



## Financial Results

Reference No EM-091105-32764

Date Announced : 19/11/2009  
 Financial Year End : 31/12/2009  
 Quarter : 3  
 Quarterly report for the financial period ended : 30/09/2009  
 The figures : have not been audited  
 Remark:  
 Currency : Malaysian Ringgit (MYR)

### SUMMARY OF KEY FINANCIAL INFORMATION 30/09/2009

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR TO DATE	PRECEDING YEAR
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
	QUARTER	QUARTER	DATE	PERIOD
	QUARTER CORRESPONDING	QUARTER CORRESPONDING		
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	2,370,433	3,661,163	5,779,385	9,924,162
2 Profit/(loss) before tax	-24,678	-187,684	225,184	107,231
3 Profit/(loss) for the period	-17,768	-133,256	162,133	76,134
4 Profit/(loss) attributable to ordinary equity holders of the parent	-17,768	-133,256	162,133	76,134
5 Basic earnings/(loss) per share (Subunit)	-6.60	-49.40	60.00	28.20
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)		1.9600		1.4500



**ESSO MALAYSIA BERHAD**  
(Company Number 3927 V)

The Directors of Esso Malaysia Berhad are pleased to announce the financial results of the Company for the quarter ended September 30, 2009.

**CONDENSED INCOME STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	Note	Quarter ended		9 months ended	
		30.09.2009 RM'000	30.09.2008 RM'000	30.09.2009 RM'000	30.09.2008 RM'000
Revenues		2,370,433	3,661,163	5,779,385	9,924,162
Other income		6,628	6,392	17,092	18,956
Cost of sales and expenses		(2,396,826)	(3,842,574)	(5,554,070)	(9,805,934)
Finance cost		<u>(4,913)</u>	<u>(12,665)</u>	<u>(17,223)</u>	<u>(29,953)</u>
Profit/(loss) before tax		(24,678)	(187,684)	225,184	107,231
Tax (expense) / credit	16	<u>6,910</u>	<u>54,428</u>	<u>(63,051)</u>	<u>(31,097)</u>
Net profit/(loss) for the period		<u>(17,768)</u>	<u>(133,256)</u>	<u>162,133</u>	<u>76,134</u>
Earnings/(loss) per ordinary stock unit (sen)	24	<u>(6.6)</u>	<u>(49.4)</u>	<u>60.0</u>	<u>28.2</u>

(The condensed income statement should be read in conjunction with the audited financial statements for the year ended December 31, 2008)



**ESSO MALAYSIA BERHAD**  
(Company Number 3927 V)

**CONDENSED BALANCE SHEET AS AT SEPTEMBER 30, 2009**  
**(UNAUDITED)**

	<u>Note</u>	As at 30.09.2009 <u>RM'000</u>	As at 31.12.2008 <u>RM'000</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		803,690	828,178
Long-term assets and receivables		319,750	346,292
Intangible assets - software		<u>876</u>	<u>1,516</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u><b>1,124,316</b></u>	<u><b>1,175,986</b></u>
<b>CURRENT ASSETS</b>			
Inventories		591,175	298,044
Assets held for sale		7,657	-
Receivables		190,119	55,167
Amounts due from related corporations		263,614	173,739
Deposit, cash and bank balances		17,106	15,990
Taxation		<u>35,119</u>	<u>34,999</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>1,104,790</b></u>	<u><b>577,939</b></u>
<b>CURRENT LIABILITIES</b>			
Payables		129,157	243,023
Retirement benefits obligations		3,793	2,967
Amounts due to related corporations		517,091	231,679
Borrowings (unsecured)	20	<u>927,556</u>	<u>825,008</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>1,577,597</b></u>	<u><b>1,302,677</b></u>
<b>NET CURRENT LIABILITIES</b>		(472,807)	(724,738)
<b>LESS: NON-CURRENT LIABILITIES</b>			
Retirement benefits obligations		47,220	47,964
Deferred taxation		<u>74,431</u>	<u>11,259</u>
		<u>121,651</u>	<u>59,223</u>
<b>TOTAL NET ASSETS EMPLOYED</b>		<u><b>529,858</b></u>	<u><b>392,025</b></u>
<b>FINANCED BY:</b>			
SHARE CAPITAL		135,000	135,000
RESERVES		8,000	8,000
RETAINED PROFITS		<u>386,858</u>	<u>249,025</u>
<b>SHAREHOLDERS' EQUITY</b>		<u><b>529,858</b></u>	<u><b>392,025</b></u>

(The condensed balance sheet should be read in conjunction with the audited financial statements for the year ended December 31, 2008)



**ESSO MALAYSIA BERHAD**  
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**CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	Issued and fully paid ordinary stock of RM0.50 each		Non-distributable capital redemption reserves	Distributable retained profits	Total
	Number of ordinary stock unit '000	Nominal value RM'000	RM'000	RM'000	RM'000
<b>At January 1, 2008</b>	270,000	135,000	8,000	524,327	667,327
Net profit	-	-	-	76,134	76,134
Dividends for the year ended December 31, 2007 (final)	-	-	-	(23,976)	(23,976)
<b>At September 30, 2008</b>	<b>270,000</b>	<b>135,000</b>	<b>8,000</b>	<b>576,485</b>	<b>719,485</b>
<b>At January 1, 2009</b>	270,000	135,000	8,000	249,025	392,025
Net profit	-	-	-	162,133	162,133
Dividends for the year ended December 31, 2008 (final)	-	-	-	(24,300)	(24,300)
<b>At September 30, 2009</b>	<b>270,000</b>	<b>135,000</b>	<b>8,000</b>	<b>386,858</b>	<b>529,858</b>

(The condensed statement of changes in equity should be read in conjunction with the audited financial statements for the year ended December 31, 2008)



**ESSO MALAYSIA BERHAD**  
(Company Number 3927 V)

**CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	<b>9 months ended</b>	
	30.09.2009	30.09.2008
	<u>RM'000</u>	<u>RM'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit attributable to shareholders	162,133	76,134
Adjustments for non-cash items	141,590	119,685
Changes in working capital:		
(Increase) / decrease in current assets	(520,773)	(359,235)
Increase / (decrease) in current liabilities	162,330	(111,682)
Cash from / (used in) operations	(54,720)	(275,098)
Interest / Tax / Retirement benefits payments	(18,865)	(876)
<b>Net cash from / (used in) operating activities</b>	<b>(73,585)</b>	<b>(275,974)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangibles	(27,885)	(34,076)
(Increase) / decrease in long-term assets and receivables	23,502	(2,953)
Proceeds from disposal of property, plant and equipment and intangibles	730	-
<b>Net cash used in investing activities</b>	<b>(3,653)</b>	<b>(37,029)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from / (repayment of) borrowings - net	102,548	332,311
Dividends paid to shareholders	(24,300)	(23,976)
<b>Net cash (used in) / from financing activities</b>	<b>76,248</b>	<b>308,335</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,010</b>	<b>(4,668)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>8,621</b>	<b>10,704</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>9,631</b>	<b>6,036</b>

(The condensed statement of cash flows should be read in conjunction with the audited financial statements for the year ended December 31, 2008)



**ESSO MALAYSIA BERHAD**  
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**Part A - Explanatory Notes Pursuant to FRS 134**

**1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (BMSB).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2008. The explanatory notes to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and the performance of the Company since the financial year ended December 31, 2008.

The same accounting policies and methods of computation are followed in the interim financial statements as for the financial statements for the year ended December 31, 2008 except as disclosed below.

The new standards, amendments to published standards and interpretations to existing standards applicable to the Company but are not yet effective and not previously disclosed, are tabulated below. These standards are effective from January 1, 2010.

- Amendment to FRS 2 Share-Based Payment, which clarifies treatment of vesting conditions and cancellations.
- Amendment to FRS 1 First Time Adoption of Financial Reporting Standards. The amendment allows first time adopter to measure the initial cost of investments in subsidiaries, jointly controlled entities (JCE) and associates either at fair value or the previous carrying amount.
- Amendment to FRS 127 Consolidated and Separate Financial Statements. The amendment mainly deleted the definition of cost method and added new paragraphs pertaining to group reorganisation. This has led to consequential amendments to other FRSSs.
- FRS 123 Borrowing Costs. The new standard removes the option of immediately recognising as an expense borrowing costs that are



directly attributable to the acquisition, construction or production of a qualifying asset.

- FRS 101 Presentation of Financial Statements. It requires information in financial statements to be aggregated on the basis of shared characteristics, to separate transactions between the company and shareholders from transactions with external parties. FRS 101 also changes the titles of the financial statements to reflect their function more clearly.



**ESSO MALAYSIA BERHAD**  
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**Part A - Explanatory Notes Pursuant to FRS 134 (Continued)**

**1. Basis of Preparation (Continued)**

- Amendments to FRS 132 Financial Instruments: Presentation. The amendments will enable non-corporate shareholders' interests in open ended funds, closed ended funds, co-operatives and partnerships to be presented as equity rather than liabilities.
- Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)". The improvements contain amendments to twenty one FRSs which involves changes to presentation, recognition, or measurement and some are changes to terminology with little effect on accounting.
- IC Interpretation 11: FRS 2 Group and Treasury Share Transaction. This Interpretation further clarifies the treatment of transactions/arrangements relating to share-based payment.
- IC Interpretation 13 Customer Loyalty Programmes. This Interpretation explains how entities that grant loyalty award points to its customers should account for their obligation to provide free or discounted goods or services if and when the customers redeem the points.
- IC Interpretation 14: FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. This Interpretation addresses issues relating to availability of refunds and effects of minimum funding requirement in future contributions.
- Amendment to IC Interpretation 9: Reassessment of Embedded Derivatives. The amendment further clarifies the subsequent reassessment of embedded derivatives.

The Company will apply the above standards from financial period beginning January 1, 2010. The adoptions of these standards are not expected to have a material impact on the financial position of the Company.

The following are amendments to standards on financial instruments. The Company will apply these standards from financial period beginning January



1, 2010 and has applied transitional provision which exempts entities from disclosing possible impact arising from the initial application of the standards:

- Amendment to FRS 7 Financial Instruments: Disclosures
- Amendment to FRS 139 Financial Instruments: Recognition and Measurement.

## **2. Comments about Seasonal or Cyclical Factors**

The operations of the business are not seasonal or cyclical in nature.



**ESSO MALAYSIA BERHAD**  
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**Part A - Explanatory Notes Pursuant to FRS 134 (Continued)**

**3. Unusual Items Due to their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income and cash flows of the Company during the current quarter.

**4. Changes in Estimates**

There were no changes in estimates that have had a material effect in the current quarter.

**5. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale or repayments of debt and equity securities during the current quarter.

**6. Dividend Paid**

The amount of dividends paid since December 31, 2008 are as follows:

RM'000

In respect of the year ended December 31, 2008:

Final dividend per stock unit, paid on June 22, 2009:

Ordinary - 12 sen gross less income tax at 25%

24,300

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**7. Segmental Information**

No segmental analysis is prepared, as the Company's principal business of manufacturing and marketing of petroleum products is one business segment.

**8. Carrying Amount of Revalued Assets**



The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended December 31, 2008.

**9. Subsequent Events**

There were no material events subsequent to the end of the current quarter.

**10. Changes in Composition of the Company**

There were no changes in the composition of the Company during the current quarter.



**ESSO MALAYSIA BERHAD**  
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**Part A - Explanatory Notes Pursuant to FRS 134 (Continued)**

**11. Changes in Contingent Liabilities**

There were no significant changes in contingent liabilities or contingent assets since the last annual balance sheet as at December 31, 2008.

**12. Capital Commitments**

Capital commitments not provided for in the Interim Financial Report as at September 30, 2009 are as follows:

<b>Property, plant &amp; equipment</b>	<b>RM'000</b>
Approved and contracted for	42,368
Approved but not contracted for	12,803
	<hr/>
	55,171
	<hr/>



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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB**

**13. Review of Performance - Current Financial Period ended September 30, 2009**

The Company recorded an after tax profit of RM162 million for the first nine months of 2009, an improvement over the profits of RM76 million recorded in the same period of 2008 reflecting higher inventory gains and stronger margins. In the third quarter of 2009 the Company recorded a loss of RM18 million, compared to a loss of RM133 million in the same quarter of 2008, primarily from lower inventory losses.

Revenues for the third quarter and first nine months of the year were RM2.4 billion and RM5.8 billion respectively, versus RM3.7 billion and RM9.9 billion for the same period in 2008 driven by lower product prices.

**14. Commentary on Prospects**

Outlook for the industry remains challenging given the continued crude and product prices volatility in the fourth quarter. In this environment our strategy remains focused on flawless operations, cost control and product and service quality, while sustaining our competitive position.

**15. Profit Forecast or Profit Guarantee**

As a matter of policy, the Company does not make profit forecasts or profit guarantees.

**16. Taxation**

	Quarter ended		9 months ended	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current taxation	(120)	(53,527)	(120)	38,493
Deferred taxation	(6,790)	(901)	63,171	(7,396)
	<u>(6,910)</u>	<u>(54,428)</u>	<u>63,051</u>	<u>31,097</u>
	=====	=====	=====	=====



The statutory tax rate has been reduced to 25% for the year ended December 31, 2009 (2008: 26%).



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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB**

**17. Sale of Unquoted Investments and Properties**

There were no sales of land in the current quarter. For the period ended September 30, 2009, the Company recorded a gain of RM96,000 from the sale of land.

**18. Quoted Securities**

There were no purchases or disposals of quoted securities during the current quarter.

**19. Corporate Proposals**

There were no corporate proposals.

**20. Borrowings**

The Company's borrowings as at September 30, 2009 are as follows:

	<u>USD'000</u>	<u>RM'000</u>
Short-term, unsecured		927,556 =====
Borrowings include a floating rate term loan at fixed foreign exchange rate from a related party	140,000	507,950

**21. Off Balance Sheet Financial Instruments**

There were no financial arrangements with off balance sheet risk.



**22. Changes in Material Litigation**

There were no significant changes to material litigation since December 31, 2008.

**23. Dividend Payable**

The Company did not declare any dividends for the three months ended September 30, 2009.



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**Part B - Explanatory Notes Pursuant to Appendix 9B of the  
Listing Requirements of BMSB**

**24. Earnings Per Ordinary Stock Unit**

Quarter ended	9 months ended		<u>30.09.2009</u>	<u>30.09.2008</u>
	<u>30.09.2009</u>	<u>30.09.2008</u>		
Net profit/(loss) for the period (RM'000)	(17,768)	(133,256)	162,133	76,134
Number of ordinary stock unit in issue ('000)	270,000	270,000	270,000	270,000
Earnings/(loss) per stock unit (sen)	(6.6)	(49.4)	60.0	28.2
	=====	=====	=====	=====

**25. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the Company's financial statements for the year ended December 31, 2008 was not qualified.