

# 2001

## ANNUAL REPORT & ACCOUNTS



**ESSO MALAYSIA BERHAD**  
(Company No.3927-V)  
(Incorporated in Malaysia)  
An ExxonMobil Subsidiary In Malaysia

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## Cover Picture:

The tiger is an enduring symbol of Esso's brand strength and pride for more than a century. Featured in Esso's advertisements and promotions throughout the world, the tiger's agility, strength and power embodies the qualities of excellence and performance that are associated with Esso.

To help save the tiger from extinction in the wild, EMB's ultimate holding company, Exxon Mobil Corporation and the U.S. National Fish and Wildlife Foundation established the "Save the Tiger Fund" in 1995 to support long-term tiger conservation projects in Asia, the U.S. and Europe. To date, the Fund has provided more than US\$9 million in support of over 100 international projects. ExxonMobil also promotes awareness through publications and zoo programmes.



# FINANCIAL HIGHLIGHTS

	2001 RM Million	2000 RM Million	% Change
Revenues	4,125.1	3,828.8	7.7
Profit after taxation	182.5	21.9	733.3
Earnings per ordinary stock unit (sen)	67.6	8.1	734.6
Total assets employed	1,847.1	1,634.8	13.0
Total shareholders' funds	552.8	370.4	49.2
Sales volume (thousands of barrels per calendar day)	93	78	19.2



*The Annual General Meeting provides an opportunity for shareholders to dialogue with the Board to establish better understanding of the Company's objectives and performance.*



**Richard M. Kruger**  
Chairman and Chief Executive Officer  
*Pengerusi dan Ketua Pegawai Eksekutif*

On behalf of the Board of Directors, I am pleased to report on the financial and operating performance of the Company for the year ended December 31, 2001.

## Summary of 2001 Performance

Esso Malaysia Berhad's (EMB) financial performance in 2001 represented a substantial improvement over the year 2000. The Company's after tax profit was RM182.5 million, compared to RM21.9 million in 2000. Revenues in 2001 were RM4,125 million, an increase of 8% over the previous year's revenues of RM3,829 million. Sales volumes of 93 thousand barrels per day (kbd) increased 15 kbd or 19% from the prior year due to higher sales to affiliated companies.

The improved 2001 financial performance was primarily driven by a substantial decline in crude and product costs across the year. Due to the Automatic Pricing Mechanism, the timing of realisation adjustments in the controlled product sector lagged the decline in product costs across the year. As a result, the Company realised substantial one-time margin benefits during the year. This situation was a reversal from 1999 and 2000, when financial results were significantly depressed by crude and product cost increases.

In recognition of the strong 2001 financial performance, the Board proposes that the Company declares a final dividend of 10 sen less Malaysian income tax at 28% per ordinary stock unit, for the year ended December 31, 2001. We are pleased to be able to pay a dividend after several years of low or no dividends resulting from the difficult economic environment. Looking forward however, it is unlikely that we will continue to enjoy the one-time margin benefits and unusually strong cash generation that we have experienced over the past year. At the same time debt levels remain relatively high, and there is a need to fund continuing investments in our profitable businesses. We therefore believe it is prudent to continue with our recent policy of strengthening the Company's equity base, by continuing to retain a significant portion of our earnings. Future dividend decisions will therefore be assessed in this light.

## Business Results By Segment

In Refining, although the margins for refined products remained weak, they did improve over the depressed levels of 1999 and 2000. "Self-help" efforts to increase margin contributions, throughput and operating efficiency further improved refining results. Port Dickson Refinery throughput was 80 kbd, an increase of 38% over 2000. The increase was driven by EMB supplying products to its sister affiliate, ExxonMobil Malaysia Sdn. Bhd. (Formerly known as Mobil Oil Malaysia Sendirian Berhad). This higher utilisation of refinery facilities and the related economy of scale cost savings are benefits resulting from the late 1999 merger of Exxon Corporation and Mobil Corporation.

The Retail business benefited significantly from the reduction in product costs during the year and the related positive lag effects previously mentioned. The Retail business also launched several new programmes and efficiency initiatives during the year, which further improved results. In October, the Company launched the new Synergy Fuel System which included Synergy F-1 (Unleaded 97 Ron), Synergy Regular (Unleaded 92 Ron) and Synergy Diesel. Each of these new products was well received by our customers. Several new service stations were commissioned in 2001, mainly at strategic highway locations. A new standard license agreement was also implemented for all Company Owned Dealer Operated service stations during the year. Consistent with ExxonMobil's global strategy of achieving a new brighter, safer and refreshed image, a site re-imaging programme was completed in the Klang Valley, Johor Bahru and Butterworth markets.

In the Industrial and Wholesale sector, the Company recorded strong results. LPG sales volumes increased in 2001 supported by several innovative LPG promotional programmes. In Industrial Fuels, the Company continued to be well positioned in the reseller and power-generation sectors.

In the Lubes and Specialties business, sales volumes were lower than 2000 associated with a contraction in industry demand for lubricants and the Company's de-emphasis of low margin products. Business conditions were weak throughout the year and margins were pressured as major competitors sought to maintain market positions. Asphalt sales, however, nearly doubled due to an increase in new accounts despite weak demand in the construction and infrastructure industries. In April, the Company introduced Mobil 1, the premium synthetic engine oil, in Esso retail stations which helped to increase overall sales.

Capital and lease expenditures in 2001 were RM183 million, up significantly from RM68 million in 2000. The increase was mainly due to the Company's final payment for its 20% participating interest in the Multi-Product Pipeline/Klang Valley Distribution Terminal and associated facilities. The Company also made additional investments to expand its high quality service station network. The improved financial results during the year and associated cash generation allowed the Company to finance its capital expenditures without a significant increase in debt levels.

Safety, Health and Environment continued to be managed with the highest priority. The Port Dickson Refinery had an excellent safety performance in 2001 and was awarded the ExxonMobil Refining & Supply President's Award for safety and operational excellence. The Refinery also achieved its fifth consecutive year without a lost time injury. In an effort to further protect the environment, the Company expanded its Underground Risk Management programme to an additional 20 service stations during the year. This program provides for the installation of double

wall underground tanks, flexi-piping, spill containment systems and electronic leak detection systems to greatly reduce the possibility of leaks in service station tankage.

The Company has long recognised the importance of giving back to the communities in which it does business, and as a result, has a strong tradition of supporting community projects. Through these projects, the Company strives to improve the quality of life for those in need. During 2001, management, employees and family members participated in several community events. These events not only benefited the recipients, but also provided opportunities for employees and their families to work together as a team to help others.

#### Business Outlook

In 2002, the Malaysian economy is expected to grow at a rate somewhat higher than that of 2001. Petroleum product demand is expected to grow as well, although, pressure on margins will likely continue. The outlook for the retail business remains promising, although it is not expected to benefit as it did in 2001 from the positive lag effects on margins. Refining margins are expected to remain weak in light of excess regional supply capacity. Given this challenging and uncertain business environment, the Company will continue to focus on "self-help" measures such as reducing operating costs, improving efficiency and selectively investing in our most profitable business lines.

#### Board Matters

In December 2001, Y. Bhg. Dato' Kamaruddin Mohd Jamal retired from the Company and resigned from the Board of Directors after 27 years of service. On behalf of the Board of Directors, I express my gratitude for his contributions and services during his career with the Company.

On behalf of the Board, I also thank our employees for their dedication and efforts. The Company's success depends on their skills, abilities and never-ending commitment to improve business results. I also express my appreciation to our stockholders, dealers and customers for their continued support.



Richard M. Kruger  
Chairman

February 27, 2002

## PENYATA PENERUS

**B**agi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan laporan kewangan dan prestasi operasi Syarikat bagi tahun berakhir 31 Disember, 2001.

### Ringkasan Prestasi 2001

Pada tahun 2001, prestasi kewangan Esso Malaysia Berhad (EMB) menunjukkan peningkatan yang memberangsangkan berbanding pada tahun 2000. Syarikat mencatatkan keuntungan selepas cukai sebanyak RM182.5 juta, berbanding RM21.9 juta pada tahun 2000. Pendapatan pada tahun 2001 adalah sebanyak RM4,125 juta iaitu meningkat sebanyak 8% berbanding pendapatan tahun sebelumnya sebanyak RM3,829 juta. Jumlah jualan sebanyak 93 ribu tong sehari (rts) meningkat sebanyak 15 rts atau 19% daripada tahun sebelumnya disebabkan oleh jualan yang lebih tinggi kepada syarikat - syarikat gabungan.

Peningkatan prestasi kewangan pada tahun 2001 adalah disebabkan kejatuhan kos minyak mentah dan produk sepanjang tahun. Mekanisma Harga Automatik dalam sektor produk terkawal menyebabkan penurunan pendapatan lebih lambat daripada penurunan kos produk sepanjang tahun. Hasilnya, Syarikat memperolehi margin lebih tinggi dalam tahun berkenaan. Keadaan ini berbeza dari tahun 1999 dan 2000, di mana keputusan kewangan meleset dengan teruk disebabkan kenaikan kos produk dan minyak mentah.

Sebagai penghargaan di atas prestasi yang teguh pada tahun 2001, Lembaga Pengarah mencadangkan Syarikat mengumumkan dividen akhir sebanyak 10 sen ditolak cukai pendapatan Malaysia sebanyak 28% bagi setiap unit stok biasa, bagi tahun berakhir pada 31 Disember, 2001. Kami berasa gembira kerana dapat membayar dividen setelah beberapa tahun membayar dividen rendah atau tiada dividen langsung kesan daripada kegawatan ekonomi. Walaubagaimanapun, adalah agak mustahil kita terus dapat menikmati margin yang tinggi ini dan aliran tunai yang begitu baik seperti yang dialami pada tahun lepas. Pada masa yang sama, kadar hutang masih berada ditahap yang agak tinggi dan Syarikat juga memerlukan pembiayaan pelaburan dalam sektor perniagaan yang menguntungkan. Oleh itu, kami percaya adalah wajar jika Syarikat meneruskan polisi semasa bagi mengukuhkan ekuiti Syarikat dengan menyimpan sebahagian besar daripada keuntungan. Dividen pada masa hadapan akan ditentukan berdasarkan polisi ini.

### Keputusan Perniagaan Bagi Setiap Sektor

Dalam sektor penapisan, walaupun margin produk penapis masih lagi lemah, ianya meningkat berbanding tahun 1999 dan 2000. Usaha "bantu diri" untuk meningkatkan margin, pengeluaran dan kecekapan operasi berjaya mengukuhkan lagi sektor penapisan.

Loji penapisan Port Dickson memproses sebanyak 80 rts iaitu kenaikan sebanyak 38% berbanding tahun 2000. Kenaikan ini adalah disebabkan EMB membekalkan produk kepada syarikat gabungan iaitu ExxonMobil Malaysia Sdn. Bhd. (dahulunya dikenali sebagai Mobil Oil Malaysia Sendirian Berhad). Peningkatan penggunaan kemudahan penapisan dan penjimatan kos daripada skel ekonomi yang berkaitan merupakan faedah dari penggabungan Exxon Corporation dengan Mobil Corporation pada akhir 1999.

Sektor perniagaan runcit mendapat keuntungan besar daripada penurunan kos produk dan juga kesan positif Mekanisma Harga Automatik yang dinyatakan sebelum ini. Sektor ini juga telah melancarkan beberapa program baru dan inisiatif yang efisien sepanjang tahun, di mana dapat meningkatkan prestasi yang lebih baik. Pada bulan Oktober, Syarikat telah melancarkan Sistem Minyak Synergy yang baru termasuk Synergy F-1 (minyak tanpa plumbum Ron 97), Synergy Biasa (minyak tanpa plumbum Ron 92) dan Synergy Diesel. Setiap produk baru ini telah diterima baik oleh pelanggan-pelanggan. Beberapa stesen minyak baru telah dibuka pada tahun 2001, di lokasi yang strategik di lebuh raya. Perjanjian lesen piawai yang baru telah dimeterai bersama semua pengusaha-pengusaha stesen minyak milik Syarikat pada tahun lepas. Selaras dengan strategi global ExxonMobil untuk mencapai imej yang lebih ceria dan selamat, program meningkatkan imej stesen minyak telah selesai dijalankan di kawasan-kawasan utama iaitu di Lembah Klang, Johor Bahru dan Butterworth.

Syarikat telah mencatatkan keputusan yang baik dalam sektor perindustrian dan jualan borong. Peningkatan jualan LPG dalam tahun 2001 adalah hasil daripada beberapa program promosi yang inovatif. Dalam bahagian bahan bakar perindustrian, Syarikat terus berada pada kedudukan yang baik untuk bersaing dalam sektor borong dan jana kuasa.

Dalam perniagaan minyak pelincir dan produk khas, jumlah jualan lebih rendah berbanding tahun 2000. Ini adalah kesan daripada permintaan industri yang berkurangan bagi minyak pelincir dan pengalihan tumpuan syarikat ke atas produk yang mempunyai margin yang rendah. Keadaan perniagaan agak lemah sepanjang tahun dan margin terus mengalami tekanan akibat persaingan daripada pesaing utama untuk mengekalkan kedudukan dalam pasaran. Sebaliknya, jualan asfalt meningkat hampir dua kali ganda hasil pertambahan pelanggan baru walaupun permintaan lemah dalam industri pembinaan dan infrastruktur. Pada bulan April, Syarikat telah memperkenalkan minyak pelincir sintetik premium iaitu Mobil 1 di stesen minyak Esso di mana ianya dapat membantu untuk meningkatkan jualan keseluruhan.

Perbelanjaan modal dan pajakan dalam tahun 2001 adalah sebanyak RM183 juta, berbanding dari RM68 juta pada

tahun 2000. Kenaikan ini disebabkan oleh bayaran akhir untuk pegangan 20% daripada kepentingan penyertaan di dalam projek Saluran Paip Pelbagai Produk/Terminal Pengagihan Lembah Klang serta kemudahan berkaitan. Syarikat juga telah meningkatkan pelaburan untuk memperkembangkan rangkaian stesen minyak berkualiti tinggi. Peningkatan prestasi keputusan kewangan dan aliran tunai yang baik pada tahun lepas membolehkan Syarikat untuk membiayai perbelanjaan modal tanpa peningkatan hutang yang tinggi.

Syarikat terus memberi keutamaan di dalam sektor keselamatan, kesihatan dan alam sekitar. Loji Penapisan Port Dickson telah mencapai tahap keselamatan yang cemerlang pada tahun 2001 dan telah dianugerahkan "ExxonMobil Refining & Supply President's Award" di atas kecemerlangan keselamatan dan operasi. Loji penapisan juga telah mencapai operasi tanpa kecederaan selama lima tahun berturut-turut. Di dalam usaha untuk melindungi alam sekitar dengan lebih baik, Syarikat telah meningkatkan program Pengurusan Risiko Bawah Tanah kepada 20 stesen minyak sepanjang tahun. Program ini menyediakan pemasangan tangki bawah tanah yang mempunyai dua lapisan dinding, saluran paip yang fleksibel, sistem pengawal kebocoran dan sistem pengesanan kebocoran elektronik untuk merendahkan lagi kemungkinan kebocoran ke atas tangki stesen minyak.

Syarikat telah lama mengakui betapa pentingnya untuk menyumbang semula kepada masyarakat di mana Syarikat berurusan. Oleh itu, telah menjadi tradisi Syarikat menyokong program kemasyarakatan. Melalui program ini, Syarikat meningkatkan kualiti kehidupan bagi mereka yang memerlukan. Pada tahun 2001, pihak pengurusan, kakitangan dan juga ahli keluarga turut serta di dalam beberapa program kemasyarakatan. Program ini tidak hanya memberi faedah kepada penerima tetapi juga memberi peluang kepada kakitangan dan ahli keluarga untuk bekerja di dalam satu kumpulan untuk membantu mereka yang memerlukan.

#### Prospek Perniagaan

Dalam tahun 2002, ekonomi Malaysia dijangka berkembang pada kadar yang lebih tinggi berbanding pada tahun 2001. Permintaan produk petroleum dijangka meningkat, walaupun tekanan ke atas margin akan berterusan. Prospek ke atas sektor runcit adalah baik walaupun ia dijangka tidak akan memperolehi faedah seperti tahun 2001 hasil dari kesan positif Mekanisma Harga Automatik ke atas margin. Margin sektor penapisan dijangka terus lemah kerana kapasiti yang berlebihan di rantau Asia Pasifik. Disebabkan cabaran ini serta persekitaran perniagaan yang tidak menentu, Syarikat akan terus menumpukan perhatian ke atas usaha "bantu diri" dengan mengurangkan kos operasi, peningkatan kecekapan dan membuat pelaburan terpilih dalam perniagaan yang menguntungkan.

#### Lembaga Pengarah

Dalam bulan Disember 2001, Y. Bhg. Dato' Kamaruddin Mohd Jamal telah bersara dari Syarikat dan meletakkan jawatan sebagai ahli Lembaga Pengarah setelah berkhidmat selama 27 tahun. Bagi pihak Lembaga Pengarah, saya ingin menyatakan penghargaan di atas segala sumbangan dan khidmat beliau semasa memegang jawatan di dalam Syarikat.

Bagi pihak Lembaga Pengarah, saya ingin mengucapkan terima kasih kepada semua kakitangan di atas usaha dan dedikasi mereka. Kejayaan Syarikat adalah bergantung kepada kemahiran, keupayaan dan juga komitmen berterusan daripada semua kakitangan untuk memperbaiki keputusan perniagaan. Saya juga ingin menyatakan penghargaan saya kepada semua pemegang saham, pengedar dan pelanggan di atas sokongan berterusan mereka.



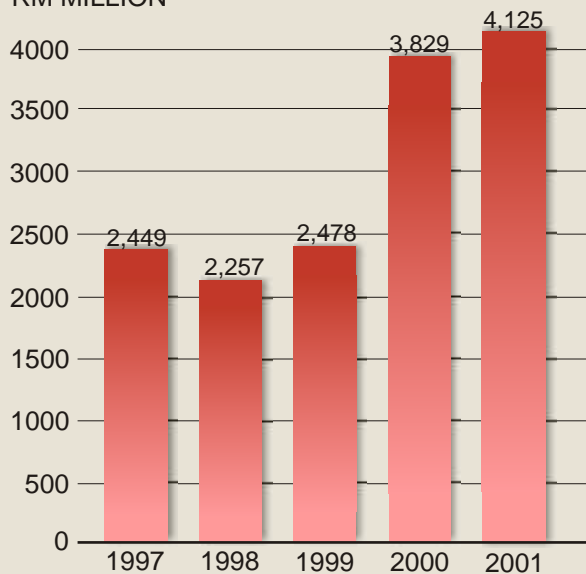
Richard M. Kruger  
Pengerusi

27 Februari, 2002

# FIVE - YEAR SUMMARY CHARTS

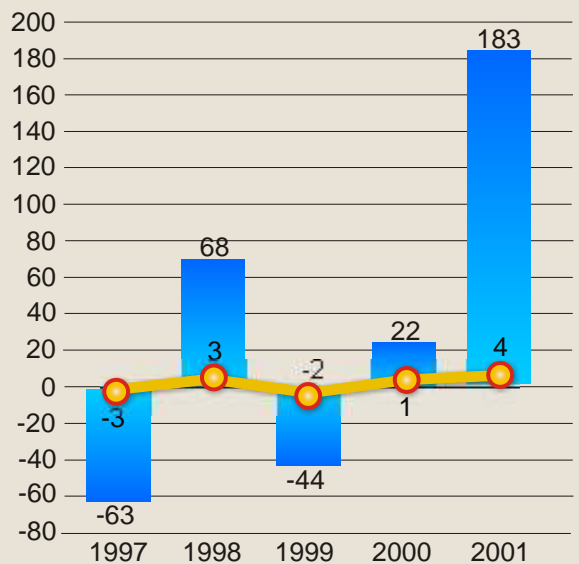
## REVENUES

(NET OF GOVERNMENT DUTIES)  
RM MILLION



## PROFIT/(LOSS) AFTER TAX

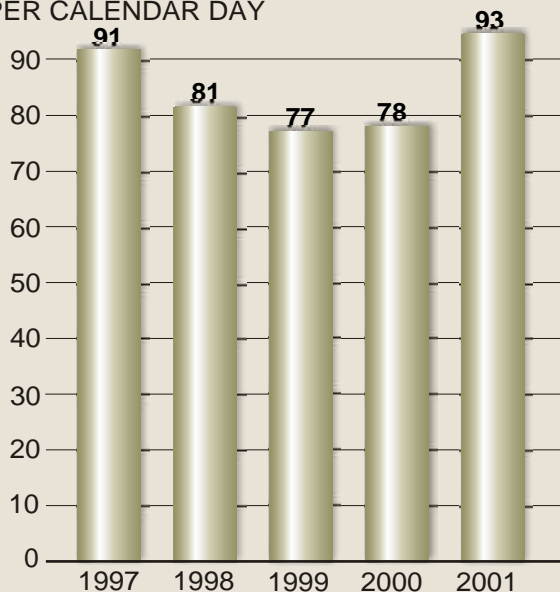
RM MILLION



Profit/(Loss) after tax and before extraordinary items % of revenues

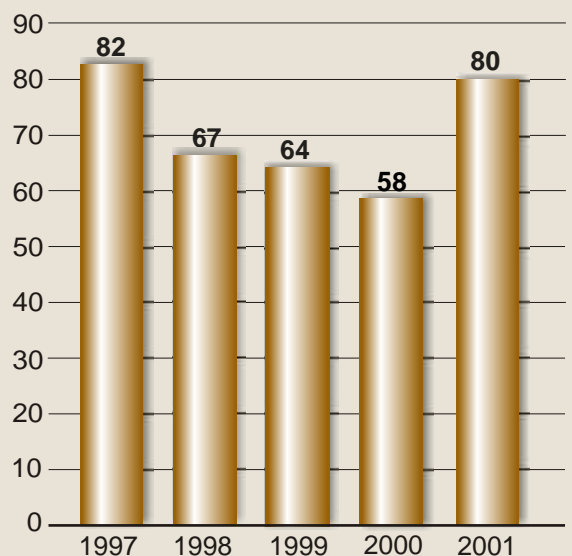
## SALES VOLUME

THOUSANDS OF BARRELS  
PER CALENDAR DAY



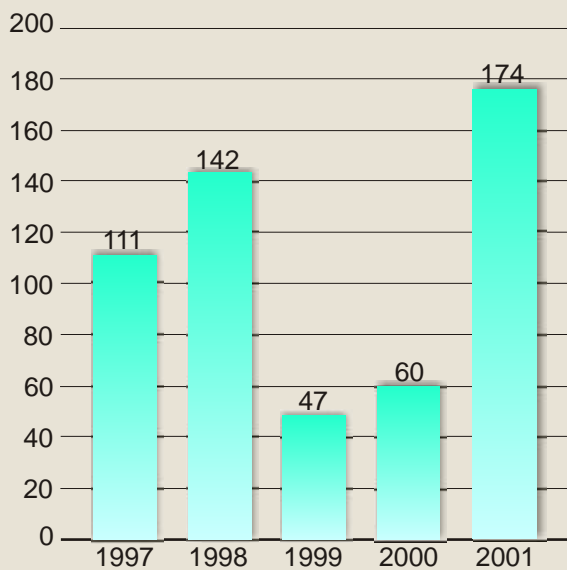
## REFINERY THROUGHPUT

THOUSANDS OF BARRELS  
PER CALENDAR DAY



## CAPITAL EXPENDITURE

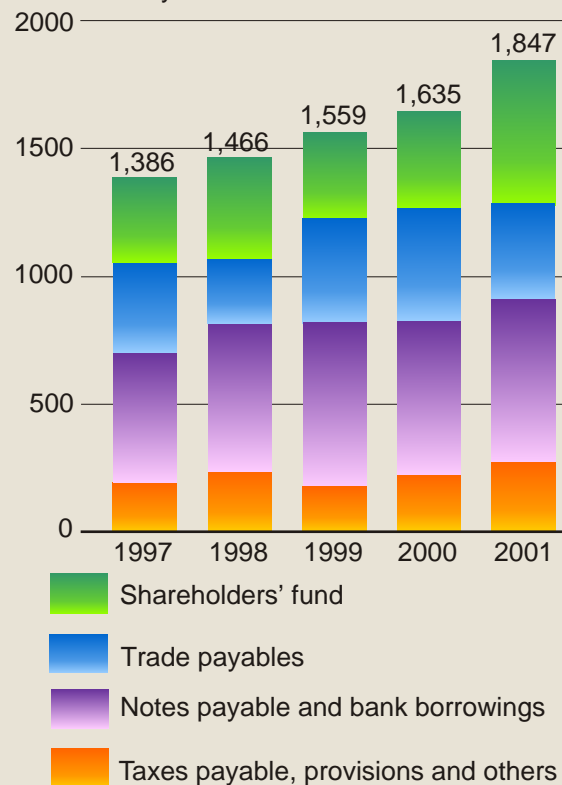
RM MILLION



## TOTAL ASSETS EMPLOYED

RM MILLION

Financed by:



## SHAREHOLDERS' INFORMATION

	1997	1998	1999	2000	2001
Earnings/(Loss) per ordinary stock unit (sen)	(23.2)	25.3	(16.3)	8.1	<b>67.6</b>
Gross dividend per stock unit – ordinary (sen)	10	5	0	0	<b>10</b>
Dividend yield (%)	1.7	1.4	0.0	0.0	<b>5.9</b>
Share price (RM)					
- Highest	7.20	4.80	3.52	3.28	<b>2.29</b>
- Lowest	4.12	2.05	2.39	1.44	<b>1.39</b>
- Average	6.01	3.48	3.05	2.60	<b>1.70</b>
Number of employees at year-end	<b>628</b>	<b>619</b>	<b>574</b>	<b>548</b>	<b>529</b>

# BOARD OF DIRECTORS



Y. Bhg. Dato' (Dr.) Philip J. Dingle  
Resigned w.e.f. July 31, 2001  
*Meletak jawatan berkuatkuasa  
31 Julai 2001*



Y. Bhg. Dato' Kamaruddin Mohd Jamal  
Resigned w.e.f. December 31, 2001  
*Meletak jawatan berkuatkuasa  
31 Disember 2001*



SEATED FROM LEFT TO RIGHT  
*DUDUK DARI KIRI KE KANAN*  
Y. Bhg. Tan Sri Dato' Dr. Syed Jalaludin Syed Salim  
Mr. Richard M. Kruger  
Chairman / *Pengerusi*  
Y.A. Bhg. Tun Dato' Seri Haji Omar Yoke Lin Ong

STANDING FROM LEFT TO RIGHT  
*BERDIRI DARI KIRI KE KANAN*  
Dr. Abu Hassan Sulaiman A.S.M.  
Logistics Director / *Pengarah Logistik*  
Mr. James A. Hall  
Financial Director / *Pengarah Kewangan*  
Cik Rajabee Mohd Yusoff  
Corporate Secretary / *Setiausaha Korporat*



Encik Abu Hassan Seeni Abdul  
Retail Sales Director / *Pengarah Jualan Runcit*  
Abroad during photo session  
*Di luar negara semasa sesi penggambaran*



Y. Bhg. Tan Sri Abdul Halim Ali  
Abroad during photo session  
*Di luar negara semasa sesi penggambaran*



## Directors

**Mr. Richard M. Kruger**  
(Executive Chairman)

**Y. A. Bhg. Tun Dato' Seri Haji Omar Yoke Lin Ong**  
(Independent Non-Executive Director)

**Y. Bhg. Tan Sri Dato' Dr. Syed Jalaludin Syed Salim**  
(Independent Non-Executive Director)

**Y. Bhg. Tan Sri Abdul Halim Ali**  
(Independent Non-Executive Director)

**Mr. James A. Hall**  
(Executive Financial Director)

**Dr. Abu Hassan Sulaiman**  
(Executive Logistics Director)

**Encik Abu Hassan Seeni Abdul**  
(Executive Retail Sales Director)

**Secretary**  
Cik Rajabee Mohd Yusoff  
(MAICSA Reg. No. 0743587)

**Share Registrar**  
M&C Services Sdn. Bhd. (Company No. 3775-X)  
20th Floor, Plaza Permata  
(Formerly known as IGB Plaza)  
Jalan Kampar, Off Jalan Tun Razak  
50400 Kuala Lumpur  
Tel: 03-40412188 Fax: 03-40439233

**Auditors**  
PricewaterhouseCoopers  
Chartered Accountants  
Kuala Lumpur

**Stock Exchange Listing**  
Main Board of Kuala Lumpur Stock Exchange

**Solicitors**  
Messrs. Raja, Darryl & Loh, Kuala Lumpur  
Messrs. Azman, Davidson & Co., Kuala Lumpur  
Messrs. Ng Yook Woon, Andrew T.C.Saw & Co., Kuala Lumpur  
Messrs. Skrine, Kuala Lumpur

**Registered Office**  
EMB Company Secretary's Office  
Level 16, Menara ExxonMobil  
Kuala Lumpur City Centre  
50088 Kuala Lumpur  
Tel: 03-20533000 Fax: 03-3803438



Richard M. Kruger  
Executive Chairman  
B.Sc. Mechanical Engineering, University of Minnesota, U.S.A.  
M.B.A., University of Houston, Texas, U.S.A.

Mr. Richard M. Kruger, aged 42, an American, was appointed Director and Chairman of the Company on August 3, 2001. He started his career with Exxon Company U.S.A. in 1981 and held various technical, supervisory and management positions in drilling, reservoir engineering, business strategic planning and project management. In 1994, he was appointed Production Advisor and was responsible for assisting Exxon Corporation's Senior Vice President in the management of worldwide exploration, development, production and gas marketing activities. In 1996, he was made Technical Manager responsible for managing Exxon's engineering and technical activities associated with development projects in Russia and Azerbaijan's deepwater Caspian Sea. In 1999, he was appointed as Vice President, Africa Deepwater, ExxonMobil Development Company responsible for deepwater oil and gas field development offshore Africa, most notably in Angola and Nigeria.



Y. A. Bhg. Tun Dato' Seri Haji Omar Yoke Lin Ong  
Independent Non- Executive Director and Chairman of Audit Committee  
S.S.M., P.M.N., S.P.M.S., S.P.D.K.  
Hon.Ph.D., University of Malaya

Y. A. Bhg. Tun Dato' Seri Omar Yoke Lin Ong, aged 84, a Malaysian, was appointed Director of the Company on March 28, 1974. In 1955, he was appointed Minister of Posts and Telecommunications and in the following year, he took over the Transport Portfolio. He was a member of the delegation of the ruling Alliance Party (now the Barisan Nasional) which together with the representatives of their Royal Highnesses, the Rulers of the Malay States, successfully concluded the Constitution for the independence of the Federation of Malaya with the British Government in April 1957. On Independence Day, Y. A. Bhg. Tun Omar was made concurrently Minister of Labour and Social Welfare. He was re-elected to Parliament in 1959 and was named Minister of Health and Social Welfare. In June 1962, he was appointed Ambassador to the U.S.A. and concurrently Permanent Representative to the United Nations. In 1966, he was made Malaysia's first High Commissioner to Canada and in the following year, Malaysia's first Ambassador to Brazil. He was made Minister without Portfolio from 1963 to 1972 and appointed President of the Senate in 1973. He retired from public services in 1980 and concentrated on his business and social welfare activities. Y. A. Bhg. Tun Omar serves as Chairman of Malaysian Oxygen Berhad and OYL Industries Berhad, also for over 20 years each.



Y. Bhg. Tan Sri Dato' Dr. Syed Jalaludin Syed Salim  
Independent Non-Executive Director and Member of Audit Committee  
J.S.M., D.S.S.A., D.P.M.P., P.S.M.  
F.A. Sc., B.V.Sc., University of Punjab,  
M.Phil. and Ph.D., University of London  
D.Sc., *Honoris Causa*, University of Hull, U. K.  
*Honoris Causa*, Soka University, Japan

Y. Bhg. Tan Sri Dato' Dr. Syed Jalaludin Syed Salim, aged 58, a Malaysian and a national science laureate, as well as a founder fellow of the Academy of Sciences Malaysia, was appointed Director of the Company on February 15, 2000. He started his career as a lecturer in University of Malaya in 1969. He joined University Pertanian Malaysia (now known as Universiti Putra Malaysia) in 1975 and was made Professor of Animal Nutrition in 1981. He was appointed the Deputy Vice Chancellor in 1983 and became the Vice Chancellor of University Putra Malaysia in 1994, responsible for transforming the University to become one of the leading centres of higher education. As an accomplished academician, he has helped found many academic societies and associations, and has published over 350 papers in journals and proceedings in the fields of animal science, university management and education. For his meritorious career and services, he has received numerous awards, decorations and honours nationally as well as internationally. He retired from University Putra in April 2001. Y. Bhg. Tan Sri Syed is now Director and Chairman of several private limited companies and President of several societies in Malaysia.



Y. Bhg. Tan Sri Abdul Halim Ali  
Independent Non-Executive Director and Member of Audit Committee  
P.M.N., P.J.N., S.P.M.S., S.I.M.P., D.G.S.M., D.H.M.S., D.S.D.K., J.S.M., K.M.N.  
B.A. Hons., University of Malaya

Y. Bhg. Tan Sri Abdul Halim Ali, aged 58, a Malaysian, was appointed Director of the Company on May 22, 2001. Upon graduation from University of Malaya, he joined the Ministry of Foreign Affairs in 1966. After several domestic and foreign postings, he was appointed the Malaysian Deputy Permanent Representative to the United Nations in 1979. He was appointed Ambassador to Vietnam in 1982 and returned to Malaysia in 1985 to be Deputy Secretary General in the Ministry of Foreign Affairs before being appointed Ambassador to Austria. In 1991, he again returned to Malaysia to be Deputy Secretary General I in the Ministry of Foreign Affairs and in 1996 he was promoted to Secretary General. In July 1998, he was appointed Chief Secretary to the Government, the highest ranking civil service post in the country and was responsible for overseeing and coordinating the policies of the government and their implementation. He retired in March 2001, at which time he was made Chairman of the Employees Provident Fund, a position he currently holds. He is also a Director of Cycle & Carriage Bintang Berhad, Cycle & Carriage Limited, Malaysia Building Society Berhad, Malakoff Berhad and Phileo Allied Berhad.



James A. Hall  
Executive Financial Director and Member of Audit Committee  
B.Sc. Business Administration, Susquehanna University, Pennsylvania, U.S.A.  
M.B.A. , Kellogg Graduate School of Management, Northwestern University, Illinois, U.S.A.  
Certified Public Accountant (CPA) State of Texas, U.S.A.

Mr. James A. Hall, aged 46, an American, was appointed Financial Director of the Company on February 24, 2001. He started his career with Exxon in 1980 as an Internal Auditor responsible for financial and operational audits of Exxon affiliates in the Asia Pacific region. In 1984, he joined Exxon Chemical Americas and held various managerial positions in the Controller's function. In 1991, he joined Exxon Corporation headquarters as a Senior Financial Analyst and was responsible for accounting policy and financial analysis matters. In 1995, he was appointed Corporate Accounting Manager and subsequently Financial Reporting Manager for Exxon Company International. In 1998, he became the Financial Reporting Manager for Exxon Mobil Corporation where he was responsible for the integration of Exxon's and Mobil's worldwide financial reporting processes following the Exxon Mobil merger.



Dr. Abu Hassan Sulaiman  
Executive Logistics Director  
A.S.M.  
B.Sc., M. Sc. and Ph.D. in Mathematics, University of London

Dr. Abu Hassan Sulaiman, aged 52, a Malaysian, was appointed Director of the Company on October 1994. He was a lecturer in Mathematics at the University of Malaya in 1977. He joined the Company in the Human Resources Department in 1980 and since then, has held various professional and managerial positions in the Production, Marketing, Refining, and Supply Departments. From 1990 to 1992, Dr. Abu Hassan was assigned as Advisor in the Supply Department of Exxon Company International, New Jersey, U.S.A. In 1992, he returned to Malaysia and assumed the position of Supply Department Manager. Subsequently, in October 1994, Dr. Abu Hassan was appointed Logistics Director. In 1998, he was assigned to the Marketing Department and assumed the position of Marketing Director. Following the Exxon Mobil merger, he assumed the Logistics Director's position in 2000, in charge of the Refining, Supply and Distribution businesses.



Encik Abu Hassan Seeni Abdul  
Executive Retail Sales Director and Alternate Member to Mr. James A. Hall on the Audit Committee  
B.A., Mathematics, Southern Illinois University, U.S.A.  
M.Sc. Mathematics, Southern Illinois University, U.S.A.

Encik Abu Hassan Seeni Abdul, aged 44, a Malaysian, was appointed Retail Sales Director of the Company on February 24, 2001. He started his career with Esso Malaysia Berhad in 1981 in the Marketing Department as an Operations Analyst. After holding various professional and supervisory positions in the Department, he accepted a 3-year foreign assignment with Exxon Company U.S.A. in Houston. He was attached to the Marketing Department and held various positions including a stint as a District Manager for South Texas CORS. He returned to Malaysia in 1995 to take on the position of Retail Development Manager and in 1997, was promoted to the position of Retail Trade Manager. From 1998 to 2000, he accepted another overseas assignment as the Country Manager in Esso Standard Oil SA Limited, Jamaica. In February 2000, he returned to Malaysia to assume his current position of Retail Sales Director.



The Board of Directors of Esso Malaysia Berhad is committed to ensuring that the highest standards of corporate governance are practiced throughout the Company. The Board views this as a fundamental part of its responsibilities to protect and enhance shareholder value. Accordingly, the Board fully supports the principles laid out in the Malaysian Code on Corporate Governance.

Exxon Mobil Corporation, as the Company's ultimate holding company, has developed a series of policies and management systems that are designed to create and support a strong system of corporate governance. The policies and management systems have been adopted by the Board and are communicated to the Company's employees, contractors and vendors, so that each has a clear understanding of the Company's expectations.

The policies, which are set out in a Standards of Business Conduct (SBC) booklet, and the management systems are strictly enforced. The core policies cover Business Ethics, Conflicts of Interest, Antitrust, Alcohol and Drug Use, Gift and Business Entertainment, Harassment in the Workplace, and Outside Directorships. The management systems are designed to achieve high standards of performance in the areas of safety, operations integrity, internal control and legal and environmental compliance.

The Board and the Board Audit Committee work to ensure that the policies and the management systems are fully implemented and consistently enforced. They are supported in these regards by an internal Management Committee, which is led by the Chairman, and by an Audit and Controls Committee, which is led by the Financial Director.

## The Board

The Board leads and controls the Company. The Board meets at least four times a year, with additional matters resolved by way of Circular Resolutions as and when necessary. Each non-executive Director is independent and brings invaluable judgement to bear on issues of strategy, performance, resource allocation, risk management and standards of conduct.

For the year ended December 31, 2001, four Board and four Board Audit Committee meetings were held. Details of the Directors' attendance at these meetings are summarised below:

Directors	Number of Board Meetings		Number of Board Audit Committee Meetings	
	Held	Attended	Held	Attended
Mr. Richard M. Kruger	2*	2	Non-member	Non-member
Dato' (Dr.) Philip J. Dingle (Resigned on July 31, 2001)	2*	2	Non-member	Non-member
Y. A. Bhg. Tun Dato' Seri Haji Omar Yoke Lin Ong	4	4	4	4
Y. Bhg. Tan Sri Dato' Dr. Syed Jalaludin Syed Salim	4	4	4	4
Y. Bhg. Tan Sri Abdul Halim Ali	3*	2	3*	2
Mr. James A. Hall	4	4	4	4
Y. Bhg. Dato' Kamaruddin Mohd Jamal (Resigned on December 31, 2001)	4	4	Non-member	Non-member
Dr. Abu Hassan Sulaiman	4	4	Non-member	Non-member
Encik Abu Hassan Seeni Abdul (Alternate member to Mr. James A. Hall on the Board Audit Committee.)	4	4	4	-

\*Reflects the number of meetings held during the time the Director held office.

## Board Membership

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The Board had 8 members in 2001, comprising 3 independent non-executive Directors and 5 executive Directors (including the Chairman). Together, the Directors form the mind and management of the Company.

There is a clear division of responsibilities between the executive directors namely the Chairman, the Financial Director, the Retail Sales Director, the Logistics Director, and the Human Resources Director. The position of the Human Resources Director is currently vacant with the retirement and resignation of Y. Bhg. Dato' Kamaruddin Mohd Jamal on December 31, 2001 after 27 years of service. With this resignation, the Board currently has 7 members, comprising 3 independent non-executive Directors and 4 executive Directors (including the Chairman).

Balance in the Board is achieved and maintained with the composition of executive Directors and independent non-executive Directors. In recognition that the independent non-executive Directors have a primary role in providing unbiased and independent views, the Company has selectively appointed individuals of high character, and with broad experience and proven business and management expertise.

## Supply of Information

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Board meetings are structured with a pre-determined agenda. Board papers covering the Company's operational and financial performance, together with the minutes of the previous Board meeting and Board Audit Committee meeting, are circulated to the Directors prior to each meeting. This gives the Directors time to deliberate on the issues to be raised and discussed at each meeting. The Directors also have full access to information from senior management and the advice and services of the Company Secretary.

## Appointment and Re-election of Directors

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In accordance with the Company's Articles of Association, the Board can appoint any person to be a Director as and when it is deemed necessary. Any person so appointed shall hold office until the next Annual General Meeting at which time he will be subject to re-election by the shareholders. An election of Directors takes place every year, with each Director retiring from office at least once every three years. Directors retiring by rotation are eligible for re-election by the shareholders at the Annual General Meeting.

## Nominating Committee

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Having assessed the present process and circumstances particular to the Company, the Board has elected not to appoint a nominating committee. The present process delegates to management the responsibility for proposing new nominees in consultation with the Board and with the Board making the final decision on the appointment of Directors. The nomination process takes into account all the considerations covered by the Malaysian Code on Corporate Governance.

## Directors' Training

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The Directors have attended the Mandatory Accreditation Programme organised by the Research Institute of Investment Analysts Malaysia as required under the Listing Requirements of the Kuala Lumpur Stock Exchange (KLSE). The Directors are also kept informed of any changes in relevant laws and regulations.

## Directors' Remuneration

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Having assessed the present management control system and circumstances particular to the Company, the Board has elected not to appoint a remuneration committee. Instead, the Board has adopted Exxon Mobil Corporation's compensation system to set the remuneration of executive Directors. The compensation system takes into account the performance of each Director and the competitive environment in which the Company operates. The Directors take no part in deciding their own remuneration.

The remuneration received by the non-executive Directors is determined by the Board as a whole and is benchmarked against the competitive environment.

### Directors' Remuneration (Continued)

An analysis of the aggregate Directors' remuneration paid by the Company for the year ended December 31, 2001 as prescribed under Appendix 9C Part A Item 10(a) of the Listing Requirements of KLSE is set out below:

	FEES (RM)	VALUE OF OTHER REMUNERATION (RM)	TOTAL (RM)
EXECUTIVE DIRECTORS		1,134,232	1,134,232
NON-EXECUTIVE DIRECTORS	52,200	5,000	57,200

An analysis of the number of Directors whose remuneration, paid by the Company, falls in successive bands of RM50,000 as prescribed under Appendix 9C Part A Item 10(b) of the Listing Requirements of KLSE is set out below:

Remuneration (RM)	NUMBER OF EXECUTIVE DIRECTORS	NUMBER OF NON- EXECUTIVE DIRECTORS
Less than 50,000	1 *	3
50,001 - 100,000	3 *	
100,001 - 150,000		
150,001 - 200,000	2	
200,001 - 250,000		
250,001 - 300,000		
300,001 - 350,000	1	

\* Includes three Directors who resigned during the year ended December 31, 2001. Their remuneration was paid on a prorated basis.

The Company has opted not to disclose each Director's remuneration as the Board considers the information to be sensitive and proprietary.

### Dialogue between the Company and Investors

The Board values and encourages dialogue with the shareholders to establish better understanding of the Company's objectives and performance. The Annual General Meeting provides an appropriate forum for shareholders to dialogue with the Board. Additionally, the Company has a Public Affairs Department, which deals with queries from investors and potential investors. The Company also holds open discussions with investors and analysts upon request. In this regard, the Company disseminates information in strict adherence to the disclosure requirements of the Listing Requirements of the KLSE. Material information relating to the Company is disclosed to the public by way of announcements to the KLSE, as required by the Listing Requirements of the KLSE.

### Annual General Meeting

At the Annual General Meeting, the Chairman of the Board presents the progress and performance of the Company to the shareholders. A question and answer session is also conducted to allow shareholders the opportunity to question Management on the Company's business and on proposed resolutions. The Chairman, the Board members and the external auditors are available at the Annual General Meeting to respond to the questions.

### Accountability and Audit

In announcing the quarterly, semi-annual and annual financial statements to the shareholders and the public, the Board has endeavored to present a balanced and understandable assessment of the Company's financial position and prospects. The Board Audit Committee assists the Board by ensuring the accuracy and adequacy of the information announced.

## Internal Control

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The Directors are responsible for the Company's system of internal controls over all financial and operating activities to safeguard the shareholders' investment and the Company's assets. The internal control system involves each business, has clear management support, including involvement of the Board, and is designed to meet the risks to which the Company is exposed. The Board is satisfied with the design of the control system and believes that there is compliance with all of the requirements.

Key elements of the Company's internal control system include:

1. a comprehensive and clearly documented System of Management Control Standards Manual that establishes the core requirements for good controls within the Company. The manual not only identifies the principal risks faced by the Company, but also prescribes the appropriate systems to manage these risks. The manual also specifies the overall controls framework, the required control checks and the required checks on the system's effectiveness.
2. a clearly defined organizational structure with clear lines of accountability and delegation of authority for each level.
3. annual reviews of the control system, including internal and external audits. The results are reviewed with various levels of management and any major concerns identified are raised to senior management and the Board Audit Committee.
4. key policies covering Business Ethics, Conflict of Interest, Antitrust, Alcohol and Drug Use, Gift and Business Entertainment, Harassment in the Workplace and Outside Directorships. They include requirements to comply with all applicable laws and regulations. These policies are communicated to and acknowledged by employees on an annual basis.
5. a Controls Integrity Management system to assess and sustain the effectiveness of the organization's system of controls.
6. yearly representation of compliance by the managers of each business unit in the Company, where control concerns and corresponding corrective actions are identified.

It should be noted that systems of internal control and risk management are designed to manage rather than eliminate the risk of failure to achieve business objectives, and any system can only provide reasonable and not absolute assurance against material misstatement or loss.

## Statement of Directors' Responsibility for Preparing the Financial Statements

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The Directors are required by the Companies Act, 1965 to confirm that the financial statements for each financial year have been made out in accordance with the applicable approved accounting standards and that they give a true and fair view of the results of the business and state of affairs of the Company for the financial year.

The Directors have carried out their responsibilities by:

- selecting suitable accounting policies and applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- ensuring that all applicable accounting standards have been adhered to; and
- basing the financial statements on a going-concern basis, as the Directors have a reasonable expectation, after having made due enquiries, that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy, the financial position of the Company, enabling the Directors to ensure that the financial statements comply with the Companies Act, 1965 and to safeguard the assets of the Company.

### Relationship with Auditors

The Board has established a formal and transparent relationship with the auditors of the Company. The role of the Board Audit Committee in relation to the internal and external auditors is described on page 19 of this Annual Report.

### Material Contracts

The Company is not and was not a party to any material contracts involving the Directors' or its major shareholder's interests during the year.

### Non-Audit Fees

The amount of non-audit fees paid or payable to the external auditors, PricewaterhouseCoopers, by the Company for the financial year ended December 31, 2001 is RM34,175.00.

### Other Information

i) Family relationship

None of the Directors have any family relationship with any other Director and/or major shareholder of the Company.

ii) Conflict of interest

None of the Directors have any conflict of interest with the Company.

iii) Conviction for offences

None of the Directors have been convicted for any offences (excluding traffic offences) within the past 10 years.

iv) Sanctions and/or penalties

No sanction or penalty has been imposed on the Company, or the Directors or the Management, by the relevant regulatory bodies.

This Statement is made in accordance with the Board of Directors' resolution dated February 27, 2002.



## MEMBERSHIP AND MEETINGS

The Board Audit Committee comprises three independent non-executive Directors and one executive Director, namely:

1. Y. A. Bhg. Tun Dato' Seri Haji Omar Yoke Lin Ong, an independent non-executive Director, who has been elected as the Chairman of the Committee;
2. Y. Bhg. Tan Sri Dato' Dr. Syed Jalaludin Syed Salim, an independent non-executive Director;
3. Y. Bhg. Tan Sri Abdul Halim Ali, an independent non-executive Director; and
4. Mr. James A. Hall, an executive Director, whose alternate is Encik Abu Hassan Seeni Abdul, who is also an executive Director.

A detailed profile of the Committee members may be found on pages 10 and 11.

The appointed secretary to the Committee is currently Mr. Lam Foo Keong, who is also the Downstream Accounting Manager.

The Committee had 4 meetings during the last financial year. The details of attendance of each Committee member has been tabulated under the Corporate Governance Statements section which may be found on page 12. Other Directors and employees of the Company attended some of the Committee meetings by invitation.

## SUMMARY OF ACTIVITIES

During the last financial year, the Board Audit Committee carried out its duties as set out in the terms of reference. The Committee was also briefed by the management and the external auditors on the new accounting standards and the revamped Listing Requirements of the Kuala Lumpur Stock Exchange that are applicable to the Company.

## INTERNAL AUDIT FUNCTION

The Company has an internal audit function, whose principal responsibility is to independently conduct regular and systematic reviews of the Company's system of internal controls. This is to provide reasonable assurance that such systems are operating effectively. The basic framework of the Company's system of internal controls is described under the Corporate Governance Statements section which may be found on page 12. The scope of the internal audit function covers the audit of all Company units and operations. The internal audit function annually reviews audit results and audit plans for the subsequent year with the Board Audit Committee.

## TERMS OF REFERENCE OF THE BOARD AUDIT COMMITTEE

### Membership

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The Board Audit Committee members shall:

- be appointed from the Board of Directors;
- consist of not less than three in number;
- in the majority, be independent Directors;
- elect a Chairman from among their number, who is an independent Director; and
- not be an alternate Director.

Footnote:

The Kuala Lumpur Stock Exchange has extended to March 31, 2002 the deadline for the requirement for the Committee to have at least one among their number who:

- is a member of the Malaysian Institute of Accountants; or
- if not a member of the Malaysian Institute of Accountants, have at least 3 years' working experience and:
  - must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967;  
or
  - must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.

### Meetings and minutes

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Meetings of the Board Audit Committee shall be held regularly, and as often as necessary. Other Directors and employees of the Company may only attend the meetings at the invitation of the Committee. The presence of the external auditor at the meetings of the Committee, if required, may be requested. The auditors, both internal and external, may request the Committee to convene a meeting if one is necessary, to consider any matter which the auditor believes should be brought to the attention of the Directors or shareholders of the Company.

The Secretary to the Committee shall be appointed by the Committee and shall be responsible for keeping the minutes of meetings.

### Authority

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The Board Audit Committee is authorized by the Board of Directors:

- to have authority to investigate any matter within its terms of reference;
- to have the resources which are required to perform its duties;
- to have full and unrestricted access to any information pertaining to the Company;
- to have unrestricted access to and communication with both the internal and external auditors;
- to obtain external legal or other independent professional advice as necessary; and
- to convene meetings with the external auditors, excluding the attendance of the executive members of the Committee, whenever deemed necessary.

## Duties

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The Board Audit Committee is charged with the following duties:

- To review with both the internal auditor and the external auditor of the Company, the audit plan of the Company, the respective auditor's evaluation of the Company's system of internal accounting controls and the audit report, and report the same to the Board of Directors;
- To review and report to the Board of Directors the assistance given by the Company's employees to the internal auditor and the external auditor;
- To review and report to the Board of Directors the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- To review and report to the Board of Directors the internal audit programme, processes, the results of the internal audit programme, processes, or investigation undertaken, and whether or not appropriate action is taken on the recommendations of the internal audit function;
- To review and report to the Board of Directors the quarterly results and year end financial statements, including the balance sheet and profit and loss statement, prior to submission of the statements to the Directors for approval, focusing particularly on:
  - changes in or implementation of major accounting policy changes;
  - significant and unusual events;
  - compliance with accounting standards and other legal requirements; and
  - going concern assumption;
- To review and report to the Board of Directors any related party transaction and conflict of interest situation that may arise within the Company;
- To review and report to the Board of Directors any removal, resignation, appointment and audit fee of the Company's external auditor;
- To review and report to the Board of Directors whether there is reason and grounds to believe that the Company's external auditor is not suitable for re-appointment;
- To recommend the nomination of a person or persons as external auditors;
- To report promptly to the Kuala Lumpur Stock Exchange (KLSE) matters reported by the Committee to the Board of Directors which have not been satisfactorily resolved resulting in a breach of Listing Requirements of KLSE; and
- To perform such other functions as may be agreed to by the Committee and the Board of Directors.

# REPORT OF THE DIRECTORS

The Directors are pleased to submit the annual report together with the audited financial statements of the Company for the year ended December 31, 2001.

## PRINCIPAL ACTIVITIES

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The Company is a public company incorporated in Malaysia under the Companies Act, 1965 and is listed on the Kuala Lumpur Stock Exchange. The Company's principal activities are the manufacturing and marketing of petroleum products in Peninsular Malaysia. There has been no significant change in the nature of the Company's activities during the year.

## FINANCIAL RESULTS

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	RM'000
Profit after taxation	182,481
Retained profits brought forward	<u>227,365</u>
Retained profits carried forward	<u>409,846</u>

## DIVIDENDS

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The Directors propose that a final gross dividend of 10 sen less Malaysian income tax at 28% per ordinary stock unit, amounting to RM19,440,000, be paid for the year ended December 31, 2001.

No interim dividend was declared in 2001, and no dividend was declared or paid in 2001 in respect of the financial year ended 2000.

## RESERVES AND PROVISIONS

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All material transfers to or from reserves and provisions during the year are shown in the financial statements.

## STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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Before the income statement and balance sheet were completed, the Directors took reasonable steps:

1. to satisfy themselves that all trade accounts receivable had been properly analysed, that bad debts had been written off where appropriate and that adequate allowances had been established for doubtful debts, and
2. to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, were written down to the expected realisable amount.

At the date of this report, the Directors are not aware of any circumstances:

1. which would make the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or
2. which would make the values attributed to current assets in the financial statements of the Company misleading; or
3. which would make adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the year which, in the opinion of the Directors, will or may affect the ability of the Company to meet its obligations when they fall due.

At the date of this report, there does not exist:

1. any charge on the assets of the Company which has arisen since the end of the year which secures the liability of any other person; or
2. any contingent liability of the Company which has arisen since the end of the year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would make any amount stated in the financial statements misleading.

In their opinion,

1. the results of the Company's operations during the year were not substantially affected by any item, transaction or event of a material and unusual nature, and
2. there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the year in which this report is made.

#### DIRECTORS

The Directors who have held office during the period since the date of the last report are as follows:

Mr. Richard M. Kruger	(appointed w.e.f. August 3, 2001)
Mr. James A. Hall	
Y.A. Bhg. Tun Dato' Seri Haji Omar Yoke Lin Ong	
Y. Bhg. Tan Sri Dato' Dr. Syed Jalaludin Syed Salim	
Y. Bhg. Tan Sri Abdul Halim Ali	(appointed w.e.f. May 22, 2001)
Dr. Abu Hassan Sulaiman	
Encik Abu Hassan Seeni Abdul	
Y. Bhg. Dato' (Dr.) Philip J. Dingle	(resigned w.e.f. July 31, 2001)
Y. Bhg. Dato' Kamaruddin Mohd Jamal	(resigned w.e.f. December 31, 2001)

#### DIRECTORS' BENEFITS

Since the end of the previous year, no Director has entered into or received or become entitled to receive a benefit (other than benefits disclosed in note 5 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest. All transactions between the Company or a related corporation and companies in which Directors have interests are conducted on an arms-length, commercial basis in the ordinary course of business.

The company was not a party to any contract or arrangement during the year and at the end of the year, as envisaged by section 169 (6)(f) of the Companies Act, 1965, which would have enable any of the Directors to acquire benefits through the acquisition of shares in or debentures of the Company or any other body corporate.

## DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register of Directors' shareholdings, the interests of Directors who held office at the end of the year in the share capital of the Company and its related corporations are as follows:

	As at 1.1.01 or date of appointment	Bought	Sold	As at 31.12.01
Esso Malaysia Berhad - Number of ordinary stock units of RM0.50 each in which the following Director is deemed to have an interest:				
Y. A. Bhg. Tun Dato' Seri Haji Omar Yoke Lin Ong	47,000	-	-	47,000 (0.02% of issued capital)

Exxon Mobil Corporation  
(Ultimate holding company) - Number of ordinary shares without par value held by the following Directors:

Mr. Richard M. Kruger	21,574	6,684	-	28,258
Mr. James A. Hall	8,676	2,099	-	10,775
Dr. Abu Hassan Sulaiman	-	2,000	2,000	-

Note: All Exxon Mobil Corporation shareholdings are restated to reflect a 2-for-1 share split in May 2001.

No other Director in office at the end of the year held any interest in the share capital of the Company or its related corporations.

## DIRECTORATE

In accordance with Article 105 of the Company's Articles of Association, Dr. Abu Hassan Sulaiman, retires at the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

In accordance with Article 109 of the Company's Articles of Association, Mr. Richard M. Kruger and Y. Bhg. Tan Sri Abdul Halim Ali retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

In accordance with Section 129 of the Companies Act, 1965, Y. A. Bhg. Tun Dato' Seri Haji Omar Yoke Lin Ong retires at the forthcoming Annual General Meeting. Your other Directors recommend that he be re-appointed Director for the ensuing year.

## ULTIMATE HOLDING COMPANY


The Directors regard Exxon Mobil Corporation, a company incorporated in the state of New Jersey, United States of America, as the ultimate holding company of the Company.

## AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated February 27, 2002.

  
Richard M. Kruger  
Chairman

  
James A. Hall  
Financial Director  
Kuala Lumpur,  
February 27, 2002

# REPORT OF THE AUDITORS

TO THE MEMBERS OF ESSO MALAYSIA BERHAD

We have audited the financial statements set out on pages 24 to 37. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved Auditing Standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:


- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
  - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
  - (ii) the state of affairs of the Company as at December 31, 2001 and of the results and cash flows of the Company for the year ended on that date; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



PRICEWATERHOUSECOOPERS

(No. AF-1146)

Chartered Accountants



ERIC OOILIP AUN

[No. 1517/6/02 (J)]

Partner of the firm

Kuala Lumpur

February 27, 2002

# INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2001

	Note	2001 RM'000	2000 RM'000
REVENUES	3	4,134,362	3,838,904
COST OF SALES		<u>(3,509,727)</u>	<u>(3,438,901)</u>
GROSS PROFIT		624,635	400,003
OTHER OPERATING INCOME		12,720	2,284
OPERATING EXPENSES		(285,372)	(276,630)
ADMINISTRATIVE AND OTHER EXPENSES		<u>(67,872)</u>	<u>(53,132)</u>
PROFIT FROM OPERATIONS		284,111	72,525
FINANCE COST	4	<u>(27,606)</u>	<u>(33,899)</u>
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX	5	256,505	38,626
TAXATION	6	<u>(74,024)</u>	<u>(16,753)</u>
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS		<u>182,481</u>	<u>21,873</u>
Proposed final dividend per ordinary stock unit (sen)		10.0	-
Earnings per ordinary stock unit (sen)	7	67.6	8.1

# BALANCE SHEET

AS AT DECEMBER 31, 2001

	Note	2001 RM'000	2000 RM'000
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	8	1,151,595	1,043,955
Long term assets and receivables	9	182,201	178,100
Intangible assets - software	10	<u>16,795</u>	<u>12,746</u>
<b>TOTAL NON CURRENT ASSETS</b>		<u><b>1,350,591</b></u>	<u><b>1,234,801</b></u>
<b>CURRENT ASSETS</b>			
Inventories	11	149,411	112,056
Receivables	12	249,910	154,976
Amounts due from related companies		86,243	117,092
Cash and bank balances		<u>10,896</u>	<u>15,869</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>496,460</b></u>	<u><b>399,993</b></u>
<b>CURRENT LIABILITIES</b>			
Payables	13	257,370	221,803
Amounts due to related companies		203,006	297,617
Notes payable - interest bearing	14	150,000	100,000
Bank borrowings - interest bearing	14	182,797	203,697
Term borrowings - interest bearing	15	300,000	-
Taxation		<u>37,173</u>	<u>17,583</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>1,130,346</b></u>	<u><b>840,700</b></u>
<b>NET CURRENT LIABILITIES</b>		<u><b>(633,886)</b></u>	<u><b>(440,707)</b></u>
<b>LESS: NON CURRENT LIABILITIES</b>			
Deferred taxation	16	95,204	53,489
Provision for retirement benefits		68,655	70,240
Term borrowings - interest bearing	15	<u>-</u>	<u>300,000</u>
		<u>163,859</u>	<u>423,729</u>
<b>TOTAL NET ASSETS EMPLOYED</b>		<u><b>552,846</b></u>	<u><b>370,365</b></u>
<b>FINANCED BY:</b>			
SHARE CAPITAL	17	135,000	135,000
RESERVES	18	8,000	8,000
RETAINED EARNINGS	18	<u>409,846</u>	<u>227,365</u>
<b>SHAREHOLDERS' EQUITY</b>		<u><b>552,846</b></u>	<u><b>370,365</b></u>

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2001

	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			
At December 31, 2000	270,000	135,000	8,000	227,365	370,365
Net Profit	-	-	-	182,481	182,481
At December 31, 2001	270,000	135,000	8,000	409,846	552,846
At December 31, 1999	270,000	135,000	8,000	205,492	348,492
Net Profit	-	-	-	21,873	21,873
At December 31, 2000	270,000	135,000	8,000	227,365	370,365

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2001

	Note	2001 RM'000	2000 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit attributable to shareholders		182,481	21,873
Adjustments for:			
Depreciation on property, plant and equipment		65,949	61,060
Amortisation of intangible assets		827	-
Tax expense		74,024	16,753
Interest income		(264)	(247)
Interest expense		27,606	33,899
Provision for retirement benefits		5,574	6,848
(Gain)/Loss on disposal of property, plant and equipment		(469)	1,479
Changes in:			
Increase in inventories		(37,355)	(2,313)
Increase in receivables		(94,934)	(12,134)
Decrease / (Increase) in amounts due from related companies		30,849	(75,747)
(Decrease) / Increase in amounts due to related companies		(94,611)	35,900
Increase in payables		<u>35,222</u>	<u>23,543</u>
Cash generated from operations		194,899	110,914
Interest paid		(28,295)	(34,249)
Interest received		264	247
Income taxes paid		(12,719)	-
Retirement benefits/severance expenses paid		<u>(6,125)</u>	<u>(1,964)</u>
Net cash from operating activities		148,024	74,948
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(174,402)	(59,669)
Purchase of intangible assets		(4,876)	(12,746)
(Increase)/Decrease in long term assets and receivables		(4,101)	4,801
Proceeds from disposal of property, plant and equipment		<u>1,282</u>	<u>1,020</u>
Net cash used in investing activities		(182,097)	(66,594)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from / (Repayment of) short-term borrowings		24,000	(7,000)
Repayment of long-term borrowings		<u>-</u>	<u>(29,750)</u>
Net cash from / (Net cash used in) financing activities		24,000	(36,750)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(10,073)	(28,396)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>172</u>	<u>28,568</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	<u>(9,901)</u>	<u>172</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION

The financial statements of the Company are prepared under the historical cost convention as modified by the revaluation of certain land and buildings, and the valuation of inventories at the lower of cost or net realisable value. The financial statements comply with the applicable approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965.

The preparation of financial statements in conformity with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies adopted by the Company are consistent with those adopted in previous years:

### (a) Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation.

The Directors have applied the transitional provisions of Malaysian Accounting Standards Board (MASB) Standard Number 15 on Property, Plant and Equipment which allows freehold and leasehold land and buildings to be stated at their prevailing valuations less depreciation. Such assets acquired in 1982 or earlier are stated at valuations determined by independent professional valuers in 1982 on the following bases:

Land	-	Open market value based on existing use
Buildings	-	Depreciated replacement cost

These valuations have not been updated since 1982. Freehold and leasehold land and buildings acquired after 1982 are stated at cost less accumulated depreciation.

No depreciation is provided on freehold land and capital project-in-progress. Leasehold land is amortised in equal installments over the period of the respective leases. Buildings and improvements, and plant and equipment are depreciated on a straight-line basis to write off the cost or valuation of the assets over the term of their estimated service lives. The principal annual rates of depreciation used are as follows:

Buildings and improvements	3% - 5%
Plant and equipment	4% - 10%

Maintenance and repairs are charged to income as incurred. Major renewals and improvements are capitalised.

Included in the respective property, plant and equipment classifications, is the Company's share of its interest in the Multi-Product Pipeline System and related distribution terminal facilities (see Note 21). The accounting policy adopted for these jointly controlled assets is consistent with those adopted for the Company's 100% owned property, plant and equipment.

### (b) Intangible assets - software

Intangible assets are stated at cost less accumulated amortisation. Computer software and development costs with economic benefit exceeding five years are capitalised where material. Computer software costs are amortised on a straight line basis over the estimated useful life of the software, which normally falls within a range of 10-15 years.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (c) Operating leases

Leases of assets under which a significant portion of risks and benefits of ownership is effectively retained by the lessor are classified as operating leases. Prepaid lease rentals on service station sites made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. Payments for all other operating leases are charged to the income statement in the year to which they relate.

### (d) Inventories

Crude oil and petroleum product inventories are valued at the lower of cost and net realisable value. Cost includes all applicable purchase costs and production overheads and is determined on the last-in, first-out basis. Materials and supplies are valued at cost, determined on a weighted average basis, and a deduction is made for obsolete and slow moving stocks.

### (e) Trade receivables

Trade receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at year end.

### (f) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include bank balances, deposits held at call with banks and cash in hand less bank overdrafts. To be included, these items must be readily convertible to cash and must not be subject to a significant risk of a change in value.

### (g) Retirement benefits

The provision for employees' retirement benefits which are unfunded is determined by a periodic independent actuarial valuation that is based on the schedule of benefits stipulated in the Company's retirement benefits plan. The most recent valuation was carried out in November 2000. The projected benefit valuation method is used to calculate the actuarial plan benefits based on the estimated years of service and employees' projected compensation during their last year of employment. Any excess or deficit between the actuarial valuation and the book provision is amortised on a straight-line basis over the average remaining service life of employees expected to receive the plan benefits.

### (h) Taxation

The taxation charge in the income statement is calculated at current tax rates based on the chargeable income for the year.

Deferred taxation is calculated on all material timing differences between taxable income and accounting income using the liability method, except that the benefits of future tax deductions are not recognised until there is a reasonable expectation of future income to absorb the deductions.

### (i) Revenue recognition

Income from the sale of goods is recognised upon delivery of goods and acceptance by customers net of returns, discounts and allowances, in accordance with the terms of sale.

### (j) Research and development

Expenditures on research and development are recognised as expense except when there is sufficient certainty that future economic benefits will flow to the Company, in which case these costs are capitalised.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (k) Foreign currencies

Transactions arising in foreign currencies are translated into Ringgit Malaysia at the approximate rates of exchange on the transaction dates. Transactions uncompleted at the balance sheet date are translated at the closing exchange rates. Foreign currency exchange gains and losses resulting from the translation and settlement of foreign currency transactions are included in the income statement.

The closing rate used in translation of foreign currency amounts is RM3.800 : 1 U.S. Dollar for the year ended December 31, 2001 (2000 : RM3.825 : 1 U.S. Dollar).

## 3. REVENUES

	2001 RM'000	2000 RM'000
Related companies sales	1,320,557	746,399
Third party sales	<u>2,804,554</u>	<u>3,082,378</u>
Turnover	4,125,111	3,828,777
Interest income	264	247
Income from rent of land & buildings	<u>8,987</u>	<u>9,880</u>
	<u>4,134,362</u>	<u>3,838,904</u>

Turnover represents the value of goods sold net of Government duties and taxes of RM100,717,000 (2000: RM88,171,000).

## 4. FINANCE COST

	2001 RM'000	2000 RM'000
Interest on bank borrowings	27,530	34,626
Forex gain on bank borrowings - realised	-	(750)
Other interest expense	<u>76</u>	<u>23</u>
	<u>27,606</u>	<u>33,899</u>

## 5. PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX

	2001 RM'000	2000 RM'000
The profit from ordinary activities before taxation is arrived at after charging / (crediting) the following items:		
Depreciation on property, plant and equipment	65,949	61,060
Amortisation of intangible assets	827	-
Directors' remuneration:		
Fees (Non-Executive Directors)	52	42
Auditors' remuneration	117	130
Provision for retirement benefits	5,574	6,848
Allowance and write-off for doubtful debts	1,561	77
Forex (other than on bank borrowings)		
Realised forex (gain)/loss	(550)	630
Unrealised forex gain	(1,717)	(11)
Rental of land and buildings	18,619	16,511
Hire of plant and machinery	1,004	995
Research and development expense	2,886	1,496
(Gain)/Loss on disposal of property, plant and equipment	(469)	1,479
Staff costs	47,304	45,301

5. PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX (Continued)

The estimated monetary value of benefits provided to Directors during the year by way of usage of the Company's assets and the provision of accommodation and other benefits amounted to RM64,000 (2000: RM49,000).

Provision for retirement benefits is made for all national employees under the Company's retirement benefits plan. The charge to income includes an amount of RM104,000 (2000: RM101,000) in respect of Directors who are full time employees of the Company.

Staff cost disclosed include remuneration of Executive Directors amounting to RM966,000 (2000: RM968,000). Of this, the amount paid to the Company's ultimate holding company in respect of its executives assigned to the Company as Executive Directors amounted to RM363,000 (2000: RM440,000).

6. TAXATION

	2001 RM'000	2000 RM'000
Current Taxation	34,021	15,417
Prior years	(1,713)	573
Deferred Taxation		
Current year	<u>41,716</u>	<u>763</u>
	<u>74,024</u>	<u>16,753</u>

The effective tax rate was higher than the prevailing statutory tax rate because certain expenses were not deductible for tax purposes.

7. EARNINGS PER ORDINARY STOCK UNIT

Earnings per ordinary stock unit is calculated by dividing the net profit attributable to shareholders by the number of ordinary stock units in issue during the year.

	2001	2000
Net profit attributable to shareholders (RM'000)	182,481	21,873
Number of ordinary stock unit in issue ('000)	270,000	270,000
Basic earnings per stock unit (sen)	<u>67.6</u>	<u>8.1</u>

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Leasehold land RM'000	Buildings and improvements RM'000	Plant and equipment RM'000	Capital project in-progress RM'000	Total RM'000
<u>Cost or valuation:</u>						
At January 1, 2001	195,112	98,141	234,676	1,050,395	68,915	1,647,239
Additions at cost	-	23,386	-	95,046	55,970	174,402
Disposals	(52)	-	(675)	(19,511)	-	(20,238)
Reclassifications	13,130	-	4,205	26,491	(43,826)	-
At December 31, 2001	<u>208,190</u>	<u>121,527</u>	<u>238,206</u>	<u>1,152,421</u>	<u>81,059</u>	<u>1,801,403</u>
Representing items at:						
Valuation-1982	66,227	4,573	17,069	-	-	87,869
Cost-Post 1982 net additions	141,963	116,954	221,137	1,152,421	81,059	1,713,534
	<u>208,190</u>	<u>121,527</u>	<u>238,206</u>	<u>1,152,421</u>	<u>81,059</u>	<u>1,801,403</u>

## 8. PROPERTY, PLANT AND EQUIPMENT (Continued)

Assets associated with the Company's acquisition of a 20% Participating Interest in the Multi-Product Pipeline System in 2001 are reflected as additions to leasehold land and plant and equipment. Transfers of the respective 20% ownership interest in leasehold lands are in the process of being registered at the respective land offices.

	Freehold land RM'000	Leasehold land RM'000	Buildings and improvements RM'000	Plant and equipment RM'000	Capital project in-progress RM'000	Total RM'000
<u>Accumulated depreciation:</u>						
At January 1, 2001	-	9,500	79,873	513,911	-	603,284
Allowance for the year	-	1,450	10,517	53,982	-	65,949
Elimination on disposals	-	-	(675)	(18,750)	-	(19,425)
As at December 31, 2001	-	10,950	89,715	549,143	-	649,808
<u>Net Book Value:</u>						
At December 31, 2001	208,190	110,577	148,491	603,278	81,059	1,151,595
Net book value at December 31, 2001 if assets had been carried at cost less depreciation:	150,326	107,803	148,474	603,278	81,059	1,090,940
<u>Cost or valuation:</u>						
At January 1, 2000	169,319	92,260	229,227	1,035,317	73,671	1,599,794
Additions at cost	-	5,881	-	-	53,788	59,669
Disposals	-	-	(1,066)	(11,158)	-	(12,224)
Reclassifications	25,793	-	6,515	26,236	(58,544)	-
At December 31, 2000	195,112	98,141	234,676	1,050,395	68,915	1,647,239
Representing items at:						
Valuation-1982	66,279	4,573	17,744	-	-	88,596
Cost-Post 1982 net additions	128,833	93,568	216,932	1,050,395	68,915	1,558,643
	195,112	98,141	234,676	1,050,395	68,915	1,647,239
<u>Accumulated depreciation:</u>						
At January 1, 2000	-	8,234	69,951	473,764	-	551,949
Provision for the year	-	1,266	10,291	49,503	-	61,060
Elimination on disposals	-	-	(369)	(9,356)	-	(9,725)
As at December 31, 2000	-	9,500	79,873	513,911	-	603,284
<u>Net Book Value:</u>						
At December 31, 2000	195,112	88,641	154,803	536,484	68,915	1,043,955
Net book value at December 31, 2000 if assets had been carried at cost less depreciation:	137,201	85,678	154,802	536,484	68,915	983,080

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

	2001 RM'000	2000 RM'000
Leasehold lands (Net book value)		
Long leaseholds (unexpired period of fifty years or more)	104,575	82,329
Short leaseholds	<u>6,002</u>	<u>6,312</u>
	<u>110,577</u>	<u>88,641</u>

9. LONG TERM ASSETS AND RECEIVABLES

	2001 RM'000	2000 RM'000
Prepaid rentals and deposits	171,588	170,124
Loans to dealers	3,967	3,892
Employee receivables	3,635	3,066
Others	<u>3,011</u>	<u>1,018</u>
	<u>182,201</u>	<u>178,100</u>

10. INTANGIBLE ASSETS - SOFTWARE

	2001 RM'000	2000 RM'000
Computer software	17,622	12,746
Accumulated amortisation	<u>(827)</u>	<u>-</u>
Net intangible assets	<u>16,795</u>	<u>12,746</u>

The Company has undertaken major projects to upgrade and integrate its computer systems. The development and software costs for completed projects have been capitalised.

11. INVENTORIES

	2001 RM'000	2000 RM'000
At cost:		
Crude oil	94,293	50,054
Petroleum products	46,879	54,103
Materials and supplies	<u>8,239</u>	<u>7,899</u>
	<u>149,411</u>	<u>112,056</u>

As mentioned in note 2(d) to the financial statements, the cost of crude oil and petroleum product inventories is determined on the last-in, first-out basis. Application of the first-in, first-out basis in determining the cost of crude oil and petroleum product inventories at December 31, 2001 would increase the value by RM44,574,000 (2000: RM145,033,000).

12. RECEIVABLES

	2001 RM'000	2000 RM'000
Trade receivables	72,059	57,834
Less: Allowance for doubtful debts	<u>(3,921)</u>	<u>(2,906)</u>
	68,138	54,928
Others	<u>181,772</u>	<u>100,048</u>
	<u>249,910</u>	<u>154,976</u>

Other receivables are generally those of a non-trade nature (i.e. did not involve the sale of products to the Company's customers). Included in the current year balance is an amount of RM167,366,000 (2000: RM78,517,000) for subsidies receivable from the Government of Malaysia under the Automatic Pricing Mechanism governing the sale of petroleum products.

13. PAYABLES

	2001 RM'000	2000 RM'000
Trade payables	183,883	152,334
Other payables	<u>73,487</u>	<u>69,469</u>
	<u>257,370</u>	<u>221,803</u>

Other payables are generally those of a non-trade nature (i.e. did not involve the purchase of crude and petroleum products).

14. NOTES PAYABLE/BANK BORROWINGS (UNSECURED)

	2001 RM'000	2000 RM'000
Short-term notes	150,000	100,000
Bank overdrafts	20,797	15,697
Revolving credits	<u>162,000</u>	<u>188,000</u>
	<u>332,797</u>	<u>303,697</u>

The short-term notes were issued under a RM250 Million Commercial Papers Issuance Facility. This facility, which is available until May 2004, allowed the Company to issue notes of various durations not exceeding twelve months to the lowest bidder(s) among the Tender Panel Members.

Interest rates for overdrafts vary with the base lending rate or the Kuala Lumpur Interbank Offered Rate. The interest rates for revolving credits depend upon competitive market conditions at the time of each drawing, and generally vary with the Kuala Lumpur Interbank Offered Rate.

The interest rates applicable to short-term notes, bank overdrafts and revolving credits ranged from 2.84% to 7.30% per annum during the year (2000: 2.80% to 7.30%).

15. **TERMBORROWINGS (UNSECURED)**

	2001 RM'000	2000 RM'000
Fixed Rate Term Loan	150,000	150,000
Floating Rate Term Loan	<u>150,000</u>	<u>150,000</u>
	300,000	300,000
Less: Amount repayable within 12 months (included in current liabilities)	<u>(300,000)</u>	<u>-</u>
	<u>-</u>	<u>300,000</u>

The fixed rate loan was a three-year facility for an amount of RM150 Million, repayable in full in October 2003. The floating rate term loan is a five-year facility for an amount of RM150 Million, repayable in full in December 2004. The interest rates applicable to these facilities ranged from 3.94% to 5.35% per annum during the year (2000: 3.68% to 8.50%).

As part of ongoing efforts to optimize EMB's debt portfolio, these loans are being prepaid and refinanced with lower cost facilities, including a loan from an affiliated company established in December 2001 (refer to Note 20). The fixed rate facility was prepaid in full in February 2002. The floating rate facility will be prepaid in full in April 2002.

16. **DEFERRED TAXATION**

	2001 RM'000	2000 RM'000
Deferred tax provided for in the financial statements:		
Excess of capital allowances over depreciation	118,340	105,938
Inventory valuation	(12,481)	(40,642)
Provision for retirement benefits	(10,692)	(11,177)
Other timing differences	37	(630)
	<u>95,204</u>	<u>53,489</u>

The Company has not made any provision for the potential Malaysian Real Property Tax liability in respect of the surplus from revaluation of the freehold and leasehold land and buildings as there is no intention to dispose these properties in the foreseeable future.

17. **SHARE CAPITAL**

	2001 RM'000	2000 RM'000
Authorised:		
300,000,000 ordinary shares of RM0.50 each	<u>150,000</u>	<u>150,000</u>
Issued and fully paid:		
270,000,000 ordinary stock units of RM0.50 each	<u>135,000</u>	<u>135,000</u>

18. **RESERVES**

	2001 RM'000	2000 RM'000
Capital redemption reserve (non-distributable)	8,000	8,000
Retained profits (distributable)	<u>409,846</u>	<u>227,365</u>
	<u>417,846</u>	<u>235,365</u>

## 18. RESERVES (Continued)

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank up to approximately RM194,548,000 of the retained profits as at December 31, 2001 if paid out as dividends. Additionally, subject to the approval of the tax authorities, the Company has a tax exempt account available to frank tax exempt dividends up to approximately RM206,000,000.

## 19. CASH AND CASH EQUIVALENTS

	2001 RM'000	2000 RM'000
Cash and bank balances	10,896	15,869
Bank overdrafts	(20,797)	(15,697)
	<u>(9,901)</u>	<u>172</u>

## 20. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

### Ultimate Holding Company and Related Companies

The Company is a subsidiary of ExxonMobil International Holdings Incorporated, which in turn is a wholly owned subsidiary of Exxon Mobil Corporation. Both companies are incorporated in the United States of America. Exxon Mobil Corporation is regarded by the Directors as the ultimate holding company of the Company. Related companies are Exxon Mobil Corporation's other subsidiaries.

In the normal course of business, the Company undertakes, on an arms-length basis, a variety of transactions with these related companies.

	2001 RM'000	2000 RM'000
Purchases of crude oil from ExxonMobil Exploration and Production Malaysia Inc. (formerly known as Esso Production Malaysia Inc.)	<u>2,801,172</u>	<u>2,397,969</u>
Purchases of petroleum and other products from ExxonMobil Asia Pacific Pte. Ltd.	<u>580,178</u>	<u>815,826</u>
Sales of petroleum products to ExxonMobil Borneo Sdn. Bhd. and ExxonMobil Malaysia Sdn. Bhd. (formerly known as Esso Borneo Sendirian Berhad and Mobil Oil Malaysia Sendirian Berhad, respectively) and ExxonMobil Asia Pacific Pte. Ltd.	<u>1,320,557</u>	<u>746,399</u>
Central management, shared facilities and services costs from ExxonMobil Asia Pacific Pte. Ltd., ExxonMobil Global Services Company and ExxonMobil Exploration and Production Malaysia Inc. (formerly known as Esso Production Malaysia Inc.)	<u>56,399</u>	<u>61,677</u>

At each year end, the amounts due to and from related companies are in relation to the above described transactions.

In December 2001, the Company entered into a floating interest rate and fixed foreign exchange rate loan facility for an amount of U.S.\$100 Million with ExxonMobil Services (Labuan) Limited, a subsidiary of Exxon Overseas Corporation. This facility will provide the Company with competitive financing from its major shareholder and will be used to fund the Company's capital expenditures and to prepay higher cost borrowings. Subsequent to year end, the Company drew down U.S.\$50 Million (RM190 Million) of this loan facility in February 2002.

## 21. PARTICIPATING INTEREST IN THE MULTI-PRODUCT PIPELINE

The Company signed a Sale and Purchase Agreement with Petronas Dagangan Berhad (PDB) and Shell Malaysia Trading Sdn. Bhd. (SMTSB) for the purchase of a 20% participating interest in the Multi-Product Pipeline System. This system connects the Petronas Refinery in Sungai Udang, Melaka, the Shell Refineries in Port Dickson, Negeri Sembilan and the Company's refinery in Port Dickson, Negeri Sembilan to the Klang Valley Distribution Terminal and the Kuala Lumpur International Airport in Sepang, Selangor. These facilities are collectively referred to as the Multi-Product Pipeline. The Company's prorata share of the joint venture assets is included under property, plant and equipment within the respective classifications. The sale and purchase for RM120 Million was completed in the first quarter of 2001.

## 22. COMMITMENTS FOR CAPITAL EXPENDITURE

	2001 RM'000	2000 RM'000
Commitments for the purchase of property, plant and equipment authorised by the Directors but not provided for in the financial statements:		
Contracted	24,971	144,782
Not contracted	64,626	27,974
	<u>89,597</u>	<u>172,756</u>

## 23. CONTINGENT LIABILITIES (UNSECURED)

	2001 RM'000	2000 RM'000
Guarantees to third parties to secure housing and car loans for employees under the Company's benefits plan	350	518
Litigation and other claims against the Company	150	157
	<u>500</u>	<u>675</u>

## 24. LEASING COMMITMENTS

	2001 RM'000	2000 RM'000
As at balance sheet date, leasing commitments under non-cancellable operating leases were payable:		
Within 1 year	11,978	34,873
After 1 year but within 5 years	28,106	34,318
After 5 years	17,828	29,127
	<u>57,912</u>	<u>98,318</u>
Leasing commitments where milestone payments are dependent upon approvals from relevant authorities or the occurrence of events as specified under the said lease agreements	14,546	10,583

## 25. COMPARATIVE FIGURES

As part of adopting several new MASB Standards, the presentation and classification in the financial statements of certain prior year items have been extended to ensure comparability with the 2001 financial year.

STATEMENT BY DIRECTORS PURSUANT TO  
SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Richard M. Kruger and Tun Dato' Seri Haji Omar Yoke Lin Ong, two of the Directors of Esso Malaysia Berhad, state that in the opinion of the Directors, the financial statements set out on pages 24 to 37 are drawn up so as to give a true and fair view of the state of affairs of the Company at December 31, 2001 and of the results of the Company and its cash flows for the year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated February 27, 2002.



Richard M. Kruger

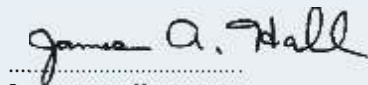


Y. A. Bhg. Tun Dato' Seri Haji Omar Yoke Lin Ong

Kuala Lumpur,  
February 27, 2002

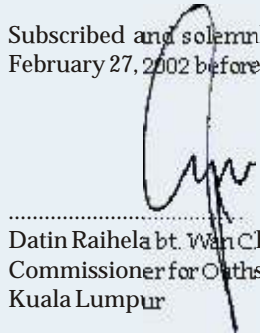
STATUTORY DECLARATION PURSUANT TO  
SECTION 169(16) OF THE COMPANIES ACT, 1965

I, James A. Hall, the Director primarily responsible for the financial management of Esso Malaysia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 24 to 37, 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.



James A. Hall

Subscribed and solemnly declared by the above named James A. Hall at Kuala Lumpur in Malaysia on February 27, 2002 before me.



Datin Raihela bt. Wan Chik  
Commissioner for Oaths  
Kuala Lumpur



# INFORMATION ON STOCKHOLDINGS

As at February 28, 2002

Class of stocks: Ordinary stock unit (RM0.50)

Voting right: One vote per stock unit

Size of Holdings	No. of Stockholders	% of Stockholders	Number of Units	% of Issued Capital
Less than 1,000	579	4.60	167,515	0.06
1,000 - 10,000	10,753	85.35	30,350,674	11.24
10,001 - 100,000	1,197	9.50	30,792,513	11.40
100,001 - 13,499,999	69	0.54	33,189,298	12.30
13,500,000 (5% of issued shares) and above	1	0.01	175,500,000	65.00
<b>TOTAL</b>	<b>12,599</b>	<b>100.00</b>	<b>270,000,000</b>	<b>100.00</b>

## THIRTY LARGEST STOCKHOLDERS

As at February 28, 2002

Name	No. Of Units Held	% of Issued Capital
1. ExxonMobil International Holdings Inc.	175,500,000	65.00
2. Employees Provident Fund Board	10,100,000	3.74
3. Amanah Raya Nominees (Tempatan) Sdn. Bhd. (Skim Amanah Saham Bumiputera)	2,312,000	0.86
4. Universiti Malaya	1,330,000	0.49
5. Menteri Kewangan Malaysia (Section 29 (SICDA) )	1,199,302	0.44
6. Lembaga Tabung Haji	1,099,000	0.41
7. Permodalan Nasional Berhad	1,075,000	0.40
8. Lembaga Tabung Haji	1,037,000	0.38
9. RHB Nominees (Tempatan) Sdn. Bhd. (Rashid Hussain Asset Management Sdn.Bhd for Pertubuhan Melayu Bersatu atau UMNO)	837,000	0.31
10. Malaysia National Insurance Berhad	821,000	0.30
11. Johan Enterprise Sdn. Bhd.	678,000	0.25
12. Asia Life (M) Berhad (As beneficial owner) (M'sia Life Fund)	660,000	0.24
13. Straits Nominees (Asing) Sdn. Bhd. (GK Goh SPL for Tan Leng Yeow (KS/300519))	583,000	0.22
14. Teo Kwee Hock	506,000	0.19
15. Eng Guan Chan Sdn. Berhad	488,800	0.18
16. Lim Seng Chee	426,000	0.16
17. Bumiputra-Commerce Trustee Berhad (Amanah Saham Darul Iman)	381,000	0.14
18. Tham Tatt Yow @ Tham Ah Chye	352,000	0.13
19. Asia Life (M) Berhad (As beneficial owner) (M'sia Life Fund)	347,000	0.13
20. Universal Trustee (Malaysia) Berhad (Mayban Balanced Trust Fund)	323,000	0.12
21. Yap Chai Company Sdn. Bhd.	316,000	0.12
22. Universal Trustee (Malaysia) Berhad (Mayban Unit Trust Fund)	302,000	0.12
23. Tee Keng Boon & Sons Sdn. Bhd.	300,000	0.11
24. Neoh Choo Ee & Company Sdn. Bhd.	294,000	0.11
25. Kumpulan Wang Amanah Pencen	285,000	0.11
26. New Tong Fong Plywood Sdn. Bhd.	280,000	0.10
27. The Central Depository (Pte) Limited	279,840	0.10
28. Lembaga Tabung Haji	269,000	0.10
29. Mayban Nominees (Tempatan) Sdn. Bhd. (Mayban Trustee Berhad for Amanah Saham Bank Islam Tabung Pertama)	252,000	0.09
30. Thong & Kay Hian Nominees (Asing) Sdn. Bhd. (Millennium Securities Pte. Ltd. for Teo Soo Chuan Pte Ltd)	245,000	0.09
	<b>202,877,942</b>	<b>75.14</b>

## SUBSTANTIAL STOCKHOLDER

As at February 28, 2002

1. ExxonMobil International Holdings Inc.	175,500,000	65.00
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# LIST OF PROPERTIES OWNED

AS AT DECEMBER 31, 2001

FEDERAL TERRITORY	Tenure	L.A.	Description of Properties	Acquisition Date	Expiry Date	Age	Net Book Value
315, Jalan Ampang	F	4,659	Service Station	01.12.1967		11	2,953,047.00
Lots 6-10, 31, 426-430, Section 7, Setapak	F	929	Vacant Land	01.12.1962		N/A	1,882,000.00
245, Jalan Bukit Bintang	F	2,137	Service Station	01.12.1969		28	1,935,666.00
29, Jalan Damansara Indah	F	1,673	Service Station	01.12.1973		32	1,093,675.00
125, Jalan Maharajalela	F	789	Service Station	01.12.1962		36	1,589,233.00
Lot 31362, Mukim Petaling	F	2,354	Service Station	01.12.1986		15	1,417,846.00
Lot PT 11134, Jalan Segambut	F	1,734	Service Station	01.11.1992		10	2,220,962.00
Lot 49260, Mukim Kuala Lumpur	F	1,714	Service Station	01.06.1968		14	456,391.00
Lot 212 & 2042, Section 99, Mukim of Petaling	F	4,055	Service Station	01.12.1986		14	4,278,398.00
Lot 3125, Mukim of Petaling	F	2,080	Service Station	01.01.1987		13	1,368,563.00
PT 1642, Sungai Untut, Setapak	F	1,757	Service Station	01.12.1988		14	2,021,848.00
Lot 26495, 6 1/4 ML, Jalan Sg. Besi, Mukim Petaling	F	2,250	Service Station	01.12.1990		12	1,826,552.00
Lots 51 & 52, Section 98, Kuala Lumpur	F	1,405	Service Station	01.12.1990		12	2,995,469.00
Lot 199 & 200, Section 96, Kuala Lumpur	F	2,017	Service Station	01.08.1993		9	5,577,106.00
Lot 1758, Mukim Setapak, Kuala Lumpur	F	1,926	Service Station	01.08.1993		8	3,496,627.00
PT 22391, Mukim Cheras	F	2,769	Service Station	01.11.1993		8	2,868,146.00
Lot 435, (PT 32725), 14, Jalan Cheras	F	4,048	Service Station	01.06.1995		7	3,390,420.00
Lot 26494, Mukim Petaling, Wilayah Persekutuan	F	5,669	Service Station	01.12.1996		7	6,517,020.00
Part of Lot 1280, Jalan Medan Midah, Kuala Lumpur	F	929	Vacant Land	01.12.1973		N/A	70,000.00
Lot No. 1853 & 1848, 69, Jalan Dang Wangi	F	1,496	Service Station	01.12.1962		14	2,535,099.00
Lot No. 126-129, Sek 65, Jalan Pasar	F	983	Vacant Land	01.12.1962		12	986,823.00
Bina Puri Sdn. Bhd., Taman Connaught	F	2,931	Vacant Land	01.12.1986		N/A	1,757,630.00
Lot No. 293, Sek. 63, Jalan Pekelling	L	1,406	Service Station	31.03.1072	04.03.2002	15	284,307.18
Lot No. 20021, Jalan Genting Kelang, Mukim Setapak	L	1,987	Service Station	10.10.1987	09.10.2053	13	1,283,111.86
HS(D) 51787-51795, Mukim Kuala Lumpur	L	1,715	Service Station	N/A	10.10.2085	12	1,632,672.56
Lot No. 64, Sek. 88, Bandar Kuala Lumpur	L	1,917	Service Station	N/A	10.04.2005	24	331,518.38
HS(D) 77348, P.T. 107, Sek. 92A, Jalan Sg. Besi, Kuala Lumpur	L	2,081	Vacant Land	N/A	09.11.2053	12	2,797,968.94
PT. 4062, Jalan Mewah, Cheras, Kuala Lumpur	L	4,622	LPG Redistribution Centre	10.01.1996	09.01.2056	N/A	1,675,899.72
Lot 23440, Mukim Setapak	L	1,417	Service Station	25.02.1995	24.02.2083	5	2,783,878.32
Lot 8094, Jalan Kuchai Lama	L	3,437	Service Station	N/A	04.03.2086	13	2,259,338.17
PT 1604 & 1668, Mukim Ampang	L	2,437	Service Station	27.06.1994	30.06.2052	7	2,642,003.44
<b>SELANGOR</b>							
Lots 83-88, Section 3, Banting	F	1,115	Service Station	01.12.1962		16	576,373.00
Lots 499 & 82, Section 24, Klang	F	1,392	Service Station	01.06.1966		14	1,068,669.00
Lots 222-226, Section 23, Klang	F	932	Service Station	01.12.1962		12	1,877,396.00
Lot 230, Mukim of Klang	F	1,439	Service Station	01.12.1962		40	581,603.00
Lot 1352, Mukim of Damansara	F	1,282	Service Station	01.10.1967		27	1,128,281.00
Lots 9179 & 9180, Mukim Sungai Buloh, Daerah Petaling	F	4,138	Service Station	01.12.1990		11	3,961,812.00
PT 13123 Mukim Raja Kelang	F	3,085	Service Station	01.12.1990		12	2,155,821.00
PT19199, Jalan Sg. Rasa, Mukim Kapar, Kelang	F	1,765	Service Station	01.08.1993		9	1,974,264.00
Lot 1115 & 1116, Petaling Jaya	F	2,085	Service Station	01.08.1993		9	3,641,288.00
PT12368, Mukim Kelang	F	3,188	Service Station	01.12.1993		8	2,572,668.00
PT 3637, Mukim Telok Panglima Garang	F	2,741	Service Station	01.10.1993		9	1,743,440.00
PT 15209, Mukim Damansara, Petaling Jaya	F	2,022	Service Station	01.05.1994		7	2,431,232.00
Lot PT 43708, Mukim Kelang	F	2,395	Service Station	01.12.1995		6	3,237,341.00
PT22493, Mukim Batu Gombak	F	2,684	Service Station	01.12.1996		6	2,630,007.00
PT 1444, Mukim Sepang	F	4,047	Service Station	01.07.1997		N/A	2,167,374.00
PT 46121, Mukim Daerah Klang, Selangor	F	2,345	Service Station	01.12.1998		6	3,998,494.00
Lots 21696 & 21728, Mukim Kapar, Daerah Klang	F	4,032	Service Station	01.03.1998		4	3,756,896.00
Lot 703, Mukim Bukit Raja, Klang	F	4,088	LPG Redistribution Centre	01.06.1993		12	2,612,719.00
Lot 19, Sec. 18, Ampang Pechah, Kuala Kubu Bharu	F	2,954	Service Station	01.12.1964		37	359,149.00
Lot 9353 HS (D) 41833, Daerah Klang, Esso Taman Sri Muda P2	F	1,481	Vacant Land	01.09.1999		N/A	1,237,026.00
Lot 9340 HS (D) 41825, Daerah Klang, Esso Taman Sri Muda P3	F	1,609	Vacant Land	01.09.1999		N/A	1,386,648.00
MG294 Lot 584 BT 18, Sungei Chua, Mukim Kajang, District of Ulu Langat	F	2,789	Filling Station	01.06.2000		5	3,498,275.00
HSD 94307 PT 28233 & HSD 94308 PT 28234 Bukit Rahman Putra							
Sungai Buloh, Selangor	F	4,064	Vacant Land	01.06.2000		N/A	4,419,973.00
HSM 28698 PT No. 59765 Mukim & District of Klang							
Esso Jalan Teluk Pulai	F	1,795	Filling Station	01.06.2000		2	2,604,753.00
HSD 15731 PT 8564 Bandar Serendah Tambahan	F	3,037	Service Station	30.09.2001		5	5,386,042.00
PT 21440 Daerah Kelang, Selangor	L	4,048	Service Station	09.05.1994	08.05.2053	N/A	4,585,832.98
PT 1517, Mukim Batu, Gombak, Batu 8, Jalan Rawang	L	2,137	Service Station	24.01.1979	23.01.2039	11	1,800,996.40
No. PT 2204, HS(D) 15872, Mukim Ulu Kelang	L	1,233	Vacant Land	03.03.1982	23.04.2012	15	343,805.14
Lot 10513, Taman Putra, Mukim Ampang	L	1,644	Service Station	31.10.1979	17.09.2009	16	412,478.11
Lot 12276, Mukim of Batu Selangor, Mukim Batu	L	1,440	Service Station	31.08.1980	10.07.2079	16	790,257.16
Lot 4, Jalan Raya 2, Petaling, Serdang	L	2,448	Service Station	01.04.1984	31.03.2014	15	838,649.09
Lot PT 334, Mukim Petaling, Daerah Petaling	L	3,577	Service Station	14.07.1993	13.07.2092	6	4,446,883.40
PT 7234, HS(M) 5288 Daerah Petaling, Sg. Buloh	L	2,370	Service Station	31.12.1987	30.12.2086	13	1,531,942.40
Lot 1850, Mukim Ampang	L	1,413	Service Station	07.07.1986	06.07.2085	11	1,372,305.08
PT 23489, HS(M) 14599, Mukim Batu, Gombak, Selangor	L	2,017	Service Station	28.03.1991	27.03.2021	6	2,131,092.11
PT 20061, Daerah Petaling Selangor	L	1,773	Service Station	30.06.1995	29.06.2094	7	2,163,360.00
Lot 49, Sec 27, Lorong Utara, Petaling Jaya	L	1,858	Service Station	N/A	03.10.2022	12	1,401,428.84
Lot No. 15, Road 201, Petaling Jaya, Selangor	L	4,047	LPG Redistribution Centre	28.08.1960	27.08.2059	N/A	1,410,549.40
PT 18428, Mukim Batu, Gombak	L	2,118	Service Station	N/A	25.09.2048	11	1,927,273.96
PT 4675, Jalan Balakong, Mukim Petaling	L	1,530	Service Station	25.03.1992	24.03.2091	10	1,395,884.54
PT 902, Mukim Sg. Buloh, Damansara Highway	L	3,055	Service Station	N/A	01.02.2079	32	1,733,392.08
PT 30165, Jalan Kuari, Mukim Ampang, Dist. Of Ulu Langat	L	1,672	Service Station	N/A	03.11.2091	8	2,344,725.22
PT 11448, Taman Subang Indah, Mukim Damansara	L	3,273	Service Station	N/A	09.10.2090	8	736,664.00
PT 12581, Tempat Batu 10, Petaling Tin, Mukim Damansara	L	2,580	Service Station	1995	07.12.2094	5	3,206,019.20
PT 7906, Mukim Bukit Raja, Petaling, Selangor	L	3,237	Service Station	N/A	07.10.2083	5	4,360,953.00
Lot 390, Sect. 3, Bandar PJ, Jalan Selangor	L	1,057	Service Station	28.02.1956	28.02.2016	13	425,532.71
PT 8542, Mukim Kapar, Daerah Klang	L	1,980	Filling Station	N/A	28.02.2098	1	3,860,849.02

	Tenure	L.A.	Description of Properties	Acquisition Date	Expiry Date	Age	Net Book Value
PT 2942 Mukim Rawang, Daerah Gombak	L	2,723	Filling Station	03.10.1994	18.09.2089	7	3,022,115.69
Seksyen 5, Pekan Meru, Mukim Kapar	L	1,859	Filling Station	N/A	30.09.2095	12	2,080,466.00
PT 30186, Mukim Ampang, Ulu Kelang	L	2,186	Filling Station	N/A	30.06.2092	5	4,234,441.56
Esso Jln Semenyih Kajang, HSM 05979 PT01856							
HSM 02793 PT 4350, Daerah Ulu Langat, Selangor North Bound	L	31,844	Vacant Land	31.10.1967	31.10.2066	3	3,927,334.38
Esso Jln Kebun South Bound, Batu 3 Puchong, Shah Alam	L	N/A	Service Station	31.12.2001	30.06.2099	N/A	5,374,079.10
<b>PERAK</b>							
Lot 2672, Mukim of Bidor	F	902	Service Station	01.12.1962		40	545,723.00
Lot 2225, Teluk Intan	F	892	Service Station	01.12.1962		40	209,119.00
Lots 3257, 3258 & 32A, District of Larut & Matang	F	1,640	Service Station	01.06.1964		33	494,403.00
Lot 2505, Taiping	F	1,280	Filling Station	01.12.1962		40	304,712.00
Lots 2878 & 2875, Mukim of Parit Buntar, Krian	F	1,390	Service Station	01.06.1965		37	584,856.00
Lots 2168-2172, Taiping	F	756	Service Station	01.12.1962		32	321,410.00
Lot 30480, Jalan Gopeng, Daerah Kinta	F	3,895	Service Station	01.12.1965		11	1,056,932.00
Lots 3637-3643, Ipoh, Daerah Kinta	F	1,049	Filling Station	01.03.1963		32	461,343.00
Lot 2738N, Ipoh, Daerah Kinta	F	1,748	Service Station	01.12.1962		13	946,219.00
Lots 916-919, Ipoh, Daerah Kinta	F	693	Service Station	01.12.1962		40	433,774.00
Lots 3045N-3049N, Ipoh, Daerah Kinta	F	929	Service Station	01.05.1963		39	223,228.00
Lot 103476 & 30982, Mukim Ulu Kinta	F	1,463	Service Station	01.05.1967		13	577,662.00
Lot 17898, Mukim of Teja, Ipoh	F	2,200	Service Station	01.12.1964		37	294,968.00
Lot 29881, Pusing, Daerah Kinta	F	1,796	Service Station	01.12.1962		13	614,265.00
Lots 455-462, Menglembu, Daerah Kinta	F	1,479	Service Station	01.12.1967		33	400,169.00
Lot 61406, Jalan Tasek, Ipoh	F	1,415	Service Station	01.08.1984		N/A	980,294.00
PT 146342, Mukim Hulu Kinta, Daerah Kinta	F	2,163	Service Station	01.12.1998		4	1,466,300.00
Grant Nos. 1115-1117 & 1128-1130, Comprising 6 Lots 245, Jalan Besar, Sq. Siput	F	847	Service Station	01.12.1962		12	354,517.00
Lot 10321 & 4459, 2 1/4 Mile, Ipoh, Perak	F	2,582	Service Station	01.06.1968		40	623,698.00
Land Title CT 11923, Simpang 4, Sitiawan	F	4,639	Vacant Land	01.12.1962		N/A	250,000.00
Lot 36173, Batu Gajah	L	1,110	Vacant Land	30.04.1958	31.03.2057	N/A	56,059.72
PT40, Kampar, Tasek Ind. Estate Site, Ipoh	L	819	Service Station	07.05.1965	06.05.2064	17	338,121.14
Lot 1803 Mukim Asam Kumbang	L	18,057	Vacant Land	02.12.1929	01.12.2028	N/A	90,003.56
Lot 162, Town of Tg. Tualang, District Kinta	L	719	Service Station	06.08.1995	05.08.2005	40	68,065.00
Lot No. 964 & Lot No. 100	L	26,305	Bulk Plant	1969	26.09.2068	N/A	967,087.46
PT 153632, Mukim Ulu Kinta, Ulu Kinta	L	3,610	Vacant Land	N/A	28.12.2096	N/A	2,260,722.60
PT 4825, Daerah Manjung	L	3,717	Vacant Land	N/A	18.07.2057	N/A	1,794,203.32
Esso Falim HD9D KA72477, PT 156405 Plot 346 Menglembu Industrial Estate, MK Hulu Kinta	L	2,931	Vacant Land	31.03.2000	31.10.2097	N/A	1,673,997.50
<b>PENANG</b>							
Lot 1991, Section 12, George Town, Daerah Timor Laut	F	1,395	Service Station	01.12.1969		31	778,322.00
Lots 425, 433 & 144, Mukim 7, Province Wellesley	F	1,145	Service Station	01.10.1967		40	173,824.00
Lot 402, Mukim 1, Daerah Central Penang	F	1,627	Service Station	01.12.1967		10	1,230,520.00
Lot 33, Section 4, Daerah Timor Laut	F	1,774	Service Station	01.11.1973		24	870,548.00
Lot 1684 & 378, 79, Jalan Mcalister	F	1,620	Service Station	01.11.1970		30	1,217,786.00
Lot 389, 32A, Jalan Ayer Itam	F	2,126	Service Station	01.12.1966		10	1,059,614.00
Lot 1791, Tanjung Bungah	F	781	Filling Station	01.12.1962		6	536,466.00
Lot 1011, 449 & 452, 539, Jln Dato Keramat	F	993	Service Station	01.12.1962		40	666,686.00
PT 783 & 784, Section 4, Seberang Perai Utara	F	1,998	Service Station	01.12.1962		40	1,888,250.00
Lot 140, Section 2, Seberang Perai Utara	F	1,859	Service Station	01.12.1969		10	914,309.00
Lot 152, Section 9, Jelutong	F	4,917	Service Station	01.12.1962		40	1,413,588.00
Lots 95-125, 128, Lot 2328-2338, Bagan Luar	F	43,780	Storage & Dist. Plant	01.12.1962		40	11,422,521.00
Lots 7632, 7633, 7634 & 622, Sungai Nibong, Mukim 13	F	1,536	Service Station	01.12.1989		12	1,272,782.00
Lot 3565, Mukim 6, Seberang Prai Tengah, Butterworth	F	2,969	Vacant Land	01.12.1996		7	3,498,684.00
Lot No Part 229/XIV, Mukim Bukit Mertajam	F	1,009	Vacant Land	01.12.1962		N/A	26,000.00
Lot 1213, Mukim 4, Daerah Seberang Prai, Esso Jln Permatang Pauh	F	6,817	Vacant Land	01.10.1999		15	3,436,482.00
Lot 5166 HS (D) 2986, Mukim 14, Daerah Prai Selatan, Esso Bukit Tambun	F	2,392	Vacant Land	01.10.1999		N/A	1,762,075.00
HSM 895, Lot 3074 Mukim 16, Daerah Seberang Prai Tengah, Esso Tmn Machang Bubuk	F	4,815	Vacant Land	01.06.2000		N/A	3,074,188.00
HSM 414 Lot 2779, Mk4, Seberang Perai TGH	F	4,099	Service Station	30.09.2001		3	5,377,182.47
Pegangan No. 2339, Sek 4, Bandar Butterworth, Daerah Seberang Prai Utara	L	1,566	Product Jetty/ Marine Discharge	N/A	24.01.2025	N/A	NIL
<b>KEDAH</b>							
Lot 4136, Mukim of Sungai Petani	F	919	Service Station	01.12.1962		30	438,395.00
Lot 20, Section 49, Sungai Petani, Daerah Kuala Muda	F	873	Service Station	01.12.1962		24	273,773.00
Lot 151 & 3056, Mukim Pengkalan Kundur	F	239	Service Station	01.12.1963		27	516,802.00
PT 3928, Mukim Alor Malai, Alor Setar	F	2,569	Service Station	01.08.1993		9	2,801,423.00
PT 1595, Mukim Kulim, Daerah Kulim	F	2,913	Service Station	01.06.1996		6	2,839,588.00
Lot 22384, Mukim Sq. Petani, Daerah Kuala Muda	F	2,625	Service Station	01.03.1997		5	3,037,679.00
GM 910 Lot 005393, MK Pengkalan Kundur Kota Setar	F	45,228	Service Station	30.09.2001		N/A	1,680,000.00
<b>NEGERI SEMBILAN</b>							
Lots 4510-4516, 4586, 4605 & 4522, Mukim of Ampangan	F	1,207	Vacant Land	01.12.1962		N/A	585,000.00
Lots 2298-2303, Mukim of Ampangan	F	1,185	Vacant Land	01.12.1962		N/A	765,000.00
Lot 3246 Daerah Jempol	F	2,937	Service Station	01.08.1984		N/A	1,075,697.00
Lot 4590, Village of Nilai	F	839	Service Station	01.12.1965		12	313,576.00
Lot 1305, Port Dickson	F	1,821	Service Station	01.11.1970		31	464,870.00
Lots 687, 697, Mukim of Jelai	F	278	Vacant Land	01.12.1962		N/A	1.00
Lots 2645 & 2647, Mukim of Port Dickson	F	41,816	Refinery	01.06.1984		17	168,759.00
(Lot 2646 & 2648), 1926-1930, 1593-1595, 1805, 1838, 1803, 1836, 1757, 2278 & 1222, Mukim Port Dickson	F	1,590,154	Refinery	01.06.1984		17	11,023,644.00
Lot 18171, (PT 940), Batu 2, Jalan Ampangan, Seremban	F	2,074	Filling Station	01.12.1990		13	1,000,524.00
Lot No PT 12697 - 12699, Tuanku Jaafar Industrial Estate, Seremban	F	30,171	Lubes Dist. Centre	01.11.1994		8	5,816,574.00
Lot No 33648 - 3471, Templer Road Town (Esso Tmn Tun Dr. Ismail)	F	798	Service Station	01.11.1966		14	644,586.00
HS(D) 120088, Esso Bandar Baru Nilai-1	F	180	Service Station	01.06.2000		3	4,738,676.00

	Tenure	L.A.	Description of Properties	Acquisition Date	Expiry Date	Age	Net Book Value
HS(D) 120088, Esso Bdr Baru Nilai-2	F	4,047	Vacant Land	01.06.2000		N/A	2,941,446.00
HS(D) 110853, Esso Bdr Baru Nilai-3	F	4,706	Vacant Land	01.06.2000		N/A	3,483,517.00
HSD 12088PT 14995, MKM Labu Seremban	F	43,561	Vacant Land	30.09.2001		N/A	142,601.80
HSD 31135 & 31136, MKM of Rantau, Seremban	F	23,239	Vacant Land	30.09.2001		N/A	1,148,410.90
PT 3861, Mukim Rasah, Seremban	L	3,437	Service Station	N/A	10.04.2089	10	1,562,175.56
9 Lots Land at PD	L	717,747	Vacant Land	1972		N/A	603,971.98
Pipeline to Jetty, Lots 135-141	L	N/A	Pipeline Site	N/A	09.12.2021	N/A	Nil
PT 14782 Mukim Ampangan, Panchor Jaya	L	4,319	Filling Station	N/A	09.09.2092	4	3,214,039.63
PT 14782, Mukim Ampangan, Persiaran Senawang 1	L	3,659	Filling Station	N/A	30.09.2093	4	2,839,460.01
MPP & KVDT	L	N/A	MPP/KVDT Facilities	01.03.2001	N/A	N/A	20,593,430.82

#### MALACCA

Lots 94-101, Village of Alor Gajah, Northern District	F	1,177	Service Station	01.06.1965		37	803,418.00
Lot 723, Mukim Balai Panjang, Central Malacca	F	1,839	Vacant Land	01.11.1966		N/A	360,000.00
Lots 394-397, Town of Area XXIX, Central Malacca	F	645	Service Station	01.12.1964		37	167,240.00
Lots 31-33 & 1632, Section 111/M, Village of Masjid Tanah	F	592	Service Station	01.12.1962		39	267,380.00
Lot 454 (New Lot No. 930) TownArea V11, Melaka Tengah	F	1,674	Service Station	01.12.1962		N/A	933,608.00
Lot 817, Klebang Kechil	F	1,105	Service Station	01.12.1962		40	560,327.00
Lots 4 to 8, Mukim of Jasin, Southern District	F	822	Service Station	01.12.1966		36	462,875.00
Lot 140, A, Jalan Semabok	F	743	Service Station	01.12.1962		39	470,115.00
Lot 262, (Lot 467), Mukim Bertam, Daerah Melaka Tengah	F	3,716	Service Station	01.10.1997		14	1,945,961.00
Lot 527, 78, 770, 462, Jln. Muni Abdullah, Malacca	F	2,251	Service Station	01.12.1962		40	1,267,652.00
Lot 7529, Mukim Bukit Baru Malacca	F	2,788	Service Station	01.05.1993		9	2,653,687.00
Holding No. 153, Bukit Baru Malacca	F	1,652	Service Station	01.06.1963		38	498,695.00
Grant No. 150, Melaka Tengah	F	1,839	Vacant Land	01.12.1966		N/A	Nil
Lot 511, & Qtr 385, District of Malacca Central	L	268	Service Station	N/A	24.02.2070	39	197,114.97

#### JOHORE

Lot MLO 643 & Lot 3250, Mukim of Simpang Kanan, Batu Pahat	F	2,327	Service Station	01.12.1966		11	949,446.00
Lot 3567, Mukim Kesang, Daerah Muar	F	1,432	Service Station	01.04.1986		36	149,677.00
Lot 890 Township Segamat, District of Batu Pahat	F	976	Service Station	01.12.1962		40	313,667.00
TLO 2084, Jln Saleh	F	1,114	Service Station	01.12.1962		11	628,062.00
Lot 535, Township of Bandar Penggaram, District of Batu Pahat	F	1,897	Service Station	01.09.1963		37	754,349.00
TLO 4111 Bandar Johore Bharu	F	1,985	Service Station	01.11.1972		15	1,196,334.00
Lot 456, Town of Mersing	F	1,232	Service Station	01.12.1962		17	208,705.00
Lot 15317, Bandar of Johore Bharu	F	1,394	Service Station	01.04.1966		36	740,061.00
Lot 151, Township of Pontian Kechil, District of Pontian	F	841	Service Station	01.12.1962		16	408,851.00
Lot 480, Mukim Tebrau	F	1,745	Service Station	01.07.1987		15	807,446.00
Lot 375, Mukim Bandar Penggarang	F	2,414	Vacant Land	01.12.1966		N/A	156,000.00
No. PTB 4711 Bandar Kluang, Johor	F	1,940	Service Station	01.12.1989		13	777,727.00
P.T.D. 54009 MK Tebrau, Johor Bharu	F	2,021	Service Station	01.12.1990		10	1,390,163.00
Lot 25729, Mukim Kluang	F	3,608	Service Station	01.12.1993		10	2,255,389.00
Lot 6280, Town & District of Johore Bharu	F	5,933	Service Station	01.12.1996		6	5,176,789.00
PTD 127533, Mukim Plentong, Daerah Johor Bharu	F	4,624	Vacant Land	01.12.1998		N/A	4,506,394.00
Lot 18302, Jln Kebun Teh, Johor, HSD 251562 PTD 111903 Mkm Plentong	F	1,564	Service Station	01.12.1962		15	1,001,584.00
Esso Bandar Sri Alam 2	F	3,572	Vacant Land	01.06.2000		N/A	4,803,458.00
Land Title Ct3951, Sek 7	F	372	Vacant Land	01.12.1962		36	277,563.00
HS(D) 109866, Mukim Pulau	F	2,931	Vacant Land	01.12.1986		N/A	728,482.00
QT(R) 477, Kg. Melayu Majidee, Johor	F	2,788	Service Station	01.01.1991		10	2,484,753.00
Title No. EMR 923, Kota Tinggi, Johor	F	9,105	Vacant Land	01.12.1962		N/A	11,250.00
HSD 137048, PTD 27075, MK Tebrau Johor Bahru	F	21,466	Vacant Land	30.09.2001		N/A	1,819,855.00
Lot 2055, Jalan Mengkibol, Kluang	L	2,300	Service Station	21.10.1978	20.10.2008	19	337,394.62
Esso Jln Dewata, JB, HS(D), 251614, P.T.20417, Bandar & Daerah JB	L	2,406	Filling Station	N/A	30.07.2095	5	4,608,536.86
PT87837, Mukim Pulau, Daerah Johor Bahru	L	2,274	Filling Station	N/A	31.05.2096	4	4,676,259.73
Esso New Tampoi 2, PT No. D64145, HS(D) 216976, Mukim Tebrau	L	4,298	Vacant Land	N/A	26.07.2093	10	4,599,479.30

#### TERENGGANU

Lot 1742, Daerah Kuala Terengganu	F	770	Service Station	01.08.1969		33	539,000.00
Lots 108 & 109, Part of 102, Town of Chukai	F	1,122	Service Station	01.12.1962		18	507,532.00
Lot 2904-2907, Mukim Batu Buruk	F	1,649	Service Station	01.11.1992		10	1,603,227.00
Lot 3550, Dungun SS	L	1,532	Service Station	30.03.1970	27.03.2030	40	170,069.00

#### PAHANG

Lots 59-63, Section 18, Kuantan	F	17,461	Service Station	01.12.1962		38	599,675.00
Lot 7171, Mukim Kota Kuantan	F	1,181	Service Station	01.12.1967		11	1,045,633.00
Lot 9141, PT 2266, Mukim Kota Kuantan	F	1,046	Service Station	01.12.1966		31	845,578.00
Lot 14, Section 20, Bentong	F	1,022	Service Station	01.12.1967		N/A	41,150.00
Lot 1804, Mukim Sabai Bentong, Esso Karak	F	1,971	Service Station	01.10.1968		34	375,728.00
Lot 73-76, Section 8, Raub	F	889	Service Station	01.05.1964		40	498,119.00
PT28106, Mukim Kuala Kuantan	F	3,232	Service Station	01.08.1993		N/A	902,304.00
PT29313, Mukim Kuala Kuantan	F	1,961	Service Station	01.12.1993		10	1,791,036.00
Lot 2, Sec. 19, Bentong, Pahang	F	50	Filling Station	01.12.1962		36	597,871.00
GM 1492, Sek 10, Bandar Temerloh	F	1,268	Service Station	01.10.1992		32	515,293.00
HS(M) 1187, Esso Kuala Lipis	F	4,048	Service Station	01.09.1995		N/A	1,230,000.00
Title Ct3952, Sek 8, Raub	F	945	Vacant Land	01.12.1962		N/A	92,001.00
Lot 4691, Mukim Kuala Kuantan	L	5,771	LPG Redistribution Centre	31.10.1957	31.12.2055	11	636,291.94

#### KELANTAN

Lots 231, 233, 1 Lorong Minyak Gas	F	6,227	Phased-Out Dist. Plant	01.07.1987		40	331,959.00
Lot 171, Jalan Sultan Ibrahim, Kota Bharu	L	1,742	Service Station	31.03.1964	13.03.2063	18	385,241.46
Lot 552, Bandar Machang	L	1,030	Service Station	N/A	12.10.2059	12	482,253.43

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-third Annual General Meeting of the Company will be held at the TRAINING CENTRE, LEVEL 18, MENARA EXXONMOBIL, KUALA LUMPUR CITY CENTER, 50088 KUALA LUMPUR on Thursday, May 23, 2002 at 10:30 a.m. for the purpose of transacting the following business:

1. To receive and adopt the Company's Audited Accounts for the year ended December 31, 2001 and the Directors' and Auditors' Reports thereon.
2. To approve the declaration of a final dividend of 10 sen less Malaysian Income Tax at 28% per ordinary stock unit of 50 sen each for the year ended December 31, 2001.
3. To re-elect Dr. Abu Hassan Sulaiman, a Director retiring in accordance with Article 105 of the Company's Articles of Association.
4. To re-elect Mr. Richard M. Kruger and Y. Bhg. Tan Sri Abdul Halim Ali, Directors retiring in accordance with Article 109 of the Company's Articles of Association.
5. To consider and if thought fit, pass the following resolution pursuant to Section 129 of the Companies Act, 1965:  

"That Y. A. Bhg. Tun Dato' Seri Haji Omar Yoke Lin Ong, a Director who retires in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting"
6. To approve an increase in Directors' fees from RM 60,000 to RM 72,000 per annum.
7. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.
8. To transact any other ordinary business of the Company.

## NOTICE OF BOOK CLOSURE

NOTICE IS HEREBY GIVEN THAT stockholders who are registered in the Register of Members and Record of Depositors at close of business on May 30, 2002 shall be entitled to the final dividend, which, if approved, will be paid on June 20, 2002.

A depositor shall qualify for entitlement only in respect of:

- a) Shares deposited into the Depositor's Securities Account before 12:30 p.m. on May 28, 2002 (in respect of shares which are exempted from mandatory deposit)
- b) Shares transferred to the Depositor's Securities Account before 12:30 p.m. on May 30, 2002 in respect of ordinary transfers; and
- c) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order of the Board  
Rajabee Mohd Yusoff  
MAICSA 0743587  
Secretary

Kuala Lumpur  
February 27, 2002

### Note:

A member of the Company entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of the member. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the registered office of the Company, EMB Company Secretary's Office, Level 16, Menara ExxonMobil, Kuala Lumpur City Center, 50088 Kuala Lumpur not less than 48 hours before the time set for the meeting.

Registration counters (located on Ground Floor of Menara ExxonMobil) will be opened from 9:00 a.m. to 10:20 a.m.

Refreshments will be served before the meeting at the Eatery on Level 6, Menara ExxonMobil, from 9:00 a.m. to 10:20 a.m.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING  
(Paragraph 8.28(2) of the Listing Requirements of Kuala Lumpur Stock Exchange)

1. Directors standing for re-election or re-appointment

- Dr. Abu Hassan Sulaiman - retires by rotation and eligible for re-election pursuant to Article 105 of the Company's Articles of Association.
- Mr. Richard M. Kruger - appointed since the last Annual General Meeting and eligible for re-election pursuant to Article 109 of the Company's Articles of Association.
- Y. Bhg. Tan Sri Abdul Halim Ali - appointed since the last Annual General Meeting and eligible for re-election pursuant to Article 109 of the Company's Articles of Association.
- Y. A. Bhg. Tun Dato' Seri Haji Omar Yoke Lin Ong - vacates office and eligible for re-appointment pursuant to Section 129 of the Companies Act, 1965.

2. Details of attendance of the Directors at Board Meetings

Four (4) Board Meetings were held during the financial year ended December 31, 2001. The details of attendance of the Directors are set out on page 12 of this Annual Report.

3. Place, date and time of the Board Meetings

All the Board of Directors' Meetings held during the financial year ended December 31, 2001 were held at the Board Room, Level 29, Menara ExxonMobil, Kuala Lumpur City Center, 50088 Kuala Lumpur. The date and time of the Board Meetings held were as follows: -

<u>Date of Meetings</u>	<u>Time</u>
Tuesday, February 27, 2001	11:45 a.m.
Tuesday, May 22, 2001	12:00 noon
Thursday, August 23, 2001	11:00 a.m.
Wednesday, November 21, 2001	11:30 a.m.

4. Details of Directors standing for re-election or re-appointment

(i) Profiles

Profiles of Directors standing for re-election or re-appointment are set out on pages 10 to 11 of this Annual Report.

(ii) Statement of shareholdings

The Statement of shareholdings in respect of Directors standing for re-election or re-appointment are set out on page 22 of this Annual Report.

(iii) Family relationship

None of the Directors standing for re-election or re-appointment have any family relationship with any Director and/or major shareholder of the Company.

(iv) Conflict of interest

None of the Directors standing for re-election or re-appointment have any conflict of interest with the Company.

(v) Conviction for offences

None of the Directors standing for re-election or re-appointment have been convicted for offences (excluding traffic offences) within the past 10 years.

# NOTIS MESYUARAT AGUNG TAHUNAN

ADALAH DENGAN INI DIBERITAHU bahawa Mesyuarat Agung Tahunan yang Keempat Puluh Tiga bagi Syarikat ini akan diadakan di PUSAT LATIHAN, ARAS 18, MENARA EXXONMOBIL, KUALA LUMPUR CITY CENTER, 50088 KUALA LUMPUR pada hari Khamis, 23 Mei, 2002 jam 10:30 pagi dengan tujuan mengendalikan urusan-urusan berikut:

1. Menerima dan meluluskan Akaun-akaun Syarikat yang telah diaudit bagi tahun berakhir 31 Disember, 2001 dan juga Laporan Pengarah serta Laporan Juruaudit mengenainya.
2. Meluluskan pengisytiharan dividen akhir sebanyak 10 sen tertakluk kepada cukai pendapatan Malaysia pada kadar 28% untuk setiap unit stok biasa yang bernilai 50 sen seunit bagi tahun berakhir 31 Disember, 2001.
3. Memilih semula Dr. Abu Hassan Sulaiman, Pengarah yang bersara mengikut Artikel 105 Tataurusan Pertubuhan Syarikat.
4. Memilih semula Encik Richard M. Kruger dan Y. Bhg. Tan Sri Abdul Halim Ali, Pengarah-Pengarah yang bersara mengikut Artikel 109 Tataurusan Pertubuhan Syarikat.
5. Menimbang dan jika difikirkan sesuai, meluluskan resolusi berikut mengikut Seksyen 129 Akta Syarikat, 1965;  
"Bahawa Y. A. Bhg. Tun Dato' Seri Haji Omar Yoke Lin Ong, Pengarah yang bersara menurut Seksyen 129 Akta Syarikat, 1965, dengan ini dilantik semula sebagai Pengarah Syarikat untuk memegang jawatan sehingga tamat Mesyuarat Agung yang akan datang.
6. Meluluskan kenaikan ganjaran Pengarah-Pengarah daripada RM60,000 kepada RM72,000 setahun.
7. Melantik semula Tetuan PricewaterhouseCoopers sebagai Juruaudit Syarikat dan memberi kuasa kepada Pengarah-Pengarah untuk menetapkan imbuhan mereka.
8. Menguruskan lain-lain urusan biasa Syarikat.

## NOTIS PENUTUPAN BUKU-BUKU

DENGAN INI DIBERITAHU bahawa pemegang-pemegang saham yang berdaftar di buku daftar ahli Syarikat dan Rekod Pendeposit pada akhir perniagaan, 30 Mei, 2002, adalah layak untuk menerima dividen akhir, dimana, jika diluluskan akan dibayar pada 20 Jun, 2002.

Seseorang Pendeposit hanya layak menerima dividen berhubung dengan:

- a) Saham-saham didepositkan di dalam Akaun Sekuriti Pendeposit sebelum 12:30 tengahari pada 28 Mei, 2002 (bagi saham-saham yang dikecualikan dari deposit mandatori).
- b) Saham-saham yang dipindahkan kepada Akaun Sekuriti Pendeposit sebelum 12:30 tengahari pada 30 Mei, 2002 bagi pemindahan biasa; dan
- c) Saham-saham yang dibeli di Bursa Saham Kuala Lumpur berserta hak kelayakan menurut Peraturan Bursa Saham Kuala Lumpur.

Dengan Perintah Lembaga Pengarah  
Rajabee Mohd Yusoff  
MAICSA 0743587  
Setiausaha

Kuala Lumpur  
Februari 27, 2002

### Nota:

Seorang ahli Syarikat yang berhak hadir dan mengundi adalah berhak melantik seorang wakil atau wakil-wakil untuk hadir mengundi bagi pihak ahli. Wakil itu tidak semestinya seorang ahli Syarikat. Surat perantukan wakil hendaklah diserahkan di pejabat berdaftar Syarikat iaitu Setiausaha Syarikat EMB, Aras 16, Menara ExxonMobil, Kuala Lumpur City Center, 50088 Kuala Lumpur; tidak lewat dari 48 jam sebelum waktu mesyuarat yang telah ditetapkan.

Kaunter pendaftaran (bertempat di Aras Bawah, Menara ExxonMobil) akan dibuka bermula pada pukul 9:00 pagi hingga pukul 10:20 pagi.

Jamuan akan disediakan sebelum Mesyuarat bertempat di Dewan Makan, Aras 6, Menara ExxonMobil, bermula pada pukul 9:00 pagi hingga pukul 10:20 pagi.

PENYATA YANG DILAMPIRKAN BERSAMA NOTIS MESYUARAT AGUNG TAHUNAN  
(Para 8.28(2) Peraturan Penyenaraian Bursa Saham Kuala Lumpur)

1. Pengarah-Pengarah yang bersedia untuk dipilih semula atau dilantik semula.

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- Dr. Abu Hassan Sulaiman - bersara mengikut giliran dan layak untuk dipilih semula menurut Artikel 105 Tataurusan Pertubuhan Syarikat.
- Encik Richard M. Kruger - dilantik semenjak Mesyuarat Agung Tahunan yang lepas dan layak untuk dipilih semula menurut Artikel 109 Tataurusan Pertubuhan Syarikat.
- Y. Bhg. Tan Sri Abdul Halim Ali - dilantik semenjak Mesyuarat Agung Tahunan yang lepas dan layak untuk dipilih semula menurut Artikel 109 Tataurusan Pertubuhan Syarikat.
- Y.A. Bhg. Tun Dato' Seri Haji Omar Yoke Lin Ong - bersara dan layak untuk dilantik semula menurut Seksyen 129 Akta Syarikat, 1965

2. Butir-butir kehadiran Para Pengarah di Mesyuarat Lembaga Pengarah.

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Empat (4) Mesyuarat Lembaga Pengarah telah diadakan sepanjang tahun kewangan yang berakhir pada 31 Disember, 2001. Butir-butir kehadiran Ahli Lembaga Pengarah adalah seperti yang tercatat di mukasurat 12 di dalam Laporan Tahunan ini.

3. Tempat, tarikh dan masa bagi Mesyuarat- Mesyuarat Lembaga Pengarah

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Kesemua Mesyuarat Lembaga Pengarah sepanjang tahun kewangan yang berakhir pada 31 Disember, 2001 telah diadakan di Bilik Lembaga, Aras 29, Menara ExxonMobil, Kuala Lumpur City Center, 50088 Kuala Lumpur. Tarikh dan masa Mesyuarat-Mesyuarat Lembaga Pengarah yang diadakan adalah seperti berikut:

<u>Tarikh Mesyuarat</u>	<u>Masa</u>
Selasa, 27 Februari, 2001	11:45 pagi
Selasa, 22 Mei, 2001	12:00 tengahari
Khamis, 23 Ogos, 2001	11:00 pagi
Rabu, 21 November, 2001	11:30 pagi

4. Butir-butir lanjut mengenai Pengarah-Pengarah yang bersedia untuk dipilih semula atau dilantik semula.

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(i) Profil

Butir-butir lanjut mengenai Pengarah-Pengarah yang bersedia untuk dipilih semula atau dilantik semula, tercatat di mukasurat 10 dan 11 di dalam Laporan Tahunan ini .

(ii) Penyata Pemegangan Saham

Penyata Pemegangan Saham bagi Pengarah-pengarah yang bersedia untuk dipilih semula atau dilantik semula, tercatat di mukasurat 22 di dalam Laporan Tahunan ini.

(iii) Hubungan Kekeluargaan

Pengarah-Pengarah yang bersedia untuk dipilih semula atau dilantik semula tidak mempunyai hubungan kekeluargaan sesama Pengarah-Pengarah yang lain atau Pemegang Saham terbesar Syarikat.

(iii) Percanggahan Kepentingan

Pengarah-Pengarah yang bersedia untuk dipilih semula atau dilantik semula tidak mempunyai percanggahan kepentingan di dalam Syarikat.

(iv) Kesalahan-kesalahan yang disabitkan

Pengarah-Pengarah yang bersedia untuk dipilih semula atau dilantik semula tidak disabitkan dengan kesalahan-kesalahan (selain daripada kesalahan lalulintas) dalam tempoh 10 tahun yang lepas.



**ESSO MALAYSIA BERHAD**

( Company No. 3927-V )  
( Incorporated in Malaysia )

**PROXY FORM**

( Before completing the form please see notes overleaf )

I / We \_\_\_\_\_ NRIC / Company No. \_\_\_\_\_  
( Full Name in Block Capitals )

of \_\_\_\_\_  
( Address )

being a member / members of the above-named Company hereby appoint

\_\_\_\_\_ NRIC No. \_\_\_\_\_  
( Full Name )

of \_\_\_\_\_ whom failing  
( Address )

\_\_\_\_\_ NRIC No. \_\_\_\_\_  
( Full Name )

of \_\_\_\_\_ as my  
( Address )

proxy to attend and vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on Thursday, May 23, 2002 at 10:30 a.m. and at any adjournment thereof.

My instruction to my/our proxy are to vote as follows:

Resolutions	For	Against
1. Receive and adopt Company's Audited Accounts		
2. Approve the declaration of dividend		
3. Re-elect Dr. Abu Hassan Sulaiman		
4. Re-elect the following directors:- a) Mr. Richard M. Kruger		
b) Y. Bhg. Tan Sri Abdul Halim Ali		
5. Approve resolution that Y. A. Bhg. Tun Dato' Seri Haji Omar Yoke Lin Ong be re-appointed a Director		
6. Approve the increase in payment of Directors' fees from RM60,000 to RM72,000 per annum		
7. Re-appoint PricewaterhouseCoopers as Auditors and authorise the Directors to fix their remuneration		
8. Transact any other business		

Signed this \_\_\_\_\_ day of May 2002.

\_\_\_\_\_  
Signature of Member (s)

Notes:

1. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint a proxy or proxies to attend and vote instead of the member. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the registered office of the Company, EMB Company Secretary's Office, Level 16, Menara ExxonMobil, Kuala Lumpur City Center, 50088 Kuala Lumpur not less than 48 hours before the time set for the meeting.
2. In the case of a corporation, the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised.
3. Unless otherwise instructed, the proxy may vote as he thinks fit.



**ESSO MALAYSIA BERHAD**  
(Company No.3927-V)  
(Incorporated in Malaysia)  
**An ExxonMobil Subsidiary in Malaysia**