

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 30 APRIL 2008

Condensed Group Income Statement

<i>in RM'000</i>	Note	3 months ended	
		30-Apr-08	30-Apr-07
		(Unaudited)	
Gross transaction value	8	<u>1,142,678</u>	<u>945,343</u>
Revenue	8	809,515	598,193
Operating costs	27	(539,435)	(390,509)
Operating profit	8	<u>270,080</u>	<u>207,684</u>
Net investment income		74,311	5,953
Finance costs		(96,007)	(73,303)
Interest income		8,414	15,933
Finance costs - net		(87,593)	(57,370)
Share of post tax results from joint ventures and associates		14,352	1,010
Profit before taxation		<u>271,150</u>	<u>157,277</u>
Taxation	18	(40,466)	(43,935)
Profit after taxation		<u>230,684</u>	<u>113,342</u>
Attributable to:			
Tanjong's shareholders		200,967	111,280
Minority interests		29,717	2,062
		<u>230,684</u>	<u>113,342</u>
Earnings per share (sen)	26		
- Basic / Diluted		<u>49.8</u>	<u>27.6</u>

The condensed group income statement should be read in conjunction with the Group's annual financial statements for the year ended 31 January 2008.

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QUARTERLY REPORT FOR THE QUARTER ENDED 30 APRIL 2008

Condensed Group Balance Sheet

<i>in RM'000</i>	As at 30-Apr-08 (Unaudited)	As at 31-Jan-08 (Audited)
ASSETS		
Non-Current Assets		
Intangible assets	49,130	49,130
Property, plant and equipment	2,566,225	2,634,225
Prepaid lease rental	21,448	21,864
Investment property	550,339	550,339
Investments in joint ventures and associates	190,356	234,434
Deferred income tax assets	39,832	278,039
Available-for-sale financial assets	161,984	160,856
Lease receivables	5,609,637	5,836,370
	<u>9,188,951</u>	<u>9,765,257</u>
Current Assets		
Inventories	414,093	409,184
Trade and other receivables	490,998	505,369
Lease receivables	168,717	160,048
Held-for-trading investments	9,098	10,234
Available-for-sale financial assets	-	219,386
Derivative financial instruments	15	19
Cash and cash equivalents	1,275,248	1,058,316
	<u>2,358,169</u>	<u>2,362,556</u>
Total Assets	<u>11,547,119</u>	<u>12,127,813</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	485,045	584,331
Borrowings	910,702	1,165,399
Current income tax liabilities	26,725	21,041
Hedging liability	12,251	6,667
Provision for other liabilities and charges	6,045	6,223
	<u>1,440,768</u>	<u>1,783,661</u>
Non-Current Liabilities		
Borrowings	4,500,821	4,479,023
Other non-current liabilities	737,365	791,179
Hedging liability	233,196	249,435
Deferred income tax liabilities	788,815	1,048,634
Provision for other liabilities and charges	93,005	99,747
	<u>6,353,202</u>	<u>6,668,018</u>
Total Liabilities	<u>7,793,970</u>	<u>8,451,679</u>
Net Assets	<u>3,753,149</u>	<u>3,676,134</u>
EQUITY		
Paid up share capital	146,107	146,107
Share premium account	240,808	240,808
Other reserves	(270,712)	(120,412)
Retained earnings	3,228,755	3,031,303
Total shareholders' equity	<u>3,344,958</u>	<u>3,297,806</u>
Minority interests in equity	408,191	378,328
Total Equity	<u>3,753,149</u>	<u>3,676,134</u>
Net Tangible Assets per share (in sen)	<u>817</u>	<u>806</u>
Net Assets per share (in sen)	<u>931</u>	<u>912</u>

The condensed group balance sheet should be read in conjunction with the Group's annual financial statements for the year ended 31 January 2008.

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QUARTERLY REPORT FOR THE QUARTER ENDED 30 APRIL 2008

Condensed Group Cash Flow Statement

<i>in RM'000</i>	Note	3 months ended	
		30-Apr-08	30-Apr-07 (Unaudited)
Cash flows from operating activities			
Cash generated from operations	28	303,330	260,152
Malaysian and other taxes paid		(34,289)	(29,018)
Net cash generated from operating activities		<u>269,041</u>	<u>231,134</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,898)	(13,320)
Proceeds from sale of property, plant and equipment		157	229
Construction of a resort		-	(6,001)
Purchase of investments		(1,202)	(4,644)
Proceeds from sale of investments		239,275	19,560
Net repayment of advances from an associate		-	106
Dividend income received		20,618	4,275
Interest received		8,161	13,699
Net cash generated from investing activities		<u>265,111</u>	<u>13,904</u>
Cash flows from financing activities			
Proceeds from borrowings		1,632,644	-
Repayment of borrowings		(1,821,686)	(50,000)
Dividends paid to Company's shareholders		-	(35,325)
Dividends paid to minority interests		(4,838)	-
Interest paid		(108,285)	(85,191)
Net cash used in financing activities		<u>(302,165)</u>	<u>(170,516)</u>
Currency translation differences		<u>(15,055)</u>	<u>(4,323)</u>
Net increase in cash and cash equivalents		<u>216,932</u>	<u>70,199</u>
Cash and cash equivalents at start of the year		1,058,316	1,290,266
Cash and cash equivalents at end of the year		<u>1,275,248</u>	<u>1,360,465</u>
Cash and cash equivalents			
Short term placements		879,999	1,101,814
Cash at bank and in hand		395,249	258,651
		<u>1,275,248</u>	<u>1,360,465</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 2008.

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QUARTERLY REPORT FOR THE QUARTER ENDED 30 APRIL 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	30-Apr-08 30-Apr-07 (Unaudited)
Balance as at 1 February	146,107	240,808	(120,412)	3,031,303	3,297,806	378,328	3,676,134 3,329,980
Changes in equity:							
Available-for-sale financial assets:							
Valuation gains taken to Income Statement	-	-	(56,055)	-	(56,055)	-	(56,055) 32,838
Exchange differences on foreign currency net investments	-	-	(60,530)	-	(60,530)	-	(60,530) (21,914)
Annual net profit transferred to legal reserves	-	-	4,404	(3,515)	889	-	889 (488)
Cash flow hedges	-	-	(38,119)	-	(38,119)	-	(38,119) (15,638)
Fair value changes on shareholder loan advanced by a minority interests	-	-	-	-	-	4,935	4,935 -
Others	-	-	-	-	-	49	49 -
Net income recognised directly in equity	-	-	(150,300)	(3,515)	(153,815)	4,984	(148,831) (5,202)
Profit for the financial period	-	-	-	200,967	200,967	29,717	230,684 113,342
Total recognised income and expense for the period	-	-	(150,300)	197,452	47,152	34,701	81,853 108,140
Dividends	-	-	-	-	-	-	- (35,325)
Dividends paid to minority interest	-	-	-	-	-	(4,838)	(4,838) -
Balance as at 30 April	146,107	240,808	(270,712)	3,228,755	3,344,958	408,191	3,753,149 3,402,795

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 2008.

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

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QUARTERLY REPORT FOR THE QUARTER ENDED 30 APRIL 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 2008.

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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6. Movements in debt and equity securities

6.1 Issuance and repayment of debt securities

There was no issuance or repayment of debt securities for the period under review.

6.2 Issuance of equity securities

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

7. Dividend paid

There were no dividends paid during the financial period.

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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
Period ended 30 April 2008						
Gross transaction value*						1,142,678
Revenue						
Total revenue	571,922	190,191	16,010	34,573	-	812,696
Inter-segment elimination	-	-	(3,181)	-	-	(3,181)
External revenue	571,922	190,191	12,829	34,573	-	809,515
Results						
Operating profit/(loss)	199,806	62,433 **	11,004	(2,206)	(957)	270,080
Net investment income						74,311
Finance costs	(88,552)	-	(1,290)	(5,365)	(800)	(96,007)
Interest income						8,414
Share of post tax results from						
- joint ventures	11,586	-	-	1,551	-	13,137
- associates	1,215	-	-	-	-	1,215
	12,801	-	-	1,551	-	14,352
Profit before taxation						271,150
Taxation						(40,466)
Profit after taxation						230,684
Other segment items						
Capital expenditure	910	1,862	49	326	20	3,167
Depreciation	58,009	2,611	251	9,416	193	70,481
As at 30 April 2008						
Segment assets	9,097,648	146,367	560,872	416,962	31,473	10,253,322
Joint ventures and associates	156,862	105	-	33,389	-	190,356
Unallocated assets						1,103,441
Total assets						11,547,119
Segment liabilities	646,736	134,628	19,792	90,587	5,950	897,693
Borrowings	4,924,437	-	97,500	389,586	-	5,411,523
Unallocated liabilities						1,484,754
Total liabilities						7,793,970

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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
Period ended 30 April 2007						
Gross transaction value*						<u>945,343</u>
Revenue						
Total revenue	382,419	181,193	14,946	22,874	-	601,432
Inter-segment elimination	-	-	(3,239)	-	-	(3,239)
External revenue	<u>382,419</u>	<u>181,193</u>	<u>11,707</u>	<u>22,874</u>	<u>-</u>	<u>598,193</u>
Results						
Operating profit/(loss)	158,514	51,664 **	9,752	(10,234)	(2,012)	207,684
Net investment income						5,953
Finance costs	(64,747)	-	(1,486)	(4,637)	(2,433)	(73,303)
Interest income						15,933
Share of post tax results from						
- joint ventures	(903)	(20)	-	1,479	-	556
- associate	-	-	-	-	454	454
	<u>(903)</u>	<u>(20)</u>	<u>-</u>	<u>1,479</u>	<u>454</u>	<u>1,010</u>
Profit before taxation						<u>157,277</u>
Taxation						<u>(43,935)</u>
Profit after taxation						<u>113,342</u>
Other segment items						
Capital expenditure	6,465	2,103	6	10,676	94	19,344
Depreciation	53,950	2,486	255	8,318	219	65,228
As at 30 April 2007						
Segment assets	5,675,613	145,313	559,973	389,239	43,788	6,813,926
Joint ventures and associate	12,526	-	-	31,406	-	43,932
Unallocated assets						1,853,596
Total assets						<u>8,711,454</u>
Segment liabilities	354,614	130,080	20,902	107,019	13,075	625,690
Borrowings	3,364,144	-	112,500	420,023	154,033	4,050,700
Unallocated liabilities						632,269
Total liabilities						<u>5,308,659</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>	3 months ended	
	30-Apr-08	30-Apr-07
NFO gross sales proceeds	519,656	523,987
RTO revenue	3,698	4,356
Revenue from other operations	619,324	417,000
Gross transaction value	1,142,678	945,343
Less: NFO prize payouts	(333,163)	(347,150)
Revenue	809,515	598,193

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

<i>in RM'000</i>	3 months ended	
	30-Apr-08	30-Apr-07
Gaming operating profit/(loss)		
NFO	66,168	56,064
RTO	(3,735)	(4,400)
	62,433	51,664

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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
Period ended 30 April 2008						
Total external revenue	457,578	227,580	34,573	89,784	-	809,515
Total capital expenditure	2,147	694	326	-	-	3,167
As at 30 April 2008						
Segment assets	2,844,131	4,454,931	416,962	1,696,774	840,524	10,253,322
Joint ventures and associates						190,356
Unallocated assets						1,103,441
Total assets						11,547,119
Period ended 30 April 2007						
Total external revenue	411,303	164,016	22,874	-	-	598,193
Total capital expenditure	8,578	90	10,676	-	-	19,344
As at 30 April 2007						
Segment assets	3,371,471	3,013,343	389,239	-	39,873	6,813,926
Joint ventures and associate						43,932
Unallocated assets						1,853,596
Total assets						8,711,454

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

There is no change in the composition of the Group.

12. Commitments and contingencies

12.1 Capital commitments as at 30 April 2008

	RM million
Authorised and contracted	260,476
Authorised and not contracted	131,676
Analysed as follows:	
Investment commitments	(i) 279,883
Property, plant and equipment	112,269
	<u>392,152</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 (continued)

As at 30 April 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 RM38.08 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 RM170.66 million);
- (c) a financial institution, in respect of a facility of EUR30 million (an equivalent of RM147.90 million) granted to its wholly-owned subsidiary, Tanjong Entertainment (L) Ltd to finance its investment in Tropical Island S.a.r.l.;
- (d) 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 RM98.6 million) in respect of the government subsidies awarded to Tropical Islands; and
- (e) 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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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>	3 months ended	
	30-Apr-08	30-Apr-07
<i>Income credited to the Group income statement</i>		
Lease rental and tenant service revenue	6,743	6,252
Management services revenue	45	45
Others	56	55
	6,844	6,352
<i>Recovery of expenses and shared overhead costs</i>		
	2,110	2,005
<i>Expenses charged to the Group income statement</i>		
Consultancy services	3,938	3,938
Gas, heating, electricity, water and safety related services	2,525	2,409
Closed circuit television broadcasting services	1,271	1,520
Telecommunication and related services	517	538
Bloodstock management, service fees, accounting & clerical services	308	376
Sub-tenancy of premises	167	111
Software support and licence fees	45	18
Connection and transaction fees	63	63
Sponsorship of events	-	655
Other services	142	89
	8,976	9,717

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QUARTERLY REPORT FOR THE QUARTER ENDED 30 APRIL 2008

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

14. Review of performance

Group revenue for the current quarter increased to RM810 million, a 35% or RM212 million increase over the corresponding quarter in the previous year (“corresponding quarter”). Group operating profit is, at RM270 million, higher by RM62 million.

Power Generation revenue increased by 49% from RM382 million to RM572 million in the current quarter mainly due to the contribution of RM170 million from the Globeleq power plants which were acquired in November 2007 (“Globeleq plants”). The operating profit of the Power Generation segment has increased by RM41 million or 26% to RM200 million in the current quarter. This arose from the enhanced contribution of the Globeleq plants but was however offset by development costs totaling RM30 million that were incurred in respect of bids for major international power businesses and corporate development activities.

Gross sales proceeds from the NFO business decreased marginally to RM520 million from RM524 million in the current quarter. Gaming revenue however increased to RM190 million from RM181 million due mainly to a reduction in the prize payout ratio from 66% to 64% in the current quarter. The lower prize payout for the current quarter resulted in an increase in operating profit for the Gaming segment from RM52 million to RM62 million.

The launch of new attractions in Tropical Islands coupled with the seasonality of the holiday period, led to a higher number of visitors and higher average spending per visitor, resulting in a RM12 million revenue increase. The operating loss for this segment has accordingly reduced from RM10 million to RM2 million.

Net investment income is higher than that recorded in the corresponding quarter due mainly to the recognition of investment gains totaling RM62 million from the disposal of the Group’s interest in an entity holding interests in broadcasting assets in the United Kingdom (“Arqiva”) on 26 March 2008.

Net finance costs increased from RM57 million to RM88 million as a result of a full quarter’s interest expense relating to the acquisition of the Globeleq plants.

For the period under review, Group profit attributable to shareholders increased by RM90 million from RM111 million to RM201 million. Net earnings per share increased by 22.2 sen from 27.6 sen to 49.8 sen.

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

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

The current quarter's profit before taxation of RM271 million is higher than the preceding quarter's profit before taxation of RM157 million due mainly to incremental effect of the full quarter's contribution from the Globeq plants (RM24 million) and the recognition of investment gains from the disposal of the Group's interest in Arqiva (RM62 million).

16. Prospects

Group revenues and earnings will continue to benefit from the investments made on overseas ventures and the initiatives to improve efficiencies in the Gaming sector. All other businesses of the Group should generally perform in line with expectations, subject to the outcome of the following factors and other unforeseen circumstances:

- (i) the consequential impact of conditions affecting discretionary spending on the Group's products and services;
- (ii) continuing operating losses in Tropical Islands pending the restructuring of its activities to include accommodation ; and
- (iii) the impact on Powertek Group of the proposed 30% windfall tax and the outcome of the impending renegotiations on its Power Purchase Agreements with Tenaga Nasional Berhad.

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.

18. Taxation

<i>in RM'000</i>	3 months ended	
	30-Apr-08	30-Apr-07
Malaysian Taxation		
Income tax		
- Current year	36,285	32,014
- Prior year	3,745	(159)
	40,030	31,855
Deferred tax	4,557	3,320
	<u>44,587</u>	<u>35,175</u>
Foreign Taxation		
- Current year	4,390	6
- Deferred tax	(8,511)	8,754
	<u>40,466</u>	<u>43,935</u>

The effective tax rate of 14.9% for the current quarter is lower than the Malaysian statutory tax rate of 25% due to higher tax-exempt income earned during the quarter.

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

19. Sale of unquoted investments and/or properties

On 26 March 2008, Invest Allied Limited, a wholly owned subsidiary of Tanjong plc completed the divestment of Arqiva. This disposal has resulted in investment gains totaling RM62 million which have been recognised during the quarter (Please refer to Note 14).

Other than the aforesaid, there were no disposals of unquoted investments or properties during the period under review.

20. Quoted securities

<i>in RM'000</i>	Current/ Cumulative Quarter
(a) Summary of dealings in quoted securities for the period ended 30 April 2008	
(i) Total purchase consideration	2,187
(ii) Total sale proceeds	2,649
(iii) Total profit on disposal	504
(b) Investments in quoted securities as at the end of the reporting period:	
(i) At cost	49,369
(ii) At book value/market value	112,740

21. Status of corporate proposals announced but not completed

On 13 February 2008, Tanjong Entertainment Sdn Bhd, a wholly-owned subsidiary of Tanjong plc, entered into a Sale and Purchase Agreement with Golden Harvest Cinemas Holding Limited and Global Entertainment and Management Systems Sdn Bhd (the "Sellers") for the proposed acquisition of 2,500,000 ordinary shares of RM1.00 each in TGV Cinemas Sdn Bhd collectively owned by the Sellers for a total consideration of RM40,164,998 ("Proposed Acquisition"), subject to certain conditions precedent to be fulfilled within 6 months from the date of the Sale and Purchase Agreement.

The proposed Acquisition is pending the approval of the Foreign Investment Committee.

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by third quarter of 2008.

For further details on 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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22. Group borrowings and debt securities

<i>in RM'000</i>	Short Term	Long Term	As at 30-Apr-08
Secured			
<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 EURO</i>			
Transferable loan facility ⁴	53,736	335,850	389,586
<i>Denominated in USD</i>			
Senior loans ⁵	3,076	2,226,978	2,230,054
Infrastructure Development Company Limited ("IDCOL") senior facility ⁶	1,866	48,019	49,885
IDCOL subordinated facility ⁶	5,981	201,816	207,797
Asian Development Bank loans ("ADB") ⁶	10,650	328,212	338,862
Netherlands Development Finance Company ("FMO") subordinated loan ⁷	627	23,493	24,120
International Development Association guaranteed facility ("IDA") ⁷	14,381	86,289	100,670
Partial Risk Insurance facility ("PRI") ⁷	1,530	9,179	10,709
FMO loan ⁷	5,218	23,485	28,703
Term loan ⁸	283,637	-	283,637
	326,966	2,947,471	3,274,437
Unsecured			
<i>Denominated in RM</i>			
Redeemable bonds	125,000	125,000	250,000
Commercial paper ("CP")	250,000	-	250,000
	910,702	4,500,821	5,411,523

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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 assignment of lease and related rights attached thereto.*
- ⁴ *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.*
- ⁵ *The senior loans consist of the following:*
 - a) The USD200 million loan which has been drawdown by Sidi Krir Generating Company, secured by way of a Real Estate and Fond de Commerce Mortgage, pledge of shares in Sidi Krir Generating Company and assignment of certain agreements, receivables and certain accounts.*
 - b) The USD556 million loan which has been drawdown by Port Said and Suez Gulf, secured by way of a Real Estate and Fond de Commerce Mortgage, pledge of shares in Port Said and Suez Gulf entities and assignment of certain agreements, receivables and certain accounts.*
- ⁶ *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.*
- ⁷ *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.*
- ⁸ *The USD90 million term loan which has been drawdown by TEH Ventures (L) Ltd is secured by way of a corporate guarantee issued by a subsidiary of the Group.*

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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)

Analysis of Group Borrowings	RM million
Fixed rate loans	2,312,937
Floating rate loans	
Partially hedged	2,256,546
Unhedged	842,040
Balance as at 30 April 2008	<u>5,411,523</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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Part B Explanatory notes in compliance with Bursa Securities Listing Requirements (Part A of Appendix 9B)

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 first interim gross dividend of **17.5 sen per share less Malaysian income tax at 25%** in respect of the financial year ending 31 January 2009 (the "**First Interim Dividend**") was declared by the Directors on 20 June 2008. Subject to the relevant provisions of the following paragraphs of this Notice, the **First Interim Dividend** will be **paid on 1 August 2008** to those shareholders on the record of the Company **at the close of business on 18 July 2008** as set out in this Notice.

The Register of Members of the Company will be closed from **19 July 2008 to 21 July 2008** (both dates inclusive) for the purpose of determining each shareholder's entitlement to the **First Interim Dividend**.

Each person whose name appears in the Register of Members or the Record of Depositors as **at the close of business on 18 July 2008** (the "**First Interim Dividend Record Date**"), shall be entitled to participate in the **First Interim Dividend** 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) on 18 July 2008** will be registered by the **First Interim Dividend Record Date**.

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

- (a) **shares transferred** into the Depositor's Securities Account **before 4.00 p.m. (Malaysian time) on 18 July 2008** in respect of transfers;
- (b) **shares deposited** into the Depositor's Securities Account **before 12.30 p.m. (Malaysian time) on 16 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:

	3 months ended	
	30-Apr-08	30-Apr-07
Profit after tax attributable to shareholders (RM'000)	200,967	111,280
Weighted average number of ordinary shares	<u>403,256,136</u>	<u>403,256,136</u>
Basic and diluted EPS (sen)	<u>49.8</u>	<u>27.6</u>

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

<i>in RM'000</i>	3 months ended	
	30-Apr-08	30-Apr-07
Cost of sales	441,691	352,312
Distribution costs	67,045	14,989
Administrative expenses	31,925	34,603
Other operating expenses	12,501	7,498
Other operating income	(13,727)	(18,893)
Total operating costs	<u>539,435</u>	<u>390,509</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>	3 months ended	
	30-Apr-08	30-Apr-07
	(Unaudited)	
Profit after taxation	230,684	113,342
Adjustments for:		
- Finance costs	96,007	73,303
- Depreciation	70,481	65,228
- Taxation	40,466	43,935
- Share of post tax results from joint ventures and associates	(14,352)	(1,010)
- Net investment income	(74,311)	(5,953)
- Interest income	(8,414)	(15,933)
- Adjustment for other non-cash items	(21,079)	839
Changes in working capital	(16,152)	(13,599)
Cash generated from operations	<u>303,330</u>	<u>260,152</u>

By Order of the Board

Siuagamy Ramasamy
Group Company Secretary

20 June 2008

Kuala Lumpur

Copies of the Unaudited Results of the Tanjong Group for the first quarter ended 30 April 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.