **at the close of business,** in respect of the **Fourth Interim Dividend,** on **21 April 2006 (**the "**Fourth Interim Dividend Record Date**"), and, in respect of the **Final Dividends**, on **28 July 2006** (the "**Final Dividends Record Date**"), shall be entitled to participate in the **Fourth Interim Dividend** and the **Final Dividends**, respectively, in respect of those Tanjong shares of which they are registered as members or recorded as depositors as at the relevant date.

Valid transfers received by the **Company's Branch Registrars in Malaysia, Symphony Share Registrars Sdn. Bhd. at Level 26, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia, or the Company's Principal Registrars in the United Kingdom, Capita IRG Plc at The Registry, 34, Beckenham Road, Beckenham, Kent BR3 4TU, England, by the close of business at 5.00 p.m. (local time) in respect of the Fourth Interim Dividend, on 21 April 2006, and, in respect of the Final Dividends, on 28 July 2006 will be registered by the Fourth Interim Dividend Record Date and the Final Dividends Record Date respectively.**

A holder of a Securities Account maintained with the Bursa Malaysia Depository Sdn. Bhd. ("Depositor") will qualify for entitlement:

(i) in respect of the **Fourth Interim Dividend**, only in respect of :

(a) **shares transferred** into the Depositor's Securities Account **before 4.00 p.m. (Malaysian time)** on **21 April 2006** in respect of transfers;

(b) **shares deposited** into the Depositor's Securities Account **before 12.30 p.m. (Malaysian time)** on **19 April 2006** in respect of shares which are exempted from mandatory deposit; and

(c) **shares bought** on the Exchange on a cum entitlement basis according to the Rules of the Exchange; and

(ii) in respect of the **Final Dividends**, only in respect of :

(a) **shares transferred** into the Depositor's Securities Account **before 4.00 p.m. (Malaysian time)** on **28 July 2006** in respect of transfers;

(b) **shares deposited** into the Depositor's Securities Account **before 12.30 p.m. (Malaysian time)** on **26 July 2006** in respect of shares which are exempted from mandatory deposit; and

(c) **shares bought** on the Exchange on a cum entitlement basis according to the Rules of the Exchange.

Part C Additional explanatory notes

26. Earnings per share ("EPS")

The basic and diluted EPS are computed as follows:

	Current Quarter	*Cumulative Quarter*
Profit after tax attributable to shareholders (RM'000)	86,261	374,494
Weighted average number of ordinary shares	403,256,136	403,256,136
Basic and diluted EPS (sen)	21.4	92.9

27. The changes in accounting policies as a result of the adoption of International Financial Reporting Standards ("IFRS")

The accounting policies adopted by the Group, as mentioned in Note 1, are in accordance with IFRS. The changes in accounting policies as a result of the adoption of IFRS are as follows:

(i) Previous UK GAAP required dividends declared in respect of that year to be recognised at balance sheet date whereas the IAS 10 – "Events After the Balance Sheet Date", requires that dividends declared after the balance sheet date shall not be recognised as a liability at the balance sheet date.

(ii) Previous UK GAAP did not require deferred taxation liability provisions for the revaluation of investment properties and fair value adjustments arising from business combinations, whereas IAS 12 – "Income Taxes", requires that deferred tax provisions be made in respect of these temporary differences.

(iii) The profit participating loan that was previously classified as a liability is now classified as minority interests in equity following the Group's re-evaluation of the underlying instrument on the adoption of IAS 32.

(iv) Previous UK GAAP recognised changes in the fair value of Investment Property as revaluation reserves within Equity whereas, IAS 40 – "Investment Property" requires such changes to be recognised in the Income Statement where the fair value approach has been adopted.

Part C Additional explanatory notes

27. The changes in accounting policies as a result of the adoption of International Financial Reporting Standards ("IFRS") (Continued)

(v) Previous UK GAAP did not require long term and current asset investments to be stated at fair value, whereas IAS 39 – "Financial Instruments: Recognition and Measurement " requires all investments to be stated at fair value. Depending on the purpose for which the investments were acquired, management classifies them either as Available-for-sale financial assets or held-for-trading financial assets (including the derivative financial instruments). For Available-for-sale financial assets, a change in fair value is recognised in Equity until they are ultimately disposed whereas changes in the fair value of held-for-trading financial assets and derivative financial instruments are recognised immediately in the Income Statement. Available-for-sale financial assets are classified as non-current assets unless they have a maturity period within one year, in which case they are classified as current assets.

(vi) The Group has adopted IAS 38 – “Intangible Assets” on a prospective basis. Accordingly, the directors have reassessed the useful lives of the Groups’ intangible assets and are of the view that these assets have indefinite useful lives. In accordance with IAS 36 – “Impairment of Assets”, such intangible assets will be tested for impairment annually or as and when events or changes in circumstances indicate that the carrying value is impaired.

The adoption of these policies does not have a material impact on the financial statements other than as disclosed in the following pages.

The effects of these differences are as follows:

In RM’000	**Note**	**12 months ended 31-Jan-05**
Profit after tax		
Profit after tax as per previous UK GAAP		391,847
Reversal of deferred taxation on fair value adjustments amortised in the period, in accordance with IAS 12	**27 (ii)**	7,658
Profit after tax as adjusted for IFRS		399,505

Part C Additional explanatory notes

27. The changes in accounting policies as a result of the adoption of International Financial Reporting Standards ("IFRS") (Continued)

in RM'000	**Note 27**	**31-Jan-05**	**1-Feb-04**
Total equity			
Total equity as per previous UK GAAP		2,522,897	2,279,467
Adjustments to profit after tax (as above)		7,658	-
Reversal of proposed ordinary dividends payable, in accordance with IAS 10	**(i)**	128,398	142,569
Deferred taxation on revaluation surplus, in accordance with IAS 12	**(ii)**	(32,176)	(32,176)
Deferred taxation of fair value adjustments arising from the acquisition of Powertek, in accordance with IAS 12	**(ii)**	(97,375)	(97,375)
Reclassification of profit participating loan to to minority interests in equity	**(iii)**	15,412	-
Reclassification of investment property revaluation reserve, in accordance with IAS 40			
from revaluation reserve	**(iv)**	(60,357)	(60,357)
to retained earnings	**(iv)**	60,357	60,357
Total equity as adjusted for IFRS		2,544,814	2,292,485

in RM	**Note 27**	**As at 31-Jan-06**	**As at 31-Jan-05**
Net tangible assets ("NTA") per share			
NTA per share as per previous UK GAAP		**6.23**	5.84
Adjustments			
Reversal of proposed dividends payable, in accordance with IAS 10	**(i)**	**0.26**	0.31
Deferred taxation on revaluation surplus, in accordance with IAS 12	**(ii)**	**(0.05)**	(0.05)
Deferred taxation of fair value adjustments arising from the acquisition of Powertek, in accordance with IAS 12	**(ii)**	**(0.20)**	(0.22)
Changes in fair value of Available-for-sale financial assets and derivative financial instruments, in accordance with IAS 39	**(v)**	**0.26**	-
NTA per share as adjusted for IFRS		**6.50**	5.88

Part C Additional explanatory notes

28. Analysis of operating costs – additional disclosures under income statement

in RM'000	3 months ended 31-Jan-06	3 months ended 31-Jan-05	12 months ended 31-Jan-06	12 months ended 31-Jan-05
Cost of sales	**595,852**	557,203	**2,427,329**	2,143,452
Distribution costs	**15,980**	15,064	**61,423**	44,733
Administrative expenses	**72,126**	52,502	**145,648**	129,336
Other operating expenses	**4,675**	8,643	**17,725**	26,618
Total operating costs	**688,633**	633,412	**2,652,125**	2,344,139

29. Cash generated from operations – additional disclosures under cash flow statement

in RM'000	12 months ended 31-Jan-06	12 months ended 31-Jan-05
Profit after taxation	**369,116**	399,505
Adjustments for:		
- Depreciation	**241,127**	196,688
- Amortisation of intangible assets	**-**	3,776
- Intangible assets written off	**119**	-
- Net investment income	**(13,313)**	(11,050)
- Interest income	**(53,475)**	(38,533)
- Finance costs	**133,297**	124,443
- Share of post tax results from joint ventures and associates	**(10,267)**	(3,836)
- Taxation	**132,051**	139,161
- Adjustment for other non-cash items	**(664)**	2,333
Changes in working capital	**(72,185)**	19,676
Cash generated from operations	**725,806**	832,163

30. Detailed analysis on Gaming segment

in RM'000	12 months ended 31-Jan-06	12 months ended 31-Jan-05
Revenue		
Number Forecast Operations ("NFO")	**1,924,978**	1,730,995
Racing Totalisator Operations ("RTO")	**16,860**	17,786
	1,941,838	1,748,781
Operating profit/(loss)		
NFO	**209,291**	189,622
RTO	**(13,830)**	(13,291)
	195,461	176,331

Part C Additional explanatory notes

31. Principal differences between IFRS and Malaysian Financial Reporting Standards (MFRS)

The accounting policies adopted by the Group, as mentioned in Note 1, are in accordance with IFRS. These accounting policies comply with the MFRS with the exception of IFRS standard, IAS 39-" Financial Instruments: Recognition and Measurement" which requires all investments to be stated at fair value.

Please refer to Note 27 (v) for a detailed explanation.

The effects of these differences are as follows:

in RM'000		**As At 31-Jan-06**
Profit after taxation (Distributable)		
Profit after taxation per IFRS		**369,116**
Add: Loss from change in fair value of financial assets		**2,051**
Profit after taxation adjusted per MFRS		**371,167**
Equity shareholders' funds		
Equity shareholders' funds per IFRS		**2,669,733**
(Less)/add:		
Loss/(gain) from change in fair value of financial assets		
- at opening	**(2,550)**	
- at current year	**2,051**	
		(499)
Fair value Reserves (AFS)		
- at opening	**(41,389)**	
- at current year	**(63,446)**	
		(104,835)
Equity shareholders' funds as adjusted per MFRS		**2,564,399**

By order of the Board

Siuagamy Ramasamy
Group Company Secretary

28 March 2006
Kuala Lumpur

Copies of the Unaudited Results of the Tanjong Group for the fourth quarter and year ended 31 January 2006 are available to the public during office hours at the Company's registered office in the United Kingdom at ***The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, England***