Annual Report &
Financial Statements
31 January

2010

TANJONG public limited company

Annual Report & Financial Statements

2010

TANJONG

public limited company

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


Port Said Power Plant, Egypt

Contents

Company Profile

Tanjong public limited company ("Tanjong" or "Company") was incorporated in England on 2 January 1926 as Tanjong Tin Dredging Limited. The Company assumed its present name in 1991 following the restructuring of the Company and the acquisition of Pan Malaysian Pools Sdn Bhd. Tanjong shares were re-listed on the Kuala Lumpur Stock Exchange (now Bursa Malaysia Securities Berhad, referred to as Bursa Securities throughout the Annual Report and Financial Statements) and the London Stock Exchange on 24 December 1991.

The issued share capital of the Company comprises 403,256,136 shares of 7.5 pence each, which have been fully paid-up as at 6 May 2010.

The Company is an investment holding company of a group of subsidiaries involved in Power Generation, Gaming, Leisure and Property Investment.

Corporate Information

BOARD OF DIRECTORS

Dato' Robert Cheim Dau Meng [1]
Chairman
Independent Non-Executive Director

Dato' Larry Gan Nyap Liou @ Gan Nyap Liow [2]
Independent Non-Executive Director

Leong Wai Hoong
Independent Non-Executive Director

Khoo Teik Chooi
Non-Executive Director

Augustus Ralph Marshall
Executive Director

GROUP COMPANY SECRETARY

Siuagamy Ramasamy

REGISTERED OFFICE IN ENGLAND

The Registry
34 Beckenham Road, Beckenham
Kent BR3 4TU, England
Tel No. 020 863 92000
Fax No. 020 865 83430

PRINCIPAL OFFICE IN MALAYSIA

Level 30, Menara Maxis
Kuala Lumpur City Centre
50088 Kuala Lumpur
Malaysia

Tel No. +603 2381 3388
Fax No. +603 2381 3399
Website: www.tanjongplc.com

PRINCIPAL REGISTRARS

Capita Registrars
The Registry
34 Beckenham Road, Beckenham
Kent BR3 4TU, England

Tel No. 020 863 93399
Fax No. 020 863 92342
E-mail: ssd@capitaregistrars.com

REGISTRARS IN MALAYSIA

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor
Malaysia

Tel No. +603 7841 8000
Fax No. +603 7841 8151/8152
E-mail: ask_us@symphony.com.my

STOCK EXCHANGE LISTINGS

Bursa Securities
London Stock Exchange

STOCKBROKERS

RBS Hoare Govett Limited, United Kingdom

PRINCIPAL BANKERS

CIMB Bank Berhad, Malaysia
National Westminster Bank plc, United Kingdom

SOLICITORS

Slaughter and May, United Kingdom
Cheong Kee Fong & Co, Malaysia

AUDITORS

PricewaterhouseCoopers LLP, United Kingdom

[1] He is also referred to as Dato' Robert Cheim in other sections of the Annual Report & Financial Statements.
[2] He is also referred to as Dato' Larry Gan in other sections of the Annual Report & Financial Statements.

Board of Directors

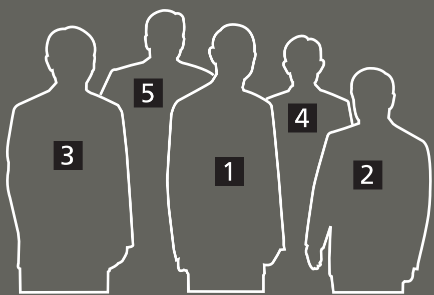
Dato' Robert Cheim **1**
Chairman/Independent Non-Executive Director

Khoo Teik Chooi **2**
Non-Executive Director

Dato' Larry Gan **3**
Independent Non-Executive Director

Leong Wai Hoong **4**
Independent Non-Executive Director

Augustus Ralph Marshall **5**
Executive Director



Dato' Robert Cheim
Chairman/Independent Non-Executive Director

Malaysian. Age 59. A Fellow of the Institute of Chartered Accountants in England and Wales and a Member of the Malaysian Institute of Accountants. Appointed Chairman/ Independent Director on the Board of Tanjong in May 2005.

Currently also a non-independent non-executive director of CIMB Group Holdings Berhad (listed on Bursa Securities) and CIMB Thai Bank Public Company Limited (listed on The Stock Exchange of Thailand) and an Adviser to CIMB Investment Bank Berhad. Joined CIMB Investment Bank Berhad in 1984, was its chief executive officer from 1993 to 1999 and also its executive director from January 1992 to July 2006.

Between 1977 and 1984, held various management positions with CIMB Bank Berhad.

Khoo Teik Chooi
Non-Executive Director

Malaysian. Age 72. Qualified in automotive engineering in South Bedfordshire Technical College, Luton, UK. Appointed Director to the Board of Tanjong in October 1991 and assumed its Chairmanship in July 1992. Ceased as Chairman and Executive Director of Tanjong on 1 April 2003 and remains as Non-Executive Director.

Between 1961 and 1969, served in various management positions with Borneo Motors Ltd. From 1969 to 1987, held various senior marketing and management positions in the Shell group of companies in Malaysia prior to joining the Group. Was responsible for the establishment of the Numbers Forecast Totalisator business of the Group. Has extensive experience in business, sales and marketing and general management.

Leong Wai Hoong
Independent Non-Executive Director

Malaysian. Age 64. Degree in Bachelor of Arts (Hons.) from the University of Malaya.

Between 1977 and 1994, he held senior positions in R.J. Reynolds Berhad which was acquired by JT International group in 1996.

Joined Usaha Tegas Group ("UTSB") in 1994 and held senior management and marketing positions in Binariang Sdn. Bhd. (now known as Maxis Communications Berhad). Appointed Non-Executive Director of Tanjong in April 1994 and has been an Independent Director since September 1996, upon his resignation from UTSB.

Was the regional vice president (S.E.Asia), JT International in 1996. In the same year, he was appointed managing director of JT International Berhad (listed on the Bursa Securities) until his retirement in January 2000 and currently serves on its board as a non-executive director.

Has extensive experience in business development, sales, marketing and general management.

Dato' Larry Gan
Independent Non-Executive Director

Malaysian. Age 55. A Fellow of the Association of Chartered Certified Accountants and a Member of the British Institute of Management, Malaysian Institute of Accountants and Institute of Management Consultants respectively. Appointed Independent Director to the Board of Tanjong in May 2005.

He retired in December 2004 from the global Accenture organisation, a leading management and technology consulting firm. He spent 26 years with the firm, 16 as Partner, and had many global leadership roles. He was managing partner – Malaysia from 1989 to retirement, managing partner – ASEAN 1993-1996, managing partner – ASIA 1997-1999 and managing partner, Corporate Development, ASIA PACIFIC – 1999 to 2002. Between 1997 and 2004, he was a member of the Global Management Council, and sat on the many global management committees governing partner admission, rewards and compensation.

Is a board member of Cuscapi Berhad, Ambank (M) Berhad, Tien Wah Press Holdings Berhad, AMDB Berhad, AmIslamic Bank Berhad, Saujana Resort (M) Berhad and Badan Pengawas Pemegang Saham Minority Berhad. He has also served as chairman of the Association of Computer Industry Malaysia (PIKOM) and a Member of the Copyright Tribunal and The Labuan International Financial Exchange Committee.

Augustus Ralph Marshall
Executive Director

Malaysian. Age 58. An Associate of the Institute of Chartered Accountants in England and Wales, and a Member of the Malaysian Institute of Certified Public Accountants and has more than 30 years experience in financial and general management.

Has been a Director of Tanjong since August 1991 and an Executive Director since February 1992.

He is an executive director of Usaha Tegas Sdn Bhd ("Usaha Tegas") and Astro All Asia Networks plc (listed on the Bursa Securities) of which he is also the deputy chairman and group chief executive officer in which Usaha Tegas has significant interests. He also serves as a non-executive director of the boards of directors of several other companies in which Usaha Tegas also has significant interests viz Maxis Berhad (listed on the Bursa Securities), Johnston Press plc (listed on the London Stock Exchange), Maxis Communications Berhad and Powertek Berhad, a wholly-owned subsidiary of Tanjong.

In addition, he is also a director in an independent non-executive capacity and the chairman of the Audit Committee of KLCC Property Holdings Berhad and a non-independent non-executive director of MEASAT Global Berhad, both listed on the Bursa Securities.

Details of membership in Board Committees

DIRECTORS	BOARD COMMITTEES		
	Audit Committee	Remuneration Committee	Nominating Committee
Dato' Robert Cheim	–	–	Chairman
Leong Wai Hoong	Member	Chairman	Member
Dato' Larry Gan	Chairman	Member	–
Khoo Teik Chooi	Member	–	Member
Augustus Ralph Marshall	–	Member	–

- Directors' attendance at the Board and Board Committees' meetings during the financial year ended 31 January 2010 are set out in the Corporate Governance Statement
- None of the Directors has had convictions for any offence within the past 10 years.
- None of the Directors has any family relationship with any Director and/or major shareholder of the Company.
- None of the Directors has any business arrangement with the Company in which he has a personal interest.

Senior Management

Gerard Nathan

Group Chief Financial Officer
Tanjong plc

Joined the Group in 1993 and has been the Group Chief Financial Officer since October 2000. He has over 30 years experience in general management, finance and business improvement areas. He was previously a principal of Ernst & Young.

He is a Fellow of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Certified Public Accountants.

Ir. Dr Ong Peng Su

Executive Director/CEO
Tanjong Energy Holdings Sdn Bhd ("TEH")

Joined the Group in 1990 and has since March 2001, been the Executive Director of Powertek Berhad, a wholly-owned subsidiary of TEH. He has more than 30 years experience in the power business. He assumed his current position on 1 April 2009.

Dr Ong graduated with a first class honours degree in Electrical and Electronics Engineering from the University of Strathclyde, Scotland in 1976. He was awarded his PhD majoring in Power System in 1982 from the same university. He is a Registered Professional Engineer with the Board of Engineers, Malaysia and is a member of The Institute of Engineers, Malaysia.

Goh Seow Eng

Chief Executive Officer, Entertainment Division
Tanjong plc

Joined Tanjong in 2009 after completing the Advanced Management Program at the Harvard Business School. Eng holds an MBA from the University of California, Berkeley. He is also a graduate of the University of Pennsylvania's Management and Technology Dual-Degree Program, from which he earned a Bachelor of Science in Economics (major in Finance) *cum laude* from The Wharton School and a Bachelor of Applied Science (Computer Science) *cum laude* from the School of Engineering and Applied Science. He has approximately 25 years of professional experience in sales, marketing and general management positions in Malaysia, Japan, the United Kingdom and the United States.

Senior Management (continued)

Yin Yee Yuen

Chief Operating Officer
Pan Malaysian Pools Sdn Bhd

Joined Pan Malaysian Pools Sdn Bhd ("PMP") in 1993 and has been the Chief Operating Officer of PMP since February 2002. He has over 30 years experience in general management and business operations. Yin graduated from the University of Canterbury, New Zealand with a Degree in Commerce. He is a Fellow of the Certified Practising Accountant Australia Ltd, as well as a Chartered Accountant (Institute of Chartered Accountants, New Zealand) and a member of the Malaysian Institute of Accountants.

John Dolan

Chief Operating Officer
International Operations, TEH

Joined the Group in February 2008 as Chief Operating Officer, International Operations, TEH. He has over 19 years experience in the power generation business.

He holds a Bachelor of Law (LLB) degree from the University of Leicester, United Kingdom as well as a Master of Business Administration (MBA) from Edinburgh Business School, United Kingdom.

He is also a Fellow of the Institute of Chartered Accountants in England and Wales (FCA).

Siuagamy Ramasamy

Group Company Secretary
Tanjong plc

Joined the Group in 1991 and is currently the Group Company Secretary. An Associate of the Institute of Chartered Secretaries & Administrators, UK, she has more than 25 years of extensive experience in corporate, legal and company secretarial matters.

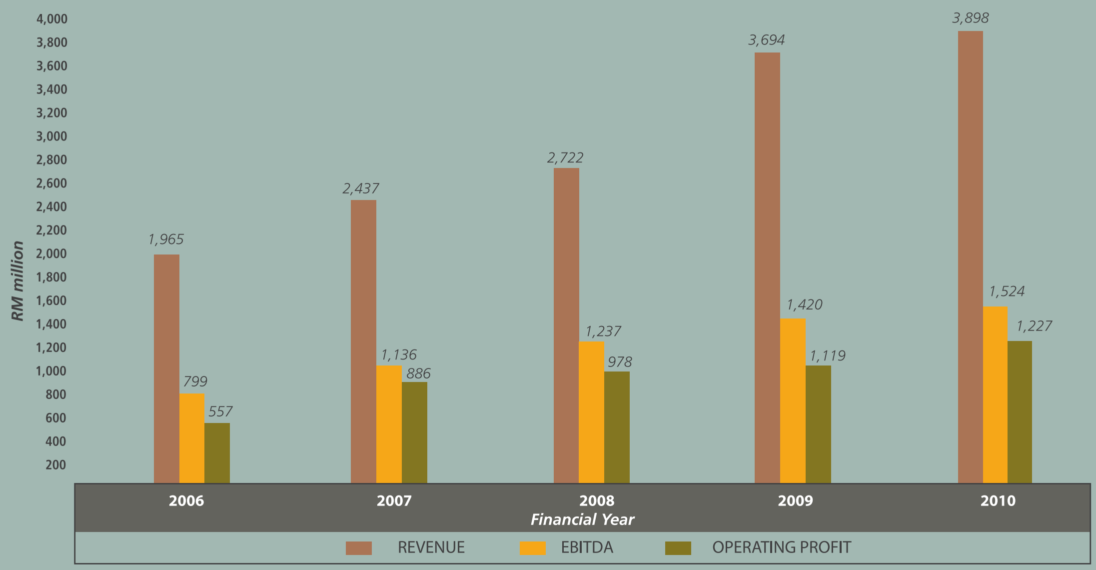
Shirene Lee

General Manager, Group Legal & Corporate Affairs, Tanjong plc

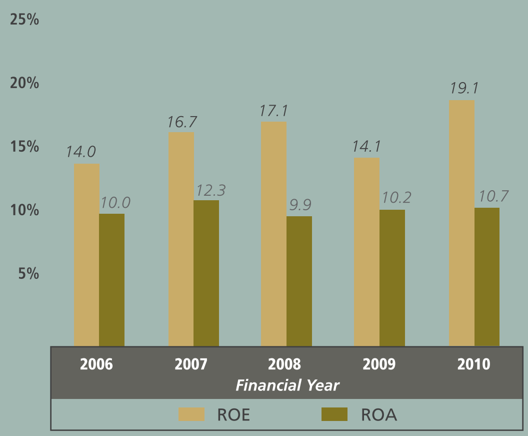
Joined the Group in 1997. She holds a Bachelor of Law (Hons.) degree from the University of London, a Certificate in Legal Practice (CLP) from the Legal Profession Qualifying Board, Malaysia as well as a Diploma in Commerce (Business Management) from Tunku Abdul Rahman College. She is an Associate Member of the Institute of Chartered Secretaries & Administrators, UK. She has more than 20 years experience in legal and corporate matters.

Group Financial Highlights

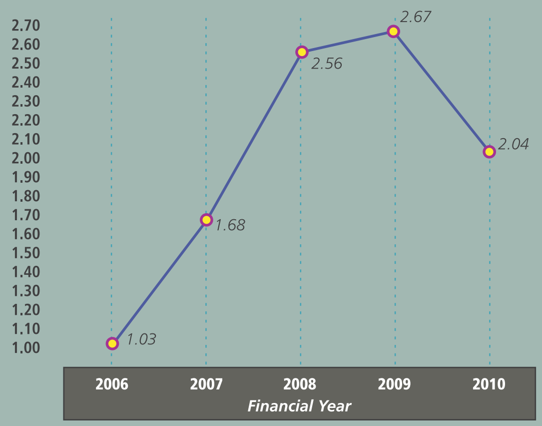
Group Financial Results



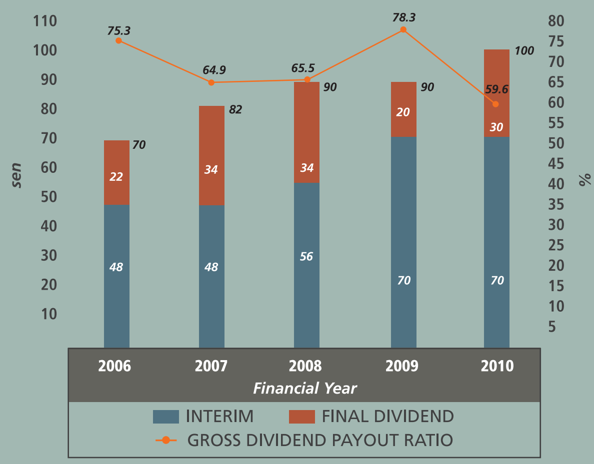
ROE & ROA (%)



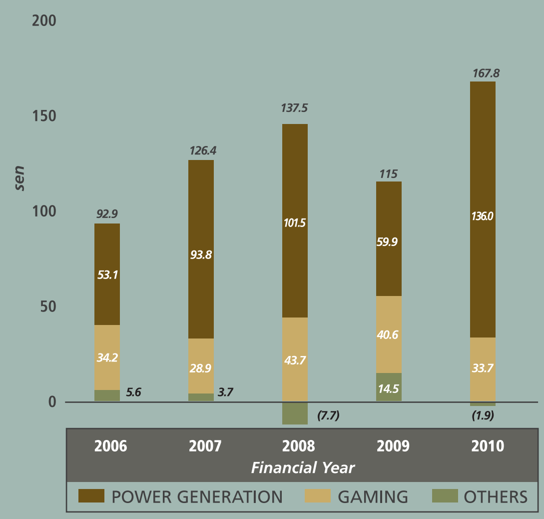
Debt/Equity Ratio (times)



Dividend Per Share (sen) and Gross Payout Ratio (%)



Earnings Per Share Contribution (sen)



Group Financial Highlights (continued)

Year ended 31 January	2010	2009	2008	2007	2006
Group Income Statement (in RM'000)					
Revenue	3,898,111	3,693,855	2,721,645	2,437,339	1,965,293
EBITDA [1]	1,523,869	1,420,016	1,237,459	1,136,127	799,265
Operating Profit	1,227,078	1,119,103	977,745	885,534	557,384
Interest Income	16,752	33,374	58,914	60,262	53,500
Finance Costs	(379,503)	(533,991)	(317,368)	(281,723)	(133,297)
Net Finance Costs	(362,751)	(500,617)	(258,454)	(221,461)	(79,797)
Net Investment Gain	1,154	70,509	30,609	33,379	13,313
Profit Before Tax	953,252	748,836	773,478	688,246	501,167
Profit After Tax Attributable to Tanjong Shareholders	676,773	463,769	554,459	509,527	374,494
Revenue (in RM'000)					
Power Generation	2,811,719	2,718,372	1,843,744	1,681,881	1,086,665
Gaming					
Numbers Forecast Totalisator Business	730,782	703,829	706,311	624,343	680,737
Racing Totalisator Business	(9,351)	10,714	18,167	11,257	16,860
Property Investment	57,118	52,617	50,203	46,150	50,846
Leisure					
Tropical Islands	153,987	140,543	103,220	66,548	96,905
TGV [2]	153,856	67,780	–	–	–
Others [3]	–	–	–	7,160	33,280
Total	3,898,111	3,693,855	2,721,645	2,437,339	1,965,293
EBITDA (in RM'000)					
Power Generation	1,242,077	1,051,016	986,500	898,129	594,535
Gaming					
Numbers Forecast Totalisator Business	240,974	243,676	242,515	172,615	214,761
Racing Totalisator Business	(60,736)	(22,118)	(3,657)	(13,361)	(11,177)
Property Investment	71,557	143,581	44,164	121,149	50,186
Leisure					
Tropical Islands	13,215	1,701	(22,642)	(33,859)	(44,568)
TGV [2]	26,196	10,212	–	–	–
Others [3]	–	–	–	(1,197)	(700)
Non Segmental	(9,414)	(8,052)	(9,421)	(7,349)	(3,772)
	1,523,869	1,420,016	1,237,459	1,136,127	799,265
Joint Ventures & Associates [4]	87,771	59,841	23,578	(9,206)	10,267
Total	1,611,640	1,479,857	1,261,037	1,126,921	809,532
Operating Profit/(Loss) (in RM'000)					
Power Generation	1,005,901	804,387	775,186	682,637	386,624
Gaming					
Numbers Forecast Totalisator Business	234,819	237,304	236,568	166,766	209,291
Racing Totalisator Business	(65,831)	(26,875)	(7,742)	(16,581)	(13,830)
Property Investment	70,116	142,454	43,147	120,213	49,269
Leisure					
Tropical Islands	(22,667)	(33,904)	(59,114)	(58,754)	(68,651)
TGV [2]	14,827	4,535	–	–	–
Others [3]	–	–	–	(1,198)	(700)
Non Segmental	(10,087)	(8,798)	(10,300)	(7,549)	(4,619)
	1,227,078	1,119,103	977,745	885,534	557,384
Joint Ventures & Associates [4]	87,771	59,841	23,578	(9,206)	10,267
Total	1,314,849	1,178,944	1,001,323	876,328	567,651

1 EBITDA: Refers to Earnings before Interest, Tax, Depreciation and Amortisation
2 TGV Cinemas Sdn Bhd ("TGV") became a wholly-owned subsidiary with effect from 31 July 2008. The 2009 disclosure includes its results since that date
3 Includes the results of the Liquefied Petroleum Gas ("LPG") business until its disposal on 25 April 2006
4 Joint Ventures & Associates: Refers to the Group's interest in the results of TGV (which was a joint venture prior to 31 July 2008), Asia Gulf Power Service Company Limited, Asia Gulf Power Holding Company Limited, Uniclic Limited, Ace Power Generation Horana (Private) Limited, Ace Power Generation Matara (Private) Limited, Fauji Kabirwala Power Company Limited and NEPC Consortium Power Ltd

Group Financial Highlights (continued)

As at 31 January	2010	2009	2008	2007	2006
Group Balance Sheet (in RM'000)					
Intangible Assets	71,969	71,969	49,130	49,130	49,130
Property, Plant and Equipment	2,289,218	2,545,745	2,634,225	2,727,272	2,896,184
Prepaid Lease Rental	20,954	21,932	21,864	14,999	–
Investment Property	672,000	650,000	550,339	550,000	470,000
Joint Ventures & Associates	358,354	303,134	234,434	53,660	58,414
Deferred Income Tax Assets	–	30	278,039	295,438	292,504
Long Term Investments	15,189	3,627	8,516	241,145	230,115
Lease Receivables	5,466,515	6,138,881	5,836,370	2,652,383	–
Current Assets	1,404,113	1,396,574	1,074,601	670,952	477,671
Cash/Liquid Resources	1,766,175	1,321,819	1,440,295	1,460,920	1,568,782
Gross Assets	12,064,487	12,453,711	12,127,813	8,715,899	6,042,800
Payables	1,391,856	1,556,767	1,396,551	537,319	398,609
Debt	5,152,899	5,778,300	5,644,422	4,135,189	2,113,755
Hedging Liability	314,589	483,980	256,102	56,545	–
Deferred Income Tax Liabilities	807,454	814,321	1,048,634	601,857	494,346
Provision for Other Liabilities and Charges	117,409	116,331	105,970	55,009	–
Net Assets	4,280,280	3,704,012	3,676,134	3,329,980	3,036,090
Represented by					
Total Shareholders' Equity	3,814,593	3,281,047	3,297,806	3,198,208	2,916,855
Minority Interests in Equity	465,687	422,965	378,328	131,772	119,235
	4,280,280	3,704,012	3,676,134	3,329,980	3,036,090
Net Assets (in RM'000)					
Power Generation	1,571,223	1,940,784	2,215,070	1,657,008	949,378
Gaming					
Numbers Forecast Totalisator Business	(33,086)	(38,781)	(41,684)	(21,381)	(17,450)
Racing Totalisator Business	23,327	31,875	43,448	42,115	37,098
Property Investment	516,346	485,796	394,318	375,090	302,519
Leisure					
Tropical Islands	33,067	(18,839)	1,749	(30,229)	37,456
TGV [1]	69,519	70,857	–	–	–
Others (LPG Business)	–	–	–	(64)	2,352
Non Segmental	1,741,530	971,220	895,932	1,253,781	1,666,323
	3,921,926	3,442,912	3,508,833	3,276,320	2,977,676
Joint Ventures & Associates	358,354	261,100	167,301	53,660	58,414
Total	4,280,280	3,704,012	3,676,134	3,329,980	3,036,090
Group Cash Flow (in RM'000)					
Cash Flows from Operating Activities	1,656,712	1,436,714	1,194,862	1,032,510	728,445
Net Interest/Dividend	(263,279)	(329,834)	(260,962)	(205,452)	(64,551)
Taxation	(175,821)	(164,710)	(139,001)	(108,562)	(115,305)
Net Capital Expenditure	(36,870)	(98,953)	(103,160)	(32,352)	(84,844)
Free Cash Flow	1,180,742	843,217	691,739	686,144	463,745
Equity Dividends	272,198	303,954	263,971	208,241	232,921
Net Acquisitions	–	33,159	1,641,665	831,921	53,636
Analysis of Net Cash (in RM'000)					
Cash	53,051	195,948	457,566	262,744	29,778
Short Term Deposits	1,482,817	1,006,908	600,750	1,027,522	1,319,480
Investments [2]	230,307	118,963	381,979	170,654	219,524
	1,766,175	1,321,819	1,440,295	1,460,920	1,568,782
Debt	(5,152,899)	(5,778,300)	(5,644,422)	(4,135,189)	(2,113,755)
Net Debt	(3,386,724)	(4,456,481)	(4,204,127)	(2,674,269)	(544,973)

[1] TGV became a wholly-owned subsidiary with effect from 31 July 2008
[2] Comprises quoted equity securities and fixed income instruments which are readily convertible to cash

Key Performance Indicators (Group)

Year ended 31 January	2010	2009	2008	2007	2006
Corporate Ratios					
Debt to Equity (times) [1]	2.04	2.67	2.56	1.68	1.03
Return on Equity (ROE) [2]	19.1%	14.1%	17.1%	16.7%	14.0%
Return on Assets (ROA) [3]	10.7%	10.2%	9.9%	12.3%	10.0%
Dividend Yield [4]	6.8%	6.3%	5.2%	6.0%	5.0%
Dividend Payout Ratio [5]	59.6%	78.3%	65.5%	64.9%	75.3%
Interest Cover (times) [6]	3.5	2.3	3.3	3.2	4.4
Per Share Analysis (in sen)					
Basic Earnings Per Share (EPS)	167.8	115.0	137.5	126.4	92.9
Diluted EPS	167.8	115.0	137.5	126.4	92.9
Underlying EPS [7]	164.8	128.8	130.4	108.2	89.6
Free Cash Flow Per Share	292.8	209.1	171.5	170.2	115.0
Net Tangible Assets Per Share	928.1	795.8	805.6	780.9	711.1
Gross Dividend Per Share [8]	100.0	90.0	90.0	82.0	70.0
Net Dividend Per Share	75.0	67.5	66.8	60.7	51.5
Stock Performance (in RM)					
High	18.00	16.90	19.70	15.10	15.40
Low	13.00	9.90	13.60	12.00	12.70
As at 31 January	17.36	13.50	16.10	14.80	14.80
Number of Shares in issue (in '000)	403,256	403,256	403,256	403,256	403,256
Market Capitalisation as at 31 January (in RM Million)	7,001	5,444	6,492	5,968	5,968

[1] Total debt divided by total shareholders' equity
[2] Profit after tax and minority interest ("PATMI") divided by average total shareholders' equity
[3] Earnings before interest and taxes divided by average total assets
[4] Gross dividend as a percentage of the weighted average share price during the financial year
[5] Gross dividend expressed as a percentage of basic earnings per share
[6] Earnings before interest and taxes divided by finance costs
[7] Underlying EPS: Basic EPS adjusted for the effects of investment, exchange differences and non-recurring events i.e. Menara Maxis revaluation surplus in FY2010, FY2009 & FY2007
[8] Includes 4 sen tax-exempt dividend in FY2007 & FY2006

Key Performance Indicators (By Segment)

Year ended 31 January	2010	2009	2008	2007	2006
Power Generation (in RM'000)					
Revenue	2,811,719	2,718,372	1,843,744	1,681,881	1,086,665
EBITDA	1,242,077	1,051,016	986,500	898,129	594,535
Operating Profit	1,005,901	804,387	775,186	682,637	386,624
Net/Effective Generation Capacity (MW)	3,951	3,951	3,951	3,055	1,490
Export Energy (GWh)	25,771	26,000	15,974	14,846	7,612
Weighted Average Availability (%)	94.43	92.76	88.38	92.25	90.41
Gaming					
Numbers Forecast Totalisator Business (in RM'000)					
Gross Sales Proceeds	2,052,528	1,989,532	2,025,631	1,992,830	1,924,978
Prize Payout	(1,321,746)	(1,285,703)	(1,319,320)	(1,368,487)	(1,244,241)
Revenue	730,782	703,829	706,311	624,343	680,737
Taxes & Duties [1]	277,502	268,985	273,865	269,431	260,257
EBITDA	240,974	243,676	242,515	172,615	214,761
Operating Profit	234,819	237,304	236,568	166,766	209,291
Number of Draws	177	161	167	170	172
Prize Payout (%)	64.4	64.6	65.1	68.7	64.6
Operating Margins (%)	11.4	11.9	11.7	8.4	10.9
Racing Totalisator Business (in RM'000)					
Gross Sales Proceeds	1,087,055	1,200,190	1,211,839	937,006	904,206
Dividends Payable	847,703	935,820	945,610	729,995	702,777
Taxes & Duties [1]	126,970	140,182	141,543	109,442	105,611
Revenue – Group's Share of Net (Deficit)/Surplus	(9,351)	10,714	18,167	11,257	16,860
Operating Loss	(65,831)	(26,875)	(7,742)	(16,581)	(13,830)
Number of Races	3,349	2,711	2,724	2,270	1,748
Number of Race Days	354	299	295	249	197
Property Investment (in RM'000)					
Revenue	57,118	52,617	50,203	46,150	50,846
EBITDA	71,557	143,581	44,164	121,149	50,186
Operating Profit	70,116	142,454	43,147	120,213	49,269
Occupancy Rate (%)	100.0	100.0	100.0	100.0	100.0
Leisure					
Tropical Islands (in RM'000)					
Revenue	153,987	140,543	103,220	66,548	96,905
EBITDA	13,215	1,701	(22,642)	(33,859)	(44,568)
Operating Loss	(22,667)	(33,904)	(59,114)	(58,754)	(68,651)
Admissions ('000)	883	834	691	512	897
Average Spend per Visitor (€)	35.3	34.2	31.7	30.0	24.4
TGV [2] (in RM'000)					
Revenue	153,856	141,146	113,389	92,424	83,912
EBITDA	26,196	23,960	17,392	15,059	18,084
Operating Profit	14,827	12,922	8,719	7,886	12,658
Admissions ('000)	12,932	12,341	10,062	8,364	7,890
Average Revenue per Head (RM)	11.90	11.44	11.27	11.05	10.63
Number of Screens	100	100	85	63	53

[1] Taxes & Duties: Consists of Gaming Tax and Betting & Sweepstake Duties
[2] TGV became a wholly-owned subsidiary with effect from 31 July 2008. The information provided indicates TGV's performance as a stand-alone entity

Chairman's Statement

I am pleased to report that Tanjong has been able to deliver record earnings for the financial year ended 31 January 2010 despite the challenges of a notably difficult global economic environment. All our business segments turned in improved top-line results and this has enabled the Group to achieve revenue growth for the fourteenth consecutive year.

Operating Environment

The Malaysian economy experienced a 1.7% contraction in 2009 against a 4.6% GDP growth in the previous year.

The widespread economic turbulence also adversely affected the other geographies in which the Group operates. Egypt registered a moderate decline in GDP growth, posting a growth of 4.7% against 7.2% in 2008. Bangladesh likewise saw a lower GDP growth of 5.9% against a 6.2% growth in the previous year. Germany's export-dependent economy recorded a 4.8% contraction, its deepest downturn to date in modern history, in comparison to a 1.2% growth in 2008.

Financial Performance

The Group was able to maintain its growth momentum during the period under review, demonstrating its underlying strength and resilience in the face of very challenging economic conditions. Group revenue rose by 6% or RM204 million from RM3,694 million to RM3,898 million for the financial year ended 31 January 2010 ("the current year"). Operating profit similarly increased by 10% or RM108 million from RM1,119 million to RM1,227 million in the current year.

The Group continues to derive significant returns from the strength of its portfolio of power generation assets. Revenue for the Power Generation segment increased by 3% from RM2,718 million to RM2,812 million in the current year, mainly due to improved contributions from Malaysian and Egyptian power plants. The operating profit for this segment grew by 25% from RM804 million previously to RM1,006 million on the back of increased revenue, lower plant maintenance, corporate and business development costs totalling RM114 million and the non-recurring RM85 million contribution (in lieu of the windfall profit levy), that was made in the previous year.

For Gaming, gross sales proceeds from the Numbers Forecast Totalisator ("NFO") business increased slightly by 3% from RM1,990 million to RM2,053 million due to sixteen additional draws conducted in the current year. However, operating profit for the Gaming segment reduced by RM41 million from RM210 million to RM169 million, principally due to escalating Racing Totalisator ("RTO") operating expenses.

The Leisure segment continues to strengthen and is delivering improved results. As a result of higher visitor arrivals and average spend at Tropical Islands, and with inclusion of the full year's contribution from TGV Cinemas Sdn Bhd; the Leisure segment posted a 48% or RM100 million increase in revenue from RM208 million to RM308 million. The segment's operating losses reduced significantly by 72% from RM29 million to RM8 million in the current year.

Property Investment posted an 8% increase in revenue from RM53 million to RM57 million mainly on the back of higher average rental yields from renewed tenancies. Segmental operating profit, at RM70 million, was however significantly lower than the RM142 million operating profit previously, due to the recording of a lower fair value gain of RM22 million from the revaluation of Menara Maxis in the current year as compared to the RM100 million fair value gain reported in the previous year.

These encouraging developments culminated in the Group reporting a 16% increase in operating cash flows to RM1,481 million and an increase in cash and cash equivalents from RM1,203 million to RM1,536 million in the current year.

Earnings Per Share and Dividends

In line with the stronger overall performance, Tanjong's net earnings per share rose by 46% from 115.0 sen to 167.8 sen in the current year.

Tanjong's dividend policy continues to seek a balance between providing immediate cash returns to shareholders and conserving funds critical to its long term growth. The Board has declared four gross interim dividends totalling 70 sen in the current year, and is recommending a final gross dividend of 30 sen per share before Malaysian income tax at 25%. This will result in a total gross dividend of RM1.00 per share, an 11% increase over the previous year's gross dividend of 90 sen per share, and representing a gross payout ratio of 60%. The increased dividend quantum represents an improvement in the gross dividend yield from 6.3% to 6.8% in the current year.

Corporate Governance

We consider our efforts in promoting good corporate governance as a source of competitive advantage as this enhances long term shareholder value and underscores the Group's standing and credibility in its dealings with its shareholders, government authorities and business partners. The Group's Statement on Corporate Governance (set out in pages 32 to 37) outlines the underlying governance framework and practices which are in place.

The Group continues to be acknowledged for its dedication to good governance by institutional investors, investment research houses and the media. *Asiamoney* in its Best Corporate Governance Poll 2009, once again ranked Tanjong No. 1 in Malaysia for Best Investor Relations. Tanjong was ranked No. 2 in Malaysia for Overall Best Corporate Governance. Tanjong has also been recognised as one of Asia's leading corporates by virtue of its inclusion in the *Corporate Governance Best of Asia 2010* awards. We are honoured by the recognition given and will strive to maintain the high standards that are expected of us.

Corporate Responsibility

The Group's obligation to ensure the sustainability of its businesses also extends to it implementing responsible and sustainable practices that impact positively on the environment and communities it operates in.

In the current year, Tanjong continued to focus its efforts on elevating the standards of living and well-being of communities by donating nearly RM30 million for educational, welfare, sports, health and various other pursuits. The Group also continued to implement measures to ensure healthy and safe working conditions throughout the breadth of its operations, while undertaking activities that provided its employees a favourable work environment. On top of this, continuing measures have been taken to ensure Tanjong's power plants operate in a socially responsible and environmentally-friendly manner; even as other responsible environmental practices have been adopted throughout the organisation. Further details of the Group's corporate responsibility initiatives are outlined in pages 30 and 31 of the Group's Corporate Responsibility Statement.

Outlook

Although timely intervention by governments have averted a collapse of the global economy, economic recovery remains fragile and uneven. The Group thus recognises that it must tread forward carefully and be mindful of the need to assiduously make the most of emerging opportunities. It is imperative that we continue adapting our business strategies to the current environment and make every effort towards value creation by positioning our core businesses for both organic and opportunistic growth.

For Power Generation, improving economic conditions will make it more conducive for this segment's future growth. Having taken the opportunity to consolidate our position in uncertain times, the Group is now well positioned to leverage on its strong growth track record. It will do so by judiciously pursuing development opportunities in the Middle East and North Africa, South Asia and Southeast Asia regions. On the Malaysian front, the Group supports the Malaysian Government's efforts to restructure the domestic power sector and looks forward to engaging with the relevant parties for our mutual benefit.

In the Gaming segment, the Group will seek to widen its product offering consistent with its intention to compete more effectively on a level playing field. We are also actively engaging with the relevant parties to reduce, to more acceptable levels, totalisator expenses in the RTO business which continue to adversely affect the results of the Gaming segment.

In Leisure, Tropical Islands is making satisfactory progress operationally and our efforts to ensure adequate overnight accommodation to encourage longer stays, including overnight stays, and higher levels of spend at the resort will be critical to its long-term sustainability. There also is scope in broadening the reach of TGV's existing cinema network and efforts to significantly enhance its customer experience are currently under way.

Acknowledgements

On behalf of the Board, I would like to express my deepest appreciation to the dedicated and talented team of managers and employees who have been instrumental in addressing the challenges faced by the Group. I ask that they continue their commitment to perform to the best of their abilities. I also wish to thank our regulators, customers, business partners and investors for their unwavering support and cooperation. I am further indebted to my colleagues in the Board for their insights and counsel in steering Tanjong through the year's challenges. As we move on to a new decade, rest assured that your Board will leverage on the Group's resources and strengths to overcome all challenges and capitalise on the many opportunities that are gradually, but certainly, coming into view.

DATO' ROBERT CHEIM
Chairman
Kuala Lumpur
6 May 2010

Business Review

Power Generation

During the year, the Group consolidated its position as a major regional power player and put in place measures to fuel future growth. All the Group's power plants across Malaysia, Egypt, Bangladesh, Pakistan, Sri Lanka and the United Arab Emirates continued to deliver strong operational performance while it undertook cost mitigation and productivity improvement measures. With some 13 power plants to date in its portfolio and a net generating capacity of 3,951 MW and a water desalination capacity of 16 million imperial gallons per day, the Group's Power Generation segment continues to deliver significant benefits in the way of sustainable earnings and cashflow growth.

In the current year, Power Generation revenue increased by 3% from RM2,718 million to RM2,812 million mainly due to improved contributions from the Malaysian and Egyptian power plants. The segment's operating profit increased by RM202 million or 25% to RM1,006 million as a result of higher revenue, lower plant maintenance expenses, lower corporate and business development costs totalling RM114 million, and the non-recurring windfall profit levy of RM85 million which was charged in previous year. Finance costs for Power Generation reduced from RM507.1 million to RM366.8 million due to the absence of one-time refinancing costs of RM141 million which was incurred in the previous year and the resulting interest savings brought about by the refinancing exercise. With the global economy slowly strengthening, many power projects, which had been held back amidst the preceding year's financial turbulence are now gradually being opened for bidding. In line with this, the Group has set its sights on doubling its net generating capacity in the next five years through a balance of greenfield developments and M&A activities.

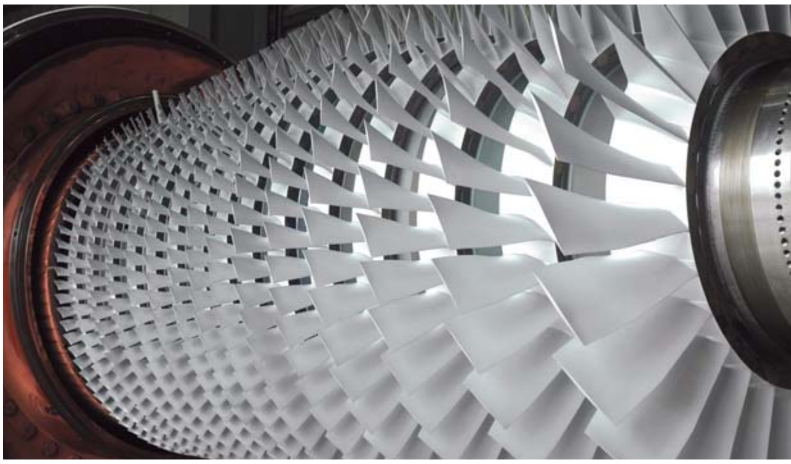
Greenfield initiatives will most likely be centred in the Middle East and North Africa, South Asia and Southeast Asia regions where power market fundamentals are favourable and post-financial crisis opportunities have re-emerged. While the competition is expected to intensify in these markets, the Group is competitively positioned to leverage on its operational knowledge and proven capabilities in these regions to secure consortium agreements and related operations and maintenance contracts.

The Group will concurrently pursue an M&A growth strategy which will enable it to increase its presence in its current focus regions, and provide the avenue to diversification into more developed markets. In this regard, Tanjong's successful record in integrating new plant acquisitions will be a critical success factor.

Going forward, the Power Generation segment is expected to be a key driver for the Group's future growth. The performance of the segment is however very much dependent on the impact

The Business Review section forms part of the Directors' Report pursuant to Section 417 of the UK Companies Act 2006.

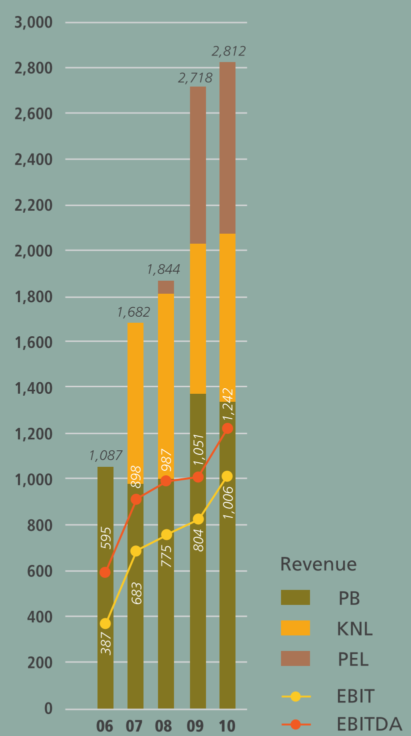
Sidi Krir Power Plant, Egypt



of external market forces on the Group's M&A and greenfield-driven strategies. In Malaysia, the future success of the Group's power generation business will depend on the outcome of the Malaysian Government's efforts to reform the domestic electricity supply industry.

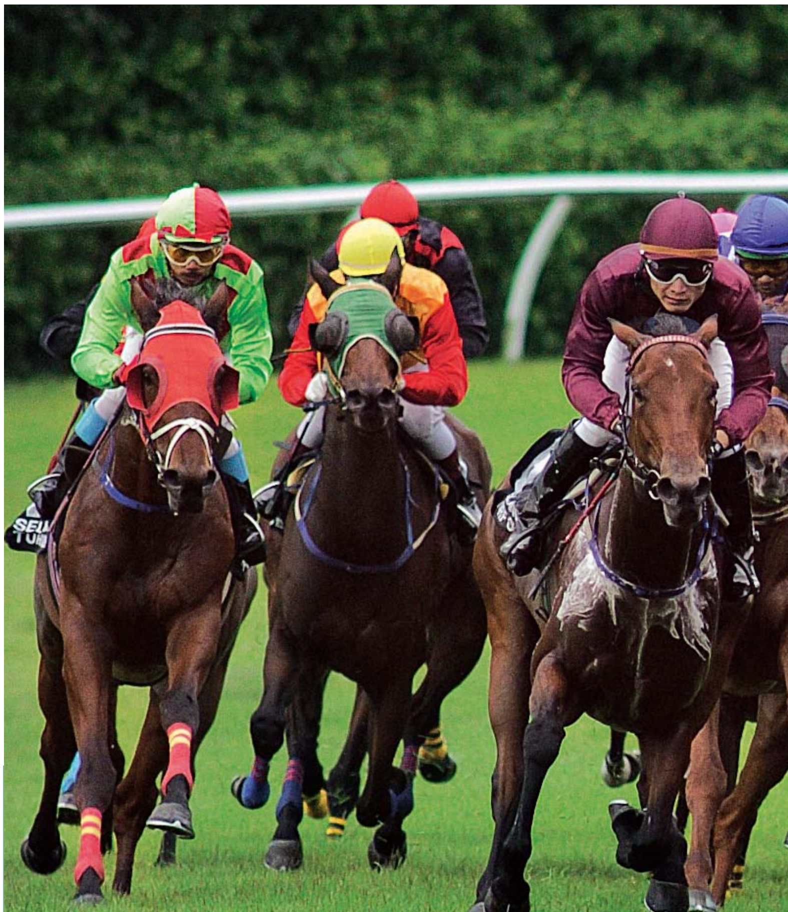
Company	Location	Power Plant	PPA Expiry	Net/Effective Capacity
Powertek Berhad ("PB")	Malaysia	Powertek Pahlawan Panglima	2016 2020 2023	440 MW 330 MW 720 MW
Kuasa Nusajaya (L) Ltd ("KNL")	Egypt	Port Said Suez Gulf	2023 2023	683 MW 683 MW
Pendekar Energy (L) Ltd ("PEL")	Egypt Bangladesh Bangladesh Bangladesh Pakistan Sri Lanka	Sidi Krir Meghnaghat Haripur NEPC Fauji Kabirwala Ace Horana & Ace Matara	2022 2024 2023 2014 2029 2012	375 MW 248 MW 198 MW 30 MW 36 MW 8 MW
Pendekar Power (Labuan) Ltd ("PPL")	Abu Dhabi	Taweelah B	2028	200 MW

Power Generation
(RM million)



Business Review

Gaming



Numbers Forecast Totalisator ("NFO") Business

The Numbers Forecast Totalisator ("NFO") business turned in gross sales proceeds of RM2,052.5 million during the year, a RM63.0 million or 3% increase over the RM1,989.5 million recorded previously due to 16 additional draws. Operating profit for the NFO business declined slightly to RM234.8 million during the year, lower by RM2.5 million or 1% against RM237.3 million previously, mainly as a result of additional tax payments on special draws. NFO sales were also affected by lower consumer spending as a result of the economic downturn and intensified competition from other operators launching new games.

To spur NFO sales, the Group engaged in nationwide promotions, and also implemented localised marketing campaigns in the different geographic regions. On top of this, the Sales Operators' Incentive Programme (StarClub) was re-launched to further motivate NFO front-line sales operators. These initiatives have enabled the Da Ma Cai brand to maintain its competitiveness and profitability.

Going forward, the Group is looking to improve top- and bottom-line performance and broaden its product offering by the introduction of new games. On top of making technology

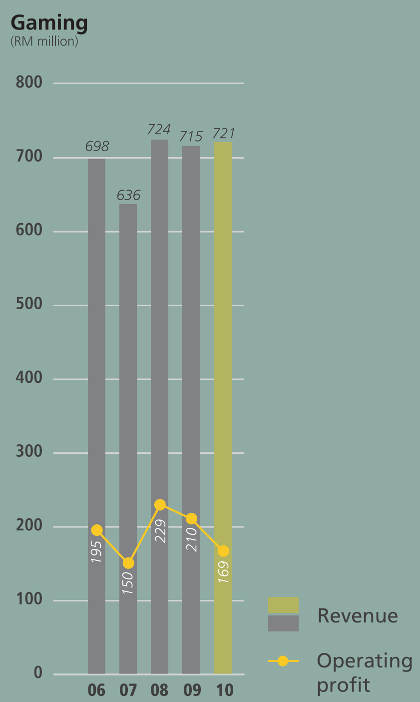
and branding investments to drive sales, the Group will also relocate its NFO outlets to more strategic locations, explore new market segments and improve operational efficiencies.

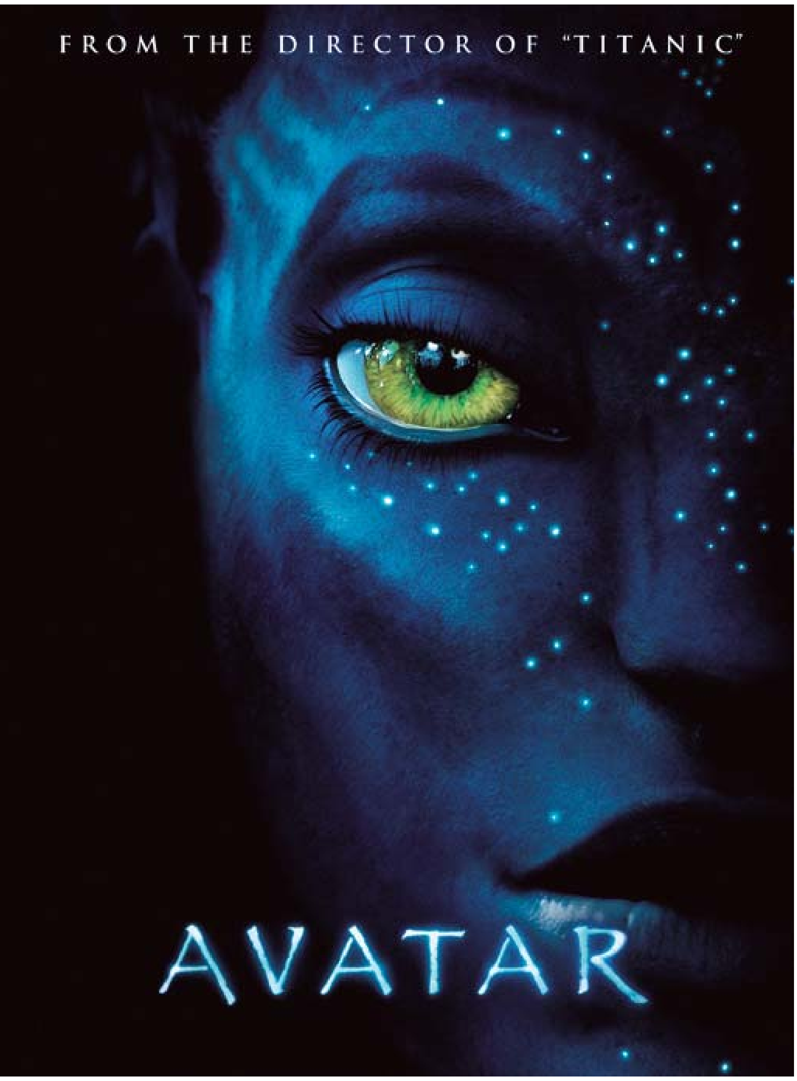
Racing Totalisator ("RTO") Business

The Group's Racing Totalisator ("RTO") business posted gross sales proceeds of RM1,087.1 million, a RM113.1 million or 9% decrease against the RM1,200.2 million recorded in the preceding year due to lower punter attendance. The RTO business turned in an operating loss of RM65.8 million during the year, approximately RM38.9 million higher than the RM26.9 million loss recorded previously due primarily to escalating totalisator expenditures incurred and charged by the turf clubs. As such, the Group is actively engaging with the turf clubs, Malaysian Totalisator Board and Ministry of Finance to resolve this issue.

Over the course of the year, a new off-course centre was established to enhance service delivery channels. To spur further growth, the RTO is planning to increase the number of simulcast races from overseas such as Australia, South Africa, Japan, Hong Kong and Macau.

For the National Stud Farm, 43 Malaysian thoroughbreds were featured in the third edition of an "All Malaysian bred" catalogue during the National Stud Farm's 17th National Premier Sale ("NPS"). The 17th NPS grossed close to RM2.3 million, representing a RM479,000 or 27% increase over the previous year's sale at an average price of RM52,698 per lot.





Tropical Islands

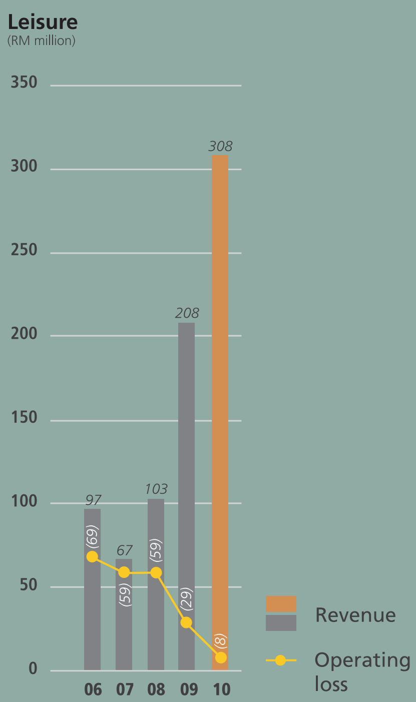
Tropical Islands ("TI") has, during the year, continued to expand and grow steadily through improved advertising, branding and collaboration with tour operators in Europe. The visitor numbers grew by 6% (from 834,311 visitors to 883,309 visitors) and average spend per visitor increased by 3% (from €34.17 to €35.28) due to the aforesaid reasons. As a consequence, total revenue increased by 9% from RM141 million to RM154 million and the operating loss reduced by 32% from RM34 million to RM23 million.

TI however continues to face the challenge of low weekday visitor attendances and short stay visitors pending the completion of on-site accommodation facilities by the third party developer. Under the initial phase of the development, a total of 439 vacation homes are targeted to be completed in stages by end 2012 subject to the developer obtaining adequate and timely financing. Should the developer however be unable to secure adequate financing within the agreed timeline and/or the construction and the subsequent sale of the vacation homes is significantly delayed, the Group will need to re-assess the appropriateness of the carrying value of its investment in TI.

TGV Cinemas Sdn Bhd

TGV Cinemas Sdn Bhd ("TGV") recorded a 9% or RM12.8 million increase in gross revenue from RM141.1 million to RM153.9 million, while operating profit increased by 15% from RM12.9 million to RM14.8 million. The improved performance was attributable to higher average spend per head by 4% and stronger blockbuster movie titles during the year.

To boost business growth, the Group has revamped its cinema organisational structure and is exploring avenues to improve TGV's service quality and operational efficiency. At the same time, TGV will continue to actively expand its network, improve the design of its cinemas and leverage on technological innovation to further bolster performance and enhance customers' entire movie-going experience. To date, TGV has 14 multiplexes, 109 screens and some 22,000 seats in its fold and is set to broaden its reach into new untapped and underserved markets.



Business Review

Others

Property Investment

The commercial property market within the Klang Valley remained relatively resilient throughout 2009 with prime office buildings in Kuala Lumpur enjoying high occupancy rates. Against this backdrop, Menara Maxis continued to register full occupancy and in doing so, achieved an 8% increase in revenue from RM53 million to RM57 million as a result of higher average rental yields from all renewed tenancies. The segment's operating profit of RM70 million was however lower than the previous year's operating profit of RM142.5 million, due to the recognition of a lower fair value gain of RM22 million on the revaluation of Menara Maxis (which is now valued at RM672 million) as compared to a RM100 million gain in the preceding year. The Group's share of the resulting net surplus arising from the valuation amounting to RM11 million, has been credited to the Income Statement in accordance with International Accounting Standard ("IAS") 40 – Investment Property. The Group will, in the coming year, undertake initiatives to enhance the energy efficiency aspects of the building as well as upgrade its security systems.

Cash and Treasury Management

Tanjong's cash and treasury management function aims to actively manage its financial risks whilst seeking to optimise returns on its surplus funds and minimise funding costs.

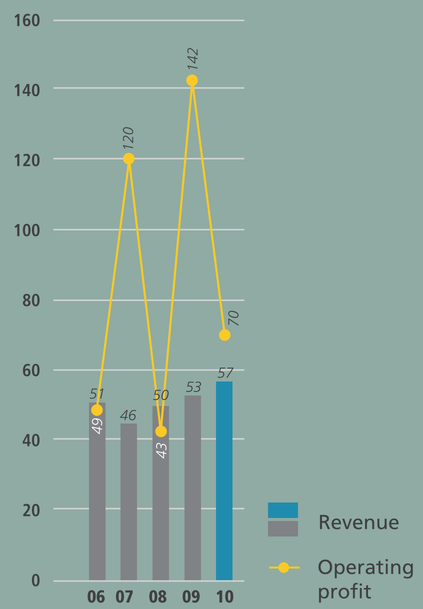
In the current financial year, overall returns from its cash and investments amounted to RM20 million, as compared to RM98 million in the previous year. The higher returns in the previous year are attributed to a one-time gain of RM62 million from the disposal of the Group's investment in Macquarie UK Broadcast Holdings Ltd and Macquarie UK Broadcast Services plc.

For the year under review, finance costs decreased from RM534 million to RM380 million, mainly due to lower interest rates arising from the refinancing of certain Egyptian power subsidiaries and the incurring of RM141 million refinancing costs which were charged to the previous year's Income Statement.

Key Performance Indicators

The Group has identified the key performance indicators that it believes are useful in assessing how well it is performing against its strategic aims. They encompass both financial and non-financial measures which are set out in pages 14 and 15.

Property Investment
(RM million)



Business Review

Principal Risk Factors

The Group's business and earnings are subject to various key risk factors that are described below. These risks could potentially have a material impact on the Group's results and financial condition. The identification, assessment and management of risks are an integral part of the Group's risk management efforts which are set out in pages 43 and 44 of the Annual Report.

Economic Risk

As global economic conditions remain uncertain following the financial crisis, the Group is mindful of the residual weaknesses in external demand and the generally cautious economic environment which will lead to moderating domestic consumption. This could affect the demand for the Group's products and services.

Financial Risk

Financial market volatility or downturn in the market environment has exposed the Group's assets, earnings and cash flows to a variety of financial risks. These risks include:

- Fluctuations in interest and foreign exchange rates
- Pricing risk arising from the Group's investments in financial assets
- Availability of funds to meet the Group's operating and financing requirements
- Default arising from credit exposures and non-performance by counterparties
- Ability to secure financing facilities for new strategic acquisitions

The Group aims to manage the above risks through sound capital management and conservative treasury policies. The management of financial risks is further detailed in the Financial Risk Management section in pages 83 to 89 of the Annual Report.

Acquisition Risk

The Group may acquire strategic investments and will encounter evaluation risks relating to the underlying financial condition and future prospects of such investments, despite the various controls in place. The Group's strategic investment framework outlines the principal guidelines for the Group prior to undertaking its strategic acquisitions. The framework requires a thorough due diligence on the investment opportunity, with a rigorous assessment criteria as well as an approval framework requiring consents from the Board of Directors and where appropriate, its shareholders.

Country Risk

Whilst country risk assessment is an important element of the due diligence process prior to acquiring a strategic investment, it is equally important to continuously monitor country risks in the locations in which the Group already operates in. These risks include changes in government, economic conditions, policies and regional developments in such locations. Such an assessment is done on an ongoing basis.

Changes in Legislation and Regulatory Policies

The Group operates in Malaysia and in a number of other geographical locations with diverse legislative and regulatory requirements where changes to these requirements may impact the Group's ability to operate effectively and repatriate profits in these locations. Consequently, the relevant business units monitor such changes through the legal and regulatory compliance framework to determine the potential impact, if any, and ensure continued compliance.

Risks to Licences and Concession Agreements held by the Group

The Group is required to hold licences and concession agreements in order to carry out its various activities. Failure to satisfy or comply with the terms and conditions of the licences and concession agreements could potentially result in penalties which may include the suspension, revocation or non-renewal of one or more of the said licences and agreements.

The Group's legal and regulatory compliance framework has been established to ensure compliance by the relevant business units.

Operational Risk

The diversity of the Group's business activities and reliance on a complex array of systems, machinery and equipment, infrastructure, people and key vendors for its Power Generation, Gaming and Leisure divisions increases its exposure to operational risks in the event of failure in any one element. Operational interruptions resulting from outages, accidents, system downtime and damage to infrastructure may adversely affect the Group's operations, the ability to fulfill contractual obligations and financial performance.

To mitigate these risks, the Group has in place, rigorous preventive maintenance programmes, regular monitoring of operational performance and where possible, alternative sourcing of key vendors as well as comprehensive insurance and business recovery plans. Health, safety and environmental compliance are also considered key priorities in the Group's operations.

Security Risk

The Group's businesses may be vulnerable to security breaches to key systems, assets and facilities resulting from acts of vandalism, sabotage or terrorism. Potential disruptions to operational systems or destruction of facilities from such security breaches and attacks, could adversely affect the Group's reputation, its businesses, or financial results.

Human Capital

The Group relies on attracting and retaining talented employees with a range of skills to implement its strategies and achieve its objectives. Intense competition in the talent market for highly skilled individuals could adversely affect the ability to operate successfully or grow the business, particularly with the Group's plans to expand its operations.

In order to facilitate the development of human capital, the Group seeks to appropriately reward its employees and provide an environment in which its employees can grow and succeed.

Corporate Responsibility Statement

Tanjong believes that in addition to our responsibility to maximise shareholder value, our actions should also benefit our employees, the environment and society. The Group's Statement of General Business Principles guides our approach to the well-being of our employees, the protection of our environment and the betterment of the communities in which we operate.

Workplace Practices

The Group continues to implement various measures to ensure the well-being of its workforce. Strict Occupational Safety and Health ("OSH") guidelines are embedded within our operations and a culture of safety ingrained among employees. Our OSH management systems are reviewed against international best practice and updated regularly, while OSH Committees within the Group ensure that health and safety policies are being effectively implemented and continuously improved upon. The Group's power plants in Malaysia, Egypt, Abu Dhabi and Bangladesh continue to be OHSAS 18001 Occupational Health and Safety Management System-certified.

Environmental Practices

Tanjong's Corporate Responsibility ("CR") agenda includes the protection and conservation of the environment. We undertake this by promoting and maintaining environmental best practices within our power plant operations which cover areas relating to environmental and emission standards, noise level management as well as the treatment of plant effluents and waste water. In line with this, all our power plants in Malaysia, Egypt, Abu Dhabi and Bangladesh are ISO 14001 Environmental Management Systems-certified.

As part of the Group's energy conservation efforts, Menara Maxis is equipped with a building automation system to better manage our energy consumption. Within the building's basement, a recycling compartment complements tenants' paper recycling efforts.

The Corporate Responsibility Statement forms part of the Directors' Report pursuant to Section 417 of the UK Companies Act 2006.

Community Initiatives

The Group is committed to elevating the standard of living and the quality of life of communities by supporting worthy causes and sponsoring educational, welfare, cultural, sports and health initiatives in the markets in which it operates. In the year under review, Tanjong donated RM29.8 million towards community development programmes, of which RM10.0 million was earmarked for key initiatives in the education sector, while RM17.8 million was disbursed through NFO special draws.

In Malaysia, the Group continues with its sponsorship of tertiary education activities via the Tanjong and Powertek Scholarship Awards, while financial aid is being channelled to selected primary schools and students via the Da Ma Cai Student Aid and Powertek Education Support programmes. Tanjong also contributes towards the development and upkeep of charities and voluntary organisations. Every year, over 200 Malaysian charity organisations benefit from the Group's annual corporate donations programme. Our Staff-in-the-Community programme promotes employee volunteerism enabling them to serve the communities and gain a sense of personal fulfilment. The annual Tanjong Heritage Art Competition is the Group's effort to preserve Malaysia's cultural heritage while providing a platform for budding young artists to showcase their talents.

In Egypt, the Group continues to implement a host of meaningful CR activities that are elevating the lives of underpringleged communities. The Group supports the surrounding communities through a wide range of activities from refurbishing schools, equipping computer labs and clinics, to facilitating carpentry workshops and assisting in the education of the blind and intellectually challenged children.

In Bangladesh, our initiatives to date include funding for a hospital and donating an ambulance, constructing wells for local communities and undertaking road and drainage works. On top of this, the Group has had a hand in reaching out to autistic children and inculcating reading habits among school children, as well as making the surrounding environment safe and healthy for the communities.

Corporate Governance Statement

The Board of Directors (the "Board") is committed to maintaining high standards of corporate governance. In this regard, as the Company has a primary listing on the Bursa Securities, it has adopted and applied the Principles and Best Practices contained in the Malaysian Code of Corporate Governance ("Malaysian Code") as well as the governance standards prescribed under Chapter 15 of the Main Market Listing Requirements of Bursa Securities ("MMLR"). A copy of the Malaysian Code is available on the Company's website at www.tanjongplc.com.

As the Company has a secondary listing status (now standard listing) on the London Stock Exchange ("LSE"), the UK Combined Code ("UK Code") does not apply to Tanjong. Nevertheless the Company strives to embrace best practices in corporate governance beyond its listing obligations.

Compliance with the Malaysian Code

This Statement is prepared pursuant to Paragraph 15.25 of the MMLR.

In preparing this Statement, the Board has considered the manner in which Tanjong has applied the various Principles of the Malaysian Code and complied with the Best Practices stated therein.

The Directors consider that Tanjong has complied with the provisions of the Malaysian Code as set out in Parts 1 and 2 therein, throughout the financial year under review.

DIRECTORS

The Role of the Board of Directors

The Board is collectively responsible for promoting the success of the Group by directing and supervising its affairs. The Board had in 1999 adopted the following six responsibilities as required under the Malaysian Code:-

1. Reviewing and adopting the strategic plan for the Company.
2. Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed.
3. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks.
4. Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management.
5. Developing and implementing an investor relations programme or shareholder communications policy for the Company.
6. Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board's role is to provide entrepreneurial leadership to the Group within a framework of prudent and effective controls which enable risks to be assessed and managed. It sets the Group's strategic direction, business policies and objectives. It further ensures that the necessary financial and human resources as well as standards of corporate governance are in place for the Group to meet its objectives and reviews management performance. In discharging its responsibilities, the Board had reviewed with Senior Management the 3-year Strategic Plan for 2010-2012 of the Group and the various business segments. The Board also establishes the Group's values and standards in the conduct of the organisation and its employees and ensures that its obligations to its shareholders and other stakeholders are understood and met.

Management ensures effective systems, controls and resources are in place to execute the policies set and decisions taken by the Board, to run the operations of the organisation, to monitor and manage performance and risks and to ensure the integrity of reports.

Board Composition and Balance

During the financial year under review, the Board had five members with 3 Independent Directors (including the Chairman), 1 Non-Executive Director and 1 Executive Director, and this composition fulfilled the requirement for one third of the Board to be independent. Following a review in December 2009, the Board affirmed that the aforementioned composition of the Board reflects a fair mix of financial, technical and business experiences that are vital to its successful stewardship of the Group. The composition of the Board during the year under review had also fairly and appropriately represented the ownership structure of the Company with a significant representation of minority interest through the Independent Directors. The role and responsibilities of the Chairman have been formally communicated to him. There is a clear distinction between the role of the Chairman and that of the Executive Director. The Chairman provides effective leadership to the

Board and sets the agenda for the Board while the Executive Director provides stewardship to Management to enhance its overall contribution to the Group. Details of the Shareholding Structure, including the Major Shareholders and Directors Shareholdings are set out on pages 134 to 138 of the Annual Report. The biographies of the present Directors (please refer to pages 6 and 7) demonstrate the necessary depth further to which they are able to bring experience and judgement to bear on issues of strategy, performance, resources and ethical standards affecting the Group.

The Independent Directors fulfil an independent, pivotal role in corporate accountability, hence their membership in the Audit, Remuneration and Nominating Committees. The details of meetings and activities of these Committees are disclosed below. None of these Directors participate in the day-to-day management of the Group. Independent Directors are required to affirm their independence at least twice a year, in accordance with the definition and guidance issued under the MMLR of Bursa Securities and they have done so and there has been no change in their independent status.

Directors also observe and adhere to the restriction on directorships in Main Market listed and other companies prescribed under the MMLR of Bursa Securities. The Board members are notified if any Director is appointed to other boards.

Board Meetings

The Board meets quarterly and also on other occasions to inter-alia, approve the Quarterly Reports, the Annual Report, the Business Plan and to review the progress of the operating subsidiaries in achieving their strategic goals. Meetings for the year are scheduled early in the year. The Board meeting agenda is sanctioned by the Chairman prior to issuance. Due notice is given for all scheduled meetings and additional meetings are convened on an ad-hoc basis for urgent and important matters. Five Board meetings were held during the financial year. Where appropriate, decisions are taken by way of circular resolutions in between scheduled meetings.

The Board has in place a Schedule of Matters reserved specifically for its decisions. The matters reserved for the Board include the approval of the annual Group Budget, Strategic Plan, Business Plans, annual and quarterly financial results, key financial and operating policies, significant capital or operating expenditures, acquisitions or disposals of investments, all major corporate proposals, organisational and capital structure, related party transactions and announcements on significant matters. It also oversees controls and risk management, operating and financial management and succession planning. Relevant Management personnel are invited to Board meetings to report and apprise the Board on performance, operations and other developments within their respective purview. The Board also delegates matters to the Executive Director and the appropriate Management personnel within the Group. A comprehensive Manual on Limits of Authority for the Group approved by the Board defines the levels of authority delegated to Management. Day-to-day operations are delegated to Management.

Directors are fully apprised of the need to determine and declare their interests in transactions on matters which come before the Board or Board Committees (in which they are members), which may give rise to a potential or actual conflict with their duty to the Company. They formally declare any conflict situations or interests in such transactions or matters as and when they arise and in accordance with the laws and regulations, pursuant to an established process. In respect of transactions which are deemed related in which Directors have direct or indirect interests or conflicts, Directors abstain from deliberations and voting at Board meetings or Board Committee meetings in which they are members.

Supply of Information

The Board members have unrestricted access to information required to enable them to discharge their duties in accordance with established procedure. Regular and ad-hoc reports are provided to all Directors to ensure that they are apprised on key strategic, financial, operational, legal, regulatory, corporate and social responsibility matters in a timely manner and to enable them to make meaningful and effective decisions. Procedures have been established concerning the content, presentation and timely delivery of papers for each Board and Board Committee meeting as well as for matters arising from such meetings. The Company Secretary assists in the management of this process. Actions on all matters arising from any meeting are reported at the following meeting. The Directors have access to the Head of Group Corporate Assurance and the Company Secretary. The Company Secretary advises the Board members on their duties and obligations, the appropriate requirements, disclosures and procedures to be complied with in relation thereto including the management of their meetings. The Company Secretary also advises both the Directors and Senior Management on the statutory, regulatory and corporate developments, the implementation of corporate governance measures and compliance applicable to the Group in the jurisdictions within which it operates as well as in respect of corporate proposals and transactions. The Directors may take independent professional advice at the Group's expense, in furtherance of their duties. An approved procedure governing this has been communicated to all Directors.

Re-election of Directors

All Directors are required to offer themselves, on a rotation basis, for re-election by shareholders at the annual general meeting. In addition, the Articles of Association of the Company require all Directors to submit themselves for re-election at least once every 3 years, to offer shareholders an opportunity to consider whether to renew their mandate.

Board Committees

The Board recognises that it would be more effective to delegate the detailed responsibilities in achieving certain of its fiduciary duties to Board Committees. To this end, it has in place the following Committees, each of which is governed by its own remit:

Nominating Committee
The terms of reference of the Nominating Committee are available on Tanjong's website.

Board appointments are effected through the Nominating Committee, which is responsible for making recommendations to the Board on all new Board and Board Committee appointments based on a formalised transparent procedure to ensure appointees have the appropriate balance of experience, abilities and skills. The Nominating Committee meets at least twice a year and one of the meetings is for the review of the composition of the Board, to ensure it has the appropriate mix of skills and competencies and makes its recommendation to the Board accordingly.

The procedure provides for candidates to be sourced from both internal and external sources and for the Company to use external consultants to undertake the search for potential candidates, when there are vacancies that the Board considers necessary to be filled, on the Nominating Committee's recommendation.

The Board retains the power to decide on any appointments to the Board and Board Committees after considering the recommendations of the Nominating Committee.

A procedure and process towards an annual assessment of the effectiveness of the Board as a whole and the contributions and performance of each individual Director and Board Committee member was reviewed and enhanced during the financial year 2008. Assessments are documented and the templates for assessment for the financial year ended 31 January 2010, were reviewed during the year and enhancements recommended were adopted by the Board. The Chairman assumes overall responsibility for the assessment process. Assessments in respect of the year ended 31 January 2010 of the individual Directors, the Board Committees including the Audit Committee and the Board as a whole, the findings of which were reported by the Chairman and discussed with the Directors, have been concluded. During the year, the Board played a key role in identifying and filling key positions within the Group.

The Nominating Committee had also reviewed the composition, the mix of skills, experience and competencies of the Directors during the year and concluded that the composition was adequate to support the current needs of the Group, though it could enhance the number with appointees from disciplines that may complement the current composition, should the need arise. Any major restructuring of the Board would be in conjunction with the Group's expansion needs. The Committee met twice during the year.

Audit Committee
The composition, terms of reference and a summary of the activities of the Audit Committee are set out separately in the Audit Committee Report. The Committee comprises wholly of Non-Executive Directors, the majority of whom are Independent Directors. The Executive Director is invited to attend the Audit Committee meetings in view of his vast business knowledge and experience and his intimate understanding of the Group's business.

The terms of reference of the Audit Committee have been detailed in the Audit Committee Report and can also be found on the Company's website.

Remuneration Committee
The report of the Remuneration Committee and its activities is contained in the Directors' Remuneration Report ("DRR") that has been prepared in accordance with the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. The DRR outlines important information on policy, service contracts, remuneration package, performance benchmarks and other detailed information relating to the remuneration of the Directors of Tanjong.

The terms of reference of the Remuneration Committee are available on the Company's website.

Attendance at Board and Board Committee Meetings

Details of the attendance of the Directors at the Board and Board Committees' meetings during the financial year are tabulated below:-

Attendance at Board and Board Committees meetings				
Number of meetings attended/held between 1 February 2009 to 31 January 2010				
	Board	Audit Committee	Remuneration Committee	Nominating Committee
Total no. of meetings held	5	7	1	2
Non-Executive				
Dato' Robert Cheim	5/5	*	*	2/2
Leong Wai Hoong	5/5	7/7	1/1	2/2
Dato' Larry Gan	4/5	7/7	1/1	*
Khoo Teik Chooi	5/5	7/7	*	2/2
Executive				
Augustus Ralph Marshall	5/5	*	1/1	*

* *Not applicable*

Directors' Training

All new Directors are required to undergo an orientation programme to provide them with the necessary information to enable them to contribute effectively from the outset of their appointment. The programme prescribes internal briefings on the Group's operations and financial performance and organised site visits to the Group's power plants and project sites. Directors evaluate their training needs on a continuous basis, by determining areas that would best strengthen and keep relevant their contributions to the Board. All Directors have attended the Mandatory Accreditation Programme prescribed by the Bursa Securities.

During the financial year under review, the Directors have attended and participated in various programmes and forums which they have individually or collectively considered as relevant and useful in contributing to the effective discharge of their duties as Directors. The programmes and forums attended by them individually or collectively included areas of leadership, risk management and corporate governance. Directors' education includes briefings by advisers on project evaluation in relation to bids for new businesses or new acquisitions by the Group at Board meetings and updates to the Board and Board Committees on new developments in laws, regulations and directors' duties and obligations.

The Company Secretary facilitates the organisation of internal training programmes and Directors' attendance in respect of externally conducted programmes and maintains the details of all training programmes attended by the Directors.

SHAREHOLDERS

Communications between the Company and its Investors

The Board recognises the need for clear, effective communications with the Company's institutional investors and other shareholders. Information on the Group's business activities and financial performance is disseminated through press releases, press conferences, announcements of quarterly results, through the website of the Company and that of Bursa Securities and the LSE, the Annual Report and at the general meetings as well as through the Company's website. Public announcements and news or press releases by the Company can also be availed via the websites of Bursa Securities and the LSE.

In addition, the Company maintains regular dialogues with its institutional shareholders and analysts, as and when required, to supplement its communications initiatives, subject to its Corporate Disclosure Policy. This is to promote better understanding of the Group's financial performance and operations. The investor relations unit led by the Group Chief Financial Officer reports regularly to the Board on its activities and the views of such shareholders and analysts.

Annual General Meeting ("AGM")

The AGM is the principal forum for dialogue with all shareholders which also offers the Company an opportunity to explain the financial performance and operations of the Company. Shareholders are encouraged and given sufficient opportunity to enquire about the Group's activities and prospects as well as to communicate their expectations and concerns at this forum.

At the annual general meetings, all shareholders are given an opportunity to consider and raise questions related to the financial statements and Directors' Report, the Directors' Remuneration Report, the election of Directors, the final dividend, the election of External Auditors and other matters tabled for consideration at general meetings, and to vote upon the same. Any item of special business included in the Notice of the AGM will be accompanied by an explanation of the effects of a proposed resolution. Separate resolutions are tabled for different transactions and the Chairman declares the outcome of the resolutions voted upon.

At least 21 clear days' notice is given to shareholders of any AGM. Notices of AGM and Forms of Proxy thereto carry sufficient information and guidance on the appointment of proxies and completion of such forms.

Tanjong maintains a website at www.tanjongplc.com which provides pertinent and updated information on the corporate and business aspects of the Group. The website contains copies of presentations to institutional investors and research analysts. Tanjong has also sought the consent of its shareholders to receive shareholder communication, including the Annual Report by way of electronic means.

All Board members, Senior Management, the Group's External Auditors and other advisers are available to respond to shareholders' questions during the AGM.

Other Channels of Communication

Apart from the AGM, the Board encourages other channels of communication with investors. For this purpose, investors may direct their queries to:

Mr. Jason Teh, Group Investor Relations

Address	:	Level 30, Menara Maxis Kuala Lumpur City Centre 50088 Kuala Lumpur, Malaysia
Tel No.	:	+603 2381 1125
Fax No.	:	+603 2381 3322
E-mail Address	:	ir@tanjongplc.com

Shareholder related queries can be referred to the Company's Share Registrars both in Malaysia and in the United Kingdom, the contact details of whom are set out in the Corporate Information section of this Annual Report and to the Company Secretary at tel no. +603 2381 3002 or fax no. +603 2381 3322. The Board also recognises that there could be instances where shareholders and investors may prefer to express their concerns to an Independent Director other than the Chairman. For this purpose, the Board has identified Mr. Leong Wai Hoong as the Senior Independent Director to whom such concerns can be conveyed should shareholders and investors require an alternative point of contact to the Chairman. Mr. Leong can be contacted by e-mail at whleong@tanjongplc.com or through the postal and fax references stated above.

Independent Directors met with the Minority Shareholders Watchdog Group in Malaysia ("MSWG") in the course of the year to obtain an understanding of the Group's governance structures and initiatives.

Information required by Paragraph 13(2)(c), (d), (f), (h) and (i) of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (information about share capital, voting rights, rules on amendments to articles, rules on directors' appointment and powers of directors) is contained in the Directors' Report.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to convey a balanced and understandable assessment of the Group's position and prospects in presenting the Quarterly Reports, Annual Reports and other financial reports to the Company's shareholders and its regulators. The Annual Report incorporates the disclosure requirements outlined in International Financial Reporting Standards as endorsed by the European Union.

A Statement by the Directors of their responsibilities for preparing the financial statements is incorporated in the Directors' Report.

Internal Controls

The Board has also conducted a review of the effectiveness of the Group's system of internal control. The scope and results of the review are detailed in the Internal Control Statement for the Group incorporated in the Annual Report. Internal control reports are tabled for the Board's attention after they are discussed at the Audit Committee meetings.

To further strengthen the Group's objective of promoting internal good governance and in keeping with recent developments in the regulatory environment, during the year under review, the Board approved a Whistle Blowing Policy, which is aimed at providing a conducive environment for employees to raise concerns about possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity and in the most appropriate way, and without fear of reprisals where the employee is concerned.

Relationship with the Auditors

External Auditors

The Group maintains a professional and transparent relationship with its External Auditors which comprise representatives from the Malaysian and United Kingdom firms of PricewaterhouseCoopers. In addition to attending two Audit Committee meetings held in the presence of key management, in conjunction with the performance of agreed upon procedures for the 1st and 3rd Quarter results and the audit of the full year results of the Group, the External Auditors have also attended other meetings with the Audit Committee members in the absence of management. Disclosure of the engagement of the External Auditors in the provision of non-audit related services which are tabled at the quarterly Audit Committee meetings for review, in accordance with a formalised framework to monitor such engagements, is set out on page 95. The External Auditors also review and affirm their independence annually at an Audit Committee meeting.

Group Corporate Assurance

The Head of Group Corporate Assurance attends all Audit Committee meetings and the Group Corporate Assurance Charter stipulates that he has a functional reporting responsibility to the Audit Committee Chairman.

Other facets of the relationship between the Auditors and the Audit Committee are elaborated in the Audit Committee Report.

Dato' Robert Cheim Dau Meng
Chairman

Audit Committee Report

1. Composition and Meetings

The composition of the Audit Committee during the financial year under review is as follows:

Dato' Larry Gan (Chairman)	–	Independent Non-Executive Director
Leong Wai Hoong (Member)	–	Independent Non-Executive Director
Khoo Teik Chooi (Member)	–	Non-Independent/Non-Executive Director

The Audit Committee conducted seven meetings during the financial year. The members' attendance is set out separately in the Corporate Governance Statement. The Executive Director, Senior Management, Head of Group Corporate Assurance and External Auditors were in attendance at the meetings where necessary. The Committee had also met with the External Auditors separately on two occasions without the presence of the Executive Director and Senior Management.

2. Summary of Activities

The Audit Committee has discharged its duties as detailed in its Terms of Reference which accompany this Report on pages 39 to 41. There were no changes in the Committee's Terms of Reference during the financial year under review. The major activities undertaken during the year are as follows:

(a) Group Financial Statements and Announcements

- Reviewed the quarterly reports, annual audited financial statements, the Annual Report and supporting information to ensure adherence to the reporting requirements in the UK and in Malaysia as well as significant financial reporting judgements.
- Reviewed and evaluated reports to the Audit Committee by the External Auditors, PricewaterhouseCoopers LLP ("PwC") on key audit, accounting and financial reporting matters.

(b) Risk Management Activities

- Reviewed and discussed the Principal Business Risks Schedule and Risk Map presented by the Group Chief Financial Officer outlining enterprise wide risks, risk treatment measures and the resulting likelihood and impact of those risks crystallising.
- Monitored the activities of the Group Risk Management Committee undertaken during the financial year.

(c) External Auditors

- Discussed and reviewed with PwC, the external audit plan covering the nature, extent and timing of audit work to be performed, significant matters arising from the audits as well as fees proposed for the audit.
- Reviewed the engagement of PwC in the provision of non-audit services, ensuring that these are in accordance with the relevant regulatory requirements, prevailing professional and ethical guidance as well as the Policies and Procedures on Independence of External Auditors (the "Policy"). The Policy aims to ensure that the External Auditors' objectivity and independence are not impaired through the provision of such services by External Auditors and describes the circumstances in which External Auditors may be permitted to undertake non-audit work for the Group.
- Monitored and reviewed the independence and objectivity of PwC, taking into account relevant UK regulatory requirements and prevailing professional and ethical guidance.

(d) Internal Controls and Group Corporate Assurance

- Evaluated the reports of Group Corporate Assurance regarding significant risk areas and internal control matters and discussed their findings with Senior Management of the Group to ensure that appropriate and timely measures had been taken to address those issues.
- Reviewed the adequacy of the Group Corporate Assurance Charter and assessed the effectiveness of the assurance function.
- Reviewed the annual assurance plan to assess whether audit priorities were established according to the relative risks and ensured that Group Corporate Assurance had adequate resources and appropriate authority to effectively discharge its responsibilities.

(e) Related Party Transactions

- Determined the propriety of proposed related party transactions to ensure that they were undertaken on fair and reasonable terms that were not more favourable to the related party than those generally available to third parties and were not to the detriment of minority shareholders.

(f) Whistleblowing Policy

- Reviewed the proposed whistleblowing policy for the Group and recommended the same to the Board for approval.

(g) Emerging issues in legal, regulatory and accounting environment

- Noted the latest developments and emerging issues in the Malaysian and UK legal, regulatory and accounting environment.

3. Group Corporate Assurance

The internal audit function is carried out internally by the Group Corporate Assurance Department ("GCA"). GCA assists the Audit Committee of the Board and Management of the Group in the effective discharge of their responsibilities in respect of risk management, internal controls and governance by providing assurance and advisory services. The Head of GCA reports directly to the Chairman of the Audit Committee in accordance with the GCA Charter which is reviewed annually and endorsed by the Audit Committee.

During the financial year, the major areas of work performed by GCA and reported to the Audit Committee and ultimately to the Board were as follows:

(a) Executed the annual review plan for the financial year encompassing financial, operational and IT audits of the Group's key business units. The reviews undertaken during the year were in relation to the Group's power, gaming and property assets as well as key support functions such as procurement, treasury, investments and IT.

(b) Developed the Strategic Review Plan which sets out the scope, resources and timing of reviews to be carried out for the 3 year period of 1 January 2010 to 31 December 2012. The plan had been developed to ensure appropriate alignment with the Group's strategic direction and risk profile. It is dynamic in nature and will be reviewed and updated on an annual basis to take into consideration changes in business risks.

(c) Conducted periodic follow-up on audit recommendations to ensure that appropriate corrective actions were instituted or were in the process of being implemented and updated the Audit Committee on the status of all outstanding recommendations.

(d) Worked with the Group Risk Management Department in the evaluation and reporting of the Group's principal business risks and risk methodology employed and facilitated the process of ensuring that risk mechanisms are embedded within the existing frameworks of the Group.

(e) Performed an internal quality assessment exercise to benchmark the department's processes against the standards and guidelines prescribed by the Institute of Internal Auditors. The internal quality assessment process was validated by an independent external party.

The operating expenditure incurred by the department in fulfilling its obligations for the year amounted to approximately RM1.6 million (FY2009: RM1.4 million).

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. Membership

1.1 The Audit Committee shall be appointed by the Board from amongst their number and shall be composed of not fewer than three (3) members.

1.2 All members of the Audit Committee should be Non-Executive Directors, with a majority of the members being Independent Directors.

In determining independence, the Board will observe the requirements of the Main Market Listing Requirements of Bursa Securities.

1.3 All members of the Audit Committee should be financially literate and at least one member of the Audit Committee:

(a) must be a member of the Malaysian Institute of Accountants; or

(b) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:

(i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967 of Malaysia; or

(ii) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or

(c) must have a degree in accounting or finance and at least 3 years' post qualifying experience in accounting or finance; or

(d) must have at least 7 years' experience as a chief financial officer of a corporation or be primarily responsible for the management of the financial affairs of a corporation.

In determining the required qualification, the Board will accept any other relevant requirements of the Main Market Listing Requirements of Bursa Securities.

1.4 The Board must ensure that no alternate Director is appointed as a member of the Audit Committee.

1.5 The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an Independent Director.

1.6 If a member of the Audit Committee resigns, dies or for any reason ceases to be a member resulting in non-compliance with subparagraphs 1.1, 1.2 and 1.3 above, with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

1.7 The appointment of an Audit Committee member terminates when the member ceases to be a Director.

1.8 The term of office and performance of each of Audit Committee member must be reviewed at least once every 3 years to determine whether these members have carried out their duties in accordance with the Audit Committee's terms of reference.

2. Authority and Rights

2.1 The Audit Committee wherever necessary and reasonable for the performance of its duties, shall in accordance with the procedure determined by the Board and at the cost of the Company:

(a) have authority to investigate any matter within its Terms of Reference;

(b) have the resources which are required to perform its duties;

(c) have full and unrestricted access to any information pertaining to the Group;

(d) have direct communication channels with the External Auditors and members of the Group Corporate Assurance function which person(s) carries out the internal audit function for the Group;

(e) be able to obtain independent professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and

(f) be able to convene meetings with the External Auditors; members of the Group Corporate Assurance or both, excluding the attendance of the executive members of the Group, whenever deemed necessary.

3. Functions and Duties

The Audit Committee shall, amongst others, discharge the following functions:

3.1 Financial Reporting

(a) Review the quarterly results and annual financial statements prior to the approval by the Board, focusing particularly on:

(i) changes in or implementation of major accounting policy changes; inclusive of the propriety of accounting policies, principles and practices adopted by the management and accepted by the External Auditors, where alternatives are also acceptable;

(ii) significant and unusual events and significant adjustments arising from the external audit;

(iii) the accuracy and adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Group;

(iv) compliance with accounting standards, other statutory and legal requirements and the going concern assumption.

(b) Discuss problems and reservations arising from the interim and final audits and any matter the External Auditors may wish to discuss (in the absence of the Management, where necessary).

3.2 Internal Control and Risk Management

(a) Assume responsibility for the regular review and/or appraisal of the effectiveness of the Group's system of internal control, risk management systems and governance process.

3.3 Related Party Transactions

(a) Review any related party and inter company transactions and conflict of interest situations that may arise within the Company/Group and any related parties outside the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

3.4 External Audit

(a) Discuss with the External Auditors before the audit commences, the nature, scope and timing of the audit plan and ascertain that it will meet the needs of the Board, the shareholders and regulatory authorities; the audit plan, audit report and their evaluation of the Group's internal controls, reporting of significant deficiencies and/or material weaknesses, reservations, difficulties encountered and the assistance given by employees of the Group.

(b) Recommend the audit fee to the Board and pre-approve fees in respect of non-audit services that may be performed by the External Auditors, ensuring that the provision of such services does not impair the independence and objectivity of the external audit firm.

(c) Review and monitor the independence and objectivity of the External Auditors and the effectiveness of the audit process annually, taking into consideration relevant UK professional and regulatory requirements.

(d) Oversee the process of the appointment and removal of the External Auditors, review any letter of resignation of the External Auditors, and make appropriate recommendations through the Board to the Shareholders to consider at the Annual General Meeting.

(e) Review the External Auditors' management letter and Management's response.

3.5 Internal Audit

(a) The Group Corporate Assurance function shall report to the Audit Committee.

(b) Monitor and review the effectiveness of the Group Corporate Assurance function, its scope, functions, independence, level of its competency, adequacy of resources; and that it has the necessary authority to carry out its work.

(c) Review the internal audit programme, processes and the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations made.

(d) Approve the appointment or termination of managerial staff members of the Group Corporate Assurance audit function and take cognisance of resignations of Group Corporate Assurance staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

(e) Consider the major findings of internal investigations and Management's response and other topics as defined by the Board.

(f) Ensure the Group Corporate Assurance function is independent of the activities they audit and are performed with impartiality, proficiency and due professional care.

3.6 Reporting Functions and Duties

(a) Submit to the Board on a periodic basis a Report on the summary of activities of the Audit Committee in the discharge of its functions and duties in respect of each financial quarter and the financial year.

(b) Promptly report to the Bursa Securities on any matter reported by it to the Board of the Company which has not been satisfactorily resolved resulting in a breach of the Bursa Securities Main Market Listing Requirements.

(c) Prepare, with the assistance of Management and Group Corporate Assurance, a formal report for inclusion in the Annual Report.

3.7 Other Functions and Duties

(a) Review the arrangements by which staff of the Group may in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or other business or commercial related matters.

(b) Review the allocation of options in accordance with established allocation criteria as set out in any prevailing bye-laws governing employee or other share option schemes.

(c) Carry out any other function that may be mutually agreed upon by the Committee and the Board which would be beneficial to the Company and ensure the effective discharge of the Committee's duties and responsibilities.

(d) Review and reassess, with the assistance of Management, the external auditors and external legal counsel (if necessary), the adequacy of the Committee's Terms of Reference at least annually.

4. Meetings and Minutes

4.1 To form a quorum in respect of a meeting of the Audit Committee, the majority of members present must be Independent Directors.

4.2 A minimum of four meetings per year are to be planned, although additional meetings may be called at any time at the Audit Committee Chairman's discretion. An agenda shall be sent to all members of the Audit Committee and any other persons who may be required/invited to attend. All meetings to review the quarterly results and annual financial statements, shall be held prior to such quarterly results and annual financial statements being presented to the Board for approval.

4.3 Notwithstanding paragraph 4.2 above, upon the request of any member of the Audit Committee, the External Auditors or Group Corporate Assurance, the Audit Committee Chairman shall convene a meeting of the Audit Committee to consider the matters brought to its attention.

4.4 In addition to the Audit Committee members, the meeting will normally be attended by representatives of the External Auditors and by the Head of Group Corporate Assurance. Any Board members, or any member of Senior Management or any other relevant employee within the Group may be invited to attend upon the invitation of the Audit Committee.

4.5 At least twice a year, the Audit Committee shall meet with the External Auditors without the Executive Director and Senior Management being present.

4.6 The Chairman of the Audit Committee should engage on a continuous basis with Senior Management, the Head of Group Corporate Assurance and the External Auditors in order to be kept informed of matters affecting the Group.

4.7 Detailed minutes of the Audit Committee's meetings will be made available to all Board members. A summary of significant matters and resolutions will be reported to the Board by the Audit Committee.

4.8 The books containing the minutes of proceedings of any meeting of the Audit Committee shall be kept by the Company at the principal office of the Company, and shall be open to the inspection of any member of the Audit Committee and the Board.

4.9 The Audit Committee may establish any regulations or procedures from time to time to govern its meetings, keeping of minutes and its administration.

4.10 The Group Company Secretary shall act as the Secretary to the Audit Committee.

Internal Control Statement

Introduction

The Board of Directors ("Board") has overall responsibility for maintaining the effectiveness and integrity of the Group's system of internal control. The Board recognises that this system is designed to provide only reasonable, but not absolute assurance against any occurrence of material misstatement, loss or fraud.

There were no significant internal control deficiencies or material weaknesses noted resulting in material misstatement, loss or fraud requiring disclosure in the Annual Report.

Key Elements of the Group's System of Internal Control

The Group's system of internal control encompasses the following key elements:

(a) Control Environment

The Statement of General Business Principles and Human Resource Policies and Procedures set the tone for control consciousness and employee conduct. There are supporting structures in place for the reporting and resolution of actions which contravene these policies. A proper organisational structure with clear reporting lines and formalised roles and responsibilities has also been established for the Group, and it is reviewed annually to ensure relevance and effectiveness in supporting the Group's activities. There are guidelines within the Group for hiring and termination of staff, formal training programmes for staff and annual performance appraisals to ensure that staff are competent and adequately trained in carrying out their responsibilities.

The Schedule of Matters Reserved for the Board and the Limits of Authority Manual outline the delegation of authority and authorization limits to subsidiary boards and senior management to ensure proper identification of accountabilities.

The Code of Business Conduct outlines the Group's policy on the conduct of business transactions in a professional and ethical manner with vendors and contractors. A Whistleblowing Policy has been approved by the Board during the year.

(b) Control Procedures

Financial control procedures have been established throughout the Group's operations to safeguard the Group's assets from loss or misuse and to ensure appropriate authorization, recording and reporting of financial transactions. All acquisition and investment decisions are subject to disciplined investment appraisal and approval processes as approved by the Board.

Operational and procurement manuals have also been established to guide key business processes throughout the Group and facilitate the mitigation of exposures to losses arising from business interruption, material fraud or error, as well as ensuring compliance with legal and regulatory requirements.

(c) Performance Reporting and Information

All business units are required to undertake an annual planning and budgetary exercise for the forthcoming year. The business plans and budgets are presented to and approved by the Board. Monitoring of performance against budgets is done on a monthly basis. The results are reviewed by the Board every quarter to gauge the Group's achievement of its targets via financial reports which are submitted prior to each meeting.

Operational reports are also issued every quarter to update the Board on key matters such as strategy, execution of Board and management decisions, operational performance, industry analysis, as well as legal and regulatory developments.

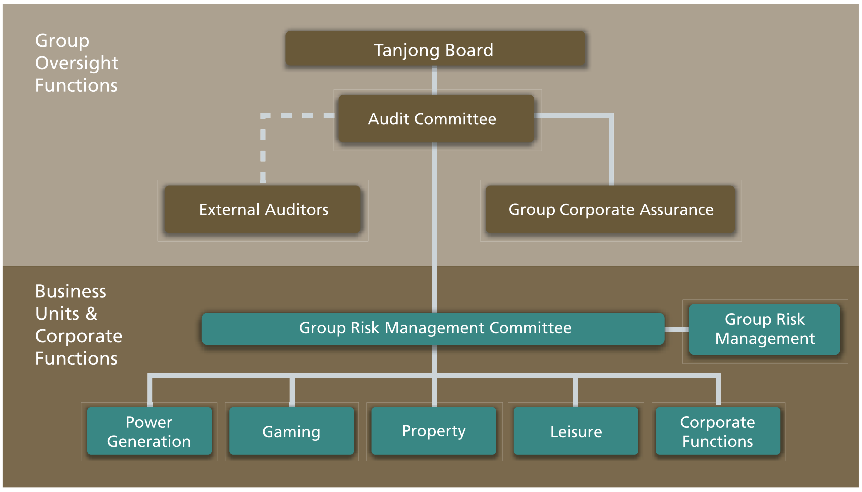
(d) Monitoring

Proper monitoring and oversight mechanisms have been put in place to monitor local and foreign assets. In addition to these monitoring procedures, which are embedded within the Group's processes and activities, independent engagements are carried out by Group Corporate Assurance. The results are communicated to the Audit Committee and ultimately to the Board, to enable a timely evaluation of the adequacy and integrity of the Group's system of internal control.

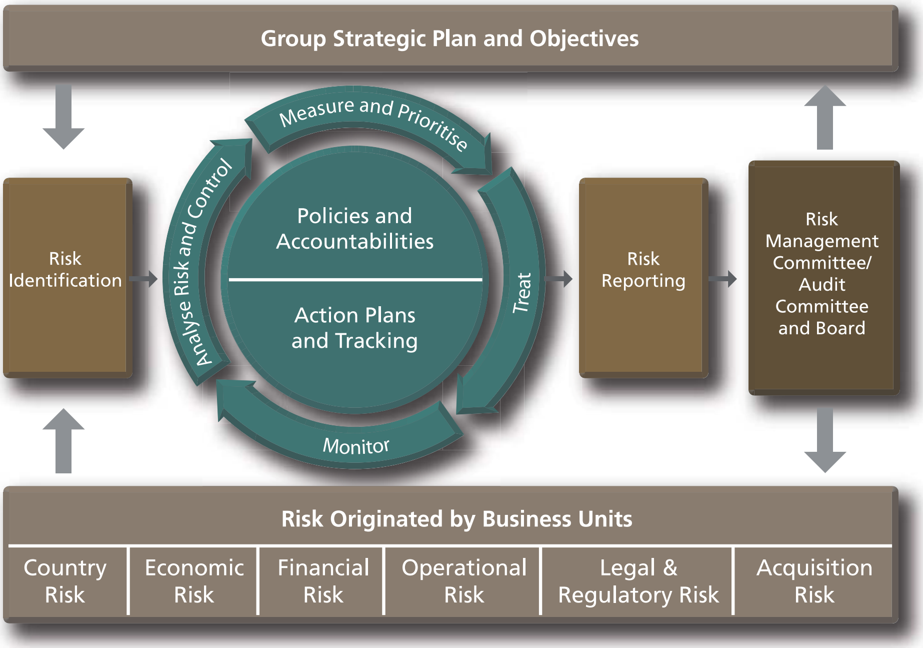
(e) Risk Management

The Group's risk management approach is designed to deal with the diverse set of risks faced by its business units which operate in various industries and geographies. The established risk management framework therefore, seeks to ensure that all key risks are appropriately identified and managed through a proper risk governance structure.

The Board, assisted by its Group Oversight Functions and Business Units, approves the overall risk management framework and reviews the Group's risk profiles against the agreed risk appetite. Responsibility for risk management resides at all levels within the organisation at both local and foreign business units. The risk governance structure is presented below.



The business units, facilitated by Group Risk Management, are the primary drivers of the risk management process, where residual risks of significant impact to the Group are assessed and reported quarterly to the Group Risk Management Committee ("RMC") which is chaired by the Group Chief Financial Officer. The process contains both bottom-up and top-down elements to support the identification, evaluation and management of risks and is presented schematically as follows:



The following activities were undertaken by the RMC during the year:

- Evaluated the Principal Business Risk Schedules and Risk Maps summarising the Group's overall risk profile. The deliberated risks together with their mitigating measures were subsequently tabled to the Audit Committee by the RMC Chairman and ultimately to the Board on a quarterly basis.
- Assessed residual exposures against the Group's risk parameters to ensure that such exposures are in line with the Group's risk appetite.
- Considered emerging trends and latest best practices in risk management namely ISO 31000:2009 which provides principles and guidelines on risk management and incorporated those practices in the Group's existing risk framework.

The principal risk factors faced by the Group are elaborated on Pages 28 and 29 of the Annual Report.

Review of this Statement

The Malaysian firm of the External Auditors, Messrs. PricewaterhouseCoopers has reviewed this Internal Control Statement as required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the effectiveness and integrity of the Group's system of internal controls.

Contents

Directors' Report

The Directors are pleased to present herewith their Report together with the audited financial statements of the Company and of the Group for the year ended 31 January 2010.

PRINCIPAL ACTIVITIES

Tanjong public limited company ("Tanjong" or "the Company") is the investment holding company of a group of subsidiaries involved in Power Generation, Gaming, Leisure and Property Investment.

The principal subsidiaries and their locations are detailed in Note 33 to the financial statements.

REVIEW OF RESULTS

In summary, the financial results achieved by the Group for the year under review are as follows:

	2010	2009
	RM'000	RM'000
Profit before taxation	**953,252**	748,836
Taxation	**(204,713)**	(200,260)
Profit after taxation	**748,539**	548,576
Attributable to:		
Tanjong's shareholders	**676,773**	463,769
Minority interests	**71,766**	84,807
	748,539	548,576

BUSINESS REVIEW

The Board of Directors are required under Section 417 of the United Kingdom Companies Act 2006 ("UKCA 2006") to present a fair review of the business of the Group during the financial year ended 31 January 2010 and its future developments, the position of the Group at the end of the financial year and a description of the principal risks and uncertainties facing the Group. The information that fulfills the requirements of Section 417 can be found in the following sections of the Annual Report:

- Business Review
- Corporate Governance Statement
- Corporate Responsibility Statement

which are incorporated in this review by reference.

PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment during the year are shown in Note 10 to the financial statements.

DIVIDENDS

Dividends paid and proposed for the year are disclosed in Note 8 to the financial statements.

DIRECTORS

The Directors who held office during the period and up to the date of the Report are:

Dato' Robert Cheim Dau Meng	*Chairman/Independent Non-Executive Director*
Leong Wai Hoong	*Independent Non-Executive Director*
Dato' Larry Gan Nyap Liou @ Gan Nyap Liow *	*Independent Non-Executive Director*
Khoo Teik Chooi	*Non-Executive Director*
Augustus Ralph Marshall	*Executive Director*

**His name will be stated as Dato' Larry Gan in the rest of this Report and the financial statements.*

In accordance with Articles 74 and 75 of the Articles of Association, Leong Wai Hoong retires by rotation. Being eligible, he has offered himself for re-election at the forthcoming Annual General Meeting ("AGM").

DIRECTORS' INTERESTS

Interests in shares

The interests of the Directors in the shares of the Company are disclosed in the Directors' Remuneration Report.

Other interests

There were no contracts subsisting during, or at the end of the year in which any Director is, or was, materially interested which are, or were, significant in relation to the business of the Group except as disclosed in the Directors' Remuneration Report.

The Company provided an indemnity to all Directors (to the extent permitted by law) in respect of liabilities incurred as Directors in defending any proceedings (whether civil or criminal) in which judgement is given in their favour or they are acquitted or in connection with the application under company law for relief granted by the court.

The indemnity to all Directors was in force during the financial year ended 31 January 2010 and at the time of the approval of this Report.

The Company purchases and maintains third party indemnity and liability insurance for its Directors and Officers against any financial consequence of actions which may be brought against them by third parties for their acts or omissions in the course of the performance of their duties as Directors or Officers of the Company.

MAJOR INTERESTS IN SHARES

The Company is aware of the following persons, who as at 6 May 2010, have significant direct and indirect holdings in the shares of the Company, as per information provided to the Company pursuant to the Financial Services Authority's Disclosure and Transparency Rules ("DTRs"):

	Direct		Indirect	
Name of Major Shareholders	**No. of voting rights attached to shares of 7.5 pence each held**	**% of issued shares**	**No. of voting rights attached to shares of 7.5 pence each held**	**% of issued shares**
Usaha Tegas Resources Sdn Bhd	53,688,000	13.31	–	–
Usaha Tegas Sdn Bhd [(i)]	71,000,000	17.61	53,688,000	13.31
Pacific States Investment Limited [(ii)]	–	–	124,688,000	30.92
Excorp Holdings N.V. [(iii)]	–	–	124,688,000	30.92
PanOcean Management Limited [(iv)]	–	–	124,688,000	30.92
Ananda Krishnan Tatparanandam [(v)]	–	–	124,688,000	30.92
Ultimate Corporation Sdn Bhd [(vi)]	30,356,320	7.53	–	–
Marlestone Investments Limited [(vi)]	16,271,016	4.03	–	–
Khoo Teik Chooi [(vii)]	219,900	0.05	30,356,320	7.53
Khoo Teng Bin [(vii)]	180,000	0.04	30,356,320	7.53
Capital Group International, Inc	–	–	24,574,600	6.09
Capital Research and Management Company	–	–	19,966,400	4.95

Notes:

(i) *The indirect interest is held by its wholly-owned subsidiary, Usaha Tegas Resources Sdn Bhd.*

(ii) *Deemed interest arises through its direct controlling interest in Usaha Tegas Sdn Bhd. Please refer to Note (i) above.*

(iii) *Deemed interest arises through its direct controlling interest in Pacific States Investment Limited. Please refer to Note (ii) above.*

(iv) *Excorp Holdings N.V. ("Excorp") is in turn owned by PanOcean Management Limited ("PanOcean"). PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam and foundations including those for charitable purposes. Although PanOcean is taken as having an indirect interest in the voting rights, it does not have any economic or beneficial interest in the said voting rights, as such interest is held subject to the terms of the discretionary trust. Please refer to Note (iii) above as to Excorp's interest in Tanjong shares.*

(v) *Ananda Krishnan Tatparanandam is taken as having an indirect interest in the voting rights, through his indirect interest in Usaha Tegas Sdn Bhd, which arises by virtue of trust and related arrangements with PanOcean. Please refer to Note (iv) above as to PanOcean's interest in Tanjong shares. Although he is taken as having an indirect interest, he does not have any economic or beneficial interest in the said voting rights, as such interest is held subject to the terms of the discretionary trust.*

(vi) *Held through a nominee.*

(vii) *Khoo Teik Chooi and Khoo Teng Bin each has an indirect interest in 30,356,320 voting rights held through Ultimate Corporation Sdn Bhd.*

TAX RESIDENCE STATUS

The Company is resident in Malaysia for both Malaysian income tax purposes and under the terms of the UK/Malaysian double taxation treaty. Hence, as a non-UK tax resident, the Company is not subject to the Close Companies provisions of the UK Income and Corporation Taxes Act, 1988.

CONTRIBUTION TO NON-EU POLITICAL ORGANISATION

The Group did not make any contribution to non-EU political organisations during the year (2009: RM10 million).

SUPPLIERS PAYMENT POLICY

Statutory regulations under Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ("LMCG") require public companies to make a statement of their policy and practice on the payment to trade creditors. As an investment holding company, Tanjong does not have any trading relationships with suppliers, whereas its operating subsidiaries pay their suppliers in accordance with the relevant contractual and legal obligations, provided that terms and conditions are met by the suppliers. The credit terms are disclosed in Note 22 to the financial statements.

SHARE CAPITAL

The issued share capital of the Company comprises 403,256,136 shares of 7.5 pence each, which have been fully paid-up as at 6 May 2010. The Company has only one class of share in issue.

SHAREHOLDERS' RIGHTS

Rights and obligations attaching to shares

Subject to the provisions of the company law and to any rights conferred on the holders of any other shares, any shares may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution decide. The details of such rights and restrictions shall be set out from time to time in the Articles of Association of the Company.

Voting rights

A member of the Company is entitled to attend a general meeting and vote both on a show of hands and on a poll. Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held and to any other provisions of the Articles of Association of the Company, every member who is present in person or by proxy at a general meeting of the Company shall have one vote, and on a poll, every member who is present in person or by proxy shall have one vote for every share held.

A member is entitled to appoint up to two proxies to attend and vote instead of him/her and a member who is an authorised nominee as defined in the Malaysian Securities Industry (Central Depositories) Act, 1991 may appoint not more than two proxies in respect of each Securities Account which it holds to which shares in the Company are credited. Where more than one proxy appointment is made, such appointments are made provided that each proxy is appointed to exercise the rights attached to different shares.

Notice of every general meeting is given to all members of the Company in accordance with the Articles of Association of the Company, other than any who, under the provisions of the Articles of Association (or the terms of issue of the shares they hold), are not entitled to receive such notice from the Company. A Record of Depositors obtained by the Company from the Bursa Malaysia Depository Sdn Bhd ("Bursa Depository"), in accordance with the procedure set out in the Articles of Association and the Rules of the Bursa Depository, shall be treated as the final record of all depositors who shall be deemed to be the registered holders of the shares of the Company in Malaysia, entitled to receive notice of a general meeting or eligible to be present and/or vote at such general meeting. A Register of Members is maintained by the Company in the United Kingdom and no person shall exercise any rights of a member (including the right to receive notice of a general meeting or to be eligible to be present and/or vote at such general meeting) until their name has been entered in the Register or the Record of Depositors.

Restrictions on voting

Unless the Directors otherwise decided, no member shall be entitled to be present or to vote at any general meeting of the Company unless all calls presently payable by him in respect of shares in the Company held by him have been paid. The Company is not aware of any agreements between holders of shares that may result in restrictions on voting rights.

SHAREHOLDERS' RIGHTS (continued)

Variation of rights

Subject to company law provisions, the rights attached to any shares issued may be varied with the consent in writing of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of those shares.

Shares carrying special rights

No person holds shares in the Company carrying special rights with regard to control of the Company.

Alteration of share capital

The Company may by way of ordinary resolution (a) increase its share capital, (b) consolidate, or consolidate then subdivide all or any of its share capital into shares of larger amount than its existing shares, (c) subject to company law provisions, subdivide its shares or any of them into shares of smaller amount and the resolution may determine that, as between the shares resulting from the subdivision, any of them may have any preference or advantage or be subject to any restriction as compared with the others, and (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Subject to company law provisions, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

Dividends

Subject to company law provisions and the Articles of Association of the Company, the Company may by ordinary resolution declare dividends, subject to the maximum amount of dividend recommended by the Directors. Directors may also pay dividends on an interim basis or at fixed rate intervals settled by the Directors, where such is justified by the financial position of the Company.

TRANSFER OF SHARES

Subject to any restrictions under the Company's Articles of Association as may be applicable and to the provisions of any applicable laws, any member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Directors and the Bursa Securities may approve.

The Directors may, at their absolute discretion and without giving any reason for doing so, decline to register any transfer of any share which is not a fully paid share.

The Directors may decline to register any transfer of certificated shares unless (a) the instrument of transfer is left at the office of the Company accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the person executing the instrument of transfer to make the transfer, (b) the instrument of transfer is in respect of only one class of share and (c) in the case of a transfer by joint holders, the number of joint holders to whom the share is to be transferred does not exceed four.

If the Directors refuse to register a transfer, notice as such shall be given to the transferor and transferee within 10 market days of the instrument of transfer being lodged.

Subject to the provisions of the Articles of Association of the Company, there shall be no restriction on the transfer of fully paid securities which are quoted or to be quoted, except where required by applicable laws. The Company is not aware of any agreements between holders of shares of the Company that may result in restrictions on the transfer of shares or voting rights.

DIRECTORS

Appointment

The Board may appoint any person who is willing to act as a director, subject to the total number of directors not exceeding any maximum number fixed by or in accordance with the Articles of Association.

The Company may by ordinary resolution appoint any person who is willing to be a director subject to the total number of directors not exceeding any maximum number fixed by or in accordance with the Articles of Association.

Replacement and retirement

The Company may remove any director before the expiration of his period of office in accordance with the provisions of company law and the Articles of Association of the Company.

In addition, directors are subject to retirement by rotation pursuant to the procedure set out in the Articles of Association of the Company, notwithstanding that all directors shall retire from office once in each three year period but shall be eligible for re-election upon such retirement.

Powers of directors

Subject to the provisions of company law, the Main Market Listing Requirements of Bursa Securities, the Memorandum of Association of the Company, the Articles of Association of the Company, and to any directions given by the Company in general meeting by special resolution, the business of the Company may be managed by the Directors who may exercise all the powers of the Company whether relating to the management of the business of the Company or not. Any sale or disposal by the Directors of a substantial portion (as that expression is defined in the Main Market Listing Requirements of Bursa Securities) of the Company's main undertaking or property shall be subject to the approval of the shareholders in general meeting.

Subject to any legal or regulatory requirements which the Company is subject, the Company may issue or purchase or may enter into a contract under which it will or may purchase any of its shares of any class, including any redeemable shares in accordance with its Articles of Association.

POWER TO AMEND ARTICLES OF ASSOCIATION

By way of a special resolution, the Company may amend all or any part of the Articles of Association of the Company.

SIGNIFICANT AGREEMENTS

There are no significant agreements to which the Company is a party that take effect, alter or terminate upon a change of control of the Company following a takeover bid.

There are also no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a take over.

AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS

The Auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. A proposal for their re-appointment and authorisation to the Directors to fix their remuneration will be tabled at the forthcoming AGM.

As required by Section 418 of the UKCA 2006, each of the Directors in office at the time this Report was approved, has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's Auditors are unaware; and
- he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

GOING CONCERN

The Group's business activities, together with factors likely to affect its future development, performance and position, are set out on pages 20 to 29 of the Business Review section in Annual Report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities, and the Group's objectives, policies and processes for managing capital, are also described on page 82. Financial risk management objectives, details of financial instruments and hedging activities, and exposures to credit risk and liquidity are described in pages 83 to 89. The Directors consider that the Group's business activities and financial resources ensure it is well placed to manage its business risk successfully.

The Directors are satisfied that the Group's and the Company's activities are sustainable for the foreseeable future, and that the business is a going concern and the accounts have therefore been prepared on this basis.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the Independent Auditors' Report set out on pages 57 and 58, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the financial statements.

The Directors are responsible for preparing the Annual Report, Directors' Remuneration Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare the financial statements for each financial year. Under that law, the Directors have prepared the financial statements of the Company and the Group in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU"). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

The Directors consider that, in preparing these financial statements, the Company has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and accounting estimates that are reasonable and prudent;
- ensured that the financial statements comply with IFRSs as adopted by the EU; and
- appropriately prepared the financial statements on the going concern basis.

The Company has complied with the above requirements in preparing the financial statements.

The Directors have responsibility for ensuring that the Company keeps adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy the financial position of the Company and the Group and that enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the UKCA 2006 and as regards the Group financial statements, Article 4 of the IAS Regulations. The Directors have general responsibility for taking reasonable steps to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Annual Report on www.tanjongplc.com in accordance with the UK legislation governing the preparation and dissemination of financial statements. Access to the website is available from outside the UK, where comparable legislation may be different.

Pursuant to Rule 4.1.12 of the Disclosure and Transparency Rules each of the Directors, whose names and functions are listed in the Board of Directors section of the Annual Report confirms that, to the best of their knowledge and belief:

- the Group Financial Statements, prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the Group; and
- the Directors' Report contained in the Annual Report includes a fair review of the development and performance of the business which has been disclosed in the other parts of the Annual Report and the position of the Group, together with a description of the principal risks and uncertainties that the Group faces.

Approved by the Board of Directors on 6 May 2010 and signed on its behalf by:

Dato' Robert Cheim Dau Meng
Chairman

Kuala Lumpur

Directors' Remuneration Report

Introduction

The Report is designed to comply with the requirements of the UKCA 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ("LMCG"). The Report covers both Executive and Non-Executive Directors. Part A contains information that is not subject to audit whilst Part B contains information that has been audited by PricewaterhouseCoopers LLP.

The Report has been approved by the Board and signed on its behalf by the Chairman of the Remuneration Committee. This Report is subject to the approval of shareholders at the forthcoming AGM.

Part A: Remuneration framework and elements not subject to audit

Remuneration Policy

The Board believes that remuneration levels should be sufficient to attract, retain and incentivise the Directors needed to manage a successful Group. Consistent with this policy, the component parts of the remuneration package are designed to link rewards to individual and corporate performance in the case of Executive Directors. For Non-Executive Directors, the fee levels are commensurate with the experience and level of responsibilities of the particular Non-Executive Director concerned.

Remuneration Committee

The members of the Remuneration Committee during the year were:

Leong Wai Hoong (Chairman)
Dato' Larry Gan
Augustus Ralph Marshall

The Committee is responsible for assessing all elements of the remuneration and other terms of employment for Executive Directors, drawing from external advice as necessary; and has established a policy framework.

The Remuneration Committee is also responsible for assessment of the Executive Directors' performance and recommends the annual bonus and salary increments of Executive Directors as well as the benefits-in-kind to be provided. Executive Directors are required to abstain from the deliberations and voting on decisions in respect of their remuneration at Board level. The remuneration of the Non-Executive Directors is a matter that is decided by the Board as a whole, with the Director concerned abstaining from deliberations and voting on decisions in respect of his individual remuneration.

Elements of Remuneration of Executive Director

The Executive Director, Augustus Ralph Marshall's remuneration package is based on the following elements:

- Fixed fee and executive stipend.
- Discretionary cash incentive as recommended by the Remuneration Committee.
- A fully maintained company car, medical coverage for the Executive Director and his spouse and social club memberships.

Executive Director's Service Contract

The salient terms of Augustus Ralph Marshall's contract are as follows:

- Term of office for a fixed term of 2 years, up to 31 March 2012.
- Contractual notice of termination of 3 months.

There are no express contractual terms providing for compensation in the event of early termination of his appointment.

Elements of Remuneration of Non-Executive Directors

The remuneration structure is as follows:

- Fees for duties as Directors and additional fees for undertaking responsibilities as Chairman or member of Board Committees.
- Meeting allowances for each meeting day, irrespective of the number of meetings per day.
- Medical coverage for Directors and spouse and company car for certain Directors.

Non-Executive Directors' Service Contracts

The salient terms of Non-Executive Directors' service contracts are as follows:

	Current Tenure of Contracts
Dato' Robert Cheim Dau Meng	20 May 2009 to 19 May 2011
Leong Wai Hoong	1 August 2009 to 31 July 2011
Dato' Larry Gan	20 May 2009 to 19 May 2011
Khoo Teik Chooi	1 April 2010 to 31 July 2011

Their terms of office have renewal provisions and the notice for termination is 3 months. On 24 March 2010, the contract of service of Khoo Teik Chooi which expired on 31 March 2010, was further extended to 31 July 2011.

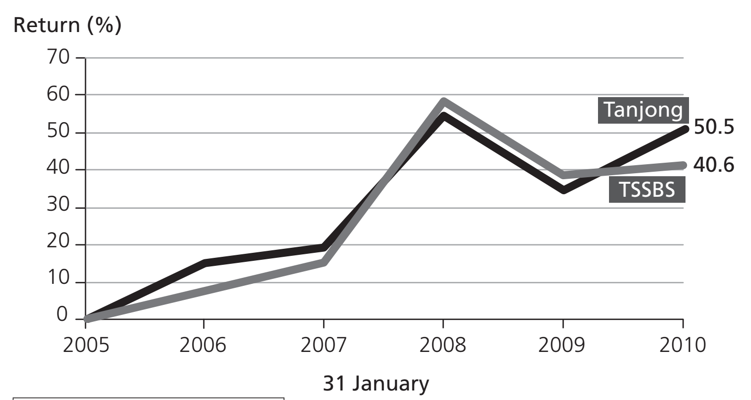
There are no express contractual terms providing for compensation in the event of early termination of their appointment.

Total Shareholder Return

Schedule 8 to the LMCG requires a disclosure of Total Shareholder Return ("TSR"), which is defined as the growth in share value (based on weighted average share price data sourced from Bloomberg LLP and Bursa Malaysia Securities Berhad ["Bursa Securities"]) and declared dividend income during a determined period. In calculating TSR, the Company's dividend is assumed to be reinvested in the underlying shares. The absolute size of the TSR will vary with stock markets but the relative position is a reflection of the market perception of the overall performance of the Company.

Tanjong is classified under the Trading/Services Sector of the Bursa Securities ("TSSBS") on which it has a primary listing. In the Directors' opinion, the TSSBS Index is therefore the most relevant index against which the TSR of Tanjong should be measured.

Based on its performance over the last 5 years, Tanjong has recorded an overall TSR of 50.5% as compared to the TSR of 40.6% recorded by the TSSBS.



Source: Bloomberg & Bursa Securities

Part B: Remuneration Review – Audited

The following part provides details of the remuneration and share interests of all the Directors for the year ended 31 January 2010, which, together with the Elements of Remuneration of Executive Director and Non-Executive Directors on pages 53 and 54 have been audited in accordance with Schedule 8 to the LMCG.

Directors' Detailed Emoluments – in RM'000

	2010				2009
	Fees	**Benefits-in-kind**	**Expense allowance**	**Total**	Total
Non-Executive					
Dato' Robert Cheim Dau Meng	530	–	11	**541**	545
Leong Wai Hoong	270	–	11	**281**	287
Dato' Larry Gan	220	–	9	**229**	235
Khoo Teik Chooi	238	20	10	**268**	186
Executive					
Augustus Ralph Marshall	210	32	–	**242**	247
	1,468	52	41	**1,561**	1,500

Share Option Scheme

There was no share option scheme for Directors during the year.

Interests in Shares

The interests of the Directors in the shares of the Company (both direct and indirect) based on the Register of Directors' Interests in the shares of the Company as maintained by the Company are as set out below:

		As at 1 February 2009	Movements	As at 31 January 2010
The Company *– shares of 7.5 pence each*				
Dato' Robert Cheim Dau Meng		–	–	–
Leong Wai Hoong		–	–	–
Dato' Larry Gan	(a)	–	50,000	50,000
Khoo Teik Chooi	(b)	30,576,220	–	30,576,220
Augustus Ralph Marshall	(c)	520,000	–	520,000

Interests in Shares (continued)

(a) These **50,000** (2009: nil) voting rights attached to Tanjong shares of 7.5 pence each are held through a nominee.

(b) Khoo Teik Chooi has a direct interest in **219,900** (2009: 219,900) voting rights attached to Tanjong shares of 7.5 pence each and an indirect interest in **30,356,320** (2009: 30,356,320) voting rights attached to Tanjong shares of 7.5 pence each arising from his indirect interest in Ultimate Corporation Sdn Bhd.

(c) These **520,000** (2009: 520,000) voting rights attached to Tanjong shares of 7.5 pence each are held through a nominee.

Other than as stated above, there has been no change in the Directors' interests in the shares of the Company.

Long Term Incentive Scheme

The Company has no long term incentive schemes for the Directors.

Pensions and Gratuities

The Company has no pension schemes for the Directors.

On behalf of the Board,

Leong Wai Hoong
Chairman of the Remuneration Committee 6 May 2010

Independent Auditors' Report

to the members of Tanjong public limited company

We have audited the financial statements of Tanjong plc for the year ended 31 January 2010 which comprise the Group Income Statement, Group Statement of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Cash Flow Statements, the Significant Accounting Policies, Financial Risk Management disclosures and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 52, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the company's affairs as at 31 January 2010 and of the group's profit and group's and parent company's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Charles van den Arend (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
13 May 2010

Group Income Statement
for the year ended 31 January 2010

	Note	2010 RM'000	2009 RM'000
Gross transaction value *		**5,219,856**	4,979,558
Revenue	1	**3,898,111**	3,693,855
Other income	2	**77,817**	137,525
Operating costs	3	**(2,748,850)**	(2,712,277)
Operating profit		**1,227,078**	1,119,103
Net investment income	4	**1,154**	70,509
Finance costs	5	**(379,503)**	(533,991)
Interest income		**16,752**	33,374
Finance costs – net		**(362,751)**	(500,617)
Share of post tax results from joint ventures and associates		**87,771**	59,841
Profit before taxation		**953,252**	748,836
Taxation	6	**(204,713)**	(200,260)
Profit for the year		**748,539**	548,576
Attributable to:			
Tanjong's shareholders		**676,773**	463,769
Minority interests		**71,766**	84,807
		748,539	548,576
Earnings per share – in sen			
– Basic/Diluted	7	**167.8**	115.0

*Gross transaction value represents gross sales proceeds for the Numbers Forecast Totalisator ("NFO") business and revenue from other operations.

The Notes on pages 68 to 132 form part of these financial statements.

Group Statement of Comprehensive Income

for the year ended 31 January 2010

	Note	2010 RM'000	2009 RM'000
Profit for the year		**748,539**	548,576
Other comprehensive income*:	28		
Gains/(losses) recognised directly in equity			
Available-for-sale financial asset			
Net valuation gain/(loss) taken to equity		**50,220**	(40,297)
Net valuation loss/(gain) transferred to income statement		**4,640**	(60,064)
Exchange differences on:			
Net investments		**(108,764)**	218,563
Joint ventures & associates		**(8,586)**	(33,347)
Cash flow hedges:			
Fair value gain/(loss) for the year		**27,516**	(242,820)
Transfer to finance cost		**112,704**	64,217
Share of hedging reserve from jointly controlled entity		**56,878**	(113,321)
Equity contribution in a subsidiary by a minority interest		**3**	–
		134,611	(207,069)
Total comprehensive income for the year		**883,150**	341,507
Total comprehensive income attributable to:			
Tanjong's shareholders		**805,744**	287,195
Minority interests		**77,406**	54,312
		883,150	341,507

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

A separate statement of comprehensive income has not been presented for the company as there were no movements in 2010 and 2009, except for profit for the year.

The Notes on pages 68 to 132 form part of these financial statements.

Group Balance Sheet

as at 31 January 2010

	Note	2010 RM'000	2009 RM'000
ASSETS			
Non-Current Assets			
Intangible assets	9	**71,969**	71,969
Property, plant and equipment	10	**2,289,218**	2,545,745
Prepaid lease rental	11	**20,954**	21,932
Investment property	12	**672,000**	650,000
Investments in joint ventures and associates	13	**358,354**	303,134
Deferred income tax assets	14	**–**	30
Available-for-sale financial assets	15	**231,028**	116,255
Lease receivables	16	**5,466,515**	6,138,881
		9,110,038	9,847,946
Current Assets			
Inventories	17	**448,805**	511,138
Trade and other receivables	18	**529,705**	531,120
Lease receivables	16	**424,748**	353,410
Prepaid lease rental	11	**855**	906
Held-for-trading investments	19	**9,776**	5,519
Available-for-sale financial assets	15	**4,187**	816
Derivative financial instrument	20	**505**	–
Cash and cash equivalents	21	**1,535,868**	1,202,856
		2,954,449	2,605,765
Total Assets		**12,064,487**	12,453,711
LIABILITIES			
Current Liabilities			
Trade and other payables	22	**594,292**	688,463
Borrowings	23	**464,308**	732,115
Current income tax liabilities		**33,301**	35,220
Hedging liability	24	**18,900**	19,357
Provisions for other liabilities and charges	25	**2,702**	13,292
		1,113,503	1,488,447
Non-Current Liabilities			
Borrowings	23	**4,688,591**	5,046,185
Other non-current liabilities	26	**764,263**	833,084
Hedging liability	24	**295,689**	464,623
Deferred income tax liabilities	14	**807,454**	814,321
Provisions for other liabilities and charges	25	**114,707**	103,039
		6,670,704	7,261,252
Total Liabilities		**7,784,207**	8,749,699
NET ASSETS		**4,280,280**	3,704,012
EQUITY			
Paid up share capital	27	**146,107**	146,107
Share premium account	27	**240,808**	240,808
Other reserves	28	**(149,212)**	(292,508)
Retained earnings	29	**3,576,890**	3,186,640
Total shareholders' equity		**3,814,593**	3,281,047
Minority interests in equity		**465,687**	422,965
Total Equity		**4,280,280**	3,704,012
Net Tangible Assets per share (in sen)	7	**928**	796

The Notes on pages 68 to 132 form part of these financial statements.

Company Balance Sheet
as at 31 January 2010

	Note	2010 RM'000	2009 RM'000
ASSETS			
Non-Current Assets			
Investments in subsidiary companies	13	**1,478,498**	1,661,378
Advances to subsidiaries	13	**95,280**	–
		1,573,778	1,661,378
Current Assets			
Other receivables	18	**1,372**	776
Cash and cash equivalents	21	**52,962**	39,475
		54,334	40,251
Total Assets		**1,628,112**	1,701,629
LIABILITIES			
Current Liabilities			
Other payables	22	**1,102**	592
Current income tax liabilities		**127**	–
		1,229	592
Non-Current Liabilities			
Advances from subsidiaries	13	**–**	217,916
Total Liabilities		**1,229**	218,508
Net Assets		**1,626,883**	1,483,121
EQUITY			
Paid up share capital	27	**146,107**	146,107
Share premium account	27	**240,808**	240,808
Retained earnings	29	**1,239,968**	1,096,206
Total Equity		**1,626,883**	1,483,121

The financial statements on pages 59 to 132 were approved by the Board of Directors on 6 May 2010 and signed on its behalf by:

Dato' Robert Cheim Dau Meng
Chairman

Group Statement of Changes in Equity

for the year ended 31 January 2010

	Note	Attributable to equity holders of Tanjong						
		Paid Up Share Capital RM'000	Share Premium Account RM'000	Other Reserves (Note 28) RM'000	Retained Earnings RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
At 1 February 2009		146,107	240,808	(292,508)	3,186,640	3,281,047	422,965	3,704,012
Comprehensive income:								
Profit and loss	7	–	–	–	676,773	676,773	71,766	748,539
Other comprehensive income:								
Available-for-sale financial assets:								
Net valuation gain taken to equity		–	–	50,220	–	50,220	–	50,220
Net valuation loss transferred to income statement		–	–	4,640	–	4,640	–	4,640
Exchange differences on:								
Net investments		–	–	(108,764)	–	(108,764)	–	(108,764)
Joint ventures & associates		–	–	(8,586)	–	(8,586)	–	(8,586)
Cash flow hedges:								
Fair value gain		–	–	27,516	–	27,516	–	27,516
Transferred to finance costs		–	–	112,704	–	112,704	–	112,704
Share of hedging reserve from jointly controlled entity		–	–	56,878	–	56,878	–	56,878
Share of movement in reserve for minority interests		–	–	(6,098)	–	(6,098)	6,098	–
Equity contribution in a subsidiary by a minority interest		–	–	–	–	–	3	3
Total other comprehensive income		–	–	128,510	–	128,510	6,101	134,611
Total comprehensive income		–	–	128,510	676,773	805,283	77,867	883,150
Transfer to legal reserve		–	–	14,786	(14,325)	461	(461)	–
Dividends								
– Shareholders	8	–	–	–	(272,198)	(272,198)	–	(272,198)
– Minority interests		–	–	–	–	–	(34,684)	(34,684)
At 31 January 2010		**146,107**	**240,808**	**(149,212)**	**3,576,890**	**3,814,593**	**465,687**	**4,280,280**

The Notes on pages 68 to 132 form part of these financial statements.

		Attributable to equity holders of Tanjong						
	Note	Paid Up Share Capital RM'000	Share Premium Account RM'000	Other Reserves (Note 28) RM'000	Retained Earnings RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
At 1 February 2008		146,107	240,808	(120,412)	3,031,303	3,297,806	378,328	3,676,134
Comprehensive income:								
Profit and loss	7	–	–	–	463,769	463,769	84,807	548,576
Other comprehensive income:								
Available-for-sale financial assets:								
Net valuation loss taken to equity		–	–	(40,297)	–	(40,297)	–	(40,297)
Net valuation gain transferred to income statement		–	–	(60,064)	–	(60,064)	–	(60,064)
Exchange differences on:								
Net investments		–	–	218,563	–	218,563	–	218,563
Joint ventures & associates		–	–	(33,347)	–	(33,347)	–	(33,347)
Cash flow hedges:								
Fair value loss		–	–	(242,820)	–	(242,820)	–	(242,820)
Transferred to finance costs		–	–	64,217	–	64,217	–	64,217
Share of hedging reserve from jointly controlled entity		–	–	(113,321)	–	(113,321)	–	(113,321)
Share of movement in reserve for minority interests		–	–	30,495	–	30,495	(30,495)	–
Total other comprehensive income		–	–	(176,574)	–	(176,574)	(30,495)	(207,069)
Total comprehensive income		–	–	(176,574)	463,769	287,195	54,312	341,507
Transfer to legal reserve		–	–	4,478	(4,478)	–	–	–
Dividends								
– Shareholders	8	–	–	–	(303,954)	(303,954)	–	(303,954)
– Minority interests		–	–	–	–	–	(9,675)	(9,675)
At 31 January 2009		**146,107**	**240,808**	**(292,508)**	**3,186,640**	**3,281,047**	**422,965**	**3,704,012**

The Notes on pages 68 to 132 form part of these financial statements.

Company Statement of Changes in Equity

for the year ended 31 January 2010

	Note	Paid Up Share Capital RM'000	Share Premium Account RM'000	Retained Earnings RM'000	Total RM'000
At 1 February 2008		146,107	240,808	1,392,814	1,779,729
Changes in equity for 2009					
Profit for the financial year		–	–	7,346	7,346
Dividends	8	–	–	(303,954)	(303,954)
At 31 January/1 February 2009		**146,107**	**240,808**	**1,096,206**	**1,483,121**
Changes in equity for 2010					
Profit for the financial year		–	–	415,960	415,960
Dividends	8	–	–	(272,198)	(272,198)
At 31 January 2010		**146,107**	**240,808**	**1,239,968**	**1,626,883**

Share capital represents issued and fully paid–up shares with a nominal value of 7.5 pence each.

The Notes on pages 68 to 132 form part of these financial statements.

Group Cash Flow Statement

for the year ended 31 January 2010

	Note	2010 RM'000	2009 RM'000
Cash flows from operating activities			
Cash generated from operations	30	**1,656,712**	1,436,714
Malaysian and other taxes paid		**(175,821)**	(164,710)
Net cash generated from operating activities		**1,480,891**	1,272,004
Cash flows from investing activities			
Dividend income received		**68,045**	44,191
Proceeds from sale of investments		**38,986**	251,377
Interest received		**16,682**	33,646
Proceeds from sales of property, plant and equipment		**1,806**	3,317
Net repayment from/(investment in) joint ventures		**212**	(172,010)
Purchase of investments		**(108,618)**	(10,403)
Purchase of property, plant and equipment		**(38,676)**	(102,270)
Acquisition of subsidiaries net of cash		**–**	(33,159)
Net cash (used in)/generated from investing activities		**(21,563)**	14,689
Cash flows from financing activities			
Proceeds from borrowings		**318,506**	2,177,819
Repayment of borrowings		**(715,272)**	(2,492,868)
Interest paid		**(348,006)**	(407,671)
Dividends paid to Company's shareholders		**(272,198)**	(303,954)
Dividends paid to minority interests		**(34,684)**	(9,675)
Repayment to minority interests		**(24,293)**	(46,090)
Government grants received		**–**	1,747
Debt refinancing costs		**–**	(141,253)
Net cash used in financing activities		**(1,075,947)**	(1,221,945)
Currency translation differences		**(50,369)**	79,792
Net increase in cash and cash equivalents		**333,012**	144,540
Cash and cash equivalents at start of the year		**1,202,856**	1,058,316
Cash and cash equivalents at end of the year	21	**1,535,868**	1,202,856

The Notes on pages 68 to 132 form part of these financial statements.

Company Cash Flow Statement

for the year ended 31 January 2010

	Note	2010 RM'000	2009 RM'000
Cash flows from operating activities			
Cash (used in)/generated from operations	30	**(10,267)**	10,236
Malaysian taxes refunded		**–**	(440)
Net cash (used in)/generated from operating activities		**(10,267)**	9,796
Cash flows from investing activities			
Dividend income received		**432,380**	–
Redemption of preference shares in a subsidiary		**279,380**	–
Investment in a subsidiary		**–**	(250)
Interest received		**713**	4,238
Net cash generated from investing activities		**712,473**	3,988
Cash flows from financing activities			
Net (advances to)/repayments from subsidiary companies		**(423,917)**	203,728
Dividends paid to Company's shareholders		**(272,198)**	(303,954)
Net cash used in financing activities		**(696,115)**	(100,226)
Currency translation differences		**7,396**	784
Net increase/(decrease) in cash and cash equivalents		**13,487**	(85,658)
Cash and cash equivalents at start of the year		**39,475**	125,133
Cash and cash equivalents at end of the year	21	**52,962**	39,475

The Notes on pages 68 to 132 form part of these financial statements.

Significant Accounting Policies

GENERAL INFORMATION

The Company is a public limited company incorporated in England. It has a primary listing on the Main Market of the Bursa Securities and a standard listing on the London Stock Exchange.

SIGNIFICANT ACCOUNTING POLICIES

A Basis of preparation

Tanjong's Consolidated Financial Statements for the year ended 31 January 2010 were prepared in accordance with IFRSs as adopted by the EU in accordance with Article 4 of the IAS Regulation and relevant parts of the UKCA 2006. Tanjong's audited financial statements have therefore been prepared in accordance with those IFRSs and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective or issued and early adopted as at the time of preparing these statements (i.e. January 2010).

Additional disclosures on differences between IFRSs and approved Accounting Standards applicable in Malaysia (Malaysian Financial Reporting Standards) are provided in Note 36.

The significant accounting policies adopted by the Company are set out in the following pages. These policies have been consistently applied to all the years presented unless otherwise stated. The Company has not presented its own income statement as permitted by Section 408 of the UKCA 2006.

The Consolidated Financial Statements have been prepared under the historical cost convention except that, as disclosed in the accounting policies, certain items, including investment property and financial instruments are measured at fair value.

(i) New standards and interpretations to existing standards that are effective

IAS 1 – "Presentation of Financial Statements"(as revised in September 2007)

The revised IAS 1 requires that all changes in equity with owners must be presented separately from non-owner changes in equity, with income and expenses associated with non-owner changes in equity being presented either in a statement of comprehensive income or two statements (a separate income statement and a statement of comprehensive income). A statement of comprehensive income has been presented as part of the financial statements for the year. As the change in accounting standard only impacts presentation aspects there is no impact on the Group's results.

IAS 23 – "Borrowing Costs" (as revised in 2007)

The main change from the previous version of IAS 23 is the removal of the option of immediately recognising, as an expense, borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. The Group's accounting policy is to capitalise costs associated with borrowings used to finance major capital projects and therefore these amendments did not have a material impact on the Group's results.

IFRS 7 – "Financial Instruments: Disclosures" (as amended in March 2009)

These amendments introduce a three-level hierarchy for fair value measurement disclosures and require entities to provide additional disclosures about the relative reliability of fair value measurements. In addition, the amendments clarify and enhance existing requirements for the disclosure of liquidity risk. As the change in accounting standard only impacts presentation aspects there is no impact on the Group's results.

A Basis of preparation (continued)

(i) New standards and interpretations to existing standards that are effective (continued)

IFRS 8 – "Operating Segments"

The standard replaces IAS 14 Segment Reporting. Whereas IAS 14 required segment information to be presented based on primary and secondary segment reporting formats (business segments and geographical segments), IFRS 8 requires segment information to be presented by operating segment on the same basis as that used for internal reporting purposes. The reported amount of each segment item now corresponds to the measurement reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance, as detailed in Note 1 Segmental Reporting.

IFRIC 12 – "Service Concession Arrangements"

IFRIC 12 takes precedence over IFRIC 4 'Determining whether an arrangement contains a lease' and requires companies to determine whether arrangements with public sector entities which involve the development, financing, operation and maintenance of regulated assets (which may include power stations) represent service concession arrangements. As there has been no such new arrangement during the year, there is no impact to the results of the Group as a result of the application of this standard.

(ii) New standards and interpretations that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2010 or later periods but have yet to be adopted by the Group as they are not yet effective. The Group is currently reviewing these amendments to determine the likely impact on the Group. The new standards which are expected to be relevant to the Group's operations are as follows:

IAS 17 – "Leases"
(effective date: for annual periods beginning on or after 1 July 2009)

Deletion of specific guidance regarding classification of leases of land, so as to eliminate inconsistency with general guidance on lease classification. As a result, leases of land should be classified as either finance or operating, using the general principles of IAS 17, to be applied retrospectively to existing leases if the necessary information is available at the inception date of the lease. Otherwise, land leases should be reassessed on the date of adoption of the amendments.

IAS 27 – "Consolidated and Separate Financial Statements" (as amended in 2008)
(effective date: for annual periods beginning on or after 1 July 2009)

The amendments require the effects of transactions with non-controlling interests to be recorded in equity where there is no change in control, and specify the accounting treatment on loss of control. These amendments will affect future business combinations and disposals undertaken by the Group. It supersedes IAS 27 Consolidated and Separate Financial Statements as revised in 2003.

IAS 39 – "Financial Instruments: Recognition and Measurement" (as amended in July 2008)
(effective date: for annual periods beginning on or after 1 July 2009)

The amendments clarify how the existing principles underlying hedge accounting should be applied in the designation of a one-sided risk in a hedged item and inflation in a financial hedged item.

IFRS 3 – "Business Combinations" (as revised in 2008)
(effective date: for annual periods beginning on or after 1 July 2009)

The revised IFRS 3 has introduced changes to the accounting for contingent consideration and transaction costs, as well as allows an option to calculate goodwill based on the parent's share of net assets only or to include goodwill relating to minority interests (non-controlling interests). This revision will affect future business combinations undertaken by the Group. It supersedes IFRS 3 Business Combinations issued in 2004.

A Basis of preparation (continued)

(ii) New standards and interpretations that are not yet effective (continued)

IFRIC 9 – "Reassessment of embedded derivatives"
(effective date: for annual periods beginning on or after 1 July 2009)

An entity should assess whether an embedded derivative is to be separated from a host contract when the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category. The assessment is made on the basis of the circumstances that existed at the later date: (a) the date when the entity first became a party to the contract; and (b) the date of a change in the terms of the contract that significantly modifies the cash flows that otherwise would have been required under the contract.

IFRIC 16 – "Hedges of a Net Investment in a Foreign Operation"
(effective date: for annual periods beginning on or after 1 July 2009)

The amendments states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of IAS 39 that relate to a net investment hedge are satisfied.

IFRIC 17 – "Distribution of non-cash assets to owners"
(effective date: for annual periods beginning on or after 1 July 2009)

This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. IFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and their distribution is highly probable.

IFRIC 18 – "Transfers of assets from customers"
(effective date: for annual periods beginning on or after 1 July 2009)

This interpretation provides guidance on how to account for items of property, plant and equipment received from customers, or cash that is received and used to acquire or construct specific assets. This interpretation is only applicable to such assets that are used to connect the customer to a network or to provide ongoing access to a supply of goods or services or both.

IAS 36 – "Impairments of Assets"
(effective date: for annual periods beginning on or after 1 January 2010)

Amendment to clarify that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purpose of impairment testing is an operating segment.

IAS 38 (amendments) – "Intangible assets"
(effective date: for annual periods beginning on or after 1 January 2010)

The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible asset as a single asset if each asset has similar useful economic lives.

IFRS 5 (amendment) – "Non-current assets held for sale and discontinued operations"
(effective date: for annual periods beginning on or after 1 January 2010)

The amendments provides clarification that IFRS 5 specifies the disclosures required in respect of non-assets (or disposal groups) classified held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1.

A Basis of preparation (continued)

(ii) New standards and interpretations that are not yet effective (continued)

IAS 32 – "Classification of rights issue"
(effective date: for annual periods beginning on or after 1 February 2010)

The amended standard allows rights issues to be classified as equity when the price is denominated in a currency other than the entity's functional currency.

IAS 24 – "Related Party Disclosures"
(effective date: for annual periods beginning on or after 1 January 2011)

The amendments relaxes the disclosures of transactions between government related entities and clarifies related-party definitions.

IFRIC 14 – "IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction"
(effective date: for annual periods beginning on or after 1 January 2011)

The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such early payment as an asset.

IFRS 9 – "Financial Instrument"
(effective date: for annual periods beginning on or after 1 January 2013)

IFRS 9 addresses classification and measurement of financial assets. IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value.

B Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities in which the Group has control over the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are no longer consolidated from the date on which control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the date of acquisition, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated upon consolidation. Unrealised losses are eliminated in the same way as unrealised gains except that they are eliminated to the extent that there is no evidence of impairment.

(ii) Transaction with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group and are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

B Basis of consolidation (continued)

(iii) Associates

Associates are entities in which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. The Group shall discontinue the use of the equity method from the date in which it ceases to have significant influence but not control, in an associate. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(iv) Joint ventures

Joint ventures are undertakings in which the Group holds an interest which is jointly controlled by the Group and one or more other parties. The Group's interests in joint ventures are accounted for using the equity method of accounting whereby the investments are initially recorded at cost and the Group's share of its joint venture's post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. The Group shall discontinue the use of the equity method from the date in which it ceases to have joint control over, or have significant influence in, a joint venture.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the Group's purchase of assets from the joint venture until it resells the assets to an independent party. A loss on the transaction is recognised immediately if it provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

Investments in subsidiaries, joint ventures and associates are shown at cost. Where an indication of impairment of investments in subsidiaries, joint ventures and associates exists, the carrying amount of the investments is assessed and written down immediately to its recoverable amount.

C Segment reporting

The segment disclosures are based on the components that the relevant Management personnel monitor in making financial and operational decisions. These components are identified on the basis of internal reports that Management and the Board reviews regularly in assessing their performance and allocating resources.

D Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the retranslation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities, fixed income instruments and long term investments classified as Available-for-sale financial assets, are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity (translation reserve).

Exchange differences arising from the translation of the net investment in foreign entities, and of borrowings designated as hedges of such investments, are taken to translation reserve within shareholders' equity on consolidation. When a foreign operation is sold, exchange differences in the translation reserve are transferred to the income statement as part of the gain or loss on sale.

The principal closing rates used in the translation of foreign currency amounts to RM are as follows:

	2010	2009
1 US Dollar	**3.4050**	3.6120
1 Australian Dollar	**3.0740**	2.3832
1 Pound Sterling	**5.5218**	5.0985
1 EURO	**4.8109**	4.7109
1 Singapore Dollar	**2.4309**	2.3838

E Intangible assets

(i) Premiums

Premiums paid for the rights to operate a business are stated at cost. Such rights have an indefinite useful life and are tested for impairment in accordance with the Group's policy on impairment. After initial recognition, premiums are stated at cost less accumulated impairment losses.

E Intangible assets (continued)

(ii) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary. Goodwill acquired in a business combination is, from the acquisition date, allocated to a cash-generating unit ("CGU") that is expected to benefit from the synergies of the combination. The CGU represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is recognised as an asset, stated at cost and tested for impairment annually in accordance with the Group's policy on impairment. After initial recognition, goodwill is stated at cost less accumulated impairment losses.

F Property, plant and equipment

All property, plant and equipment ("PPE") are stated at cost less subsequent depreciation and impairment, except for freehold land, which is not depreciated. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in an asset's carrying amount or are recognised separately, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate the cost less residual value of each asset over its estimated useful life, as follows:

– buildings	5 – 50 years
– plant and machinery	3 – 33 years
– fixtures, fittings and equipment	2 – 11 years
– vehicles	2 – 11 years

Asset replacement costs incurred in relation to major overhauls of power plants are capitalised and are depreciated on a straight-line basis over their estimated useful lives, typically the period until the next major scheduled overhaul, which is approximately every three (3) to six (6) years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with relevant carrying amount. These are included in the income statement.

G Investment property

Investment property represents an interest in land and a building which is held for its long term investment potential, any rental income being at market rates. The investment property is initially recognised at cost, including related transaction costs. Subsequently, the investment property is carried at fair value based on its open market value at the balance sheet date. The valuation of the property is performed internally every year taking into account existing lease commitments and market conditions. External valuations are carried out by external independent valuers at least once every three years. The most recent external valuation of the investment property was undertaken in January 2010. A gain or loss arising from a change in the fair value of investment property is recognised in the income statement for the period in which it arises.

Subsequent expenditure on an investment property is added to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

H Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation and depreciation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

If an impairment loss is recognised, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in the income statement. Where an impairment loss subsequently reverses, other than for goodwill, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately in the income statement.

I Financial assets

The Group classifies its financial assets in the categories outlined below. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets classified in this category are acquired principally for the purpose of trading. Derivatives are also categorised as held-for-trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are designated in this category. They are classified as current assets where there is an intention to dispose of the investment or the investment is maturing within 12 months of the balance sheet date.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. In the case of Available-for-sale financial assets, investments are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets at fair value through profit or loss and Available-for-sale financial assets, are subsequently carried at fair value.

Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are included in the income statement in the period in which they arise.

Gains and losses arising from changes in the fair value of Available-for-sale financial assets are recognised in equity. When securities classified as Available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

I Financial assets (continued)

(ii) Available-for-sale financial assets

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unquoted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Dividends from investments are recognised when the right to receive the payment is established. Interest income is recognised on a time-proportion basis.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as Available-for-sale, a significant or prolonged decline in the fair value of the investment below its cost is considered an indication that the investments are impaired. If any such evidence exists for Available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement) is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(iii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

J Leases

(i) Finance lease

Where the Group ascertains that a power purchase agreement ("PPA") is or contains a lease and it results in the transfer of substantially all of the risks and rewards incidental to the ownership of the underlying assets to the off-taker who is effectively the lessee, such an arrangement is recognised as a finance lease. In this event, a finance lease is presented as a finance lease receivable in the balance sheet at an amount equal to the present value of the minimum lease payments. The recognition of finance lease income will be based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the finance lease.

Where the Group, as a lessee, leases property, plant and equipment and assumes substantially all of the risks and rewards of ownership, the leases are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other non-current liabilities for payments due after one year; and in trade and other payables for payments due within one year. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

J Leases (continued)

(ii) Operating lease

Where the Group ascertains that a PPA is or contains a lease and the Group retains substantially all of the risks and rewards incidental to the ownership of its power plants, such an arrangement is deemed to be an operating lease. In this situation, the relevant plants are capitalised and presented at cost and depreciated over their estimated useful life.

K Inventories

Inventories other than livestock are stated at the lower of cost and net realisable value. Spares and consumables, and distillate fuel are determined on a first-in-first-out basis.

Livestock are measured at their fair value less estimated point-of-sale costs. The fair value of livestock is determined based on market prices of livestock of similar age, breed and genetic merit.

L Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less allowance for impairment.

M Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and short term demand deposits that are readily convertible to known amounts of cash.

N Financial liabilities

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of a financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in the income statement when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the income statement. Net gains or losses on derivatives include exchange differences.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

O Provisions

Provisions are recognised when; there is a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate of the amount can be made. Where there is a firm expectation of a provision to be reimbursed, the reimbursement is recognised as a separate asset.

P Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the fair value (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

Debt refinancing costs incurred arising from extinguishment of borrowings are taken to the income statement in the period during which the extinguishment is concluded.

Debt refinancing costs incurred on new borrowings are capitalised and amortised over the period of the borrowings.

Q Taxation

The current income tax charge is based on the tax laws that have been enacted or substantively enacted at the balance sheet date in the respective jurisdictions the Group operates in.

Deferred income tax is determined using the tax rates (and laws) that are expected to apply to the period when the deferred tax assets are realised or the deferred tax liability is settled, based on the tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax liability is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

R Government grants

Government grants are recognised when there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received. Government grants are recognised as income on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants are presented in the balance sheet as deferred income.

S Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, such as all or some future interest payment on variable rate debt or a highly probable forecast transaction and could affect profit or loss.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in the hedging reserve in equity, whereas the ineffective portion is recognised immediately in the income statement. Amounts previously deferred in equity are recognised in the income statement in the same period in which the hedged item affects net profit or loss.

T Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the financial year in which the associated services are rendered by employees of the Group.

(ii) Post employment benefits

The Group contributes to post employment benefits scheme such as defined contribution plan in accordance with local conditions and practices where its operates. A defined contribution plan is a pension plan under which the Group pays fixed contributions and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current or prior financial years. Contributions to the defined contribution plan are charged to the income statement in the financial year to which they relate.

U Revenue recognition

Group revenue comprises the gross sales proceeds net of prize payouts for the Numbers Forecast Totalisator ("NFO") business, share of net surplus/deficit from the Racing Totalisator ("RTO") business, capacity charges and energy payments from power plants, revenue from the letting of the investment property, revenue from admission fees, and food and beverage sales in the Tropical Islands ("TI") resort and revenue from cinema tickets and concession sales and screen advertising.

Group revenue is recognised on the following basis:

- Gaming transactions have been determined as falling within the scope of IAS 39 – "Financial Instruments: Recognition and Measurement". NFO revenue is recognised when the customers have placed their investments for completed NFO draws.
- Share of net surplus/deficit for RTO business represents the Group's share of the net surplus or deficit arising from completed race meetings.
- Capacity charges are recognised on the billing of the available capacity in accordance with the contractual terms in the PPA should the risks and rewards of the relevant power plants be considered as being vested on the Group. If the PPA is construed to be, in substance, a finance lease in accordance with the criteria set out in Note 16, capacity charges will be recognised as finance lease income accruing over the period of the PPA.

  In either case, energy payments are recognised as revenue as and when the contracted power is delivered to the off-taker.
- Revenue from the letting of investment property is recognised on a straight-line basis over the term of the relevant tenancy agreements.
- Revenue from admission fees and food and beverage sales in the TI resort is recognised in the accounting period in which the customers patronise the resort and consume its products.
- Revenue from cinema tickets and concession sales is recognised upon delivery of services and products. Screen advertising is recognised on an accrual basis.

V Dividend distribution

Dividend distribution to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends that are approved by the board of directors of the Company as a distribution to the Company's shareholders are recognised on payment date.

W Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, trading and available-for-sale securities and investments in unit trusts) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

The nominal value less estimated credit adjustments of trade receivables is assumed to approximate their fair values.

X Critical accounting estimates and judgements

The preparation of financial statements requires the Group to make estimates and assumptions that affect the reported financial results during the reporting period. Actual results may differ from these estimates. Certain of the Group's accounting policies have been evaluated as requiring critical accounting judgements or involving particularly complex or subjective decisions or assessments. These are disclosed below and are to be read in conjunction with the full statement on Significant Accounting Policies.

- Note 9 – the annual impairment review on the carrying value of the intangible assets;
- Note 12 – the valuation of investment property;
- Note 24 – the valuation assumptions relating to fair value of cash flow hedge; and
- Note 25 – estimation of provisions to be recognised where there is a present obligation as a result of a past event.

In addition to the above, critical judgements have been made in applying the Group's accounting policies for the following:

(i) Impairment review of the underlying assets of Tropical Islands ("TI")

The continuing losses experienced by TI have made it necessary to evaluate whether the underlying assets are being stated in excess of their recoverable amount. The recoverable amount of TI is determined from the value-in-use calculations using pre-tax cash flow projections based on financial plans covering an 8-year period which represents the expected gestation period for the independent development of the property surrounding the resort. They reflect the management's estimates of visitors' attendance, revenue, EBITDA and operating cash flows based on past experience and future expectations, taking into account the agreements entered into in April 2009 with third parties for the construction of vacation homes. Cash flows beyond the 8-year period are extrapolated using the estimated growth rate stated below, which is below the average long term growth rate for the resort business.

X Critical accounting estimates and judgements (continued)

(i) Impairment review of the underlying assets of Tropical Islands ("TI") (continued)

The key assumptions used in determining the value-in-use are:

	2010	2009
Discount rate [1]	**11.56%**	11.40%
Growth rate (9th year onwards) [2]	**1.5%**	2.0%
Occupancy rate of vacation homes [3]	**68%**	70%

[1] Based on TI's weighted average cost of capital adjusted to fully reflect the underlying risks and uncertainties pertaining to the resort business
[2] Based on the forecasted Gross Domestic Product growth rate of Federal Republic of Germany
[3] Based on reports from independent parties

Sensitivity analysis

TI's value-in-use exceeds the carrying value of RM336 million by approximately RM110 million and, based on the sensitivity analysis performed (as set out below), changes in the preceding assumptions could cause TI's recoverable amount to fall below the carrying value:

- Discount rate to increase to 14% or more
- Growth rate to reduce by 6.5% or more
- Occupancy rate of vacation homes to reduce to 37% or less
- Delay in the construction of vacation homes by 4.5 years or more after completion of first 109 homes in FY2011

(ii) Assessment on whether the arrangements relating to PPAs for power plants owned by the Group are to be construed as finance or operating leases

The long term PPAs entitle the Group to receive capacity payments as compensation for ensuring the continuing availability of the power plants and also sell their electrical output to the off-taker. As this arrangement gives the off-taker the absolute right to use the power plant for an agreed period and a corresponding obligation to pay the Group for this service, the Group is required, under the current financial reporting framework, to evaluate whether this is in essence a leasing arrangement in accordance with IFRIC 4 – "Determining whether an arrangement contains a lease".

If a leasing arrangement is established, the Group is required to make a further assessment on whether the risks and rewards of the ownership of each power plant is vested on the off-taker (which will define this as a finance lease arrangement) or if the risks and rewards are substantially vested on the Group (i.e. an operating lease). In making this evaluation, both quantitative and qualitative criteria are prescribed by International Financial Reporting Standards which, on occasions, result in conflicting outcomes, for which no criteria is given precedence over another. In such situations, considerable judgement is brought to bear in determining which party bears most of the risks and the rewards.

We set out below, the key criteria and judgemental elements considered in determining whether the PPAs governing the operations of our power plants are, in substance, finance or operating leases:

The power plants in Egypt and Bangladesh are, based on the following elements, determined as being finance lease arrangements:

- The present value of the capacity payments equates substantially to the fair value of the power plants at inception
- The power plants are of such specialised nature that only the off-taker is able to use them without major modifications
- The PPA term forms a significant part of the economic life of the power plant

X Critical accounting estimates and judgements (continued)

(ii) Assessment on whether the arrangements relating to PPAs for power plants owned by the Group are to be construed as finance or operating leases (continued)

Malaysian power plants are based on the following elements, determined as being operating leases:

- Each PPA constitutes a build, operate and own arrangement which gives the Group the right to renew the PPA, by mutual consent with the off-taker, for 3 additional terms of 5 years each. Failing this, the Group is able to realise the residual value of the power plant by a sale or other means, at the end of the PPA
- The PPA term of 21 years is less than the economic life of each power plant estimated at between 35 to 40 years
- The PPA results in the Group retaining other operational risks associated with the arrangement

(iii) Estimates and judgements in relation to income taxes and deferred tax assets

(a) Income taxes

The Group is subject to income tax in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax matters based on estimates of whether additional taxes will be due, if the final outcome of these tax matters results in a difference in the amounts initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

(b) Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgement regarding future financial performance of a particular entity in which the deferred tax asset had been recognised.

CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are:

- to safeguard the business as a going concern
- to maintain an efficient capital structure in order to provide a high degree of financial flexibility
- to maximise returns for shareholders

The Group maintains an efficient mix of debt and equity funding in order to achieve an optimal capital structure and cost of capital while maintaining sufficient liquidity. The Group regularly reviews and adjusts the capital structure as appropriate in order to achieve these objectives.

The Group seeks to raise optimum level of debt financing for each project, ensuring that project cash flow is sufficient to meet debt service obligations and return to shareholders.

Tanjong pursues a progressive dividend policy which seeks to achieve a balance between long term capital growth and immediate cash returns. The Group strives to maintain an attractive dividend payout ratio whilst retaining sufficient earnings to grow its businesses.

Financial Risk Management

Financial risk factors

The Group's activities expose it to a variety of financial risks: interest rate risk, foreign currency risk, liquidity and cash flow risk, market risk and credit and counterparty risks. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. We set out below the policies and other measures taken to manage these risks:

(a) Market risk

The Group's exposure to market risk arises mainly from inflationary pressures on the operations and maintenance expenses of its power plants. These are mitigated through stringent procurement and tender procedures, long term supply contracts to minimise price escalation and, to a certain extent, the inclusion of cost pass-through provisions and inflationary adjusting factors in agreements with its customers.

(i) Interest rate risk

A large extent of the Group's expansion activities are financed by way of debt. In this respect, the Group adopts a non-speculative stance which favours predictability over short term interest rate fluctuations particularly for power-related projects where interest rate volatility could adversely impact project returns. To this end, the Group's policy is to either borrow at fixed rates or have in place floating-to-fixed interest rate instruments, primarily interest rate swaps, for a significant portion of its floating rate borrowings. The interest rate profile of the Group's borrowings is also regularly reviewed against prevailing and anticipated market interest rates to determine whether refinancing or early repayment is warranted.

	2010	2009
	RM'000	RM'000
Fixed rate loans	**1,350,191**	1,493,889
Floating rate loans		
Hedged	**2,431,049**	2,615,810
Unhedged	**1,371,659**	1,668,601
Total borrowings	**5,152,899**	5,778,300
Impact to profit before taxation and net assets		
1 percent increase in interest rate	**(13,717)**	(16,686)
1 percent decrease in interest rate	**13,717**	16,686

(ii) Foreign exchange risk

The Group is exposed to risks arising from various currency exposures primarily with respect to the Euro and US Dollar. The Group has investments in foreign operations whose net assets are exposed to foreign currency translation risk. Such exposures are mitigated through borrowings denominated in the relevant currencies.

The Group is also exposed to foreign currency transaction risks for the purchase of materials, spares and services for the maintenance of its power plants and payment obligations under Engineering, Procurement and Construction contracts. The Group enters into forward contracts as a hedge against major fluctuations in its foreign currency payment obligations for future commercial transactions.

Financial risk factors (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

The table illustrates the impact on the profit for the year, equity and net assets resulting from currency sensitivities.

	Impact on profit for the year RM'000	Impact on equity RM'000	Impact on net assets RM'000
2010			
10 percent increase in US Dollar exchange rate	**10,462**	**329**	**10,791**
10 percent decrease in US Dollar exchange rate	**(10,462)**	**(329)**	**(10,791)**
10 percent increase in Australian Dollar exchange rate	**1,001**	**–**	**1,001**
10 percent decrease in Australian Dollar exchange rate	**(1,001)**	**–**	**(1,001)**
10 percent increase in EURO exchange rate	**66**	**3,618**	**3,684**
10 percent decrease in EURO exchange rate	**(66)**	**(3,618)**	**(3,684)**
2009			
10 percent increase in US Dollar exchange rate	15,518	–	15,518
10 percent decrease in US Dollar exchange rate	(15,518)	–	(15,518)
10 percent increase in Australian Dollar exchange rate	3,308	–	3,308
10 percent decrease in Australian Dollar exchange rate	(3,308)	–	(3,308)
10 percent increase in EURO exchange rate	1,193	3,039	4,232
10 percent decrease in EURO exchange rate	(1,193)	(3,039)	(4,232)

(iii) Price risk

The Group is exposed to fixed income instruments and equity securities price risk arising from investments held by the Group and classified on the consolidated balance sheet as Available-for-sale financial assets and Held-for-trading investments. To manage its price risk arising from investments in fixed income instruments and equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the investment policies and related guidelines that specify the nature and maximum extent of funds to be invested. These parameters are monitored closely and market variations regularly reported to management.

The Group's investments in equity of other entities are publicly traded and these are mainly quoted on the FTSE Bursa Malaysia KLCI ("FBMKLCI"). The table below summarises the impact of an increase/decrease of the FBMKLCI on the Group's profit for the year, equity and on net assets. The analysis is based on a 10% increase or decrease in the FBMKLCI as at the respective financial year ends, with all other variables held constant. It is also based on the assumption that the Group's equity instruments move in accordance with their historical correlation with the FBMKLCI.

Financial risk factors (continued)

(a) Market risk (continued)

(iii) Price risk (continued)

	Impact on profit for the year RM'000	Impact on equity RM'000	Impact on net assets RM'000
2010			
10 percent increase in equity prices	**2,461**	**14,216**	**16,677**
10 percent decrease in equity prices	**(2,461)**	**(14,216)**	**(16,677)**
2009			
10 percent increase in equity prices	541	2,578	3,119
10 percent decrease in equity prices	(541)	(2,578)	(3,119)

The market price of investments in fixed income instruments is affected by market interest rates. The table below summarises the impact of an increase/decrease of the market interest rates on the Group's equity and net assets.

	Impact on equity/ net assets RM'000
2010	
+ 1% shift in yield curve	**(11)**
- 1% shift in yield curve	**12**
2009	
+ 1% shift in yield curve	(551)
- 1% shift in yield curve	1,626

Financial risk factors (continued)

(b) Liquidity and cash flow risk

The Group's holdings of short term financial assets minimises liquidity risk as there are sufficient liquid assets and bank balances to meet the Group's operating and financing requirements for the foreseeable future. Whenever the Group undertakes additional financing, the repayment and maturity profile of the underlying loans are structured after taking into consideration the cash inflows expected to be generated from the related assets or operations and the economic life of the assets or operations being financed.

The undiscounted contractual cash flows payable under financial instruments as at the balance sheet date are as follows:

	Within 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	5 years or more RM'000
As at 31 January 2010				
Trade and other payables	**584,160**	**–**	**–**	**–**
Borrowings	**464,308**	**684,813**	**1,839,548**	**2,164,230**
Amount due to minority interests	**106,714**	**72,484**	**188,129**	**371,737**
Derivative financial instruments	**18,900**	**20,411**	**91,044**	**184,234**
Finance lease liabilities	**3,692**	**3,692**	**8,886**	**10,947**
Security deposit for office rental	**1,258**	**217**	**7,003**	**–**
Deferred sales tax	**–**	**1,399**	**–**	**–**
	1,179,032	**783,016**	**2,134,610**	**2,731,148**
As at 31 January 2009				
Trade and other payables	659,900	283	308	–
Borrowings	732,115	461,724	1,692,501	2,891,960
Amount due to minority interests	73,867	87,854	253,276	549,632
Derivative financial instruments	19,357	25,252	112,960	326,411
Finance lease liabilities	3,644	3,644	10,931	12,285
Security deposit for office rental	817	2,131	5,662	–
Deferred sales tax	9,206	10,613	–	–
	1,498,906	591,501	2,075,638	3,780,288

(c) Credit and counterparty risks

Credit risks arise mainly through the credit period extended to selling agents of Pan Malaysian Pools Sdn Bhd. The risks relating to the selling agents are mitigated by obtaining collateral (i.e. deposits and bank guarantees) as well as the application of strict credit approval, monitoring and enforcement policies. Transactions are also entered into between the Group and the Malaysian, Egyptian and Bangladesh national utility companies. The relevant credit risks are mitigated by the guarantees of the Central Bank of Egypt and the Government of Bangladesh respectively. Counterparty risks arise when deposits are placed with licensed financial institutions. The Group treasury policy seeks to ensure that cash assets are invested safely and profitably by assessing counterparty risks and allocating placement limits for various financial institutions. The Group considers the risk of material loss in the event of non-performance by the above parties to be unlikely.

Financial risk factors (continued)

(c) Credit and counterparty risks (continued)

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Group	2010 RM'000	2009 RM'000
(i) Cash at bank and in hand		
Counterparties with external credit rating (Moody's)		
P1	**12,212**	16,782
Aa3	**–**	1,871
Ba2	**5,420**	3,666
Counterparties with external credit rating (RAM)		
P1	**12,484**	17,628
AAA	**765**	44
AA2	**17**	1,218
AA3	**2**	–
A1	**5**	–
Counterparties with external credit rating (Standard & Poor's)		
AA- to AA+	**781**	130,784
A- to A+	**19,713**	367
Lower than A-	**–**	19,435
BBpi	**329**	4,151
	51,728	195,946
No rating available	**1,323**	2
	53,051	195,948
(ii) Short term deposits		
Counterparties with external credit rating (Moody's)		
P1	**81,590**	74,955
Aa3	**–**	122,143
Counterparties with external credit rating (RAM)		
P1	**182,878**	128,986
AAA	**150,537**	22,576
AA1	**–**	22,803
AA2	**–**	31,281
AA3	**115,446**	157,917
A1	**18,526**	53,293
A2	**4,550**	28,513
Counterparties with external credit rating (Standard & Poor's)		
AA- to AA+	**520,827**	199,785
A- to A+	**405,058**	50,161
Lower than A-	**3,405**	114,495
	1,482,817	1,006,908

Financial risk factors (continued)

(c) Credit and counterparty risks (continued)

Group	2010 RM'000	2009 RM'000
(iii) Marketable securities		
Counterparties without external credit rating		
These investments are not impaired and there are returns in the form of dividends/capital gains	**170,504**	59,407
(iv) Fixed income instruments		
Counterparties with external credit rating (Standard and Poor's)		
BB	**525**	270
(v) Convertible bonds		
Counterparties with external credit rating (RAM)		
P1	**–**	816
(vi) Investments in unit trust		
Counterparties without external credit rating		
Not impaired, constant return	**54,574**	51,795
(vii) Venture funds		
Counterparties without external credit rating		
Group 1	**–**	2,865
Group 2	**–**	762
Group 3	**4,187**	–
	4,187	3,627
(viii) Private equity fund		
Counterparties without external credit rating		
Group 1	**11,002**	6,675

Group 1 – The investment is not impaired and there are significant returns in the form of capital distribution on the investment

Group 2 – The investment is not impaired but there is significant reduction in the market value; and there are reduced returns in the form of capital distribution on the investment

Group 3 – The investment is impaired to its fair value; and there are no significant returns in the form of capital distribution on the investment

Group	2010 RM'000	2009 RM'000
(ix) Derivative financial instruments		
Counterparties without external credit rating		
Group 1	**505**	–

Group 1 – The investment is not impaired and there are significant returns in the form of capital distribution on the investment

Group	2010 RM'000	2009 RM'000
(x) Money market fund		
Counterparties with external credit rating		
Aaa	**4,199**	–

Financial risk factors (continued)

(c) Credit and counterparty risks (continued)

Group	2010 RM'000	2009 RM'000
(xi) Trade receivables		
Counterparties with external credit rating (Moody's)		
Baa1	**227,444**	252,631
Counterparties without external credit rating		
Existing customers with debts due within 7 days	**21,807**	23,059
Existing customers with debts due within 30 days	**60**	90
Satisfactory risk	**118,991**	113,693
Existing customers (more than 6 months) with no previous defaults	**9,613**	4,393
	377,915	393,866

Satisfactory risk – guaranteed by the Central Bank of Egypt and the Government of Bangladesh

	2010 RM'000	2009 RM'000
(xii) Other receivables		
Counterparties without external credit rating		
Group 1	**8,921**	9,232
Group 2	**5,470**	2,013
Group 3	**1,187**	1,654
	15,578	12,899

Group 1 – receivable within 30 days
Group 2 – receivable between 1 to 5 years
Group 3 – receivable 5 years or more

	2010 RM'000	2009 RM'000
Other receivables		
Counterparties without external credit rating		
Satisfactory risk	**75,357**	67,483
Other receivables		
Counterparties without external credit rating		
Group 1	**8,225**	8,894
Group 2	**4,400**	2,069
	12,625	10,963

Group 1 – existing customers (more than 6 months) with no defaults in the past
Group 2 – existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered.

	2010 RM'000	2009 RM'000
Total other receivables	**103,560**	91,345
(xiii) Lease receivables		
Counterparties without external credit rating		
Satisfactory risk	**5,891,263**	6,492,291

1. SEGMENTAL REPORTING

The Group has diversified businesses which are separately managed and operated. The segment disclosures are based on the components that the relevant Management personnel (the "Chief Operating Decision Makers" as defined in IFRS 8) monitor in making financial and operational decisions. These components are identified on the basis of internal reports that Management and the Board reviews regularly in assessing their performance and allocating resources. Tanjong's principal operating and reporting segments comprise Power Generation and Gaming, which includes the Numbers Forecast Totalisator ("NFO") and Racing Totalisator ("RTO") businesses. Although the Property and Leisure (Tropical Islands i.e. "TI" and TGV Cinemas Sdn Bhd i.e. "TGV") segments are below the quantitative thresholds established under IFRS 8, these segments are separately reported as the Board believes that the inclusion of such information will assist users to perform a comprehensive analysis of the Group's performance.

Other activities comprise corporate costs and general administrative overheads.

The Group operations are situated in four main geographical areas: Malaysia, Egypt, Bangladesh and Germany.

Intra-group and inter-segment transactions are generally based on arm's length principles. Group revenue, profit for the year, non-current assets, total assets and total liabilities, depreciation and capital expenditure attributable to activities are shown on pages 90 to 93, analysed by operating segments. Information on revenue and non-current assets is also provided on a geographical basis.

	Power	Gaming		Property	Leisure		Other	
	Generation [1]	NFO [2]	RTO	Investment	TI	TGV	activities	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year ended 31 January 2010								
Revenue								
Total revenue	2,811,719	730,782	(9,351)	74,225	153,987	153,856	–	3,915,218
Inter-segment elimination	–	–	–	(17,107)	–	–	–	(17,107)
External revenue	2,811,719	730,782	(9,351)	57,118	153,987	153,856	–	3,898,111
Results								
Operating profit/(loss)	1,005,901	234,819	(65,831)	70,116	(22,667)	14,827	(10,087)	1,227,078
Net investment income								1,154
Finance costs	(366,790)	–	–	(4,113)	(7,124)	(1,476)	–	(379,503)
Interest income	12,144	2,009	–	350	314	406	1,529	16,752
Share of post tax results from:								
– Joint ventures	80,642	–	–	–	–	–	–	80,642
– Associates	7,129	–	–	–	–	–	–	7,129
	87,771	–	–	–	–	–	–	87,771
Profit before taxation								953,252
Taxation	(137,697)	(60,248)	13,872	(15,532)	–	(4,317)	(791)	(204,713)
Profit after taxation								748,539

1. SEGMENTAL REPORTING (continued)

	Power Generation [1]	Gaming		Property Investment	Leisure		Other activities	Group
		NFO [2]	RTO		TI	TGV		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year ended 31 January 2010								
Other segment items								
Capital expenditure	**8,458**	**8,022**	**2,047**	**381**	**14,345**	**4,605**	**818**	**38,676**
Depreciation charge	**235,130**	**6,155**	**5,095**	**1,441**	**35,882**	**11,369**	**673**	**295,745**
As at 31 January 2010								
Segment assets	**8,635,305**	**58,340**	**72,310**	**683,590**	**393,160**	**101,867**	**8,358**	**9,952,930**
Joint ventures	**312,997**	**–**	**–**	**–**	**7,681**	**–**	**–**	**320,678**
Associates	**37,676**	**–**	**–**	**–**	**–**	**–**	**–**	**37,676**
	350,673	**–**	**–**	**–**	**7,681**	**–**	**–**	**358,354**
Unallocated assets								**1,753,203**
Total assets								**12,064,487**
Segment liabilities	**804,450**	**90,649**	**49,000**	**19,740**	**62,324**	**15,015**	**10,310**	**1,051,488**
Borrowings	**4,776,855**	**–**	**–**	**67,500**	**275,964**	**32,580**	**–**	**5,152,899**
Unallocated liabilities								**1,579,820**
Total liabilities								**7,784,207**
Year ended 31 January 2009								
Revenue								
Total revenue	2,718,372	703,829	10,714	65,310	140,543	67,780	–	3,706,548
Inter-segment elimination	–	–	–	(12,693)	–	–	–	(12,693)
External revenue	2,718,372	703,829	10,714	52,617	140,543	67,780	–	3,693,855
Results								
Operating profit/(loss)	804,387	237,304	(26,875)	142,454	(33,904)	4,535	(8,798)	1,119,103
Net investment income								70,509
Finance costs	(507,084)	–	–	(4,922)	(20,428)	(756)	(801)	(533,991)
Interest income	20,738	4,031	–	612	535	161	7,297	33,374
Share of post tax results from:								
– Joint ventures	48,252	–	–	–	–	2,813	–	51,065
– Associates	8,776	–	–	–	–	–	–	8,776
	57,028	–	–	–	–	2,813	–	59,841
Profit before taxation								748,836
Taxation	(69,869)	(62,740)	5,901	(34,380)	(1,392)	(34,390)	(3,390)	(200,260)
Profit after taxation								548,576

1. SEGMENTAL REPORTING (continued)

	Power Generation [1]	Gaming		Property Investment	Leisure		Other activities	Group
		NFO [2]	RTO		TI	TGV		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year ended 31 January 2009								
Other segment items								
Capital expenditure	70,189	7,032	3,004	1,960	15,341	5,020	405	102,951
Depreciation charge	245,622	6,372	4,757	1,127	35,605	5,677	746	299,906
As at 31 January 2009								
Segment assets	9,650,161	62,411	80,058	662,421	410,384	107,824	19,325	10,992,584
Joint ventures	254,580	–	–	–	6,520	–	–	261,100
Associates	42,034	–	–	–	–	–	–	42,034
	296,614	–	–	–	6,520	–	–	303,134
Unallocated assets								1,157,993
Total assets								12,453,711
Segment liabilities	1,072,009	94,541	48,177	18,670	81,475	16,781	9,616	1,341,269
Borrowings	5,336,285	–	–	82,500	324,218	35,297	–	5,778,300
Unallocated liabilities								1,630,130
Total liabilities								8,749,699

[1] Power Generation revenue is derived from the following major customers:

	2010	2009
	RM'000	RM'000
Tenaga Nasional Berhad	**1,346,019**	1,332,515
Egyptian Electricity Holding Company	**1,121,912**	1,013,267
Bangladesh Power Development Board	**343,788**	372,590
	2,811,719	2,718,372

[2] Gaming transactions have been determined as falling within the scope of IAS 39. Accordingly, NFO revenue is reported net of prize payouts.

	2010	2009
	RM'000	RM'000
NFO gross sales proceeds	**2,052,527**	1,989,532
Less: Prize payouts	**(1,321,745)**	(1,285,703)
	730,782	703,829

1. SEGMENTAL REPORTING (continued)

Segment assets include intangible assets, property, plant and equipment, prepaid lease rental, investment property, lease receivables, inventories, trade and other receivables and operating cash. Segment liabilities include trade and other payables, hedging liability, other non-current liabilities and provisions for liabilities and charges.

Unallocated assets include staff loans, available-for-sale financial assets, derivative financial instruments, held-for-trading investments, short term deposits placed with financial institutions, tax recoverable, tax prepayment and deferred income tax assets. Unallocated liabilities include deferred income tax liabilities and current income tax liabilities.

Group	**2010**			2009		
	Revenue RM'000	**Operating profit/(loss) RM'000**	**Non-current assets RM'000**	Revenue RM'000	Operating profit/(loss) RM'000	Non-current assets RM'000
Malaysia	**2,278,424**	**679,250**	**2,680,942**	2,167,455	576,252	2,895,260
Egypt	**1,121,912**	**478,683**	**3,886**	1,013,267	439,854	3,945
Bangladesh	**343,788**	**78,687**	**14,892**	372,590	134,608	16,001
Federal Republic of Germany	**153,987**	**(22,667)**	**353,981**	140,543	(33,904)	372,666
Others	**–**	**13,125**	**440**	–	2,293	1,774
	3,898,111	**1,227,078**	**3,054,141**	3,693,855	1,119,103	3,289,646

Segment revenue from external customers is based on the country in which the customer is located whereas the total carrying amount of non-current assets is allocated based on the location of the assets.

2. OTHER INCOME

Group	**Note**	**2010 RM'000**	2009 RM'000
Net gain on fair value adjustments on Menara Maxis	12	**22,000**	99,661
Recognition of government grants	22(b)	**18,496**	17,699
Warranty claims received		**9,939**	1,238
Miscellaneous income		**27,382**	18,927
		77,817	137,525

3. OPERATING COSTS

Group

	Note	2010 RM'000	2009 RM'000
Analysis of operating costs by function:			
Cost of sales	35	**2,426,384**	2,349,125
Administrative expenses	35	**161,491**	242,760
Distribution costs		**86,088**	73,227
Other operating expenses	35	**74,887**	47,165
		2,748,850	2,712,277
Analysis of operating costs by nature:			
Fuel and gas cost		**1,357,680**	1,281,510
Depreciation	10	**295,745**	299,906
Gaming tax and betting & sweepstake duties		**277,502**	268,985
Staff costs	3(a)	**167,188**	157,771
Commissions and royalties		**111,034**	105,580
Maintenance of property, plant and equipment		**60,993**	47,536
Utilities		**49,071**	36,876
Film hire		**46,472**	20,108
Advertising & marketing expenses		**34,771**	29,062
Cost of food & beverage sold		**27,651**	20,005
Power plant insurance		**25,180**	26,516
Cinema entertainment duty		**24,271**	10,560
Rental of cinema premises		**19,957**	10,127
Consultancy services		**18,000**	18,000
Raw material, parts & consumables		**17,884**	40,414
Contribution from designated NFO draws		**17,778**	10,762
Telecommunication expenses		**14,548**	11,716
Provision for staff costs		**13,935**	8,115
Business and corporate development costs		**3,710**	51,394
Payment in lieu of windfall profit levy		**–**	85,026
Contribution to non-EU political organisation		**–**	10,000
Other operating costs		**165,480**	162,308
		2,748,850	2,712,277

3. OPERATING COSTS (continued)

Auditors' remuneration

PricewaterhouseCoopers LLP ("PwC") are the Group's external auditors for the financial year under review and are subject to re-appointment at the AGM. The aggregate fees for professional services rendered by PwC and network firms are detailed below:

Group

	Note	2010 RM'000	2009 RM'000
Audit of the parent company and consolidated financial statements		**842**	883
Fees payable for other services:			
– audit of subsidiary companies pursuant to legislation		**1,990**	2,110
– due diligence services for acquisitions		**–**	2,153
– tax compliance and advisory services		**824**	469
– all other assurance services	(i)	**315**	34
		3,971	5,649
Other auditors		**66**	51

(i) Other assurance services relate mainly to attestation services and agreed upon procedures.

(a) Staff costs

Group

	2010 RM'000	2009 RM'000
(i) The staff costs incurred during the year were as follows:		
Wages and salaries	**149,211**	141,308
Social security costs	**10,623**	9,611
Contributions to defined contribution plans	**7,354**	6,852
	167,188	157,771
(ii) The average monthly number of persons employed by the Group during the year was as follows:		
Management	**146**	144
Operations	**1,097**	1,107
Administration	**417**	406
	1,660	1,657
Part-time staff	**868**	827
	2,528	2,484
The staff were employed in the following countries:		
Malaysia	**1,630**	1,582
Federal Republic of Germany	**504**	489
Egypt	**277**	293
Bangladesh	**117**	120
	2,528	2,484

The Company has one employee, its Executive Director, whose remuneration details are disclosed in the Directors' Remuneration Report.

4. NET INVESTMENT INCOME

Group

	Note	**2010 RM'000**	2009 RM'000
Dividends from investments:			
Quoted in Malaysia		**3,369**	1,255
Quoted outside Malaysia		**1,006**	3,907
Gain/(loss) on disposal of investments:			
In Malaysia		**275**	(799)
Outside Malaysia	(a)	**1,219**	62,906
Net gain/(loss) from change in fair value of financial assets		**2,327**	(2,317)
Impairment of available-for-sale and held-for-trading financial assets		**(6,247)**	–
Net foreign exchange (loss)/gain		**(795)**	5,557
		1,154	70,509

(a) Comparative disclosure includes RM61,973,278 of net investment gains arising from the disposal of the Group's interest in broadcasting assets in the United Kingdom on 26 March 2008.

5. FINANCE COSTS

Group

	Note	**2010 RM'000**	2009 RM'000
Interest expense:			
Borrowings		**236,574**	290,475
Others:			
Amortised fair value of advance from minority interest	(a)	**25,881**	33,044
Unwinding of discounts		**4,344**	5,002
Fair value on financial instruments transferred from equity – cash flow hedges		**112,704**	64,217
Debt refinancing costs	(b)	**–**	141,253
		379,503	533,991

(a) Relates to amortisation of fair value arising from advances from minority interest over the period of the advance. Please refer to Note 26 (a).

(b) These costs were incurred by the Group in the previous financial year in conjunction with debt refinancing of its two Egyptian power subsidiaries. This arrangement should result in lower borrowing costs yielding a financial benefit (net of refinancing costs) to the Group. The debt refinancing costs have been expensed in previous financial year in accordance with IAS 39 – Financial Instruments : Recognition and Measurement.

6. TAXATION

Group

	2010 RM'000	2009 RM'000
Malaysian taxation		
Income tax – current year		
Parent company	**127**	–
Subsidiary companies	**163,949**	146,291
	164,076	146,291
Income tax – prior years		
Parent company	**–**	2,164
Subsidiary companies	**(4,236)**	(1,693)
	(4,236)	471
Deferred taxation		
Subsidiary companies	**13,775**	25,405
	173,615	172,167
Non-Malaysian taxation		
Subsidiary companies		
Income tax – current year	**24,480**	24,618
Income tax – prior years	**(3,559)**	–
Deferred taxation	**10,177**	3,475
	204,713	200,260

Group

	2010 %	2009 %
The reconciliation between the Malaysian tax rate and the effective tax rate is as follows:		
Malaysian tax rate *	**25.0**	25.0
Tax effect of:		
– Expenses not deductible for tax purposes	**7.2**	3.9
– Subsidiaries' current year's losses not available for set-off at Group level	**2.7**	3.3
– Income not subject to tax	**(11.4)**	(4.1)
– Overprovision in respect of prior years	**(0.8)**	(0.5)
– Others	**(1.2)**	(0.9)
Effective tax rate	**21.5**	26.7

* The Malaysian tax rate was at 25% during the financial year (FY2009: 25%).

Subject to agreement by the tax authorities, the amount of unutilised tax losses of subsidiary companies available for set-off against the future income chargeable to tax of the respective subsidiary companies amounted to **RM66,374,152** (2009: RM70,635,178) for which no deferred income tax asset is recognised in the balance sheet. The aforementioned sum relates to the Malaysian subsidiary companies and the carry forward of such losses is subject to meeting certain conditions under the Income Tax Act 1967 and the policy and guidelines issued by the Ministry of Finance, Malaysia.

7. EARNINGS AND NET TANGIBLE ASSETS PER SHARE

Group

	2010	2009
(i) The basic and diluted Earnings Per Share ("EPS") is computed as follows:		
Profit attributable to Tanjong's Shareholders (in RM'000)	**676,773**	463,769
Weighted average number of ordinary shares	**403,256,136**	403,256,136
Basic/Diluted EPS* (sen)	**167.8**	115.0
(ii) The Net Tangible Assets ("NTA") per share is computed as follows:		
Total shareholders' equity (in RM'000)	**3,814,593**	3,281,047
Less: Intangible assets (in RM'000)	**(71,969)**	(71,969)
NTA (in RM'000)	**3,742,624**	3,209,078
Number of ordinary shares	**403,256,136**	403,256,136
NTA per share (in sen)	**928**	796

* Basic and diluted EPS are the same as there were no share options outstanding in both periods.

8. DIVIDENDS

Company

	2010 **RM'000**	2009 RM'000
First interim dividend of 2010: **17.5 sen gross** (2009: 17.5 sen gross) per share less Malaysian income tax paid on 3 August 2009	**52,927**	52,927
Second interim dividend of 2010: **17.5 sen gross** (2009: 17.5 sen gross) per share less Malaysian income tax paid on 5 November 2009	**52,927**	52,927
Third interim dividend of 2010: **17.5 sen gross** (2009: 17.5 sen gross) per share less Malaysian income tax paid on 15 January 2010	**52,927**	52,927
Fourth interim dividend of 2009: **17.5 sen gross** (2008: 14 sen gross) per share less Malaysian income tax paid on 5 May 2009	**52,927**	42,343
Final interim dividend of 2009: **20 sen gross** (2008: 34 sen gross) per share less Malaysian income tax paid on 14 August 2009	**60,490**	102,830
	272,198	303,954

The Directors declared a fourth interim dividend in respect of the financial year ended 31 January 2010 of 17.5 sen gross per share less Malaysian income tax totalling RM52,927,368 to shareholders on record as at 16 April 2010. The fourth interim dividend was paid on 30 April 2010.

In addition, the Directors have also proposed a final dividend in respect of the financial year ended 31 January 2010 of 30 sen gross per share less Malaysian income tax amounting to RM90,732,631. It will be paid on 13 August 2010 to shareholders on the record of the Company at the close of business on 30 July 2010 subject to the approval of the shareholders at the forthcoming AGM.

9. INTANGIBLE ASSETS

Group	Premiums RM'000 (a)	Goodwill RM'000 (b)	Total RM'000
At cost			
At 1 February 2008	88,569	–	**88,569**
Arising from acquisition of a subsidiary in 2009	–	22,839	**22,839**
At 31 January 2009/2010	88,569	22,839	**111,408**
Accumulated amortisation			
At 31 January 2009/2010	39,439	–	**39,439**
Net book amount			
At 31 January 2009/2010	49,130	22,839	**71,969**

(a) Premiums

The premiums which are recorded by a subsidiary consist of the following:

(i) RM21,250,000 relating to the acquisition of the sole and exclusive rights to NFO outlets on 1 February 1990; and

(ii) RM67,319,000 relating to the acquisition of the rights to the RTO business on 24 July 1992.

There is no limitation to the period of the aforementioned rights and hence the above premiums have indefinite useful lives.

An annual impairment review has been carried out on these premiums in accordance with IAS 36 – "Impairment of Assets" and IAS 38 – "Intangible Assets".

The recoverable amount of these premiums is determined based on value-in-use calculations. These calculations use cash flow projections based on financial forecasts covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate stated below.

Key assumptions used for value-in-use calculations:

	2010	2009
Growth rate	**1%**	5%
Discount rate*	**11%**	10.6%

*pre-tax discount rate applied to the cash flow projections

Based on the impairment test carried out, the premiums were not impaired.

(b) Goodwill

Goodwill represents the excess of cost of acquisition over the fair value of the net assets of TGV Cinemas Sdn Bhd ("TGV") for the remaining 50% of TGV which was acquired on 31 July 2008. TGV has been identified as a cash generating unit ("CGU") for impairment testing purposes.

The recoverable amount of TGV is determined from the value-in-use calculations using pre-tax cash flow projections based on financial plans covering a 5-year period. They reflect management's estimates of revenue, EBITDA and operating cash flows based on past experience and future expectations. Cash flows beyond the 5-year period are extrapolated using the estimated growth rate, which is below the average long term growth rate of the film exhibition industry.

9. INTANGIBLE ASSETS (continued)

(b) Goodwill (continued)

Key assumptions used in determining the value-in-use are:

	2010	2009
Discount rate [1]	**9.00%**	9.72%
Growth rate (after 5th year) [2]	**2%**	2%

[1] Based on TGV's weighted average cost of capital

[2] Based on TGV's historical growth rate adjusted to reflect Consumer Price Index changes

Sensitivity analysis

TGV's value-in-use exceeds the carrying value by approximately RM274 million and, based on the sensitivity analysis performed (as set out below), there are no reasonably possible changes in the preceding assumptions which could cause TGV's recoverable amount to fall below the carrying value:

- Discount rate to increase to 24% or more
- Growth rate to reduce by 47% or more
- Projected operating cash flow to reduce by 70% or more

10. PROPERTY, PLANT AND EQUIPMENT

Group

Cost	At 1 February 2009 RM'000	Additions/ Acquisitions RM'000	Transfers RM'000	Disposals RM'000	Exchange Differences RM'000	At 31 January 2010 RM'000
Freehold land	19,412	6,662	–	–	(281)	**25,793**
Buildings	141,518	799	–	–	1,226	**143,543**
Land and buildings	160,930	7,461	–	–	945	**169,336**
Plant and machinery	3,876,717	5,600	(93,199)	(1,811)	4,586	**3,791,893**
Fixtures, fittings and equipment	260,471	16,473	5,566	(3,218)	(917)	**278,375**
Leasehold improvements	96,563	–	(181)	–	–	**96,382**
Vehicles	20,151	3,380	–	(943)	(373)	**22,215**
Assets under construction	586	6,230	(649)	–	–	**6,167**
Total	4,415,418	39,144	(88,463)	(5,972)	4,241	**4,364,368**

10. PROPERTY, PLANT AND EQUIPMENT (continued)

Group

Accumulated Depreciation	At 1 February 2009 RM'000	Charge for the year RM'000	Transfers RM'000	Disposals RM'000	Exchange Differences RM'000	At 31 January 2010 RM'000
Buildings	31,175	8,425	–	–	118	**39,718**
Plant and machinery	1,626,076	250,952	(88,327)	(664)	741	**1,788,778**
Fixtures, fittings and equipment	165,942	26,952	2,613	(2,556)	(1,022)	**191,929**
Leasehold improvements	32,582	6,892	–	–	–	**39,474**
Vehicles	13,898	2,524	–	(903)	(268)	**15,251**
Total	1,869,673	295,745	(85,714)	(4,123)	(431)	**2,075,150**

Cost	At 1 February 2008 RM'000	Additions/ Acquisitions RM'000	Transfers RM'000	Disposals RM'000	Exchange Differences RM'000	At 31 January 2009 RM'000
Freehold land	17,464	–	2,142	–	(194)	19,412
Buildings	130,299	4,651	6,271	74	223	141,518
Land and buildings	147,763	4,651	8,413	74	29	160,930
Plant and machinery	3,850,364	70,483	(42,844)	(1,501)	215	3,876,717
Fixtures, fittings and equipment	187,570	75,497	(1,402)	(2,398)	1,204	260,471
Vehicles	19,282	2,867	(839)	(1,839)	680	20,151
Assets under construction	994	6,766	(7,174)	–	–	586
Leasehold improvements	–	91,627	4,967	(31)	–	96,563
Total	4,205,973	251,891	(38,879)	(5,695)	2,128	4,415,418

Accumulated Depreciation	At 1 February 2008 RM'000	Charge for the year RM'000	Acquisitions RM'000	Transfers RM'000	Disposals RM'000	Exchange Differences RM'000	At 31 January 2009 RM'000
Buildings	22,086	8,492	–	729	5	(137)	31,175
Plant and machinery	1,413,093	262,665	–	(47,887)	(1,038)	(757)	1,626,076
Fixtures, fittings and equipment	123,584	22,627	24,718	(5,117)	(1,528)	1,658	165,942
Vehicles	12,985	2,727	–	(494)	(1,791)	471	13,898
Leasehold improvements	–	3,395	29,202	–	(15)	–	32,582
Total	1,571,748	299,906	53,920	(52,769)	(4,367)	1,235	1,869,673

10. PROPERTY, PLANT AND EQUIPMENT (continued)

Group

Net Book Value	At 31 January 2010 RM'000	At 31 January 2009 RM'000
Freehold land	**25,793**	19,412
Buildings	**103,825**	110,343
Land and buildings	**129,618**	129,755
Plant and machinery	**2,003,115**	2,250,641
Fixtures, fittings and equipment	**86,446**	94,529
Leasehold improvements	**56,908**	63,981
Vehicles	**6,964**	6,253
Assets under construction	**6,167**	586
Total	**2,289,218**	2,545,745

Assets capitalised and held under finance leases included in plant and machinery are:

	2010 RM'000	2009 RM'000
Cost	**21,519**	21,236
Accumulated depreciation	**(8,274)**	(6,124)
Net book value	**13,245**	15,112

Assets held under operating leases where Tanjong Group is the lessor:

	2010 RM'000	2009 RM'000
Cost	**3,454,733**	3,540,193
Accumulated depreciation	**(1,683,539)**	(1,541,758)
Net book value	**1,771,194**	1,998,435

The depreciation charge for the year relating to these assets was **RM227,683,137** (2009: RM238,491,631).

11. PREPAID LEASE RENTAL

Group

	2010 RM'000	2009 RM'000
Cost		
At 1 February	**29,138**	27,966
Additions	**412**	417
Exchange difference	**(422)**	755
At 31 January	**29,128**	29,138
Accumulated Amortisation		
At 1 February	**6,300**	5,290
Amortisation	**1,046**	1,007
Exchange difference	**(27)**	3
At 31 January	**7,319**	6,300
Carrying Amount	**21,809**	22,838
Analysed between:		
Non-current	**20,954**	21,932
Current	**855**	906
	21,809	22,838

The prepaid lease consists mainly of owner occupied leasehold land in:

(i) Malaysia amounting to RM15.3 million. The term of the lease range from 89 to 99 years; and

(ii) Bangladesh amounting to RM6.5 million. The term of the lease is 27 years.

12. INVESTMENT PROPERTY

Group

	2010 RM'000	2009 RM'000
At 1 February	**650,000**	550,339
Net gain from fair value adjustments	**22,000**	99,661
At 31 January	**672,000**	650,000

The property is principally held for investment purposes and not for consumption within the business. As such, no depreciation is charged in accordance with IAS 40 – "Investment Property".

The investment property at Menara Maxis was revalued on 31 January 2010 by Messrs Jones Lang Wootton, a Registered Valuer, using the open market existing use basis, to reflect its fair value of RM672 million. The Directors are satisfied, based on the findings, that the year end carrying value of Menara Maxis at RM672 million is appropriate.

The property has been pledged as collateral for the Islamic financing facility referred to in Note 23 (i).

Investment property rental income and direct operating expenses for the year are as follows:

	2010 RM'000	2009 RM'000
Rental income (gross)	**74,225**	65,310
Direct operating expenses	**24,706**	20,135

13. INVESTMENTS IN JOINT VENTURES, ASSOCIATES AND SUBSIDIARY COMPANIES

Group

	Note	2010 RM'000	2009 RM'000
Investments in joint ventures	(a)	320,678	261,100
Investments in associates	(b)	37,676	42,034
Investments in joint ventures and associates		358,354	303,134

(a) Investments in joint ventures

	Note	2010 RM'000	2009 RM'000
At 1 February			
– Net assets		257,644	183,445
– Advances		3,456	14,521
		261,100	197,966
Share of post-tax results for the year		80,642	51,065
Share of exchange reserve		(8,246)	(31,405)
Share of hedging reserve		56,878	(113,323)
Exchange differences		(14,500)	51,992
Repayment from joint ventures		(212)	(230)
Dividends received		(54,984)	(39,043)
Investment made during the year	(i)	–	172,240
Transfer to cost of investment in a subsidiary	(ii)	–	(17,327)
Transfer to intercompany advances	(ii)	–	(10,835)
		320,678	261,100
At 31 January			
– Net assets		317,434	257,644
– Advances		3,244	3,456
		320,678	261,100

(i) Relates to investment by Asia Gulf Power Holding Company Limited in Taweelah B Independent Water & Power Project in Abu Dhabi, UAE.

(ii) Relates to the acquisition of the remaining 50% equity interest in TGV on 31 July 2008.

13. INVESTMENTS IN JOINT VENTURES, ASSOCIATES AND SUBSIDIARY COMPANIES (continued)

Group

(a) Investments in joint ventures (continued)

In relation to the Group's interests in joint ventures, the assets, liabilities, income and expenses are shown below:

	2010 RM'000	2009 RM'000
Current assets	**126,424**	121,770
Long term assets	**274,340**	250,559
Current liabilities	**(27,826)**	(46,365)
Long term liabilities	**(52,260)**	(64,864)
	320,678	261,100
Income	**217,140**	253,888
Expenses	**(136,498)**	(201,749)
	80,642	52,139
Taxation	**–**	(1,074)
Share of post-tax results from joint ventures	**80,642**	51,065

The joint ventures have no significant contingent liabilities to which the Group is exposed, nor has the Group any significant contingent liability in relation to its interest in the joint ventures other than as set out in Note 32 (c).

The share of capital commitments relating to joint ventures is disclosed in Note 32 (a).

(b) Investments in associates

	2010 RM'000	2009 RM'000
At 1 February	**42,034**	36,468
Share of post-tax results from associates	**7,129**	8,776
Share of exchange reserve of associates	**(281)**	(1,942)
Dividend received	**(8,770)**	(5,549)
Exchange differences	**(2,436)**	4,104
Fair value adjustments	**–**	177
At 31 January	**37,676**	42,034

13. INVESTMENTS IN JOINT VENTURES, ASSOCIATES AND SUBSIDIARY COMPANIES (continued)

Group

(b) Investments in associates (continued)

In relation to the Group's interests in associates, the assets, liabilities, income and expenses are shown below:

	2010 RM'000	2009 RM'000
Current assets	**14,983**	17,249
Long term assets	**30,305**	32,935
Current liabilities	**(7,544)**	(8,093)
Long term liabilities	**(68)**	(57)
	37,676	42,034
Income	**33,951**	55,720
Expenses	**(26,822)**	(46,944)
	7,129	8,776
Taxation	**–**	–
Share of post-tax results from associates	**7,129**	8,776

The associates have no significant contingent liabilities to which the Group is exposed, nor has the Group any significant contingent liability in relation to its interest in the associates.

Company

(a) Investments in subsidiary companies

	Note	2010 RM'000	2009 RM'000
At 1 February – investment cost		**1,661,378**	121,368
Non-cumulative redeemable convertible preference shares			
– Investment	(i)	**96,500**	1,539,760
– Redemption		**(279,380)**	–
Subscription of new shares in a subsidiary		**–**	250
At 31 January		**1,478,498**	1,661,378

(i) The salient terms of the Non-Cumulative Redeemable Convertible Preference Shares ("NCRCPS") are summarised below:

- The NCRCPS were issued at a nominal value of RM0.01 and a premium of RM9,999.99 for every NCRCPS.
- Preferential non-cumulative dividends are receivable at a rate to be mutually agreed and are receivable on a date determined by the issuer subject to available profits and rank for payment of all unpaid preferential dividends in priority to the holders of other classes of shares convertible to ordinary shares at the option of the issuer.
- NCRCPS are redeemable at the option of the issuer out of profits or out of proceeds of a fresh issue of shares on a date to be determined by the issuer.
- At the option of the issuer, the whole or any part of the NCRCPS may be converted into fully paid ordinary shares at a rate and date determined by the issuer or mutually agreed upon.

(b) Advances to/(repayment from) subsidiary companies

	2010 RM'000	2009 RM'000
At 1 February	**(217,916)**	1,512,142
Net advances to/(repayment from) subsidiaries	**423,748**	(203,728)
Conversion to NCRCPS	**(96,500)**	(1,539,760)
Exchange differences	**(14,052)**	13,430
At 31 January	**95,280**	(217,916)

14. DEFERRED INCOME TAX

The movement on the deferred income tax account is as shown below:

	Provisions RM'000	Tax losses RM'000	Tax credits RM'000	Others RM'000	Total RM'000
Deferred income tax assets					
At 1 February 2008	(3,059)	44,073	237,417	(392)	278,039
Credited/(charged) to income statement	9,600	(44,012)	–	–	(34,412)
Exchange differences	2,956	(61)	–	–	2,895
At 31 January 2009	**9,497**	**–**	**237,417**	**(392)**	**246,522**
Charged to income statement	**14,833**	**–**	**(61,461)**	**–**	**(46,628)**
Exchange differences	**(382)**	**–**	**–**	**–**	**(382)**
At 31 January 2010	**23,948**	**–**	**175,956**	**(392)**	**199,512**

	Accelerated tax depreciation RM'000	Fair value gains RM'000	Fair value on lease receivables RM'000	Others RM'000	Total RM'000
Deferred income tax liabilities					
At 1 February 2008	748,479	189,499	107,459	3,197	1,048,634
Reclassifications	(255,376)	(140,621)	384,784	11,213	–
Charged/(credited) to income statement	210	24,766	–	(30,508)	(5,532)
Arising from subsidiary acquired	7,248	–	–	–	7,248
Arising from an acquired subsidiary in previous year	–	–	(45,301)	–	(45,301)
Exchange differences	–	–	55,710	54	55,764
At 31 January 2009	**500,561**	**73,644**	**502,652**	**(16,044)**	**1,060,813**
(Credited)/charged to income statement	**(57,900)**	**5,500**	**10,452**	**19,272**	**(22,676)**
Exchange differences	**–**	**–**	**(31,129)**	**(42)**	**(31,171)**
At 31 January 2010	**442,661**	**79,144**	**481,975**	**3,186**	**1,006,966**

The reclassifications within deferred income tax liability balances are undertaken to appropriately reflect the category of temporary differences.

Deferred income tax assets and liabilities presented on the balance sheet are as follows:

	2010 RM'000	2009 RM'000
Deferred income tax assets (before offsetting)	**199,512**	246,522
Offsetting	**(199,512)**	(246,492)
Deferred income tax assets (after offsetting)	**–**	30

	2010 RM'000	2009 RM'000
Deferred income tax liabilities (before offsetting)	**1,006,966**	1,060,813
Offsetting	**(199,512)**	(246,492)
Deferred income tax liabilities (after offsetting)	**807,454**	814,321

14. DEFERRED INCOME TAX (continued)

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries, joint ventures and associates. As earnings derived from sources outside Malaysia are exempt from income tax, no tax is expected to be payable on such earnings upon remittance into Malaysia.

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Group

	Note	**2010 RM'000**	2009 RM'000
At 1 February		**117,071**	380,242
Additions		**104,687**	6,766
Disposals		**(36,312)**	(230,998)
Net valuation gains/(loss) taken to equity		**50,220**	(40,297)
Exchange differences		**(451)**	1,358
At 31 January		**235,215**	117,071
Analysed between:			
Non-current		**231,028**	116,255
Current		**4,187**	816
		235,215	117,071
Available-for-sale financial assets comprise the following:			
Quoted equity securities:			
– in Malaysia		**91,012**	4,721
– outside Malaysia		**69,716**	49,167
Investments in unit trusts		**54,574**	51,795
Unquoted investments:			
Private equity fund		**11,002**	6,675
Venture funds	(a)	**4,187**	3,627
Money market fund		**4,199**	–
Fixed income instruments		**525**	270
Convertible bonds		–	816
		235,215	117,071

(a) This represents minority equity interests held in limited liability partnerships, which were formed to generate capital gains primarily from venture capital investments in early stage companies. These partnerships have tenures of 10 years with expiration periods ranging from 30 June 2010 to 31 December 2010.

16. LEASE RECEIVABLES

Group

	2010 RM'000	2009 RM'000
Gross investment – minimum lease receivables		
Within 1 year	**1,021,974**	1,056,322
Between 1 and 5 years	**3,621,743**	3,859,270
5 years or more	**6,687,847**	8,056,994
	11,331,564	12,972,586
Less: Future finance lease income	**(5,440,301)**	(6,480,295)
Present value of minimum lease payments	**5,891,263**	6,492,291
Representing the present value of minimum lease payments		
Within 1 year	**424,748**	353,410
Between 1 and 5 years	**1,493,203**	1,455,201
5 years or more	**3,973,312**	4,683,680
	5,891,263	6,492,291
Analysed between:		
Non-current	**5,466,515**	6,138,881
Current	**424,748**	353,410
	5,891,263	6,492,291

The PPAs governing the Group's foreign power operations transfer substantially all the risks and rewards incidental to the ownership of the plant to the off-taker, who is effectively the lessee. As such, the aforementioned arrangement, which is deemed to contain a lease element, is required to be accounted for in accordance with IAS 17 – "Leases" as a finance lease.

Accordingly, the present value of the minimum lease payments, which is the contracted capacity payment due from the off-takers, is classified as finance lease receivables in the Balance Sheet. The recognition of finance lease income will be based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the finance lease.

These receivables, which do not have external credit ratings, are guaranteed by the Central Bank of Egypt and the Government of Bangladesh.

The fair value of the lease receivables is the carrying value and the effective interest rate is between 5% to 12%.

17. INVENTORIES

Group

	2010	2009
	RM'000	RM'000
Cost		
Spares and consumables	**362,037**	368,552
Fuel	**72,686**	124,547
Merchandise	**3,455**	4,220
Food and beverage	**2,906**	2,997
Others	**238**	222
	441,322	500,538
Fair value		
Trading livestock	**7,483**	10,600
	448,805	511,138

18. TRADE AND OTHER RECEIVABLES

	Group		**Company**	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Trade receivables	**402,564**	423,598	**–**	–
Less: allowance for impairment of trade receivables	**(312)**	(330)	**–**	–
Trade receivables – net	**402,252**	423,268	**–**	–
Other receivables	**90,403**	73,418	**622**	57
Prepayments	**26,288**	16,507	**72**	41
Taxation recoverable	**10,762**	17,927	**678**	678
	529,705	531,120	**1,372**	776

As at 31 January 2010, **RM24,337,362** (2009: RM29,402,311) of trade receivables were past due but not impaired as the Group is of the view that these amounts are recoverable. These relate to a number of external parties where there is no expectation of default.

Group

		2010	2009
	Note	**RM'000**	RM'000
Less than 30 days past due		**734**	5,010
Between 30 and 60 days past due		**830**	492
Between 61 and 90 days past due		**36**	39
Between 91 days and 1 year past due		**–**	198
More than 1 year past due	(a)	**22,737**	23,663
		24,337	29,402

(a) This relates primarily to the amount withheld by a customer pending the satisfactory resolution of certain matters with that customer.

18. TRADE AND OTHER RECEIVABLES (continued)

Movement of the Group's allowance for impairment of trade receivables are as follows:

Group

	2010 RM'000	2009 RM'000
At 1 February	**330**	292
Amounts written-off	**(52)**	(17)
Charged to income statement	**34**	55
At 31 January	**312**	330

19. HELD-FOR-TRADING INVESTMENTS

Group

	2010 RM'000	2009 RM'000
At 1 February	**5,519**	10,234
Additions	**4,325**	4,229
Disposals	**(1,890)**	(6,627)
Net valuation gains taken to income statement	**1,822**	(2,317)
At 31 January	**9,776**	5,519

Held-for-trading investments comprise equity securities quoted in Malaysia.

20. DERIVATIVE FINANCIAL INSTRUMENT

Group

	2010 RM'000	2009 RM'000
At 1 February	**–**	19
Disposals	**–**	(19)
Valuation gains taken to income statement	**505**	–
At 31 January	**505**	–

This relates to a warrant quoted outside Malaysia, which was received as a distribution-in-specie.

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Cash at bank and in hand	**53,051**	195,948	**124**	87
Short-term deposits in financial institutions*	**1,482,817**	1,006,908	**52,838**	39,388
	1,535,868	1,202,856	**52,962**	39,475

The effective interest rate on short-term deposits was **1.37%** p.a. (2009: 3.27% p.a.) and these deposits have various periods of maturity from overnight to one year.

* Includes **RM153,782,103** (2009: RM111,304,677) placed in finance/debt service reserve accounts to meet the debt servicing requirement of subsidiary companies, and **RM118,601,349** (2009: RM81,744,217) placed in Maintenance Reserve Accounts, which is required pursuant to the PPAs.

22. TRADE AND OTHER PAYABLES

		Group		Company	
		2010	2009	**2010**	2009
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Trade payables		**180,378**	193,156	**–**	–
Other payables	(a)	**91,386**	101,230	**952**	45
Accruals		**295,169**	366,105	**150**	547
Deferred income – Government grants	(b)	**17,013**	16,790	**–**	–
Deferred sales tax		**8,512**	9,206	**–**	–
Short-term finance lease liabilities	(c)	**1,834**	1,976	**–**	–
		594,292	688,463	**1,102**	592

Credit terms granted by vendors generally range from 7 to 30 days.

(a) Other payables consist mainly of balances payable to regulatory authorities i.e. Gaming Tax, Betting & Sweepstake Duties and royalties.

(b) The following government grants were obtained from the Investment Bank of the State Government of Brandenburg ("ILB"), Federal Republic of Germany arising from qualifying capital expenditure incurred by the TI subsidiaries pursuant to the development and construction of the TI Resort in Germany:

(i) first grant amounting to EUR17.3 million (approximately RM79 million then)

(ii) second grant amounting to EUR350,000 (approximately RM1.7 million)

Both grants are recognised in the Income Statement over a period of five years to 31 October 2010 and 28 February 2012 respectively. The non-current portion of the grants amounting to **RM0.7 million** (2009: RM17.2 million) is classified under other non-current liabilities (Note 26) and income for the year amounting to **RM18.5 million** (2009: RM17.7 million) is reflected in the Income Statement (Note 2).

22. TRADE AND OTHER PAYABLES (continued)

(c) TI Group's contracts with Energieversorgung Brand GmbH ("EVB") for the provision of gas, water, electricity and safety-related services to the dome and other buildings of TI Group are classified as a finance lease as these contracts transfer substantially all the risks and rewards incidental to ownership. TI as the purchaser recognises finance leases as assets and liabilities in their balance sheet at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

Group

	Note	**2010 RM'000**	2009 RM'000
Finance lease liabilities – minimum lease payments			
Within 1 year		**3,692**	3,644
Between 1 and 5 years		**12,578**	14,575
5 years or more		**10,947**	12,285
		27,217	30,504
Future finance charges on finance leases		**(10,737)**	(12,406)
Present value of finance lease liabilities		**16,480**	18,098
Analysed between:			
Current		**1,834**	1,976
Non-current	26	**14,646**	16,122
		16,480	18,098

The fair value of the finance lease liabilities is the carrying value and the effective interest rate is 10%.

23. BORROWINGS

Group

	Note	2010 RM'000	2009 RM'000
Secured			
Bank loans			
Asian Development Bank loan ("ADB")	23 (a)	**330,003**	376,148
Transferable loan facilities	23 (b)	**275,964**	324,218
Private debt securities			
Serial bonds	23 (c)	**780,000**	830,000
Islamic debt securities	23 (d)	**130,000**	180,000
Commercial paper	23 (e)	**–**	33,000
Senior loans	23 (f)	**2,772,723**	2,768,513
IDCOL subordinated facility	23 (g)	**200,794**	224,687
International Development Association ("IDA") guaranteed facility	23 (h)	**85,174**	107,084
Islamic financing facility	23 (i)	**67,500**	82,500
Infrastructure Development Company Limited ("IDCOL") senior facility	23 (j)	**46,897**	51,702
Netherlands Development Finance Company ("FMO") subordinated loan	23 (k)	**25,443**	26,746
FMO loan	23 (l)	**22,444**	29,891
Partial Risk Insurance ("PRI") facility	23 (m)	**9,060**	11,392
Unsecured			
Private debt securities			
Term loans – USD	23 (n)	**249,317**	516,122
Redeemable bonds	23 (o)	**125,000**	125,000
Term loans – RM	23 (p)	**32,580**	35,297
Bridging loan	23 (q)	**–**	56,000
		5,152,899	5,778,300

(a) The ADB loan comprises Principal, Complementary and Guaranteed Facility: Tranche A and B. The Principal loan is repayable in 27 semi-annual instalments; the Complementary loan is repayable in 15 semi-annual instalments; the Guaranteed Facility: Tranche A is repayable in 25 semi-annual instalments and Tranche B is repayable in 10 semi-annual instalments. Interest on the ADB loan is payable semi-annually. The average interest rate was **5.19%** p.a. (2009: 6.83% p.a.). This borrowing is secured by way of pledge of shares, 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.

23. BORROWINGS (continued)

(b) The transferable loan facilities consist of:

(i) EUR30 million facility drawn down by Tanjong Entertainment (L) Ltd on 31 March 2006. This loan is repayable in a single payment six years after the first draw down. The average interest rate was **2.03%** p.a. (2009: 5.5% p.a.). This loan is secured by way of a corporate guarantee issued by the Company.

(ii) EUR60 million facility drawn down by Tropical Island Holding GmbH between 22 May 2006 to 15 December 2006. This loan is repayable in 11 equal semi-annual instalments of EUR5,454,545 commencing 12 months after the first draw down. The average interest rate was **2.25%** p.a. (2009: 5.4% p.a.). This loan is secured by the Company undertaking in proportion to its equity interest of 75% in TI, to provide cash flow support which amount is capped at the principal and interest due in any one year only.

(c) Serial bonds of RM830 million nominal value were issued in 2 tranches by Panglima Power Sdn Bhd ("Panglima") at par on 7 March 2003 and 19 March 2003. These debts are secured against a debenture over its assets and properties, a charge over its landed properties, an assignment of its rights, titles, benefits and interest in and under certain insurances and project agreements and an assignment of all amounts standing to the credit of a designated project and finance service reserve account of Panglima. The weighted average interest rate of the bonds was **7.47%** p.a. (2009: 7.42% p.a.) with interest payable semi-annually in arrears. The bonds were issued with tenures ranging from 6.5 to 13 years.

(d) Al-Bai' Bithaman Ajil Islamic Debt Securities ("BaIDS") were issued by Pahlawan Power Sdn Bhd ("Pahlawan") at par on 31 January 2002. These BaIDS are secured by way of an assignment of certain insurances in relation to Pahlawan's properties, assets and business and a charge over its finance service reserve account. The average finance cost was **6.86%** p.a. (2009: 6.80% p.a.) with interest payable semi-annually in arrears. The BaIDS have various maturity periods, ranging from 2 to 10 years.

(e) Commercial paper ("CP") of RM33 million which was issued at a discount by Panglima was fully repaid during the year.

(f) The senior loans consist of:

(i) USD245 million loan drawn down by Sidi Krir Generating Company (Egypt). This loan is repayable in 28 semi-annual instalments commencing April 2008. Interest is payable semi-annually. The average interest rate was **3.40%** p.a. (2009: 4.84% p.a.). This borrowing is secured by Real Estate and Fond de Commerce Mortgage, pledge of shares by a subsidiary, pledge and assignment of certain agreements, receivables and certain accounts and assignment of insurances and reinsurances.

(ii) In March 2008, Port Said East Power SAE (Egypt) and Suez Gulf Power SAE (Egypt) refinanced the working capital facility, senior secured notes and IFC loans with USD598 million senior loans. This loan is repayable over 16 to 26 semi-annual instalments commencing December 2009. Interest is payable semi-annually. The average interest rate was **2.77%** p.a. (2009: 3.93% p.a.). This borrowing is secured by way of pledge of shares in the project companies, Real Estate and Fond de Commerce Mortgage, assignment over certain agreements, insurances, receivables and certain accounts.

(g) The IDCOL subordinated facility is repayable in 31 semi-annual instalments. Interest is payable semi-annually. The average interest rate was **9.07%** p.a. (2009: 9.07% p.a.). The security mentioned in Note 23 (a) also covers the IDCOL subordinated facility.

(h) The IDA guaranteed facility is repayable in 26 semi-annual instalments. Interest is payable semi-annually. The average interest rate was **4.38%** p.a. (2009: 6.25% p.a.). The security mentioned in Note 23 (a) also covers the IDA guaranteed facility.

(i) The Al-Bai' Bithaman Ajil Islamic financing facility ("Facility") is secured by a fixed charge over Impian Klasik Sdn Bhd's freehold land and building and a corporate guarantee issued by the Company. The profit on the Facility was **5.40%** p.a. (2009: 5.40% p.a.) and is repayable over 10 years.

23. BORROWINGS (continued)

(j) The IDCOL senior facility is repayable in 27 semi-annual instalments. Interest is payable semi-annually. The average interest rate was **8.80%** p.a. (2009: 8.80% p.a.). The security mentioned in Note 23 (a) also covers the IDCOL senior facility.

(k) The FMO subordinated loan is repayable in 20 equal semi-annual instalments of USD150,000 and thereafter in 10 equal semi-annual instalments of USD700,000. Interest is payable semi-annually. The average interest rate was **3.38%** p.a. (2009: 4.99% p.a.). The security mentioned in Note 23 (a) also covers the FMO subordinated loan.

(l) The FMO loan is repayable in 20 semi-annual instalments. Interest is payable semi-annually. The average interest rate was **6.13%** p.a. (2009: 8.00% p.a.). The security mentioned in Note 23 (a) also covers the FMO loan.

(m) The PRI facility is repayable in 23 semi-annual instalments. Interest is payable semi-annually. The average interest rate was **5.13%** p.a. (2009: 7.00% p.a.). The security mentioned in Note 23 (a) also covers the PRI facility.

(n) The USD term loans consist of:
  (i) USD53 million term loan drawn down by Pendekar Power (Labuan) Ltd in June 2008. This loan is secured by way of a corporate guarantee issued by Powertek Berhad ("Powertek"). The average interest rate on the loan was **2.05%** p.a. (2009: 3.94% p.a.);
  (ii) USD23 million term loan drawn down by TEHV (L) Ltd in January 2010. This loan is repayable over 3 years. This loan is secured by way of a corporate guarantee issued by Tanjong Energy Holdings Sdn Bhd. The average interest rate on the loan was **1.69%** p.a.; and
  (iii) USD90 million term loan drawn down by TEH Ventures (L) Ltd in November 2007. This loan is secured by way of a corporate guarantee issued by Tanjong Energy Holdings Sdn Bhd. The loan was fully repaid during the year.

(o) Redeemable bonds of nominal value were issued by Powertek at par on 30 August 2001. The weighted average interest rate was **6.80%** p.a. (2009: 6.80% p.a.) with interest payable semi-annually in arrears. The bonds were issued with tenures ranging from 5 to 10 years.

(p) The RM term loans consist of:
  (i) RM36 million facility drawn down by TGV on 28 September 2005. This loan is repayable in 9 semi-annual instalments commencing 13 months from the date of the first drawdown. The average interest rate was **3.58%** p.a. (2009: 4.35% p.a.).
  (ii) RM31.2 million facility drawn down by TGV on 3 September 2008. This loan is repayable in 12 semi-annual instalments commencing 18 months from the date of the first drawdown. The average interest rate was **4.11%** p.a. (2009: 5.04% p.a.).

(q) The bridging loan was fully repaid during the year.

23. BORROWINGS (continued)

The maturity analysis of the Group's borrowings is as follows:

Group

	2010 **RM'000**	2009 RM'000
Maturity of borrowings		
Amount falling due within 1 year	**464,308**	732,115
Between 1 and 2 years	**684,813**	461,724
Between 2 and 5 years	**1,839,548**	1,692,501
5 years or more	**2,164,230**	2,891,960
Amount falling due after more than 1 year	**4,688,591**	5,046,185
	5,152,899	5,778,300

24. HEDGING LIABILITY

Group

	2010 **RM'000**	2009 RM'000
Cash flow hedge analysed between:		
Current	**18,900**	19,357
Non-current	**295,689**	464,623
	314,589	483,980

The Group has entered into interest rate arrangements with counterparty banks to hedge its exposure to interest rate fluctuations. This arrangement mirrors the draw down and repayment schedule of the loans, covering approximately **70%** (2009: 72%) of the outstanding loans to which the derivative instruments relate. The fixed rates vary from **4%** to **9.8%** (2009: 4% to 9.77%) and the floating interest rates are pegged to LIBOR. The fair value of the hedging liabilities totalling **RM314.6 million** (2009: RM484.0 million) represents the difference between the market rate as at year end and the contracted rate at the inception of these instruments. Gains or losses recognised in the hedging reserve in equity (Note 28) on interest rate swap contracts as of 31 January 2010 will be continuously released to the income statement until the repayment of the borrowings (Note 23).

The notional principal amounts of derivative financial instruments outstanding as at year end are as follows:

	2010 **RM'000**	2009 RM'000
Within 1 year	**151,061**	115,483
Between 2 and 5 years	**903,780**	809,311
5 years or more	**1,398,227**	1,788,772
	2,453,068	2,713,566

25. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Group

	Provision for transfer cost (a) RM'000	Provision for claims (b) RM'000	Provision for staff costs (c) RM'000	Total RM'000
At 1 February 2008	91,068	6,223	8,679	105,970
Charged to income statement				
– Additional provisions	–	5,911	8,115	14,026
– Unwinding of discount	3,021	–	364	3,385
Exchange differences	(5,636)	1,158	(2,572)	(7,050)
At 31 January 2009	88,453	13,292	14,586	116,331
Charged to income statement				
– Additional provisions	**–**	**3,797**	**13,935**	**17,732**
– Unwinding of discount	**3,278**	**–**	**584**	**3,862**
Reclassification to trade and other receivables	**–**	**(12,339)**	**–**	**(12,339)**
Incurred during the year	**–**	**(1,286)**	**–**	**(1,286)**
Exchange differences	**(5,168)**	**(762)**	**(961)**	**(6,891)**
At 31 January 2010	**86,563**	**2,702**	**28,144**	**117,409**

	2010 RM'000	2009 RM'000
Analysed between:		
Current	**2,702**	13,292
Non-current	**114,707**	103,039
	117,409	116,331

A brief description of each provision together with estimation of the timing of expenditure is given below:

(a) The provision for transfer cost represents the future value of the appropriate level of inventory items to be transferred at the end of the term of the relevant PPAs which expire between financial year 2022 and 2024. The Group has recognised the provision for transfer cost at fair value representing the net present value of future cash flows required to settle the obligation. The initial net present value of the provision has been capitalised as part of the cost of the power plants.

(b) The provision for claims for movable tax, payroll tax, sales tax, withholding tax and stamp duty is recognised based on management review in consultation with the professional advisors. These claims are payable subject to final determination by the tax authorities.

(c) The provision for staff costs represents contracted employee benefits based on years of service when the stipulated eligible terms and conditions are met. The amount is payable should the eligible employees remain in service until the end of the relevant PPA terms which expire between financial year 2022 and 2024.

26. OTHER NON-CURRENT LIABILITIES

Group

	Note	**2010 RM'000**	2009 RM'000
Amount due to minority interest	(a)	**739,065**	780,589
Deferred income – Government grants	22(b)	**675**	17,150
Deferred sales tax		**1,399**	10,613
Long term finance lease liabilities	(b)	**14,646**	16,122
Security deposits for office rental		**8,478**	8,610
		764,263	833,084

(a) Aljomaih Automotive Company Limited ("Aljomaih") is a 45% shareholder in Pendekar Energy (L) Ltd and Pendekar Energy Ventures (L) Ltd which in turn are 55%-owned subsidiaries of the Company. The sum due to Aljomaih largely represents Aljomaih's share of its purchase consideration in the Globeleq acquisition undertaken in the financial year 2008. The advance is provided interest-free and is repayable on 31 December 2022.

(b) The maturity analysis of long term finance lease liabilities are as follows:

	2010 RM'000	2009 RM'000
Amounts due:		
Between 1 and 2 years	**1,648**	1,810
Between 2 and 5 years	**3,634**	4,254
5 years or more	**9,364**	10,058
	14,646	16,122

27. PAID UP SHARE CAPITAL AND SHARE PREMIUM ACCOUNT

Group/Company	**Number of shares of 7.5 pence each**	**£'000**	**RM'000**
Authorised			
At 1 February 2009 and 31 January 2010	**450,000,000**	**33,750**	**160,390**
Allotted and fully paid			
At 1 February 2009 and 31 January 2010	**403,256,136**	**30,244**	**146,107**
Share premium			
At 1 February 2009 and 31 January 2010			**240,808**

28. OTHER RESERVES

An analysis of the movements in other reserves, which are not distributable, is set out below:

Group

	Fair Value Reserve RM'000	Translation Reserve RM'000	Hedging Reserve RM'000	Legal Reserve[1] RM'000	Total RM'000
At 31 January 2008	117,259	(158,494)	(89,675)	10,498	(120,412)
Available-for-sale financial assets:					
Net valuation loss taken to equity	(40,297)	–	–	–	(40,297)
Net valuation gain transferred to income statement	(60,064)	–	–	–	(60,064)
Exchange differences on:					
Net investments	–	218,563	–	–	218,563
Joint ventures & associates	–	(33,347)	–	–	(33,347)
Cash flow hedges:					
Fair value loss	–	–	(242,820)	–	(242,820)
Transferred to finance costs	–	–	64,217	–	64,217
Share of hedging reserve from jointly controlled entity	–	–	(113,321)	–	(113,321)
Share of movement in reserve for minority interests	–	(21,458)	51,953	–	30,495
Total comprehensive income	(100,361)	163,758	(239,971)	–	(176,574)
Transfer from retained earnings	–	–	–	4,478	4,478
At 31 January 2009	16,898	5,264	(329,646)	14,976	(292,508)
Available-for-sale financial assets:					
Net valuation gain taken to equity	50,220	–	–	–	50,220
Net valuation loss transferred to income statement	4,640	–	–	–	4,640
Exchange differences on:					
Net investments	–	(108,764)	–	–	(108,764)
Joint ventures & associates	–	(8,586)	–	–	(8,586)
Cash flow hedges:					
Fair value gain	–	–	27,516	–	27,516
Transferred to finance costs	–	–	112,704	–	112,704
Share of hedging reserve from jointly controlled entity	–	–	56,878	–	56,878
Share of movement in reserve for minority interests	–	22,035	(28,133)	–	(6,098)
Total comprehensive income	54,860	(95,315)	168,965	–	128,510
Transfer from retained earnings					
– Shareholders	–	–	–	14,325	14,325
– Minority interests	–	–	–	461	461
At 31 January 2010	**71,758**	**(90,051)**	**(160,681)**	**29,762**	**(149,212)**

[1] Represents reserves which need to be set aside pursuant to local statutory requirements.

29. RETAINED EARNINGS

Under the single-tier tax system which came into effect in Malaysia from 1 January 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders. Companies can make an irrevocable election to disregard the Section 108 balance and opt to pay dividends under the single-tier tax system.

The Company did not make an election to disregard the Section 108 balance, and may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013 whichever is earlier. As at 31 January 2010, subject to agreement with the Malaysian Inland Revenue Board, the Company has sufficient Section 108 tax credits and tax exempt income to distribute **RM1,012,084,307** (2009: RM1,096,205,700) and **RM364,525** (2009: RM364,525) of the retained earnings of the Company as franked and exempt dividends respectively.

30. NOTES ON CASH FLOW STATEMENT

	Group		**Company**	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Cash generated from operations				
Profit for the year	**748,539**	548,576	**415,960**	7,346
Adjustments for:				
Finance costs	**379,503**	533,991	**169**	–
Depreciation on property, plant and equipment	**295,745**	299,906	**–**	–
Taxation	**204,713**	200,260	**5,058**	(5,268)
Other items	**27,597**	(31,006)	**–**	–
Provision for other liabilities and charges	**17,732**	14,026	**–**	–
Share of post-tax results from joint ventures and associates	**(87,771)**	(59,841)	**–**	–
Fair value gain on investment property	**(22,000)**	(99,661)	**–**	–
Recognition of government grants	**(18,496)**	(17,699)	**–**	–
Interest income	**(16,752)**	(33,374)	**(722)**	(4,106)
Net investment income	**(1,154)**	(70,509)	**(430,655)**	(7,419)
Changes in working capital				
– Inventories	**18,275**	(93,535)	**–**	–
– Receivables, deposits and prepayments	**210,693**	163,348	**(588)**	21,608
– Payables and accrued expenses	**(99,912)**	82,232	**511**	(1,925)
Cash generated from/(used in) operations	**1,656,712**	1,436,714	**(10,267)**	10,236

31. FINANCIAL INSTRUMENTS

(a) Financial Assets

(i) The fair value profiles of the Group's financial assets are as follows:

	Book value/Fair value	
	2010	2009
	RM'000	RM'000
Lease receivables	**5,891,263**	6,492,291
Short-term deposits	**1,482,817**	1,006,908
Trade and other receivables	**529,705**	531,120
Marketable securities	**170,504**	59,407
Investments in unit trusts	**54,574**	51,795
Cash	**53,051**	195,948
Investments in private equity fund	**11,002**	6,675
Money market fund	**4,199**	–
Venture funds	**4,187**	3,627
Fixed income instruments	**525**	270
Derivative financial instrument	**505**	–
Convertible bonds	**–**	816
	8,202,332	8,348,857

(ii) The interest rate risk and currency profiles of the Group's financial assets at the balance sheet date are as follows:

	2010				2009			
	Fixed rate	**Floating rate**	**No interest rate***	**Total**	Fixed rate	Floating rate	No interest rate*	Total
Currency	**RM'000**	**RM'000**	**RM'000**	**RM'000**	RM'000	RM'000	RM'000	RM'000
RM	**–**	**422,134**	**505,276**	**927,410**	816	358,551	424,983	784,350
USD	**5,891,788**	**1,029,445**	**227,393**	**7,148,626**	6,492,561	750,434	223,032	7,466,027
GBP	**–**	**9,991**	**52**	**10,043**	–	9,177	58	9,235
EURO	**–**	**12,823**	**49,560**	**62,383**	–	15,939	40,003	55,942
AUD	**–**	**9,732**	**3,846**	**13,578**	–	9,056	732	9,788
SGD	**–**	**1,043**	**6**	**1,049**	–	1,030	7	1,037
Peso	**–**	**–**	**31,447**	**31,447**	–	2,660	16,782	19,442
Others	**–**	**743**	**7,053**	**7,796**	–	2,124	912	3,036
	5,891,788	**1,485,911**	**824,633**	**8,202,332**	6,493,377	1,148,971	706,509	8,348,857

* *This comprises cash, marketable securities, convertible bonds, investments in unit trusts, private equity fund, venture funds and trade and other receivables. See Note 31(a)(i).*

The effective weighted average interest rate during the year was **0.9%** p.a. (2009: 3.5% p.a.).

31. FINANCIAL INSTRUMENTS (continued)

(b) Financial Liabilities

(i) The fair values and interest rate risk profile of the Group's financial liabilities which are stated in RM are as follows:

	2010		2009	
	Book value RM'000	**Fair value RM'000**	Book value RM'000	Fair value RM'000
Fixed rate				
Private debt securities				
Serial bonds	**780,000**	**630,053**	830,000	863,928
Islamic debt securities	**130,000**	**125,979**	180,000	189,457
Redeemable bonds	**125,000**	**118,598**	125,000	124,585
	1,035,000	**874,630**	1,135,000	1,177,970
IDCOL subordinated facility	**200,794**	**112,238**	224,687	231,717
Islamic financing facility	**67,500**	**68,519**	82,500	86,195
IDCOL senior facility	**46,897**	**37,466**	51,702	58,435
	1,350,191	**1,092,853**	1,493,889	1,554,317
Floating Rate				
Senior loans	**2,772,723**	**2,772,723**	2,768,513	2,768,513
ADB loan	**330,003**	**330,003**	376,148	376,148
Transferable loan facilities	**275,964**	**275,964**	324,218	324,218
Term loans – USD	**249,317**	**249,317**	516,122	516,122
IDA guaranteed facility	**85,174**	**85,174**	107,084	107,084
Term loans – RM	**32,580**	**32,580**	35,297	35,297
FMO subordinated loan	**25,443**	**25,443**	26,746	26,746
FMO loan	**22,444**	**22,444**	29,891	29,891
Finance lease liabilities	**16,480**	**16,480**	18,098	18,098
PRI facility	**9,060**	**9,060**	11,392	11,392
Bridging loan	**–**	**–**	56,000	56,000
Commercial paper	**–**	**–**	33,000	33,000
	3,819,188	**3,819,188**	4,302,509	4,302,509
	5,169,379	**4,912,041**	5,796,398	5,856,826
No Interest Rate				
Amount due to a minority interest	**739,065**	**739,065**	780,589	749,280
Security deposits for office rental	**8,478**	**7,576**	8,610	7,360
	747,543	**746,641**	789,199	756,640
	5,916,922	**5,658,682**	6,585,597	6,613,466

The fair values of the financial instruments are the amounts at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. It is anticipated therefore that the above financial liabilities will be settled at their book values and not at their fair values.

31. FINANCIAL INSTRUMENTS (continued)

(b) Financial Liabilities (continued)

(ii) The maturity profile of the Group's financial liabilities is as follows:

	2010		2009	
	RM'000	**%**	RM'000	%
Within 1 year	**467,400**	**8**	794,682	12
Between 1 and 2 years	**686,678**	**12**	536,757	8
Between 2 and 5 years	**1,850,184**	**31**	1,907,369	29
5 years or more	**2,912,660**	**49**	3,346,789	51
	5,916,922	**100**	6,585,597	100

The maturity profile of the carrying amount of the Group's financial liabilities at the balance sheet date is as follows:

	Within 1 year RM'000	**Between 1 and 2 years RM'000**	**Between 2 and 5 years RM'000**	**5 years or more RM'000**	**2010 Total RM'000**
Senior loans	**135,191**	**159,270**	**650,093**	**1,828,169**	**2,772,723**
Serial bonds	**100,000**	**110,000**	**480,000**	**90,000**	**780,000**
Transferable loan facilities	**52,565**	**52,565**	**170,834**	**–**	**275,964**
Islamic debt securities	**50,000**	**80,000**	**–**	**–**	**130,000**
Term loans – USD	**32,348**	**32,348**	**184,621**	**–**	**249,317**
ADB loan	**26,321**	**53,050**	**171,519**	**79,113**	**330,003**
IDA guaranteed facility	**15,752**	**15,752**	**47,256**	**6,414**	**85,174**
Islamic financing facility	**15,000**	**15,000**	**37,500**	**–**	**67,500**
IDCOL subordinated facility	**12,843**	**15,795**	**45,899**	**126,257**	**200,794**
Term loans – RM	**11,121**	**11,926**	**9,533**	**–**	**32,580**
FMO loan	**5,716**	**5,716**	**11,012**	**–**	**22,444**
IDCOL senior facility	**4,767**	**6,021**	**20,369**	**15,740**	**46,897**
Finance lease liabilities	**1,834**	**1,648**	**3,634**	**9,364**	**16,480**
PRI facility	**1,676**	**1,676**	**5,027**	**681**	**9,060**
Security deposits for office rental	**1,258**	**217**	**7,003**	**–**	**8,478**
FMO subordinated loan	**1,008**	**694**	**5,884**	**17,857**	**25,443**
Redeemable bonds	**–**	**125,000**	**–**	**–**	**125,000**
Amount due to a minority interest	**–**	**–**	**–**	**739,065**	**739,065**
	467,400	**686,678**	**1,850,184**	**2,912,660**	**5,916,922**

31. FINANCIAL INSTRUMENTS (continued)

(b) Financial Liabilities (continued)

(ii) The maturity profile of the Group's financial liabilities (continued)

	Within 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	5 years or more RM'000	2009 Total RM'000
Term loans – USD	332,304	14,448	169,370	–	516,122
Senior loans	65,885	67,927	339,561	2,295,140	2,768,513
Amount due to a minority interest	59,774	71,092	204,954	444,769	780,589
Bridging loan	56,000	–	–	–	56,000
Transferable loan facilities	51,875	51,875	220,468	–	324,218
Serial bonds	50,000	100,000	470,000	210,000	830,000
Islamic debt securities	50,000	130,000	–	–	180,000
Commercial paper	33,000	–	–	–	33,000
ADB loan	26,233	27,922	175,168	146,825	376,148
IDA guaranteed facility	16,710	16,710	50,128	23,536	107,084
Redeemable bonds	–	–	125,000	–	125,000
Islamic financing facility	15,000	15,000	45,000	7,500	82,500
IDCOL subordinated facility	13,624	13,624	40,874	156,565	224,687
Term loans – RM	7,943	10,250	12,491	4,613	35,297
FMO loan	6,064	6,064	17,763	–	29,891
IDCOL senior facility	4,630	5,057	18,133	23,882	51,702
Finance lease liabilities	1,976	1,810	4,254	10,058	18,098
PRI facility	1,777	1,777	5,333	2,505	11,392
FMO subordinated loan	1,070	1,070	3,210	21,396	26,746
Security deposits for office rental	817	2,131	5,662	–	8,610
	794,682	536,757	1,907,369	3,346,789	6,585,597

(iii) The interest rate risk profile of the Group's fixed rate financial liabilities at the balance sheet date is as follows:

	2010	2009
Weighted average interest rate p.a. (%)	**7.4**	7.2
Weighted average period for which rate is fixed (years)	**6.5**	6.8

The details of fixed and floating rates of financial liabilities are set out in Note 23.

The valuation basis of financial liabilities is explained in the accounting policies relating to financial instruments.

32. COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

	Group	
	2010	2009
	RM'000	RM'000
Authorised and contracted	**32,940**	17,580
Authorised but not contracted	**219,800**	125,665
	252,740	143,245
Analysed as follows:		
Fixtures, fittings and equipment	**95,467**	77,218
Power generating assets	**68,367**	8,671
Construction of cinemas	**61,000**	24,131
Investment commitments	**12,841**	15,527
Others	**15,065**	17,698
	252,740	143,245

	Share of joint ventures	
	2010	2009
	RM'000	RM'000
Authorised and contracted:		
– Property, plant and equipment	**–**	105
Authorised but not contracted: Property, plant and equipment	**2,111**	92

(b) Lease commitments

The future minimum lease payments receivable under the PPAs as at 31 January which are classified as operating leases under IFRSs were as follows:

Group

	2010	2009
	RM'000	RM'000
Within 1 year	**618,028**	617,623
Between 2 and 5 years	**2,479,465**	2,527,352
5 years or more	**2,698,427**	3,148,566
	5,795,920	6,293,541

The PPAs terminate between financial year 2016 and 2024. However, each PPA gives the Group the right to renew, by mutual consent with the off-taker, for 3 additional terms of 5 years each.

(c) Contingencies

As at the balance sheet date, the Group has provided the following guarantees and indemnities in favour of:

(i) 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 RM42.79 million); and

(ii) a financial institution and ILB amounting to EUR20.42 million (an equivalent of RM98.2 million) in respect of the government subsidies awarded to TI.

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 23 (b) and (i).

33. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

The active subsidiary, joint venture and associated companies of the Group, all of which have been included in the consolidated financial statements, are shown below. The percentage holding and voting rights for the financial years ended 31 January 2010 and 2009 are the same unless otherwise stated.

Name of subsidiary/ joint venture/ associated companies	Country of incorporation and operations	Class of share	Percentage holding and voting rights	Principal activities
Held by the Company				
Pan Malaysian Pools Sdn Bhd	Malaysia	Ordinary	100%	NFO business and RTO business
Daya Mahsuri Sdn Bhd	Malaysia	Ordinary	100%	Investment holding
Global Investments (BVI) Limited	British Virgin Islands	Ordinary	100%	Investment holding
Lintasan Klasik Sdn Bhd	Malaysia	Ordinary	100%	Investment holding
Tanjong Management Services Sdn Bhd	Malaysia	Ordinary	100%	Provision of management services
Tanjong Equities Sdn Bhd	Malaysia	Ordinary	100%	Investment trading
Held by the Group				
Powertek Berhad	Malaysia	Ordinary	100%	Carrying out the business of Power Generation
Pahlawan Power Sdn Bhd	Malaysia	Ordinary	100%	Carrying out the business of Power Generation
Panglima Power Sdn Bhd	Malaysia	Ordinary	100%	Carrying out the business of Power Generation
Port Said East Power SAE	Egypt	Ordinary	100%	Carrying out the business of Power Generation
Suez Gulf Power SAE	Egypt	Ordinary	100%	Carrying out the business of Power Generation
Haripur Power Limited	Bangladesh	Ordinary	55%	Carrying out the business of Power Generation
Meghnaghat Power Limited	Bangladesh	Ordinary	55%	Carrying out the business of Power Generation
Sidi Krir Generating Company	Egypt	Ordinary	55%	Carrying out the business of Power Generation
NEPC Consortium Power Ltd*	Bangladesh	Ordinary	27.5%	Carrying out the business of Power Generation
Fauji Kabirwala Power Company Limited*	Pakistan	Ordinary	23.1%	Carrying out the business of Power Generation
Ace Power Generation Horana (Private) Limited**	Sri Lanka	Ordinary	16%	Carrying out the business of Power Generation
Ace Power Generation Matara (Private) Limited**	Sri Lanka	Ordinary	16%	Carrying out the business of Power Generation

33. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (continued)

Name of subsidiary/ joint venture/ associated companies	Country of incorporation and operations	Class of share	Percentage holding and voting rights	Principal activities
Held by the Group (continued)				
Egyptian Operating Company SAE	Egypt	Ordinary	100%	Provision of operations and maintenance services
Kuasa Nusajaya Sdn Bhd	Malaysia	Ordinary	100%	Provision of operations and maintenance services
Asia Gulf Power Service Company Limited *	Cayman Islands	Ordinary	25%	Provision of operations and maintenance services
National Stud Farm Sdn Bhd	Malaysia	Ordinary	100%	Owning and renting out a piece of land
Wynyarra 1996 Pty Ltd #	Australia	Ordinary	100%	Horse racing/breeding
Energieversorgung Brand GmbH *	Germany	Ordinary	37.5%	Supply of electrical power, natural and liquefied gas, heat and compressed air
Tropical Island Management GmbH	Germany	Ordinary	75%	Operation of leisure park
Tropical Island Asset Management GmbH	Germany	Ordinary	75%	Property ownership
TI Property GmbH ø (formerly known as Konda Vermögensverwaltung GmbH)	Germany	Ordinary	75%	Property ownership
TGV Cinemas Sdn Bhd	Malaysia	Ordinary	100%	Film exhibition
Tanjong City Centre Property Management Sdn Bhd	Malaysia	Ordinary	100%	Letting and maintenance of Menara Maxis
Impian Klasik Sdn Bhd	Malaysia	Ordinary	67%	Leasing of investment property
Tanjong Energy Holdings Sdn Bhd	Malaysia	Ordinary	100%	Investment holding
Asia Gulf Power Holding Company Limited *	Cayman Islands	Ordinary	25%	Investment holding
Kuasa Nusajaya (L) Ltd	Labuan, Malaysia	Ordinary	100%	Investment holding
Perwira Power (L) Ltd	Labuan, Malaysia	Ordinary	100%	Investment holding
Pendekar Ltd	Bermuda	Ordinary	55%	Investment holding
Pendekar Energy (L) Ltd	Labuan, Malaysia	Ordinary	55%	Investment holding
Pendekar Energy Ventures (L) Ltd	Labuan, Malaysia	Ordinary	55%	Investment holding
Tanjong Entertainment (L) Ltd	Labuan, Malaysia	Ordinary	100%	Investment holding
Tropical Island Holding GmbH	Germany	Ordinary	75%	Investment holding
Central Pacific Assets Ltd *	British Virgin Islands	Ordinary	50%	Investment holding

* Joint venture
** Associate
ø Acquired during the financial year
\# Companies not audited by PricewaterhouseCoopers LLP

34. RELATED PARTY TRANSACTIONS

The following is a summary of material transactions as defined by IAS 24 – "Related Party Disclosures", 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;

(ii) Ananda Krishnan Tatparanandam and his family; and

(iii) Key management personnel

The trustee of the Trust is the controlling shareholder of the Company.

Group

	2010 RM'000	2009 RM'000
(a) Purchase of services from other related parties		
Consultancy services: *UTSB Management Sdn Bhd*	**18,000**	18,000
Gas, heating, electricity, water and safety-related services: *Energieversorgung Brand GmbH*	**10,745**	11,006
Closed circuit television broadcasting services: *Perkhidmatan Usaha Tegas Sdn Bhd*	**6,169**	5,069
Telecommunication and related services: *Communications and Satellite Services Sdn Bhd*	**2,118**	1,998
Sponsorship of events: *MEASAT Broadcast Network Systems Sdn Bhd*	**1,350**	1,323
Bloodstock management, service fees, accounting and clerical services: *Kia-Ora Stud Australia Pty Ltd*, *Kia-Ora Estates Pty Ltd*	**783**	1,048
Rental of premises: *Pexpac Ltd*	**401**	456
Dining and conference facilities: *UT Hospitality Services Sdn Bhd*	**350**	338
Connection and transaction fees: *Digital Five Sdn Bhd*	**301**	273
Others	**481**	259
	40,698	39,770
(b) Sales of services to other related parties		
Lease rental and tenant service revenue: *Maxis Mobile Sdn Bhd, UTSB Management Sdn Bhd, MAI Sdn Bhd, MEASAT Broadcast Network Systems Sdn Bhd, Energieversorgung Brand GmbH*	**27,619**	27,034
Others	**253**	226
	27,872	27,260

34. RELATED PARTY TRANSACTIONS (continued)

Group (continued)	2010 RM'000	2009 RM'000
(c) Recovery of expenses and shared overhead costs with other related parties		
Maxis Mobile Sdn Bhd, UTSB Management Sdn Bhd, MAI Sdn Bhd	**10,867**	7,439
(d) Balances with other related parties		
Amounts due to related parties	**5,425**	2,955
Amounts due from related parties	**1,171**	2,289
(e) Directors		
Aggregate emoluments	**1,561**	1,500
(f) Key management personnel		
Salaries and short-term employee benefits	**9,407**	7,933
Defined contribution plans	**841**	755
Post-employment benefits	**–**	4,680
	10,248	13,368

The key management personnel during the year were the Group Chief Financial Officer, Executive Director/Chief Executive Officer of Tanjong Energy Holdings Sdn Bhd ("TEH"), Chief Executive Officer of Entertainment Division, Chief Operating Officer of Pan Malaysian Pools Sdn Bhd, Chief Operating Officer – International Operations, TEH, Group Company Secretary and the General Manager, Group Legal & Corporate Affairs.

Company	2010 RM'000	2009 RM'000
The transactions with subsidiaries during the year are as follows:		
Dividends received	**437,311**	–
Management services received	**4,248**	3,266

35. COMPARATIVE BALANCES

The following comparative balances have been reclassified to conform with current year presentation which more accurately reflects the nature of the relevant transactions. The Group's prior year result is not affected by these reclassifications.

(i) Group income statement for the year ended 31 January 2009

	As previously stated RM'000	Reclassifications RM'000	As restated RM'000
Other income	–	137,525	137,525
Operating costs	(2,574,752)	(137,525)	(2,712,277)

The other income is now stated as a separate line item on the face of Group income statement.

(ii) Note 3: Operating costs

	As previously stated RM'000	Reclassifications RM'000		As restated RM'000
Cost of sales	2,107,885	241,240	(a)	2,349,125
Administrative expenses	520,428	(277,668)		242,760
Other operating expenses	10,737	36,428	(b)	47,165

These relate to the reclassifications of:

(a) Depreciation on power plants from administrative expenses to cost of sales.

(b) Corporate expenses from administrative expenses to other operating expenses.

(iii) Note 13: Investments in joint ventures

	As previously stated RM'000	Reclassifications RM'000	As restated RM'000
Net assets	226,315	31,329	257,644
Advances	34,785	(31,329)	3,456

These relate to the reclassifications of net assets in joint venture companies previously classified under advances.

36. ACCOUNTING REQUIREMENTS

Difference in accounting policies

The accounting policies adopted by the Group comply with IFRSs. These accounting policies comply with the Malaysian Financial Reporting Standards ("MFRS") with the exception of IAS 39 – "Financial Instruments: Recognition and Measurement" which has yet to be adopted in Malaysia.

The effects of these differences are as follows:

			2010 RM'000
(i)	**Revenue**		
	Revenue per IFRSs		**3,898,111**
	Add: Prize payouts		**1,321,745**
	Revenue per MFRS		**5,219,856**
(ii)	**Profit after taxation (Distributable)**		
	Profit after taxation per IFRSs		**748,539**
	Add: Impairment of Available-for-sale financial assets		**4,959**
	Less: Gain from change in fair value of financial assets		**(2,327)**
	Write back for diminution in value of investments		**2,304**
	Profit after taxation adjusted per MFRS		**753,475**
(iii)	**Equity shareholders' funds**		
	Equity shareholders' funds per IFRSs		**3,814,593**
	Less:		
	Gain from change in fair value of financial assets		
	– at 1 February 2009	**19**	
	– at current year	**(2,327)**	
		(2,308)	
	Fair value reserve per IFRSs	**(71,758)**	
	Impairment of Available-for-sale financial assets	**4,959**	
	(Provision)/write back for diminution in value adjusted to income statement		
	– at 1 February 2009	**(9,941)**	
	– at current year	**2,304**	
		(7,637)	**(76,744)**
	Add: Hedging reserve under Equity		**160,681**
	Equity shareholders' funds as adjusted per MFRS		**3,898,530**

Additional Compliance Information

The following information is provided in compliance with Part A of Appendix 9C of the Main Market Listing Requirements of Bursa Securities.

1. MATERIAL CONTRACTS

There were no material contracts outside the ordinary course of business, entered into by Tanjong or its subsidiaries in the preceding two years, involving Directors' and major shareholders' interests, either still subsisting as at 31 January 2010 or since the end of the previous financial year ended 31 January 2009.

2. NON-STATUTORY AUDIT FEES

These are disclosed in detail on page 95 of the Financial Statements.

3. STATUTORY DECLARATION
PURSUANT TO PARAGRAPH 4A.16 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

I, SELVAM N @ GERARD A/L T.N. NATHAN, being the person primarily responsible for the financial management of Tanjong public limited company, do solemnly and sincerely declare that the financial statements set out on pages 59 to 132 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960 of Malaysia.

Subscribed and solemnly declared by)
SELVAM N @ GERARD A/L T.N. NATHAN)
at Kuala Lumpur in Malaysia)
on 6 May 2010)

Before me,

KALASAGAR NAIR
(No. W 513)
COMMISSIONER FOR OATHS

Analysis of Shareholdings
as at 6 May 2010

Share Capital

Shares in issue	:	403,256,136
Issued and Paid up	:	£30,244,210.20
Nominal Value of Share	:	7.5 pence
Voting Right	:	One (1) vote per share

Size of shareholdings	No. of shareholders	% of shareholders	No. of 7.5 pence shares	% of issued shares
Less than 100	628	7.24	4,861	0.00
100 to 1,000	4,101	47.27	3,114,505	0.77
1,001 to 10,000	3,070	35.39	11,095,364	2.75
10,001 to 100,000	635	7.32	20,597,538	5.11
100,001 to 20,162,806[1]	239	2.75	213,399,548	52.92
20,162,807[2] and above	3	0.03	155,044,320	38.45
Total	8,676	100.00	403,256,136	100.00

Notes:
[1] less than 5% of the issued share capital
[2] 5% and above of the issued share capital

Location of shareholders				
Malaysia	8,012	92.35	248,727,928	61.68
UK	39	0.45	37,434	0.01
Others	625	7.20	154,490,774	38.31
Total	8,676	100.00	403,256,136	100.00

Category of shareholders				
Individuals	6,929	79.86	17,833,600	4.42
Banks/Finance Companies	29	0.34	6,281,900	1.56
Investments Trusts/Foundations/Charities	2	0.02	152,000	0.04
Other Types of Companies	204	2.35	147,501,701	36.58
Government Agencies/Institutions	–	–	–	–
Nominees	1,512	17.43	231,486,935	57.40
Others	–	–	–	–
Total	8,676	100.00	403,256,136	100.00

List of 30 Largest Shareholders as at 6 May 2010

No.	Name of shareholders	No. of 7.5 pence shares held	% of issued shares
1.	Usaha Tegas Sdn Bhd	71,000,000	17.61
2.	Usaha Tegas Resources Sdn. Bhd.	53,688,000	13.31
3.	Cimsec Nominees (Tempatan) Sdn Bhd *Ultimate Corporation Sdn Bhd*	30,356,320	7.53
4.	HSBC Nominees (Asing) Sdn Bhd *Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)*	16,868,700	4.18
5.	DB (Malaysia) Nominee (Asing) Sdn Bhd *BNP Paribas Nominees Singapore Pte Ltd. for Marlestone Investments Ltd*	16,271,016	4.03
6.	Malaysia Nominees (Tempatan) Sendirian Berhad *Great Eastern Life Assurance (Malaysia) Berhad (Par 1)*	12,597,300	3.12
7.	HSBC Nominees (Asing) Sdn Bhd *Exempt AN for J.P. Morgan Bank Luxembourg S.A.*	10,643,332	2.64
8.	Macroniaga Sdn. Bhd.	8,596,000	2.13
9.	Citigroup Nominees (Tempatan) Sdn Bhd *Exempt AN for Prudential Fund Management Berhad*	6,921,300	1.72
10.	Panglimawira Sdn. Bhd.	6,406,000	1.59
11.	HSBC Nominees (Asing) Sdn Bhd *Exempt AN for the Bank of New York Mellon (Mellon Acct)*	5,985,200	1.48
12.	Cartaban Nominees (Asing) Sdn Bhd *RBC Dexia Investor Services Bank for Vontobel Fund – Emerging Markets Equity*	4,994,934	1.24
13.	Cartaban Nominees (Asing) Sdn Bhd *RBC Dexia Investor Services Bank for Vontobel Fund – Far East Equity*	4,784,788	1.19
14.	Pertubuhan Keselamatan Sosial	4,224,400	1.05
15.	Cartaban Nominees (Asing) Sdn Bhd *Exempt AN for RBC Dexia Investor Services Trust (Clients Account)*	3,457,539	0.86
16.	HSBC Nominees (Asing) Sdn Bhd *Exempt AN for JPMorgan Chase Bank, National Association (U.A.E.)*	3,452,266	0.86

List of 30 Largest Shareholders as at 6 May 2010 (continued)

No.	Name of shareholders	No. of 7.5 pence shares held	% of issued shares
17.	HSBC Nominees (Asing) Sdn Bhd *Exempt AN for JPMorgan Chase Bank, National Association (Mineworkers PS)*	3,343,000	0.83
18.	Citigroup Nominees (Tempatan) Sdn Bhd *Exempt AN for American International Assurance Berhad*	3,112,800	0.77
19.	HSBC Nominees (Asing) Sdn Bhd *Exempt AN for JPMorgan Chase Bank, National Association (Norges BK Lend)*	3,036,900	0.75
20.	HSBC Nominees (Asing) Sdn Bhd *BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund*	2,621,552	0.65
21.	Malaysia Nominees (Tempatan) Sendirian Berhad *Great Eastern Life Assurance (Malaysia) Berhad (Par 2)*	2,456,300	0.61
22.	HSBC Nominees (Asing) Sdn Bhd *TNTC for Mondrian Emerging Markets Equity Fund L.P.*	2,327,900	0.58
23.	HSBC Nominees (Asing) Sdn Bhd *BNYM SA/NV for Virtus Emerging Markets Opportunities Fund*	2,130,100	0.53
24.	Cartaban Nominees (Asing) Sdn Bhd *The Governor and Company of the Bank of Ireland for Ishares Public Limited Company*	2,072,600	0.51
25.	HSBC Nominees (Asing) Sdn Bhd *Exempt AN for JPMorgan Chase Bank, National Association (Australia)*	2,035,600	0.51
26.	Public Invest Nominees (Tempatan) Sdn Bhd *Impian Tegap Sdn Bhd*	1,944,000	0.48
27.	HSBC Nominees (Asing) Sdn Bhd *TNTC for M&G Asian Fund*	1,942,700	0.48
28.	Citigroup Nominees (Tempatan) Sdn Bhd *ING Insurance Berhad (INV-IL PAR)*	1,861,600	0.46
29.	Cartaban Nominees (Asing) Sdn Bhd *SSBT Fund TC3H for California State Teachers Retirement System*	1,856,800	0.46
30.	Cartaban Nominees (Asing) Sdn Bhd *State Street London Fund 26AD for Asian Equity Fund (IN GB ST FD)*	1,829,600	0.45
	TOTAL	292,818,547	72.61

MAJOR SHAREHOLDERS AS AT 6 MAY 2010

The major shareholders of Tanjong and their respective direct and indirect interests in 3 per cent or more of the total voting rights and capital in issue of Tanjong as at 6 May 2010 based on the information provided to the Company pursuant to the Financial Services Authority's Disclosure and Transparency Rules are as follows:

	Direct		Indirect	
Name of Major Shareholders	**No. of voting rights attached to shares of 7.5 pence each held**	**% of issued shares (viii)**	**No. of voting rights attached to shares of 7.5 pence each held**	**% of issued shares (viii)**
Usaha Tegas Resources Sdn Bhd	53,688,000	13.31	–	–
Usaha Tegas Sdn Bhd (i)	71,000,000	17.61	53,688,000	13.31
Pacific States Investment Limited (ii)	–	–	124,688,000	30.92
Excorp Holdings N.V. (iii)	–	–	124,688,000	30.92
PanOcean Management Limited (iv)	–	–	124,688,000	30.92
Ananda Krishnan Tatparanandam (v)	–	–	124,688,000	30.92
Ultimate Corporation Sdn Bhd (vi)	30,356,320	7.53	–	–
Marlestone Investments Limited (vi)	16,271,016	4.03	–	–
Khoo Teik Chooi (vii)	219,900	0.05	30,356,320	7.53
Khoo Teng Bin (vii)	180,000	0.04	30,356,320	7.53
Capital Group International, Inc.	–	–	24,574,600	6.09
Capital Research and Management Company	–	–	19,966,400	4.95

Notes:

(i) The indirect interest is held by its wholly-owned subsidiary, Usaha Tegas Resources Sdn Bhd.

(ii) Deemed interest arises through its direct controlling interest in Usaha Tegas Sdn Bhd. Please refer to Note (i) above.

(iii) Deemed interest arises through its direct controlling interest in Pacific States Investment Limited. Please refer to Note (ii) above.

(iv) Excorp Holdings N.V. ("Excorp") is in turn owned by PanOcean Management Limited ("PanOcean"). PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam and foundations including those for charitable purposes. Although PanOcean is taken as having an indirect interest in the voting rights, it does not have any economic or beneficial interest in the said voting rights, as such interest is held subject to the terms of the discretionary trust. Please refer to Note (iii) above as to Excorp's interest in Tanjong shares.

(v) Ananda Krishnan Tatparanandam is taken as having an indirect interest in the voting rights, through his indirect interest in Usaha Tegas Sdn Bhd, which arises by virtue of trust and related arrangements with PanOcean. Please refer to Note (iv) above as to PanOcean's interest in Tanjong shares. Although he is taken as having an indirect interest, he does not have any economic or beneficial interest in the said voting rights, as such interest is held subject to the terms of the discretionary trust.

(vi) Held through a nominee.

(vii) Khoo Teik Chooi and Khoo Teng Bin each has an indirect interest in 30,356,320 voting rights held through Ultimate Corporation Sdn Bhd and a direct interest in 219,900 and 180,000 voting rights attached to Tanjong's shares of 7.5 pence each respectively.

(viii) The percentage is based on the total number of issued shares of the Company as at 6 May 2010.

DIRECTORS' INTERESTS AS AT 6 MAY 2010

- The interests of the Directors in the shares of the Company (both direct and indirect) as at 6 May 2010 based on the Register of Directors' Interests in the shares of the Company as maintained by the Company are as set out below:

	Direct		Indirect	
Name of Directors	**No. of 7.5 pence shares held**	**% of issued shares [c]**	**No. of 7.5 pence shares held**	**% of issued shares [c]**
Dato' Larry Gan [a]	50,000	0.01	–	–
Khoo Teik Chooi	219,900	0.05	30,356,320 [b]	7.53
Augustus Ralph Marshall [a]	520,000	0.13	–	–

[a] *This interest is held through a nominee.*
[b] *These shares are held through Ultimate Corporation Sdn Bhd in which Khoo Teik Chooi has an indirect interest.*
[c] *The percentage is based on the total number of issued shares of the Company as at 6 May 2010.*

- None of the Directors has any interest in the shares or options of the subsidiary companies in the Group as at 6 May 2010.

List of Properties
as at 31 January 2010

TOP 10 PROPERTIES
BASED ON HIGHEST NET BOOK VALUE

No.	Location	Date of acquisition/ revaluation (Tenure)	Description of existing use	Approximate Size	Approximate age of building	Net book value @31.1.10 RM'000
1	Lot 168 Seksyen 58 No. Hakmilik: 43696 Daerah Kuala Lumpur Bandar Kuala Lumpur Wilayah Persekutuan Malaysia	31-Jan-10 (Freehold)	Office building	Land area – 1.069 acres Gross floor area – 702,518 sq.ft.	11 years 9 mths	672,000*
2	Lot 7001 No. Hakmilik: 37604 Mukim of Sungei Baru Ilir District of Alor Gajah Melaka Malaysia	16-Apr-94 (Leasehold 93 years expiring on 27/10/2100)	Industrial	Land area – 39.61 acres Built-up area – 83,400 sq.ft.	15 years (power station complex) †	94,050
3	Tropical-Island-Allee 1 15910 Krausnick Gross Wasserburg Germany Area: Briesen, Field: 4/ Field sector: 34	16-Apr-04 (Freehold)	Tropical Islands Resort and offices	Built-up area – 69,000 sq.m.	9 years	77,444
4	Lot PT 1226 H.S. (D) 12863 Mukim of Kuala Sungei Baru District of Alor Gajah Melaka Malaysia	16-Apr-94 (Leasehold 86 years expiring on 28/4/2094)	Industrial	Land area – 14.01 acres Built-up area – 186,800 sq.ft.	9 years (power station complex)†	45,036
5	Tropical-Island-Allee 1 15910 Krausnick Gross Wasserburg Germany	16-Apr-04 25-Feb-09** (Freehold)	Commercial use	Land area – 1,476.32 acres		10,159
6	Lot PT 1071 No. H.S. (D) 63864 Mukim of Tanjong Kling District of Melaka Tengah Melaka Malaysia	2-Feb-99 (Freehold)	Industrial	Land area – 9.15 acres Built-up area – 93,500 sq.ft.	12 – 16 years (power station complex) †	8,628
7	Tropical-Island-Allee 1 15910 Krausnick Gross Wasserburg Germany Area: Krausnick, Field: 11/Field sector: 40 Area: Krausnick, Field: 11/Field sector: 8 Area: Briesen, Field: 5/ Field sector: 85	16-Apr-04 (Freehold)	Convention centre, office, fire station & cleaning station	Built-up area – 5,249.95 sq.m.	9 – 11 years	8,339

TOP 10 PROPERTIES
BASED ON HIGHEST NET BOOK VALUE

No.	Location	Date of acquisition/ revaluation (Tenure)	Description of existing use	Approximate Size	Approximate age of building	Net book value @31.1.10 RM'000
8	Lot 5804 No. Hakmilik: 30153 Mukim of Sungei Baru Ilir District of Alor Gajah Melaka Malaysia	16-Apr-94 (Leasehold 96 years expiring on 22/03/2099)	Industrial	Land area – 2.74 acres	Vacant land	6,318
9	Geran 24492, Lot No.14577 Geran 23975, Lot No.15702 Geran 23986, Lot No.18367 C.T. 2964, Lot No.18472 Geran 11739, Lot No.18477 Geran 11481, Lot No.19229 Mukim of Hulu Kinta Ipoh, Perak Malaysia	4-May-94 (Freehold)	Paddocks, buildings and grazing land for horses	Land area – 176 acres	12 years	6,295
10	Lot PT 1072 No. H.S. (D) 63865 Mukim of Tanjong Kling District of Melaka Tengah Melaka Malaysia	2-Feb-99 (Freehold)	Industrial	Land area – 6.07 acres	N/A	3,870

* Stated at valuation at balance sheet date (Menara Maxis)
† Both the power station complexes are located adjacent to each other on these land titles
** On 25 February 2009, an additional 278 acres of adjoining land was acquired

SPECIAL NOTE:

Pursuant to the Disclosure and Transparency Rules of the Financial Services Authority in the United Kingdom ("UK"), Tanjong, being a UK incorporated company whose shares are also admitted to trading on the London Stock Exchange, is required to issue its Annual Report at the latest, 4 months after the end of each financial year.

However, under the UK Companies Act 2006, Tanjong is required to convene an annual general meeting to lay its annual financial statements before its members within 6 months from the end of its financial year, by giving at least 21 days' notice.

In this respect, please note that the Notice of the Eighty-Third Annual General Meeting of Tanjong and the Form of Proxy for the meeting, will be sent to all shareholders separately in due course and, accordingly, are not appended to this Annual Report.