

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 2008

Condensed Group Income Statement

<i>in RM'000</i>	Note	3 months ended		12 months ended	
		31-Jan-08 (Unaudited)	31-Jan-07 (Audited)	31-Jan-08 (Unaudited)	31-Jan-07 (Audited)
Gross transaction value	8	<u>1,110,576</u>	<u>928,499</u>	<u>4,040,965</u>	<u>3,805,826</u>
Revenue	8	786,196	618,612	2,721,645	2,437,339
Operating costs	27	(512,808)	(350,520)	(1,743,900)	(1,551,805)
Operating profit	8	<u>273,388</u>	<u>268,092</u>	<u>977,745</u>	<u>885,534</u>
Net investment income		8,433	5,285	30,609	33,379
Finance costs		(98,458)	(67,152)	(317,368)	(281,723)
Interest income		12,581	14,156	58,914	60,262
Finance costs - net		(85,877)	(52,996)	(258,454)	(221,461)
Share of post tax results from joint ventures and associate		16,720	(1,676)	23,578	(9,206)
Profit before taxation		<u>212,664</u>	<u>218,705</u>	<u>773,478</u>	<u>688,246</u>
Taxation	18	(46,766)	(45,933)	(195,258)	(151,457)
Profit after taxation		<u>165,898</u>	<u>172,772</u>	<u>578,220</u>	<u>536,789</u>
Attributable to:					
Tanjong's shareholders		147,869	151,214	554,459	509,527
Minority interests		18,029	21,558	23,761	27,262
		<u>165,898</u>	<u>172,772</u>	<u>578,220</u>	<u>536,789</u>
Earnings per share (sen)	26				
- Basic / Diluted		<u>36.7</u>	<u>37.5</u>	<u>137.5</u>	<u>126.4</u>

The condensed group income statement should be read in conjunction with the Group's annual financial statements for the year ended 31 January 2007.

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QUARTERLY REPORT FOR THE QUARTER ENDED 31 JANUARY 2008

Condensed Group Balance Sheet

<i>in RM'000</i>	As at 31-Jan-08 (Unaudited)	As at 31-Jan-07 (Audited)
ASSETS		
Non-Current Assets		
Intangible assets	49,130	49,130
Property, plant and equipment	2,634,226	2,727,272
Prepaid lease rental	21,864	14,999
Investment property	550,339	550,000
Investments in joint ventures and associates	234,434	53,660
Deferred income tax assets	278,033	295,438
Available-for-sale financial assets	160,856	376,414
Lease receivables	5,836,370	2,652,383
	<u>9,765,252</u>	<u>6,719,296</u>
Current Assets		
Inventories	409,184	276,250
Trade and other receivables	502,920	299,143
Lease receivables	160,048	95,559
Held-for-trading investments	10,234	3,550
Available-for-sale financial assets	219,386	31,293
Derivative financial instruments	19	542
Cash and cash equivalents	1,058,316	1,290,266
	<u>2,360,107</u>	<u>1,996,603</u>
Total Assets	<u>12,125,359</u>	<u>8,715,899</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	584,286	427,977
Borrowings	1,165,399	278,019
Current income tax liabilities	18,638	17,910
Hedging liability	6,667	-
Provision for other liabilities and charges	6,223	9,500
	<u>1,781,213</u>	<u>733,406</u>
Non-Current Liabilities		
Borrowings	4,479,023	3,857,170
Other non-current liabilities	791,179	91,432
Hedging liability	249,435	56,545
Deferred income tax liabilities	1,048,628	601,857
Provision for other liabilities and charges	99,747	45,509
	<u>6,668,012</u>	<u>4,652,513</u>
Total Liabilities	<u>8,449,225</u>	<u>5,385,919</u>
NET ASSETS	<u>3,676,134</u>	<u>3,329,980</u>
EQUITY		
Paid up share capital	146,107	146,107
Share premium account	240,808	240,808
Other reserves	(120,412)	97,934
Retained earnings	3,031,303	2,713,359
Total shareholders' equity	<u>3,297,806</u>	<u>3,198,208</u>
Minority interests in equity	378,328	131,772
TOTAL EQUITY	<u>3,676,134</u>	<u>3,329,980</u>
Net Tangible Assets per share (RM)	<u>8.06</u>	<u>7.81</u>
Net Assets per share (RM)	<u>9.12</u>	<u>8.26</u>

The condensed group balance sheet should be read in conjunction with the Group's annual financial statements for the year ended 31 January 2007.

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QUARTERLY REPORT FOR THE QUARTER ENDED 31 JANUARY 2008

Condensed Group Cash Flow Statement

<i>in RM'000</i>	Note	12 months ended	
		31-Jan-08	31-Jan-07
		(Unaudited)	
Cash flows from operating activities			
Cash generated from operations	28	1,188,553	1,032,510
Malaysian and other taxes paid		(140,062)	(108,562)
Net cash generated from operating activities		<u>1,048,491</u>	<u>923,948</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(104,410)	(32,995)
Proceeds from sale of property, plant and equipment		1,250	643
Construction of a resort		(37,936)	(68,752)
Acquisition of subsidiaries and associates		(1,602,570)	(769,470)
Proceeds from disposal of a subsidiary		-	6,041
Net repayment of advances from joint ventures		917	-
Purchase of investments		(51,551)	(18,945)
Proceeds from sale of investments		71,204	79,778
Net repayment of advances from an associate		-	260
Dividend income received		10,570	12,796
Interest received		61,420	64,396
Net cash used in investing activities		<u>(1,651,106)</u>	<u>(726,248)</u>
Cash flows from financing activities			
Proceeds from borrowings		643,390	1,271,944
Repayment of borrowings		(604,156)	(1,082,323)
Dividends paid to Company's shareholders		(263,971)	(208,241)
Dividends paid to minority interests		-	(15,480)
Government subsidies received		-	77,939
Advances from minority interest		944,650	-
Interest paid		(333,002)	(282,644)
Net cash generated from/(used in) financing activities		<u>386,911</u>	<u>(238,805)</u>
Currency translation differences		<u>(16,246)</u>	<u>(17,887)</u>
Net decrease in cash and cash equivalents		<u>(231,950)</u>	<u>(58,992)</u>
Cash and cash equivalents at start of the year		1,290,266	1,349,258
Cash and cash equivalents at end of the year		<u>1,058,316</u>	<u>1,290,266</u>
Cash and cash equivalents			
Short term placements		600,750	1,027,522
Cash at bank and in hand		457,566	262,744
		<u>1,058,316</u>	<u>1,290,266</u>

The condensed group cash flow statement should be read in conjunction with the Group's annual financial statements for the year ended 31 January 2007.

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QUARTERLY REPORT FOR THE QUARTER ENDED 31 JANUARY 2008

Condensed Group Statement of Changes in Equity

in RM'000	Attributable to equity holders of Tanjong					Total Equity		
	Paid Up Share Capital	Share Premium Account	Other * Reserves	Retained Earnings	Total	Minority Interests	31-Jan-08 (Unaudited)	31-Jan-07 (Audited)
Balance as at 1 February	146,107	240,808	97,934	2,713,359	3,198,208	131,772	3,329,980	3,036,090
Changes in equity:								
Available-for-sale financial assets: Valuation gains taken to equity	-	-	183	-	183	-	183	15,125
Exchange differences on foreign currency net investments	-	-	(110,437)	-	(110,437)	-	(110,437)	(49,361)
Realised exchange differences transferred to income statement upon disposal of subsidiaries	-	-	-	-	-	-	-	(13,095)
Annual net profit transferred to legal reserves	-	-	6,950	(7,436)	(486)	-	(486)	486
Cash flow hedges	-	-	(115,042)	-	(115,042)	-	(115,042)	25,367
Difference between the purchase price over the value of net assets acquired	-	-	-	34,892	34,892	28,549	63,441	-
Minority interests arising on business combination	-	-	-	-	-	194,246	194,246	-
Others	-	-	-	-	-	-	-	2,300
Net income recognised directly in equity	-	-	(218,346)	27,456	(190,890)	222,795	31,905	(19,178)
Profit for the financial period	-	-	-	554,459	554,459	23,761	578,220	536,789
Total recognised income and expense for the period	-	-	(218,346)	581,915	363,569	246,556	610,125	517,611
Dividends	-	-	-	(263,971)	(263,971)	-	(263,971)	(208,241)
Dividends paid to Minority interests	-	-	-	-	-	-	-	(15,480)
Balance as at 31 January	146,107	240,808	(120,412)	3,031,303	3,297,806	378,328	3,676,134	3,329,980

The condensed group statement of changes in equity should be read in conjunction with the Group's annual financial statements for the year ended 31 January 2007.

* Comprise Fair value Reserves, Legal Reserves, Hedging Reserves and Currency Translation Reserves.

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QUARTERLY REPORT FOR THE QUARTER ENDED 31 JANUARY 2008

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 2007.

Tanjong's interim financial statements have been prepared in accordance with those International Financial Reporting Standards ("IFRSs") (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.

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

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 years.

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

6. Movements in debt and equity securities

6.1 Issuance and repayment of debt securities

During the quarter and year under review, Commercial Paper totalling RM340 million were issued by the subsidiaries.

The subsidiary companies have also made the following repayments:

- (i) RM50 million Commercial Paper for the quarter ended 30 April 2007;
- (ii) RM5 million Al-Murabahah Medium Term Notes for the quarter ended 31 October 2007;
- (iii) RM50 million Al-Bai Bithaman Ajil Islamic Debt Securities and RM10 million Al-Murabahah Medium Term Notes for the quarter under review.

6.2 Issuance of equity securities

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

7. Dividend paid

Dividends paid during the financial period are as follows:

	Gross per ordinary share	Paid on
Fourth interim dividend for FY 31 January 2007	12.0 sen	26 April 2007
First interim dividend for FY 31 January 2008	14.0 sen	6 August 2007
Final dividend for FY 31 January 2007	34.0 sen	24 August 2007
Second interim dividend for FY 31 January 2008	14.0 sen	31 October 2007
Third interim dividend for FY 31 January 2008	14.0 sen	31 January 2008

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

8. Segmental results

(a) Primary reporting format – business segments

<i>in RM' 000</i>	Power Generation	Gaming	Property Investment	Leisure	Others	Group
Year ended 31 January 2008						
Gross transaction value*						<u>4,040,965</u>
Revenue						
Total revenue	1,843,744	724,478	62,970	103,220	-	2,734,412
Inter-segment elimination	-	-	(12,767)	-	-	(12,767)
External revenue	<u>1,843,744</u>	<u>724,478</u>	<u>50,203</u>	<u>103,220</u>	<u>-</u>	<u>2,721,645</u>
Results						
Operating profit/(loss)	775,186	228,826	** 43,147	(59,114)	(10,300)	977,745
Net investment income						30,609
Finance costs	(280,480)	-	(5,732)	(20,793)	(10,363)	(317,368)
Interest income						58,914
Share of post tax results from						
- joint ventures	19,529	(236)	-	2,358	-	21,651
- associates	1,473	-	-	-	454	1,927
	<u>21,002</u>	<u>(236)</u>	<u>-</u>	<u>2,358</u>	<u>454</u>	<u>23,578</u>
Profit before taxation						<u>773,478</u>
Taxation						<u>(195,258)</u>
Profit after taxation						<u>578,220</u>
Other segment items						
Capital expenditure	82,628	7,341	122	52,707	343	143,141
Depreciation	211,314	10,032	1,017	36,472	879	259,714
As at 31 January 2008						
Segment assets	9,452,555	139,803	560,008	409,355	47,102	10,608,823
Joint ventures	202,561	140	-	31,733	-	234,434
Unallocated assets						<u>1,282,102</u>
Total assets						<u>12,125,359</u>
Segment liabilities	774,551	125,252	18,762	96,429	3,965	1,018,959
Borrowings	5,025,373	-	97,500	376,755	144,794	5,644,422
Unallocated liabilities						<u>1,785,844</u>
Total liabilities						<u>8,449,225</u>

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

8. Segmental results (continued)

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

<i>in RM' 000</i>	Power Generation	Gaming	Property Investment	Leisure	Others	Group
Year ended 31 January 2007						
Gross transaction value*						<u>3,805,826</u>
Revenue						
Total revenue	1,681,881	635,600	58,969	66,548	7,160	2,450,158
Inter-segment elimination	-	-	(12,819)	-	-	(12,819)
External revenue	<u>1,681,881</u>	<u>635,600</u>	<u>46,150</u>	<u>66,548</u>	<u>7,160</u>	<u>2,437,339</u>
Results						
Operating profit/(loss)	682,637	150,185 **	120,213	(58,754)	(8,747)	885,534
Net investment income						33,379
Finance costs	(253,296)	-	(6,542)	(13,392)	(8,493)	(281,723)
Interest income						60,262
Share of post tax results from						
- joint ventures	5,789	(17,283)	-	1,973	-	(9,521)
- associate	-	-	-	-	315	315
	<u>5,789</u>	<u>(17,283)</u>	<u>-</u>	<u>1,973</u>	<u>315</u>	<u>(9,206)</u>
Profit before taxation						<u>688,246</u>
Taxation						<u>(151,457)</u>
Profit after taxation						<u>536,789</u>
Other segment items						
Capital expenditure	13,497	7,690	665	74,770	1,748	98,370
Depreciation	215,492	9,069	936	24,895	201	250,593
As at 31 January 2007						
Segment assets	5,694,451	137,293	559,831	464,272	60,904	6,916,751
Joint ventures and associate	20,417	95	-	31,445	1,703	53,660
Unallocated assets						1,745,488
Total assets						<u>8,715,899</u>
Segment liabilities	340,629	116,980	21,195	130,048	22,111	630,963
Borrowings	3,459,068	-	112,500	408,528	155,093	4,135,189
Unallocated liabilities						619,767
Total liabilities						<u>5,385,919</u>

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

8. Segmental results (continued)

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

* Gross transaction value represents gross sales proceeds for the NFO and revenue from other operations.

<i>in RM'000</i>	12 months ended	
	31-Jan-08	31-Jan-07
NFO gross sales proceeds	2,025,631	1,992,830
RTO revenue	18,167	11,257
Revenue from other operations	1,997,167	1,801,739
Gross transaction value	4,040,965	3,805,826
Less: NFO prize payouts	(1,319,320)	(1,368,487)
Revenue	2,721,645	2,437,339

** Operating profit of the Gaming segment is analysed as below:-

<i>in RM'000</i>	12 months ended	
	31-Jan-08	31-Jan-07
Gaming operating profit/(loss)		
NFO	236,567	166,766
RTO	(7,741)	(16,581)
	228,826	150,185

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

8. Segmental results (continued)

(b) Secondary reporting format – geographical segments

The Group's business is mainly concentrated in Malaysia with the exception of Leisure which operates in the Federal Republic of Germany. Power Generation expanded into Egypt in March 2006. In November 2007, it had expanded into Bangladesh, Pakistan and Sri Lanka.

<i>in RM' 000</i>	Malaysia	Egypt	Federal Republic of Germany	Bangladesh	Other countries	Group
Year ended 31 January 2008						
Total external revenue	1,848,387	712,295	103,220	57,743	-	2,721,645
Total capital expenditure	10,207	79,114	52,707	1,113	-	143,141
As at 31 January 2008						
Segment assets	3,322,455	4,629,780	409,355	2,189,099	58,134	10,608,823
Joint ventures and associate						234,434
Unallocated assets						1,282,102
Total assets						12,125,359
Year ended 31 January 2007						
Total external revenue	1,738,505	625,126	66,548	-	7,160	2,437,339
Total capital expenditure	23,600	-	74,770	-	-	98,370
As at 31 January 2007						
Segment assets	3,401,324	3,015,481	464,272	-	35,674	6,916,751
Joint ventures and associate						53,660
Unallocated assets						1,745,488
Total assets						8,715,899

Segment revenue from external customers is based on the country in which the customer is located whereas the total carrying amount of assets and capital expenditure is allocated based on the location of the assets.

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

9. Valuations of property, plant and equipment

The fair value of the investment property stands at RM550 million and remains unchanged from the last annual financial statements.

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

There have been no material events subsequent to the end of the financial period.

11. Changes in the composition of the Group

Following the completion of the acquisition by Pendekar Energy (L) Ltd (a 55% subsidiary of the Company) from CDC Globeleq Holdings Limited (“CDC Globeleq”) of the entire issued and paid-up share capital of Globeleq Ltd (now known as Pendekar Ltd) on 21 November 2007, Pendekar Energy (L) Ltd now owns Pendekar Ltd together with its subsidiaries and associated companies.

12. Commitments and contingencies

12.1 Capital commitments as at 31 January 2008

	RM million
Authorised and contracted	<u>267</u>
Authorised and not contracted	<u>106</u>
Analysed as follows:	
Investment commitments (i)	280
Property, plant and equipment	93
	<u>373</u>

(i) Represents mainly the Group's:

(a) equity contribution commitment in the Taweelah B project (RM209 million);

and

(b) cost of acquisition of the remaining 50% equity interest in TGV Cinemas Sdn Bhd (RM51 million).

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

12. Commitments and contingencies (continued)

12.2 Contingencies

As at 31 January 2008, the Group has provided the following guarantees and indemnities in favour of:

- (a) a financial institution 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 a maximum amount of AED44.32 million (an equivalent of RM39.15 million);
- (b) a financial institution and Taweelah United Power Company in respect of Pendekar Power (Labuan) Ltd’s required capital contribution in Project Taweelah, up to a maximum amount of AED198.60 million (an equivalent of RM175.43 million);
- (c) a financial institution, in respect of the USD100 million (an equivalent of RM324.45 million) bank guarantee facility obtained by Kuasa Nusajaya (L) Ltd (“KNL”);
- (d) a financial institution, in relation to standby letter of credit facilities obtained by KNL, of up to USD38 million (an equivalent of RM123.29 million) and EGP125 million (an equivalent of RM73.12 million);
- (e) a financial institution, in respect of a facility of EUR30 million (an equivalent of RM142.92 million) granted to its wholly-owned subsidiary, Tanjong Entertainment (L) Ltd to finance its investment in Tropical Island S.a.r.l.;
- (f) a financial institution and InvestitionsBank des Lands Brandenburg (“ILB”)(the Investment Bank of the State Government of Brandenburg, Federal Republic of Germany) amounting to EUR20 million (an equivalent of RM95 million) in respect of the government subsidies awarded to Tropical Islands;
- (g) the Bangladesh Power Development Board in respect of any amount due by Meghnaghat Power Limited (“MPL”) and Haripur Power Limited (“HPL”) in accordance with the respective Power Purchase Agreement up to the aggregate maximum amount of USD6.83 million (an equivalent of RM22.2 million) for MPL and USD4.3 million (an equivalent of RM13.95 million) for HPL;

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

12. Commitments and contingencies (continued)

12.2 Contingencies (continued)

- (h) the Project Lenders to MPL, among other things, guaranteeing, on a joint and several basis with Aljomaih Holding Company (“Aljomaih Holding”), the holding company of Aljomaih Automotive Company Limited, the due and punctual performance and payment by Pendekar Ltd (formerly known as Globeleq Ltd) of its undertaking to procure that restoration of MPL’s power plant following the occurrence of certain events are completed in accordance with the Implementation Agreement dated 29 July 1999 (as amended from time to time) between MPL and the Government of Bangladesh, subject to a threshold amount not exceeding 7.5% of the construction contract price;
- (i) the Project Lenders to HPL, among other things, guaranteeing, on a joint and several basis with Aljomaih Holding, the due and punctual performance by Pendekar Ltd (formerly known as Globeleq Ltd) of its undertaking to procure that restoration of HPL’s power plant following the occurrence of certain events are completed in accordance with the Implementation Agreement dated 17 September 1998 (as amended from time to time) between HPL and the Government of Bangladesh, subject to a threshold amount not exceeding 7.5% of the construction contract price;
- (j) a 55% owned subsidiary, in relation to the performance by Kuasa Nusajaya Sdn Bhd of its technical services in HPL and MPL subject to a maximum amount of US\$500,000 (an equivalent of RM1.62 million) each in any one year;
- (k) a financial institution, in relation to the Short Term Loan Facility of USD90 million (an equivalent of RM292.0 million) granted to TEH Ventures (L) Ltd; and
- (l) ILB for an amount of EUR420,000 in relation to the grant of a subsidy of EUR350,000 by the European Regional Development Fund in favour of Tropical Island Holding GmbH, Tropical Island Asset Management GmbH and Tropical Island Management GmbH.

As at the balance sheet date, the Company has also provided corporate guarantees to financial institutions in respect of the borrowings undertaken by its subsidiaries as disclosed in Note 22.

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QUARTERLY REPORT FOR THE QUARTER ENDED 31 JANUARY 2008

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, including those for charitable purposes ; and
- (ii) Ananda Krishnan Tatparanandam and his family.

<i>in RM'000</i>	12 months ended	
	31-Jan-08	31-Jan-07
<i>Income credited to the Group income statement</i>		
Lease rental and tenant service revenue	26,544	25,760
Management services revenue	180	808
Others	266	226
	26,990	26,794
<i>Recovery of expenses and shared overhead costs</i>		
	8,201	7,722
<i>Expenses charged to the Group income statement</i>		
Consultancy services	15,750	15,750
Gas, heating, electricity, water and safety related services	9,175	7,566
Closed circuit television broadcasting services	6,041	3,551
Sponsorship of events	2,765	1,700
Telecommunication and related services	2,538	1,967
Bloodstock management, service fees, accounting & clerical services	1,189	1,326
Sub-tenancy of premises	439	509
Connection and transaction fees	250	250
Technical advisory, operations & maintenance services	-	1,644
Other services	585	465
	38,732	34,728

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QUARTERLY REPORT FOR THE QUARTER ENDED 31 JANUARY 2008

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 RM168 million to RM786 million over the corresponding quarter in the previous year (“corresponding quarter”) due mainly to the maiden contribution of RM108 million from the power generating plants which were acquired from CDC Globeleq and IDB Infrastructure Fund L.P. on 21 November 2007 (“Globeleq plants”).

The current quarter's profit before tax of RM213 million has been favourably affected by the underlying contribution of the Globeleq plants (approximately RM48 million) and the improved performance of the Malaysian power plants.

The results of corresponding quarter include a fair value gain of RM80 million on the revaluation of Menara Maxis which is non-recurring.

14.2 Material factors affecting financial year to date results

Group revenue increased by RM284 million from RM2,437 million in the corresponding year to RM2,721 million in the current year. Group operating profit at RM978 million, was higher by RM92 million.

Revenue from Power Generation increased by RM162 million to RM1,844 million in the current year mainly due to the maiden contribution from the recently acquired Globeleq plants and the full year's contribution from the two Egyptian power plants which were acquired on 2 March 2006. The increased revenue resulted in an increase of RM93 million in segmental operating profit to RM775 million for the current year.

NFO gross sales proceeds increased to RM2,026 million from RM1,993 million despite 3 less draws being conducted during the current year. A normalization of the prize payout ratio to 65% in the current year has resulted in an increase in the fair value of Gaming revenue from RM636 million to RM724 million during the year under review. Accordingly, the operating profit for Gaming has increased significantly from RM150 million to RM229 million.

In the Leisure segment, the launching of new attractions in Tropical Islands has led to a RM37 million revenue increase on the back of a higher number of visitors and higher average spending per visitor. However, marketing expenses relating to the launch and depreciation charges for the new attractions have resulted in the operating loss of RM59 million remaining unchanged from that of the previous year.

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

14. Review of performance (continued)

14.2 Material factors affecting financial year to date results (continued)

The operating profit from Investment Property is, at RM43 million, lower than the operating profit of RM120 million in the previous year. This is due to the non-recurrence of the fair value gain of RM80 million referred to in Note 14.1.

Net finance costs increased from RM222 million to RM258 million as a result of the additional interest expense arising from the borrowings relating to the acquisition of the Globeleq plants.

For the period under review, Group profit attributable to shareholders increased by RM45 million from RM510 million to RM555 million. Net earnings per share increased by 11.1 sen from 126.4 sen to 137.5 sen.

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

The current quarter's profit before taxation of RM213 million is lower than the preceding quarter's profit before taxation of RM239 million due mainly to higher prize payout for NFO of 63.6% (compared to 61.6% in the previous quarter) and the recognition of warranty payments in respect of power plant spares totaling RM11.4 million in the preceding quarter.

16. Prospects

Subject to any other unforeseen circumstances, the Directors expect that the following factors may significantly impact the Group's prospects for the next financial year:-

- (i) improved contributions from its existing and newly acquired power generation assets which are located in various countries;
- (ii) ongoing demand for the Group's gaming products in line with initiatives to increase its market presence and product competitiveness; and
- (iii) operating losses in Tropical Islands pending the outcome of efforts to develop resort accommodation and external recreational facilities to complement the existing attractions within the dome.

17. Board of Directors' opinion on revenue or profit estimate, forecast, projection or internal targets

The Group did not previously announce or disclose any revenue or profit estimate, forecast, projection or internal targets in a public document.

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

18. Taxation

<i>in RM'000</i>	3 months ended		12 months ended	
	31-Jan-08	31-Jan-07	31-Jan-08	31-Jan-07
Malaysian Taxation				
Income tax				
- Current year	23,564	61,246	132,936	141,983
- Prior year	(3,082)	(10,925)	(842)	(14,223)
	20,482	50,321	132,094	127,760
Deferred tax	11,160	(19,055)	30,439	7,785
	31,642	31,266	162,533	135,545
Foreign Taxation				
- Current year	974	672	973	699
- Prior year	(2)	-	(2)	-
- Deferred tax	14,152	13,995	31,754	15,213
	46,766	45,933	195,258	151,457

The effective tax rate for the current quarter and year to date is 22% and 25% respectively. Current quarter's and year to date's effective tax rate is lower than the Malaysian statutory tax rate of 26% due to higher tax-exempt income earned during the quarter.

19. Sale of unquoted investments and/or properties

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

20. Quoted securities

<i>in RM'000</i>	Current Quarter	Year to Date
(a) Summary of dealings in quoted securities for the period ended 31 January 2008		
(i) Total purchase consideration	914	11,524
(ii) Total sale proceeds	5,808	15,200
(iii) Total profit on disposal	643	2,252
(b) Investments in quoted securities as at the end of the reporting period:		
(i) At cost		50,800
(ii) At book value/market value		108,431

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

21. Status of corporate proposals announced but not completed

On 13 February 2008, Tanjong via CIMB Investment Bank Berhad (“CIMB”), announced that Tanjong Entertainment Sdn Bhd (“TESB”), a wholly-owned subsidiary of Tanjong, had entered into a Sale and Purchase Agreement with Golden Harvest Cinemas Holding Limited (“GHC”) and Global Entertainment and Management Systems Sdn Bhd (“GEMS”) (the “Sellers”) (“Agreement”) for the proposed acquisition of 2,500,000 ordinary shares of RM1.00 each in TGV Cinemas Sdn Bhd (“TGV”) (“TGV Shares”) that are currently held by the Sellers (“Sale Shares”), of which 1, 250, 000 Sale Shares are held by each of the Sellers, for a total consideration of RM40,164,998 (“Proposed Acquisition”).

The Proposed Acquisition is subject to the following approvals being obtained on or before 6 months from the date of the Agreement, from:-

- (i) the ultimate holding company of each of the Sellers and TESB respectively, if so required;
- (ii) the Foreign Investment Committee of Malaysia; and
- (iii) any other relevant regulatory or licensing authority, if required.

The Proposed Acquisition does not require the approval of the shareholders of Tanjong.

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed no later than 12 August 2008.

For further details of the above please refer to the announcements dated 13 February 2008 and 18 February 2008.

Other than the aforesaid, we are not aware of any corporate proposals announced but not completed.

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

22. Group borrowings and debt securities

<i>in RM'000</i>	Short Term	Long Term	As at 31-Jan-08
<i>Secured</i>			
<i>Denominated in RM</i>			
Al-Bai' Bithaman Ajil Islamic Debt Securities ("BaIDS") ¹	50,000	180,000	230,000
Murabahah Commercial paper ("CP") ¹	90,000	-	90,000
Serial bonds ²	-	830,000	830,000
Al-Bai' Bithaman Ajil ("ABBA") ³	15,000	82,500	97,500
	155,000	1,092,500	1,247,500
<i>Denominated in GBP</i>			
Term loan ⁴	144,794	-	144,794
<i>Denominated in EURO</i>			
Transferable loan facility ⁵	51,966	324,789	376,755

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

22. Group borrowings and debt securities (continued)

<i>in RM'000</i>	Short Term	Long Term	As at 31-Jan-08
<i>Secured – (continued)</i>			
<i>Denominated in USD</i>			
Term loan ⁶	15,418	274,251	289,669
International Finance Corporation loan (“IFC”) ⁷	71,740	944,107	1,015,847
Senior secured notes ⁷	-	315,139	315,139
Working capital loan ⁷	6,489	11,356	17,845
Infrastructure Development Company Limited (“IDCOL”) senior facility ⁸	3,888	50,436	54,324
IDCOL subordinated facility ⁸	6,456	209,088	215,544
Asian Development Bank loan (“ADB”) ⁸	20,421	337,994	358,415
Netherlands Development Finance Company (“FMO”) subordinated loan ⁹	273	7,644	7,917
International Development Association guaranteed facility (“IDA”) ⁹	13,810	96,903	110,713
Partial Risk Insurance facility (“PRI”) ⁹	1,469	10,308	11,777
FMO loan ⁹	3,723	46,215	49,938
Senior loan ¹⁰	2,947	633,293	636,240
Term loan ¹¹	292,005	-	292,005
	438,639	2,936,734	3,375,373
<i>Unsecured</i>			
<i>Denominated in RM</i>			
Redeemable bonds	125,000	125,000	250,000
Commercial paper (“CP”)	250,000	-	250,000
	1,165,399	4,479,023	5,644,422

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

22. Group borrowings and debt securities (continued)

- ¹ *These debts 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 were undertaken by Panglima Power Sdn Bhd 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, 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 £22.5 million loan drawdown by Invest Allied Limited is secured by way of a corporate guarantee issued by Tanjong plc.*
- ⁵ *The transferable loan facility consists of the following:*
 - a) The €30 million loan which has been drawdown by Tanjong Entertainment (L) Ltd, secured by way of a corporate guarantee issued by Tanjong plc.*
 - b) The €49.1 million loan, secured by Tanjong plc undertaking in proportion to its equity interest of 75% in Tropical Islands, to provide cash flow support which amount is capped at the principal and interest due in any one year only.*
- ⁶ *The USD89.3 million term loan, which has been drawdown by KNL is secured by way of a charge over shares in KNL, an assignment of KNL's rights to be paid proceeds of certain claims if such claims are made in relation to the acquisition of the Egyptian power plants, an assignment of KNL's rights under hedging contracts, an assignment of shareholder's loan and charges over certain accounts and receivables.*
- ⁷ *These loans are secured by pledges of shares in Port Said and Suez Gulf entities owning power plants in Egypt, mortgages over their assets, assignments of the rights under the shareholder loan agreement, project agreements, interest rate hedging agreements, insurances, receivables and certain accounts, and a standby letters of credit/bank guarantee for an amount of USD 100 million obtained by KNL.*
- ⁸ *These loans are secured by way of pledge of shares in MPL, mortgages over their assets, assignments of rights under project agreements, interest rate hedging agreements, insurances, receivables and certain accounts and standby letters of credit / bank guarantee obtained by MPL.*
- ⁹ *These loans are secured by way of pledge of shares in HPL, mortgages over their assets, assignments of rights under project agreements, interest rate hedging agreements, insurances, receivables and certain accounts and standby letters of credit / bank guarantee obtained by HPL.*

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

22. Group borrowings and debt securities (continued)

¹⁰ *These loans are secured by Real Estate and Fond de Commerce Mortgage.*

¹¹ *The USD90 million term loan which has been drawdown by TEHV Ventures (L) Ltd is secured by way of a corporate guarantee issued by Tanjong Energy Holdings Sdn Bhd.*

Analysis of Group Borrowings	RM million
Fixed rate loans	2,638.7
Floating rate loans	
Partially hedged	2,018.1
Unhedged	987.6
Balance as at 31 January 2008	<u><u>5,644.4</u></u>

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.

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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 fourth interim gross dividend of **14 sen per share less Malaysian income tax at 25%** in respect of the financial year ending 31 January 2008 (the "**Fourth Interim Dividend**") was declared by the Directors on 27 March 2008. Subject to the relevant provisions of the following paragraphs of this Notice, the **Fourth Interim Dividend** will be **paid on 6 May 2008** to those shareholders on the record of the Company **at the close of business on 18 April 2008** as set out in this Notice.

A final gross dividend of **34 sen per share, less Malaysian income tax at 25%** in respect of the financial year ended 31 January 2008 (the "**Final Dividend**") was recommended by the Directors on 27 March 2008. Subject to the approval of the Company at the forthcoming Annual General Meeting and to the relevant provisions of the following paragraphs of this Notice, the **Final Dividend** will be **paid on 15 August 2008** to those shareholders on the record of the Company **at the close of business on 1 August 2008** as set out in this Notice.

The Register of Members of the Company will be closed:

- (i) in respect of the **Fourth Interim Dividend**, from **19 April 2008 to 21 April 2008** (both dates inclusive); and
- (ii) in respect of the **Final Dividend**, from **2 August 2008 to 4 August 2008** (both dates inclusive),

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

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25. Dividend (continued)

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 18 April 2008** (the “**Fourth Interim Dividend Record Date**”) and, in respect of the **Final Dividend**, on **1 August 2008** (the “**Final Dividend Record Date**”), shall be entitled to participate in the **Fourth Interim Dividend** and the **Final Dividend**, respectively, in respect of those Tanjong shares of which they are registered as member or recorded as depositor 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 18 April 2008** and in respect of the **Final Dividend, on 1 August 2008** will be registered by the **Fourth Interim Dividend Record Date and the Final Dividend Record Date** respectively.

A holder of a Securities Account maintained with the Bursa Malaysia Depository Sdn. Bhd. (“**Depositor**”) shall 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 18 April 2008** in respect of transfers;
 - (b) **shares deposited** into the Depositor’s Securities Account **before 12.30 p.m. (Malaysian time) on 16 April 2008** 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 Dividend**, only in respect of:
 - (a) **shares transferred** into the Depositor’s Securities Account **before 4.00 p.m. (Malaysian time) on 1 August 2008** in respect of transfers;
 - (b) **shares deposited** into the Depositor’s Securities Account **before 12.30 p.m. (Malaysian time) on 30 July 2008** 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.

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Part C Additional explanatory notes

26. Earnings per share (“EPS”)

The basic and diluted EPS for the current quarter and cumulative quarter are computed as follows:

	<i>Current Quarter</i>	<i>Cumulative Quarter</i>
Profit after tax attributable to shareholders (RM'000)	147,869	554,459
Weighted average number of ordinary shares	<u>403,256,136</u>	<u>403,256,136</u>
Basic and diluted EPS (sen)	<u>36.7</u>	<u>137.5</u>

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

<i>in RM'000</i>	3 months ended		12 months ended	
	31-Jan-08	31-Jan-07	31-Jan-08	31-Jan-07
Cost of sales	424,415	364,482	1,514,297	1,447,547
Distribution costs	18,363	17,957	69,846	59,048
Administrative expenses	73,702	49,585	184,017	142,722
Other operating expenses	7,382	3,601	27,059	27,997
Other operating income	(11,054)	(85,105)	(51,319)	(125,509)
Total operating costs	<u>512,808</u>	<u>350,520</u>	<u>1,743,900</u>	<u>1,551,805</u>

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Part C Additional explanatory notes

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

<i>in RM'000</i>	12 months ended	
	31-Jan-08	31-Jan-07
	(Unaudited)	
Profit after taxation	578,220	536,789
Adjustments for:		
- Finance costs	317,368	281,723
- Depreciation	259,714	250,593
- Taxation	195,258	151,457
- Share of post tax results from joint ventures and associate	(23,578)	9,206
- Net investment income	(30,609)	(33,379)
- Interest income	(58,914)	(60,262)
- Adjustment for other non-cash items	(10,011)	(112,365)
Changes in working capital	(38,895)	8,748
Cash generated from operations	<u>1,188,553</u>	<u>1,032,510</u>

By Order of the Board

Siuagamy Ramasamy
Group Company Secretary

27 March 2008

Kuala Lumpur

Copies of the Unaudited Results of the Tanjong Group for the fourth quarter ended 31 January 2008 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 and at the Company's website at www.tanjongplc.com.