PETRON MALAYSIA REFINING & MARKETING BERHAD
(formerly known as ESSO MALAYSIA BERHAD)
(Company Number 3927 V)

The Board of Directors of Petron Malaysia Refining & Marketing Berhad (formerly known as Esso Malaysia Berhad) is pleased to announce the financial results of the Company for the quarter ended December 31, 2012 and for the full year 2012.

This interim report is prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) 134 "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements (BURSA Securities Listing Requirements) of Bursa Malaysia Securities Berhad (BMSB).

PETRON

PETRON MALAYSIA REFINING & MARKETING BERHAD
(formerly known as ESSO MALAYSIA BERHAD)
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousand Ringgit Malaysia, Except Per Share Amounts)
Unaudited

	Note	*October to December* 2012	*October to December* 2011	*January to December* 2012	*January to December* 2011
Revenues		2,979,524	2,750,213	11,503,558	11,266,494
Cost of sales		(2,869,287)	(2,629,560)	(10,990,677)	(10,685,180)
Gross profit		110,237	120,653	512,881	581,314
Other income		20,753	29,206	52,995	46,459
Expenses		(102,648)	(104,807)	(376,136)	(401,119)
Finance cost		(15,879)	(6,654)	(53,754)	(23,255)
Profit before tax		12,463	38,398	135,986	203,399
Tax expense	*17*	(7,029)	(3,824)	(37,815)	(50,024)
Net profit for the period attributable to shareholders		5,434	34,574	98,171	153,375
Total comprehensive income attributable to shareholders		**5,434**	**34,574**	**98,171**	**153,375**
Earnings per ordinary stock unit (sen)	22	2.0	12.8	36.4	56.8

Certified by:

JOSUE C. BANEZ, JR.
Chief Finance Officer

(The condensed statements of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

PETRON MALAYSIA REFINING & MARKETING BERHAD
(formerly known as ESSO MALAYSIA BERHAD)
CONDENSED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousand Ringgit Malaysia)
Unaudited

	Note	*As at Dec 31, 2012*	*As at Dec 31, 2011*	*As at Jan 01, 2011*
NON-CURRENT ASSETS				
Property, plant and equipment		782,213	809,012	830,244
Long-term assets		301,208	299,811	306,825
Intangible assets- software		12,310	-	148
TOTAL NON-CURRENT ASSETS		1,095,731	1,108,823	1,137,217
CURRENT ASSETS				
Inventories		730,659	659,213	468,109
Receivables		748,740	568,595	243,830
Amounts due from current related companies		146,736	-	-
Amounts due from former related companies		-	156,095	140,417
Deposit, cash and bank balances		38,724	30,910	102,261
Tax recoverable		14,759	6,710	-
TOTAL CURRENT ASSETS		1,679,618	1,421,523	954,617
CURRENT LIABILITIES				
Payables		797,022	139,383	142,327
Retirement benefits obligations		6,423	3,987	1,006
Amounts due to a current related company		8,321	-	-
Amounts due to former related companies		-	569,264	396,907
Borrowings (unsecured)	*19*	900,000	821,553	616,307
Tax payable		-	-	54,257
TOTAL CURRENT LIABILITIES		1,711,766	1,534,187	1,210,804
NET CURRENT LIABILITIES		(32,148)	(112,664)	(256,187)
LESS: NON-CURRENT LIABILITIES				
Retirement benefits obligations		34,540	38,852	42,453
Deferred income tax		72,144	70,229	76,524
TOTAL NON-CURRENT LIABILITIES		106,684	109,081	118,977
TOTAL NET ASSETS EMPLOYED		**956,899**	**887,078**	**762,053**
FINANCED BY:				
SHARE CAPITAL		135,000	135,000	135,000
RESERVES		8,000	8,000	8,000
RETAINED EARNINGS		813,899	744,078	619,053
SHAREHOLDERS' EQUITY		**956,899**	**887,078**	**762,053**

Certified by:
JOSUE C. BANEZ, JR.
Chief Finance Officer

(The condensed statements of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

PETRON MALAYSIA REFINING & MARKETING BERHAD
(formerly known as ESSO MALAYSIA BERHAD)
CONDENSED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Ringgit Malaysia and Number of Shares, in Thousand)
Unaudited

	Issued and fully paid ordinary stock of RM0.50 each		*Non-distributable*		
	Number of ordinary stock unit	*Nominal value*	*capital redemption reserves*	*Distributable retained earnings*	*Total*
At January 1, 2011	270,000	135,000	8,000	619,053	762,053
Net profit and total comprehensive income attributable to shareholders	-	-	-	153,375	153,375
Transaction with owners: Dividends for the year ended December 31, 2010	-	-	-	(28,350)	(28,350)
At December 31, 2011	**270,000**	**135,000**	**8,000**	**744,078**	**887,078**
At January 1, 2012	270,000	135,000	8,000	744,078	887,078
Net profit and total comprehensive income attributable to shareholders	-	-	-	98,171	98,171
Transaction with owners: Dividends for the year ended December 31, 2011	-	-	-	(28,350)	(28,350)
At December 31, 2012	**270,000**	**135,000**	**8,000**	**813,899**	**956,899**

Certified by:
JOSUE C. BANEZ, JR.
Chief Finance Officer

(The condensed statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

PETRON MALAYSIA REFINING & MARKETING BERHAD
(formerly known as ESSO MALAYSIA BERHAD)
CONDENSED STATEMENTS OF CASH FLOWS
(Amounts in Thousand Ringgit Malaysia)
Unaudited

	January to December 2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit attributable to shareholders	98,171	153,375
Adjustments for:		
Property, plant and equipment		
- Depreciation	57,511	58,389
- Gain on disposal	(11,050)	(23,577)
- Write-off	4,196	6,316
Long-term assets		
- Amortisation	20,379	15,281
- Impairment	-	1,757
- (Gain) Loss on disposal	(322)	1,707
Tax expense	37,815	50,024
Interest income	(2,212)	(728)
Interest expense	53,754	23,255
Retirement / separation benefits cost	5,242	4,484
Inventories written-down to net realisable value	-	5,496
Unrealised foreign exchange (gain) loss	(953)	7,999
Others	1,592	148
Changes in working capital		
Decrease in long-term assets	7,935	1,050
Increase in inventories	(71,446)	(196,600)
Increase in receivables	(180,569)	(325,078)
Increase in amounts due from current related companies	(146,736)	-
Decrease (Increase) in amounts due from former related companies	156,095	(15,678)
Increase in amounts due to current related companies	9,889	-
(Decrease) Increase in amounts due to former related companies	(569,264)	162,985
Increase (Decrease) in payables and provisions	660,519	(3,189)
Cash flows from (used in) operations	130,546	(72,584)
Interest received	2,212	728
Interest paid	(53,114)	(22,934)
Income taxes paid	(43,949)	(117,286)
Retirement / separation benefits paid	(6,985)	(3,731)
Net cash flows from (used in) operating activities	**28,710**	**(215,807)**

(The condensed statements of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

PETRON MALAYSIA REFINING & MARKETING BERHAD
(formerly known as ESSO MALAYSIA BERHAD)
CONDENSED STATEMENTS OF CASH FLOWS
(Amounts in Thousand Ringgit Malaysia)
Unaudited
(Continued)

	January to December	
	2012	*2011*
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(35,906)	(46,809)
Purchase of intangible assets	(13,902)	-
Payment for long-term assets	(29,789)	(13,445)
Proceeds from disposal of property, plant and equipment	12,048	26,913
Proceeds from disposal of long-term asset	400	664
Net cash flows used in investing activities	**(67,149)**	**(32,677)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	900,000	205,246
Repayment of borrowings	(821,553)	-
Dividends paid to shareholders	(28,350)	(28,350)
Net cash flows from financing activities	**50,097**	**176,896**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**11,658**	**(71,588)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**22,984**	**94,572**
CASH AND CASH EQUIVALENTS AT END OF YEAR	**34,642**	**22,984**

Certified by:
JOSUE C. BANEZ, JR.
Chief Finance Officer

(The condensed statements of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

Part A - Explanatory Notes Pursuant to MFRS 134

1. First-time adoption of Malaysian Financial Reporting Standards (MFRS)

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (BMSB). These interim financial statements also comply with IAS 134 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended December 31, 2011, the Company prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The interim financial statements are the Company's fourth MFRS interim financial statements for part of the period covered by the Company's first MFRS annual financial statements for the year ending December 31, 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The explanatory notes to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and the performance of the Company since the financial year ended December 31, 2011.

Subject to certain transition elections disclosed in note 2(c), the Company has consistently applied the same accounting policies in its opening MFRS statement of financial position at 1 January 2011 (transition date) and throughout all years presented, as if these policies had always been in effect. Comparative figures for 2011 in these financial statements have been restated to give effect to these changes. Note 2(c) discloses the impact of the transition to MFRS on the Company's reported financial position and financial performance. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

2. Basis of Preparation

The audited financial statements of the Company for the year ended December 31, 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The same accounting policies and methods of computation are followed in the interim financial statements as for the financial statements for the year ended December 31, 2011 except as disclosed below:

a) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Company but not yet effective

The new standards, amendments to published standards and interpretations to existing standards applicable to the Company that will be effective but have not been early adopted by the Company, are as follows:

i) Standards effective from July 1, 2012

- Amendment to MFRS 101 Financial statement presentation. It requires entities to separate items presented in 'other comprehensive income' (OCI) in the statement of comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The amendments do not address which items are presented in OCI.

ii) Standards effective from January 1, 2013

- MFRS 11 Joint arrangements. The standard requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement, rather than its legal form.

- MFRS 13 Fair Value Measurement. The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7 "Financial instruments: Disclosures", but apply to all assets and liabilities measured at fair value, not just financial ones.

- Amendment to to MFRS 1 First-time Adoption of MFRSs. The amendment clarifies that an entity that had applied MFRSs or IFRSs in the past but did not do so in its most recent previous annual financial statements must either apply MFRS 1 or MFRS 108 Accounting Policies, Changes in Estimates and Errors in the period that the entity decides to reapply the MFRS framework. The amendment also clarifies that a first-time adopter that capitalised borrowing costs in accordance with its previous GAAP before the date of transition to MFRSs shall carry forward without adjustment the amount previously capitalised at the date of transition. Any borrowing costs incurred after the date of transition that relate to qualifying assets under construction at the date of transition would be accounted for in accordance with MFRS 123 Borrowing Costs.

- Amendments to MFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities. The disclosure requirements are intended to help investors and other financial statement users to better assess the effect or potential effect of offsetting arrangements on a company's financial position. It also aims to improve transparency in the reporting of how companies mitigate credit risk, including disclosure of related collateral pledged or received.

- Amendment to MFRS 101 Presentation of financial statements. The amendment clarifies that an entity is required to present a third statement of financial position only if a retrospective application, retrospective restatement or reclassification has a material effect on the information in the statement of financial position at the beginning of the preceding period. Nevertheless, an entity may present comparative information in addition to the minimum comparative financial statements as long as that information is prepared in accordance with MFRSs.

- Amendment to MFRS 116 Property, plant and equipment. The amendment clarifies that items such as spare parts, stand-by equipment and servicing equipment shall be recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

- Amendment to MFRS 132 Financial instruments: Presentation. The amendment clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with MFRS 112 *Income Taxes*.

- Amendment to MFRS 134 Interim Financial Reporting. To be consistent with the requirements in MFRS 8 Operating Segments, the amendment clarifies that an entity shall disclose the total assets and liabilities for a particular reportable segment only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

- Revised MFRS 119 Employee benefits. The amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses will no longer be deferred using the corridor approach. MFRS 119 shall be withdrawn on application of this amendment.

iii) Standard effective from January 1, 2014

- Amendments to MFRS 132 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities. It clarifies the requirements for offsetting financial instruments such as the meaning of 'currently has a legally enforceable right of set-off' and that some gross settlement systems may be considered equivalent to net settlement.

iv) Standard effective from January 1, 2015

- MFRS 9 Financial instruments - classification and measurement of financial assets and financial liabilities. The revised standard replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value.

The Company will apply the above standards, amendments and interpretations from financial period beginning January 1, 2013, January 1, 2014 and January 1, 2015 respectively.

The adoptions of these standards are not expected to have a material impact on the financial position of the Company except for the revised MFRS 119 Employee Benefits. The adoption of revised MFRS 119 will result in a change in accounting policy. The Company is assessing the financial impact of adopting revised MFRS 119.

Unless otherwise disclosed, the above standards, amendments to published standards and interpretations to existing standards are not anticipated to have any significant impact on the financial statements of the Company in the year of initial application.

b) **Transition from FRS to MFRS**

In preparing the opening MFRS Statement of Financial Position as at January 1, 2011 (which is also the date of transition), the Company has adjusted the amounts previously reported in financial statements prepared in accordance with FRSs. An explanation of how the transition from FRSs to MFRSs has affected the Company's financial position, financial performance and cash flows is set out below. These notes include reconciliations of equity and comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

(i) Exemption for previous revaluation as deemed cost - Property, plant and equipment

The Company has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standard IAS 16 (Revised) Property, Plant and Equipment which was effective for periods ending on or after September 1, 1998. By virtue of this transitional provision, the company had recorded certain property, plant and equipment at revalued amounts but had not adopted a policy of revaluation and continued to carry those property, plant and equipment on the basis of their previous revaluations subject to continuity in its depreciation policy and requirement to write down the assets to their recoverable amounts for impairment adjustments.

Upon transition to MFRS, the Company has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRS, the Company elected to regard the revalued amounts of property, plant and equipment as at 1982 as deemed cost at the date of the revaluation as these amounts were broadly comparable to fair value at that time. Accordingly, the carrying amounts of these land and buildings have not been restated and the revaluation surplus from the revaluation reserve had been fully distributed.

(ii) Prepaid lease payments

In accordance with the transitional provision of FRS 117 Leases, the Company retained the unamortised revalued amount of leasehold land as the surrogate carrying amount of prepaid lease payments. The prepaid lease payments were amortised over the lease term. Upon transition to MFRS, the transitional provision has been removed. Thus, MFRS 117 Leases has been applied retrospectively up to the date of transition from January 1, 2011.

The carrying amount of prepaid lease payments was reduced by RM1,889 (December 31, 2011: RM1,779). Retained earnings was reduced by RM1,417 (December 31, 2011: RM1,334) since the revaluation surplus from the revaluation had been fully distributed. In addition, amortisation of prepaid lease payments was reduced by RM110 for the year ended December 30, 2011.

The adjustments to the carrying amount of prepaid lease payments also reduced the deferred tax liabilities by RM472 (December 31, 2011: RM445) and increased the income tax expense for the year ended December 31, 2011 by RM27.

(iii) Exemption for employee benefits

MFRS 1 provides retrospective relief from applying MFRS 119 'Employee benefits', in respect of the recognition of actuarial gains and losses. The Company elected to recognise all cumulative actuarial gains and losses that existed at its transition date as liability in opening retained earnings for its employee benefit plan. The effect of this election is a decrease to the retirement benefits provision of RM7,930,000 as at the date of transition.

The Company's first MFRS interim financial report did not incorporate the impact of the above election. The revised reconciliations of equity and total comprehensive income for previous quarters are disclosed below.

- Reconciliations of equity as at January 1, 2011, March 31, 2012, June 30, 2012 and September 30, 2012 and respective comparative periods:

	Note	As at January 1	As at March 31		As at June 30		As at September 30	
		2011	2012	2011	2012	2011	2012	2011
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Equity as reported under FRS		757,522	N/A	912,343	N/A	885,811	N/A	847,948
Add/(Less): Transitioning adjustments								
Reversal of revalued amount of leasehold land	2(b)(ii)	(1,889)	N/A	(1,817)	N/A	(1,805)	N/A	(1,792)
Deferred tax arising from transitioning adjustments	2(b)(ii)	472	N/A	454	N/A	451	N/A	448
Equity on transition to MFRS as previously reported		756,105	963,749	910,980	860,307	884,457	945,908	846,604
Add/(Less): Transitioning adjustments								
Recognition of cumulative actuarial gains and losses	2(b)(iii)	7,930	7,701	7,909	7,556	7,888	7,411	7,867
Deferred tax arising from transitioning adjustment	2(b)(iii)	(1,982)	(1,926)	(1,977)	(1,890)	(1,972)	(1,854)	(1,967)
Equity on transition to MFRS		762,053	969,524	916,912	865,973	890,373	951,465	852,504

- Reconciliations of total comprehensive income for the quarter ended March 31, 2012, June 30, 2012 and September 30, 2012 and respective comparative periods:

	Note	January to March		April to June		July to September	
		2012	2011	2012	2011	2012	2011
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total comprehensive income/(loss) as reported under FRS		N/A	154,821	N/A	1,818	N/A	(37,863)
Add/(Less): <u>Transitioning adjustments</u>							
Reversal of amortisation of leasehold land	2(b)(ii)	N/A	72	N/A	12	N/A	13
Deferred tax arising from transitioning adjustments	2(b)(ii)	N/A	(18)	N/A	(3)	N/A	(3)
Total comprehensive income/(loss) upon transition to MFRS as previously reported		82,555	154,875	(75,092)	1,827	85,601	(37,853)
Add/(Less): <u>Transitioning adjustments</u>							
Recognition of actuarial gains and losses	2(b)(iii)	(145)	(21)	(145)	(21)	(145)	(21)
Deferred tax arising from transitioning adjustment	2(b)(iii)	36	5	36	5	36	5
Total comprehensive income/(loss) upon transition to MFRS		82,446	154,859	(75,201)	1,811	85,492	(37,869)

- Reconciliations of total comprehensive income for the year ended March 31, 2012, June 30, 2012 and September 30, 2012 and respective comparative periods:

	Note	January to March		January to June		January to September	
		2012	2011	2012	2011	2012	2011
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total comprehensive income as reported under FRS		N/A	154,821	N/A	156,639	N/A	118,776
Add/(Less): Transitioning adjustments							
Reversal of amortisation of leasehold land	2(b)(ii)	N/A	72	N/A	84	N/A	97
Deferred tax arising from transitioning adjustments	2(b)(ii)	N/A	(18)	N/A	(21)	N/A	(24)
Total comprehensive income upon transition to MFRS as previously reported		82,555	154,875	7,463	156,702	93,064	118,849
Add/(Less): Transitioning adjustments							
Recognition of cumulative actuarial gains and losses	2(b)(iii)	(145)	(21)	(290)	(42)	(435)	(63)
Deferred tax arising from transitioning adjustment	2(b)(iii)	36	5	72	10	108	15
Total comprehensive income upon transition to MFRS		82,446	154,859	7,245	156,670	92,737	118,801

(iv) Estimates

The MFRS estimates at January 1, 2011 and December 31, 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Company to present these amounts in accordance with MFRS reflect conditions at January 1, 2011, the date of transition to MFRS and as of December 31, 2011.

The reconciliations of equity and total comprehensive income for comparative periods reported under FRS to those reported for those periods under MFRS are provided below:

- Reconciliations of equity as at December 31, 2011

	Note	December 31, 2011 RM'000
Equity as reported under FRS		882,528
Add/(Less): Transitioning adjustments		
Reversal of revalued amount of leasehold land	2(b)(ii)	(1,779)
Recognition of cumulative actuarial gains and losses	2(b)(iii)	7,846
Deferred tax arising from transitioning adjustments		(1,517)
Equity on transition to MFRS		**887,078**

- Reconciliations of total comprehensive income for the quarter and year ended December 31, 2011

	Note	Quarter ended December 31, 2011 RM'000	Year ended December 31, 2011 RM'000
Total comprehensive income as reported under FRS		34,580	153,356
Add/(Less): Transitioning adjustments			
Reversal of amortization of leasehold land	2(b)(ii)	13	110
Recognition of actuarial gains and losses	2(b)(iii)	(21)	(84)
Deferred tax arising from transitioning adjustments		2	(7)
Total comprehensive income upon transition to MFRS		**34,574**	**153,375**

3. **Comments about Seasonal or Cyclical Factors**

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

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

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

5. **Changes in Estimates**

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

6. **Debt and Equity Securities**

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

7. **Dividend Paid**

The amounts of dividends paid since December 31, 2011 are as follows:

In respect of the year ended December 31, 2011:

Final dividend per stock unit, paid on June 21, 2012:	
Ordinary stock unit - 14 sen gross less Malaysian income tax at 25%	28,350

8. **Segmental Information**

The Company is organised as one integrated business segment which operates to manufacture and sell petroleum products. These integrated activities are known across the petroleum industry as the Downstream segment. As such, the assets and liabilities are disclosed within the financial statements as one segment.

Revenues are mainly derived from the sale of petroleum products to domestic customers including its affiliates and competitors, sales to Concord Energy Pte. Ltd. and ExxonMobil Asia Pacific Pte. Ltd. (EMAPPL), Singapore. A breakdown of the revenues by geographical location is as follows:

	3 months ended		Year ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Domestic	2,593,997	2,464,813	10,014,990	9,640,749
Singapore	385,527	285,400	1,488,568	1,625,745
Total Revenues	2,979,524	2,750,213	11,503,558	11,266,494

For the year ended December 31, 2012 approximately RM4,013,526 (2011: RM3,997,553) of the revenues are derived from two (two related parties for 2011) major customers, one of whom is a related party to the Company.

All non-current assets of the Company are located in Malaysia.

9. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended December 31, 2011. Under MFRS 1, the Company has elected to regard the revalued amount as deemed cost.

10. Changes in Composition of the Company

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

11. Changes in Contingent Liabilities

There were no significant changes in contingent liabilities or contingent assets since the last annual statement of financial position as at December 31, 2011.

12. Capital Commitments

Capital commitments not provided for in the Interim Financial Report as at December 31, 2012 are as follows:

Property, plant & equipment	
Approved and contracted for	206,449
Approved but not contracted for	170,368
Total	376,817

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

13. Review of Performance - Current Financial Period ended December 31, 2012

Petron Malaysia Refining & Marketing Berhad posted total revenues of RM3 billion for the 4th quarter of 2012, an increase of 8% over the same period the previous year. Sales volumes for the 4th quarter likewise increased by 8% to 7.8 million barrels compared to 7.2 million barrels over the same period in 2011. The increase in sales volumes is partly due to the rebranding program that was implemented last year following the completion of Petron Corporation's takeover of ExxonMobil's downstream business in March 2012. The program is expected to continue improving sales volumes and benefit the Company over the long-term.

However, the net income of RM5 million for the 4th quarter of the year is lower than the RM35 million recorded in the same period in 2011 due to depressed margins attributed to the volatility in global oil markets during the period.

For full-year 2012, the Company posted revenues of RM11.5 billion compared to RM11.3 billion in 2011. Unaudited earnings of RM98 million, while lower than the RM153 million in 2011, was achieved despite unpredictability in crude and product prices, especially in the 2nd and 4th quarters of 2012, which resulted in higher-cost inventory being sold at lower prices.

14. Commentary on Prospects

The Company is quite optimistic about its business prospects given the Company's achievements in just a short period of ten months. Already, the Company has rebranded nearly 100 service stations and it will remain focused on this task until the entire retail network is converted.

The Company is also in the process of streaming additional service stations to expand its network and to ensure that Malaysian consumers have more access to Petron's premium range of products and unique services.

The Company has also begun converting its LPG cylinders to the Petron Gasul brand which was introduced to Malaysian households last year. It expects to progressively rebrand its LPG cylinders by 2014. .

15. Profit Forecast or Profit Guarantee

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

16. Commentary on Profit (Loss) before Tax

The profit before tax is arrived at after charging (crediting) the following items:

	3 months ended		Year ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Depreciation of property, plant and equipment	14,264	14,507	57,511	58,389
Amortisation of intangible assets	1,574	20	1,592	146
Amortisation of long term assets	8,583	3,876	20,379	15,281
Interest income	(446)	(123)	(2,212)	(728)
Allowance for and write-off of receivables	-	-	-	6
Inventories written-down to net realisable value	-	5,496	-	5,496
Loss (Gain) on disposal of property, plant and equipment	3,767	(24,030)	(11,050)	(23,577)
Impairment of long term assets	-	-	-	1,757
Foreign exchange (other than on borrowings)				
- Realised (gain) loss	(9,034)	24,582	(28,598)	7,020
- Unrealised loss (gain)	4,222	(27,308)	(953)	7,999

The Company does not have derivative transactions and therefore, has no gains or losses to be reported. In line with Note 4, there are also no exceptional items.

17. Tax expense

	3 months ended		Year ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Income tax expense/(credit)				
- Current	3,864	(2,047)	35,576	56,928
- Prior year	-	-	324	(609)
Deferred tax	3,165	5,871	1,915	(6,295)
	7,029	3,824	37,815	50,024

The effective tax rate is normally higher than the statutory tax rate primarily reflecting the varying relationship of the non-deductible expenses (which are relatively fixed over time) to changing levels of profit or loss from period to period.

18. Corporate Proposals

There were no corporate proposals.

19. Borrowings

The Company's borrowings as at December 31, 2012 are as follows:

Short-term, unsecured	900,000

20. Changes in Material Litigation

There were no significant changes to material litigation since December 31, 2011.

21. Dividend Payable

The Directors propose that a final dividend of 14 sen gross less Malaysian income tax at 25% per ordinary stock unit, amounting to RM28,350 be paid for the year ended December 31, 2012, subject to the shareholder's approval at the forthcoming Annual General Meeting of the Company.

22. Earnings Per Ordinary Stock Unit

	3 months ended		Year ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Net profit for the period	5,434	34,574	98,171	153,375
Number of ordinary stock units in issue ('000)	270,000	270,000	270,000	270,000
Earnings (loss) per stock unit (sen)	2.0	12.8	36.4	56.8

23. Reserves

	As at	
	31.12.2012	31.12.2011
Capital redemption reserve (non-distributable)	8,000	8,000
Retained profits (distributable)	813,899	744,078
	821,899	752,078

24. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the Company's financial statements for the year ended December 31, 2011 was not qualified.

25. Supplementary information disclosed pursuant to Bursa Malaysia Securities Berhad Listing Requirements

The following analysis of realised and unrealised retained profits at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure is based on the prescribed format by the Bursa Malaysia Securities Berhad.

	As at	
	31.12.2012	31.12.2011
Total retained profits:		
- realised	885,090	822,306
- unrealised	(71,191)	(78,228)
Total retained profits	813,899	744,078

The disclosure of realised and unrealised profits above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.