

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 OCTOBER 2009

Condensed Group Income Statement

<i>in RM'000</i>	Note	3 months ended		9 months ended	
		31-Oct-09	31-Oct-08	31-Oct-09	31-Oct-08
		Unaudited		Unaudited	
Gross transaction value	8	<u>1,319,483</u>	<u>1,293,635</u>	<u>3,940,779</u>	<u>3,586,548</u>
Revenue	8	985,175	986,513	2,961,544	2,636,314
Operating costs	27	<u>(683,228)</u>	<u>(760,433)</u>	<u>(1,990,687)</u>	<u>(1,886,055)</u>
Operating profit	8	301,947	226,080	970,857	750,259
Net investment (loss)/income		9,843	(28,730)	3,915	48,830
Finance costs		<u>(90,247)</u>	<u>(88,127)</u>	<u>(266,938)</u>	<u>(274,555)</u>
Interest income		<u>4,147</u>	<u>9,131</u>	<u>12,766</u>	<u>26,901</u>
Finance costs - net		<u>(86,100)</u>	<u>(78,996)</u>	<u>(254,172)</u>	<u>(247,654)</u>
Share of post-tax results from joint ventures and associates		<u>26,891</u>	<u>20,774</u>	<u>63,952</u>	<u>49,179</u>
Profit before tax		<u>252,581</u>	<u>139,128</u>	<u>784,552</u>	<u>600,614</u>
Taxation	18	<u>(54,104)</u>	<u>(25,945)</u>	<u>(163,920)</u>	<u>(94,675)</u>
Profit for the period		<u>198,477</u>	<u>113,183</u>	<u>620,632</u>	<u>505,939</u>
Attributable to:					
Tanjong's shareholders		<u>177,763</u>	<u>97,127</u>	<u>550,704</u>	<u>434,781</u>
Minority interests		<u>20,714</u>	<u>16,056</u>	<u>69,928</u>	<u>71,158</u>
		<u>198,477</u>	<u>113,183</u>	<u>620,632</u>	<u>505,939</u>
Earnings per share (sen)					
- Basic / Diluted	26	<u>44.1</u>	<u>24.1</u>	<u>136.6</u>	<u>107.8</u>

The condensed group income statement should be read in conjunction with the Group's annual financial statements for the financial year ended 31 January 2009.

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(Incorporated in England 1926 – No. 210874)
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QUARTERLY REPORT FOR THE QUARTER ENDED 31 OCTOBER 2009

Condensed Group Statement of Comprehensive Income

<i>in RM'000</i>	3 months ended		9 months ended	
	31-Oct-09	31-Oct-08	31-Oct-09	31-Oct-08
	Unaudited		Unaudited	
Profit for the period	198,477	113,183	620,632	505,939
Other comprehensive income * :				
Gains/(losses) recognised directly in equity				
Available-for-sale financial assets				
Net valuation gains/(losses) taken to equity	7,065	(11,125)	30,345	(90,441)
Exchange differences on foreign currency net investments	(85,259)	181,829	(117,047)	196,656
Cash flow hedges:				
Fair value (loss)/gain for the period	(61,446)	(45,872)	20,289	(16,419)
Transfer to finance cost	24,247	11,314	63,787	21,362
Share of other comprehensive income of joint ventures and associates	(20,720)	(29,786)	27,346	(47,861)
Others	-	105	-	11,269
	(136,113)	106,465	24,720	74,566
Total comprehensive income for the period	62,364	219,648	645,352	580,505
Total comprehensive income attributable to:				
Tanjong's shareholders	55,266	177,187	573,417	472,803
Minority interests	7,098	42,461	71,935	107,702
	62,364	219,648	645,352	580,505

The condensed group statement of comprehensive income should be read in conjunction with the Group's annual financial statements for the financial year ended 31 January 2009.

* There is no income tax attributable to the components of other comprehensive income.

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QUARTERLY REPORT FOR THE QUARTER ENDED 31 OCTOBER 2009

Condensed Group Balance Sheet

<i>in RM'000</i>	As at 31-Oct-09 (Unaudited)	As at 31-Jan-09 (Audited)
ASSETS		
Non-Current Assets		
Intangible assets	71,969	71,969
Property, plant and equipment	2,364,688	2,545,745
Prepaid lease rental	20,962	21,932
Investment property	650,000	650,000
Investments in joint ventures and associates	336,161	303,134
Deferred income tax assets	23	30
Available-for-sale financial assets	148,141	116,255
Lease receivables	5,490,082	6,138,881
	<u>9,082,026</u>	<u>9,847,946</u>
Current Assets		
Inventories	435,189	511,138
Trade and other receivables	551,709	531,120
Lease receivables	409,626	353,410
Prepaid lease rental	848	906
Held-for-trading investments	9,259	5,519
Available-for-sale financial assets	1,692	816
Cash and cash equivalents	1,740,552	1,202,856
	<u>3,148,875</u>	<u>2,605,765</u>
Total Assets	<u>12,230,901</u>	<u>12,453,711</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	543,454	688,463
Borrowings	690,991	732,115
Current income tax liabilities	39,544	35,220
Hedging liability	18,178	19,357
Provision for other liabilities and charges	15,037	13,292
	<u>1,307,204</u>	<u>1,488,447</u>
Non-Current Liabilities		
Borrowings	4,776,178	5,046,185
Other non-current liabilities	739,779	833,084
Hedging liability	351,051	464,623
Deferred income tax liabilities	803,103	814,321
Provision for other liabilities and charges	101,378	103,039
	<u>6,771,489</u>	<u>7,261,252</u>
Total Liabilities	<u>8,078,693</u>	<u>8,749,699</u>
Net Assets	<u>4,152,208</u>	<u>3,704,012</u>
EQUITY		
Paid up share capital	146,107	146,107
Share premium account	240,808	240,808
Other reserves	(263,591)	(292,508)
Retained earnings	3,564,796	3,186,640
Total shareholders' equity	<u>3,688,120</u>	<u>3,281,047</u>
Minority interests in equity	464,088	422,965
Total Equity	<u>4,152,208</u>	<u>3,704,012</u>
Net Tangible Assets per share (in sen)	<u>897</u>	<u>796</u>
Net Assets per share (in sen)	<u>1,030</u>	<u>919</u>

The condensed group balance sheet should be read in conjunction with the Group's annual financial statements for the financial year ended 31 January 2009.

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QUARTERLY REPORT FOR THE QUARTER ENDED 31 OCTOBER 2009

Condensed Group Cash Flow Statement

<i>in RM'000</i>	Note	9 months ended	
		31-Oct-09	31-Oct-08 (Unaudited)
Cash flows from operating activities			
Cash generated from operations	28	1,280,369	1,000,209
Malaysian and other taxes paid		(138,353)	(111,083)
Net cash generated from operating activities		<u>1,142,016</u>	<u>889,126</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(23,386)	(119,400)
Proceeds from sale of property, plant and equipment		1,065	3,131
Purchase of remaining equity in a joint venture		-	(43,994)
Purchase of investments		(41,829)	(10,181)
Proceeds from sale of investments		37,215	250,087
Net investment in a joint venture		(3)	(172,240)
Dividend income received		41,397	36,912
Interest received		12,919	27,168
Net cash generated from/(used in) investing activities		<u>27,378</u>	<u>(28,517)</u>
Cash flows from financing activities			
Proceeds from borrowings		241,893	2,039,418
Repayment of borrowings		(303,461)	(2,306,989)
Dividends paid to Company's shareholders		(166,343)	(251,027)
Dividends paid to a minority interest		(30,812)	(9,675)
Government subsidies received		-	1,805
Repayment to a minority interest		(24,293)	(47,143)
Interest paid		(279,081)	(302,881)
Net cash used in financing activities		<u>(562,097)</u>	<u>(876,492)</u>
Currency translation differences		<u>(69,601)</u>	108,919
Net increase in cash and cash equivalents		<u>537,696</u>	93,036
Cash and cash equivalents at start of the year		1,202,856	1,058,316
Cash and cash equivalents at end of the period		<u>1,740,552</u>	<u>1,151,352</u>
Cash and cash equivalents			
Short term placements		1,680,038	857,914
Cash at bank and in hand		60,514	293,438
		<u>1,740,552</u>	<u>1,151,352</u>

The condensed group cash flow statement should be read in conjunction with the Group's annual financial statements for the financial year ended 31 January 2009.

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QUARTERLY REPORT FOR THE QUARTER ENDED 31 OCTOBER 2009

Condensed Group Statement of Changes in Equity

in RM'000	Attributable to equity holders of Tanjong							Total Equity Unaudited		
	Paid Up Share Capital	Share Premium	Retained Earnings	Fair Value Reserve	Translation Reserve	Hedging Reserve	Legal Reserve		Minority Interests	
Balance at 1 February 2009	146,107	240,808	3,186,640	16,898	5,264	(329,646)	14,976	3,281,047	422,965	3,704,012
Changes in equity for 2009										
Dividends										
- to shareholders	-	-	(166,344)	-	-	-	-	(166,344)	-	(166,344)
- to a minority interest	-	-	-	-	-	-	-	-	(30,812)	(30,812)
Total comprehensive income/ (expenses) for the period	-	-	544,500	30,345	(100,906)	92,813	6,665	573,417	71,935	645,352
Balance as at 31 October 2009	146,107	240,808	3,564,796	47,243	(95,642)	(236,833)	21,641	3,688,120	464,088	4,152,208
Balance at 1 February 2008	146,107	240,808	3,031,303	117,259	(158,494)	(89,675)	10,498	3,297,806	378,328	3,676,134
Changes in equity for 2008										
Dividends										
- to shareholders	-	-	(251,027)	-	-	-	-	(251,027)	-	(251,027)
- to a minority interest	-	-	-	-	-	-	-	-	(9,675)	(9,675)
Total comprehensive income/ (expenses) for the period	-	-	431,166	(90,441)	152,921	(25,022)	4,179	472,803	107,702	580,505
Balance as at 31 October 2008	146,107	240,808	3,211,442	26,818	(5,573)	(114,697)	14,677	3,519,582	476,355	3,995,937

The condensed group statement of changes in equity should be read in conjunction with the Group's annual financial statements for the financial year ended 31 January 2009.

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QUARTERLY REPORT FOR THE QUARTER ENDED 31 OCTOBER 2009

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. The accounting policies used in the preparation of the Quarterly Report comply with the principles of the International Financial Reporting Standards (“IFRSs”) adopted by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB.

The Quarterly Report has been prepared based on the accounting policies consistent with those adopted in the preparation of the audited statutory financial statements for the financial year ended 31 January 2009. The following new standards that came into effect on 1 January 2009 have no impact on the accounting treatment or the reporting of the Group’s results or financial position.

a) *International Accounting Standard 1 (“IAS 1”) – “Presentation of Financial Statements”*

IAS 1, which was updated in September 2007, now requires the reporting of transactions not specific to changes in equity of Tanjong’s equity holders (“owners”) in a separate Statement of Comprehensive Income (see page 2).

b) *International Financial Reporting Standard 8 (“IFRS 8”) – “Operating Segments”*

IFRS 8 replaces IAS 14 – “Segment Reporting”. It sets out requirements for the disclosure of information about an entity’s operating segments and also about the entity’s products and services and the geographical areas in which it operates. As the Group has determined that the business segments identified previously are the same as that under IFRS 8, there has been no change to the presentation of the Group’s quarterly segmental information, as disclosed in Note 8 in this Quarterly Report.

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.

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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 was no material changes in estimates of amounts reported in the prior financial years.

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, the subsidiary company has made the following repayment:

- (i) RM7.5 million Al-Bai Bithaman Ajil Islamic Debt Securities for the quarter ended 31 July 2009.

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 2009	17.5 sen	5-May-09
First interim dividend for FY 31 January 2010	17.5 sen	3-Aug-09
Final dividend for FY 31 January 2009	<u>20.0 sen</u>	<u>14-Aug-09</u>

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QUARTERLY REPORT FOR THE QUARTER ENDED 31 OCTOBER 2009

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

8. Segmental results

<i>in RM' 000</i>	Power Generation	Gaming	Property Investment	Leisure	Others	Group
Quarter ended 31 October 2009						
Gross transaction value*						<u>1,319,483</u>
Revenue						
Total revenue	716,930	178,106	17,852	76,106	-	988,994
Inter-segment elimination	-	-	(3,819)	-	-	(3,819)
External revenue	<u>716,930</u>	<u>178,106</u>	<u>14,033</u>	<u>76,106</u>	-	<u>985,175</u>
Results						
Operating profit/(loss)	254,366	36,915 **	11,403	3,142	(3,879)	301,947
Net investment income						9,843
Finance costs	(87,430)	-	(1,018)	(1,799)	-	(90,247)
Interest income						4,147
Share of post tax results from						
- joint ventures	25,803	-	-	-	-	25,803
- associates	1,088	-	-	-	-	1,088
	<u>26,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,891</u>
Profit before taxation						<u>252,581</u>
Taxation						<u>(54,104)</u>
Profit after taxation						<u>198,477</u>
Other segment items						
Capital expenditure	1,196	1,721	50	2,395	709	6,071
Depreciation and amortisation	52,411	2,809	359	12,134	168	67,881

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

8. Segmental results (continued)

<i>in RM' 000</i>	Power Generation	Gaming	Property Investment	Leisure	Others	Group
Period ended 31 October 2009						
Gross transaction value*						<u>3,940,779</u>
Revenue						
Total revenue	2,116,261	575,852	55,955	226,769	-	2,974,837
Inter-segment elimination	-	-	(13,293)	-	-	(13,293)
External revenue	<u>2,116,261</u>	<u>575,852</u>	<u>42,662</u>	<u>226,769</u>	<u>-</u>	<u>2,961,544</u>
Results						
Operating profit/(loss)	772,441	161,818	** 38,680	5,043	(7,125)	970,857
Net investment income						3,915
Finance costs	(256,624)	-	(3,161)	(7,153)	-	(266,938)
Interest income						12,766
Share of post tax results from						
- joint ventures	59,216	-	-	-	-	59,216
- associates	4,736	-	-	-	-	4,736
	63,952	-	-	-	-	63,952
Profit before taxation						<u>784,552</u>
Taxation						<u>(163,920)</u>
Profit after taxation						<u>620,632</u>
Other segment items						
Capital expenditure	3,785	4,903	175	13,739	784	23,386
Depreciation and amortisation	176,689	8,587	1,074	35,470	482	222,302
As at 31 October 2009						
Segment assets	8,700,273	119,415	663,819	532,429	11,052	10,026,988
Joint ventures and associates	328,636	-	-	7,525	-	336,161
Unallocated assets						1,867,752
Total assets						<u>12,230,901</u>
Segment liabilities	840,911	107,717	17,884	84,519	10,843	1,061,874
Borrowings	5,040,903	-	75,000	351,266	-	5,467,169
Unallocated liabilities						1,549,650
Total liabilities						<u>8,078,693</u>

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

8. Segmental results (continued)

<i>in RM' 000</i>	Power Generation	Gaming	Property Investment	Leisure	Others	Group
Quarter ended 31 October 2008						
Gross transaction value*						1,293,635
Revenue						
Total revenue	738,306	162,592	16,136	72,645	-	989,679
Inter-segment elimination	-	-	(3,166)	-	-	(3,166)
External revenue	738,306	162,592	12,970	72,645	-	986,513
Results						
Operating profit/(loss)	172,330	44,275	10,066	2,613	(3,204)	226,080
Net investment income						(28,730)
Finance costs	(81,352)	-	(1,222)	(5,553)	-	(88,127)
Interest income						9,131
Share of post tax results from						
- joint ventures	19,316	-	-	-	-	19,316
- associates	1,458	-	-	-	-	1,458
	20,774	-	-	-	-	20,774
Profit before taxation						139,128
Taxation						(25,945)
Profit after taxation						113,183
Other segment items						
Capital expenditure	7,396	712	663	10,556	47	19,374
Depreciation and amortisation	60,413	2,834	303	12,236	516	76,302

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

8. Segmental results (continued)

<i>in RM' 000</i>	Power Generation	Gaming	Property Investment	Leisure	Others	Group
Period ended 31 October 2008						
Gross transaction value*						<u>3,586,548</u>
Revenue						
Total revenue	1,942,656	518,153	48,297	136,740	-	2,645,846
Inter-segment elimination	-	-	(9,532)	-	-	(9,532)
External revenue	<u>1,942,656</u>	<u>518,153</u>	<u>38,765</u>	<u>136,740</u>	<u>-</u>	<u>2,636,314</u>
Results						
Operating profit/(loss)	579,351	159,336	** 31,164	(12,885)	(6,707)	750,259
Net investment income						48,830
Finance costs	(253,609)	-	(3,766)	(16,381)	(799)	(274,555)
Interest income						26,901
Share of post tax results from						
- joint ventures	42,228	-	-	2,813	-	45,041
- associates	4,138	-	-	-	-	4,138
	46,366	-	-	2,813	-	49,179
Profit before taxation						<u>600,614</u>
Taxation						<u>(94,675)</u>
Profit after taxation						<u>505,939</u>
Other segment items						
Capital expenditure	84,077	6,793	746	13,319	321	105,256
Depreciation and amortisation	177,050	8,250	805	31,403	963	218,471
As at 31 October 2008						
Segment assets	9,724,219	121,242	565,775	516,801	22,293	10,950,330
Joint ventures and associates	419,014	-	-	7,119	-	426,133
Unallocated assets						1,054,524
Total assets						<u>12,430,987</u>
Segment liabilities	912,760	102,116	20,583	96,958	9,507	1,141,924
Borrowings	5,305,810	-	90,000	371,119	-	5,766,929
Unallocated liabilities						1,526,196
Total liabilities						<u>8,435,049</u>

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

8. Segmental results (continued)

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

<i>in RM'000</i>	3 months ended		9 months ended	
	31-Oct-09	31-Oct-08	31-Oct-09	31-Oct-08
NFO gross sales proceeds	515,384	468,010	1,559,108	1,458,991
RTO revenue	(2,970)	1,704	(4,021)	9,396
Revenue from other operations	807,069	823,921	2,385,692	2,118,161
Gross transaction value	1,319,483	1,293,635	3,940,779	3,586,548
Less: NFO prize payouts	(334,308)	(307,122)	(979,235)	(950,234)
Revenue	985,175	986,513	2,961,544	2,636,314

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

<i>in RM'000</i>	3 months ended		9 months ended	
	31-Oct-09	31-Oct-08	31-Oct-09	31-Oct-08
Gaming operating profit/(loss)				
NFO	51,815	52,620	208,632	175,635
RTO	(14,900)	(8,345)	(46,814)	(16,299)
	36,915	44,275	161,818	159,336

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

8. Segmental results (continued)

<i>in RM' 000</i>	Malaysia	Egypt	Federal Republic of Germany	Bangladesh	Other countries	Group
Period ended 31 October 2009						
Total external revenue	1,745,133	849,379	120,510	246,522	-	2,961,544
Total capital expenditure	9,424	737	11,729	1,496	-	23,386
As at 31 October 2009						
Segment assets	3,211,129	4,413,323	424,624	1,949,048	28,864	10,026,988
Joint ventures and associates						336,161
Unallocated assets						1,867,752
Total assets						<u>12,230,901</u>
Period ended 31 October 2008						
Total external revenue	1,511,591	775,298	108,278	241,147	-	2,636,314
Total capital expenditure	90,336	878	13,319	723	-	105,256
As at 31 October 2008						
Segment assets	3,267,508	4,742,950	516,801	2,369,063	54,008	10,950,330
Joint ventures and associates						426,133
Unallocated assets						1,054,524
Total assets						<u>12,430,987</u>

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 RM650 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 31 October 2009

	RM'000
Authorised and contracted	26,770
Authorised and not contracted	50,471
Analysed as follows:	
Investment commitments	12,747
Property, plant and equipment	64,494
	<u>77,241</u>

12.2 Contingencies

As at 31 October 2009, the Group has provided the following guarantees and indemnities in favour of:

- (a) 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 RM100.78 million) in respect of the government subsidies awarded to Tropical Islands; and
- (b) 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 had 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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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>	9 months ended	
	31-Oct09	31-Oct-08
<i>Income credited to the Group income statement</i>		
Lease rental and tenant service revenue	20,533	20,266
Others	192	257
	<u>20,725</u>	<u>20,523</u>
<i>Recovery of expenses and shared overhead costs</i>	<u>8,218</u>	<u>6,004</u>
<i>Expenses charged to the Group income statement</i>		
Consultancy services	13,500	14,175
Gas, heating, electricity, water and safety related services	7,866	6,285
Closed circuit television broadcasting services	4,341	3,290
Telecommunication and related services	1,605	1,501
Sponsorship of events	857	857
Bloodstock management, service fees, accounting & clerical services	626	802
Dining and conference facilities	323	285
Sub-tenancy of premises	309	387
Connection and transaction fees	225	188
Other services	375	158
	<u>30,027</u>	<u>27,928</u>

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14. Review of performance

14.1 *Material factors affecting current quarter's results*

Group revenue for the current quarter at RM985 million, is RM2 million lower than that of corresponding quarter in the previous year (“corresponding quarter”). Power Generation revenue decreased by RM21 million to RM717 million due to a reduction in energy billings by Malaysian power plants, offset by increased revenue from overseas power plants. Gaming revenue increased by RM16 million to RM178 million due to seven additional draws.

Group profit before taxation for the current quarter increased from RM139 million to RM253 million due to a higher contribution from overseas power plants, lower corporate and business development costs and a RM55 million provision for windfall profit levy in the corresponding quarter.

14.2 *Material factors affecting financial year to date results*

Group revenue increased by RM326 million from RM2,636 million in the corresponding nine-month period in the previous year (“corresponding period”) to RM2,962 million in the current period (“current period”) due to improved topline performances across all business segments. Group operating profit at RM971 million, is higher by RM221 million.

Power Generation revenue increased by 9% from RM1,943 million to RM2,116 million in the current period mainly due to improved contributions from the Malaysian and Egyptian power plants. The operating profit of Power Generation increased by RM193 million or 33% to RM772 million in the current period in line with the increase in revenue, lower plant maintenance expenses, reduced corporate and business development costs and a RM64 million provision for windfall profit levy in the corresponding period.

Gross sales proceeds from the NFO business increased to RM1,559 million from RM1,459 million due to fourteen additional draws conducted in the current period. The Gaming segment saw a reduction in the NFO prize payout from 65% to 63% and higher totalisator expenses in the Racing Totalisator business; resulting in a net 2% increase in operating profit from RM159 million to RM162 million.

In the Leisure segment, improved attendances and spending in Tropical Islands together with the full period contribution from TGV Cinemas Sdn Bhd (“TGV”), (which became a wholly-owned subsidiary on 31 July 2008), resulted in a RM90 million increase in revenue from RM137 million to RM227 million. This enabled the Leisure segment to report an operating profit of RM5 million in the current period as compared to a RM13 million loss in the corresponding period.

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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)

Net investment income is lower mainly due to the recognition, in the corresponding period, of investment gains from the disposal of the Group's interest in Arqiva amounting to RM62 million.

For the period under review, Group profit attributable to shareholders was higher by RM116 million from RM435 million to RM551 million. Accordingly, net earnings per share increased from 107.8 sen to 136.6 sen in the current period.

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

The current quarter's profit before taxation of RM253 million is RM10 million lower than that of the preceding quarter due mainly to a higher NFO prize payout of 65% compared to 61%.

16. Prospects

Group revenues and earnings should generally perform in line with expectations, subject to the outcome of the following factors and other unforeseen circumstances:

- i) the Malaysian Government's efforts to restructure the Power sector and its impact on Powertek Group's existing contractual arrangements with the relevant counterparties; and
- ii) measures that will need to be taken by the relevant parties to reduce totalisator expenses in the Racing Totalisator business.

In relation to the Group's investment in Tropical Islands ("TI"); TI had in April 2009 entered into agreements with third parties who will independently finance the construction and development of vacation homes as well as market the rental of these homes throughout Europe to cover its growing market for short term family vacations. However, if adequate financing cannot be obtained by these parties on a timely basis and/or if construction is significantly delayed, the Group will need to re-assess the appropriateness of the carrying value of its investment in TI.

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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18. Taxation

<i>in RM'000</i>	3 months ended		9 months ended	
	31-Oct-09	31-Oct-08	31-Oct-09	31-Oct-08
Malaysian Taxation				
Income tax				
- Current year	39,756	42,546	130,757	120,657
- Prior year	(4,454)	(1,163)	(4,521)	2,582
	35,302	41,383	126,236	123,239
Deferred tax	8,116	(15,500)	14,379	(24,561)
	43,418	25,883	140,615	98,678
Foreign Taxation				
- Income tax	6,626	7	18,302	4,407
- Prior year	(338)	-	(1,223)	-
- Deferred tax	4,398	55	6,226	(8,410)
	54,104	25,945	163,920	94,675

The effective tax rate of 21.4% and 20.9% for the current quarter and period is lower than the Malaysian statutory tax rate of 25% due to tax-exempt income from certain foreign operations.

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	Cumulative Quarter
(a) Summary of dealings in quoted securities for the period ended 31 October 2009		
(i) Total purchase consideration	1,409	3,490
(ii) Total sale proceeds	247	1,768
(iii) Total profit on disposal	61	184
(b) Investments in quoted securities as at the end of the reporting period:		
(i) At cost		41,035
(ii) At book value/market value		89,969

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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

There have been no corporate proposals announced but not completed.

22. Group borrowings and debt securities

<i>in RM'000</i>	Short Term	Long Term	As at 31-Oct-09
Secured			
<i>Denominated in RM</i>			
Al-Bai' Bithaman Ajil Islamic Debt Securities ("BaIDS") ¹	50,000	130,000	180,000
Commercial paper ("CP") ²	33,000	-	33,000
Serial bonds ²	100,000	680,000	780,000
Al-Bai' Bithaman Ajil ("ABBA") ³	15,000	60,000	75,000
	198,000	870,000	1,068,000
<i>Denominated in EURO</i>			
Transferable loan facilities ⁴	54,848	260,529	315,377
<i>Denominated in USD</i>			
Senior loans ⁵	126,551	2,685,247	2,811,798
Infrastructure Development Company Limited ("IDCOL") facilities ⁶	17,482	225,936	243,418
Asian Development Bank loans ("ADB") ⁶	26,128	301,341	327,469
Netherlands Development Finance Company ("FMO") loans ⁷	6,676	40,462	47,138
International Development Association guaranteed facility ("IDA") ⁷	15,636	68,868	84,504
Political Risk Insurance facility ("PRI") ⁷	1,663	7,326	8,989
Term loans ⁸	234,910	164,677	399,587
	429,046	3,493,857	3,922,903
Unsecured			
<i>Denominated in RM</i>			
Redeemable bonds	-	125,000	125,000
Term loan	9,097	26,792	35,889
	690,991	4,776,178	5,467,169

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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 certain insurances procured by Pahlawan and certain account.*
- ² *These debts are secured against a debenture and charge over Panglima's assets and properties, assignment of certain insurances, project agreements and certain accounts.*
- 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 facilities consist 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 €60 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 USD245 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 USD302.3 million loan which has been drawdown by Port Said, secured by way of a Real Estate and Fond de Commerce Mortgage, pledge of shares in Port Said and assignment of certain agreements, receivables and certain accounts.*
 - c) The USD296.1 million loan which has been drawdown by Suez Gulf, secured by way of a Real Estate and Fond de Commerce Mortgage, pledge of shares in Suez Gulf and assignment of certain agreement, receivables and certain accounts.*
- ⁶ *These loans are secured by way of pledge of shares in Meghnaghat Power Limited ("MPL"), mortgages over their assets, assignments of certain 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 Haripur Power Limited ("HPL"), mortgages over their assets, assignments of certain agreements, insurances, receivables and certain accounts and standby letters of credit / bank guarantee obtained by HPL.*

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22. Group borrowings and debt securities (continued)

⁸ The term loans consist of the following:

- a) 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.
- b) The USD52.72 million term loan which was drawdown by Pendekar Power (L) Limited is secured by way of a corporate guarantee issued by a subsidiary of the Group.

Analysis of Group Borrowings	RM million
Fixed rate loans	1,404
Floating rate loans	
Hedged	2,479
Unhedged	1,584
Balance as at 31 October 2009	<u>5,467</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 third interim gross dividend of **17.5 sen per share less Malaysian income tax at 25%** in respect of the financial year ending 31 January 2010 (the "**Third Interim Dividend**") was declared by the Directors on 11 December 2009 (corresponding quarter : 17.5 sen per share less Malaysian income tax at 25%). Subject to the relevant provisions of the following paragraphs, the **Third Interim Dividend** will be **paid on 15 January 2010** to those shareholders on the record of the Company **at the close of business on 4 January 2010** as set out below.

The Register of Members of the Company will be closed from **5 January 2010 to 6 January 2010** (both dates inclusive) for the purpose of determining each shareholder's entitlement to the **Third Interim Dividend**.

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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 on 4 January 2010** (the “**Third Interim Dividend Record Date**”), shall be entitled to participate in the **Third Interim Dividend** in respect of those Tanjong shares of which they are registered as member or recorded as depositor as at the Third Interim Dividend Record 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 Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, England, by the close of business at 5.00 p.m. (local time) on 4 January 2010 will be registered by the Third Interim Dividend Record Date.**

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

- (a) **shares transferred** into the Depositor’s Securities Account **before 4.00 p.m. (Malaysian time) on 4 January 2010** in respect of transfers;
- (b) **shares deposited** into the Depositor’s Securities Account **before 12.30 p.m. (Malaysian time) on 30 December 2009** 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.

	Gross (sen)
Total dividend paid to date for the current financial year	35.0
Total dividend proposed for the current quarter	17.5
Total dividend declared to date for the current financial year	<u>52.5</u>

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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)	177,763	550,705
Weighted average number of ordinary shares	<u>403,256,136</u>	<u>403,256,136</u>
Basic and diluted earnings per share (sen) *	<u>44.1</u>	<u>136.6</u>

* Basic and diluted EPS are the same as there were no share options outstanding for the period.

Part C Additional explanatory notes

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

<i>in RM'000</i>	3 months ended		9 months ended	
	31-Oct-09	31-Oct-08	31-Oct-09	31-Oct-08
Cost of sales	602,848	679,315	1,781,435	1,659,948
Distribution costs	23,131	24,558	60,345	55,234
Administrative expenses	40,033	48,694	107,713	165,403
Other operating expenses	24,625	15,436	76,879	30,267
Other operating income	(7,409)	(7,570)	(35,685)	(24,797)
Total operating costs	<u>683,228</u>	<u>760,433</u>	<u>1,990,687</u>	<u>1,886,055</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>	9 months ended	
	31-Oct-09	31-Oct-08
	(Unaudited)	
Profit after taxation	620,632	505,939
Adjustments for:		
- Finance costs	266,938	274,555
- Depreciation and amortisation	222,302	218,471
- Taxation	163,920	94,675
- Net investment income	(3,915)	(48,830)
- Share of post tax results from joint ventures and associates	(63,952)	(49,179)
- Interest income	(12,766)	(26,901)
- Adjustment for other non-cash items	6,013	(14,620)
Changes in working capital	81,197	46,099
Cash generated from operations	<u>1,280,369</u>	<u>1,000,209</u>

By order of the Board

Siuagamy Ramasamy
Group Company Secretary

11 December 2009

Kuala Lumpur

Copies of the Unaudited Results of the Tanjong Group for the third quarter ended 31 October 2009 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 the Company's website at www.tanjongplc.com.