



SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD
(3926-U)
(Incorporated in Malaysia)

INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2012

Following the Shell Refining Company (Federation of Malaya) Berhad (“the Company”) Board of Directors’ Meeting on 7 Nov 2012, the Company is pleased to announce its financial results for the three months ended 30 September 2012.

This interim report is prepared in accordance with the requirements of Malaysia Financial Reporting Standard (MFRS) 134 “Interim Financial Reporting” and paragraph 9.22 of the Bursa Malaysia Securities Berhad (“BMSB”) Listing Requirements, and should be read in conjunction with the Company’s financial statements for the year ended 31 December 2011.



SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD
(3926-U)
(Incorporated in Malaysia)

INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2012

Condensed Statement of Comprehensive Income
Unaudited

	Note	Individual Quarter 3 months ended		Cumulative Quarters 9 months ended	
		30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Revenue	A10	3,924,391	3,069,907	11,188,897	7,889,984
Cost of sales		(3,780,216)	(3,265,580)	(11,308,982)	(7,942,010)
Gross profit		<u>144,175</u>	<u>(195,673)</u>	<u>(120,085)</u>	<u>(52,026)</u>
Other operating income		5,025	6,921	15,026	26,712
Administrative expenses		(7,408)	(10,088)	(24,560)	(27,481)
Other operating expenses		1,176	4,893	12,505	20,897
Finance cost		621	(6,119)	(9,584)	(17,137)
Profit before taxation	A12	<u>143,589</u>	<u>(200,066)</u>	<u>(126,698)</u>	<u>(49,035)</u>
Taxation	A13	(37,828)	65,987	25,686	22,783
Profit for the year / total comprehensive income for the year		<u>105,761</u>	<u>(134,079)</u>	<u>(101,012)</u>	<u>(26,252)</u>
Profit for the year / total comprehensive income for the year attributable to:					
Owner of the company		53,938	(68,380)	(51,516)	(13,389)
Non-controlling interest		51,823	(65,699)	(49,496)	(12,863)
		<u>105,761</u>	<u>(134,079)</u>	<u>(101,012)</u>	<u>(26,252)</u>
Estimated average effective tax rate		26.34%	32.98%	20.27%	46.46%
Earnings per share:					
- basic (sen)	A11	35.25	(44.69)	(33.67)	(8.75)
- diluted (sen)	A11	N/A	N/A	N/A	N/A

The notes set out on pages 6 to 13 form an integral part of, and should be read in conjunction with this interim financial report.



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(3926-U)
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INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2012

Condensed Statement of Financial Position

Unaudited

	Note	As at 30.09.2012 RM'000	As at 31.12.2011 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,666,241	1,474,848
Prepaid lease payments		1,912	1,927
Long term receivables		448	933
Derivative financial asset	A23	26,292	16,661
		<u>1,694,893</u>	<u>1,494,369</u>
CURRENT ASSETS			
Inventories	A24	1,306,592	1,315,114
Trade receivables		6,012	10,795
Other receivables and prepayments		2,950	2,564
Tax recoverable		36,388	36,387
Amounts receivable from related companies	A29	1,390,265	1,219,567
Deposit with licensed banks		-	47,825
Bank balances		104,730	77,454
		<u>2,846,937</u>	<u>2,709,706</u>
TOTAL ASSETS		<u>4,541,830</u>	<u>4,204,075</u>
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital		300,000	300,000
Revaluation reserve		15,738	15,738
Retained earnings		1,380,659	1,537,921
		<u>1,696,397</u>	<u>1,853,659</u>
CURRENT LIABILITIES			
Trade and other payables		175,100	201,165
Dividends payable	A14	11,250	-
Amounts payable to related companies	A29	1,277,710	1,185,169
Short term borrowings	A23	82,762	973
Derivative financial liability	A23	10,026	3,762
		<u>1,556,848</u>	<u>1,391,069</u>
NON-CURRENT LIABILITIES			
Long term borrowings	A23	1,185,144	830,220
Deferred tax liabilities		103,441	129,127
		<u>1,288,585</u>	<u>959,347</u>
TOTAL EQUITY AND LIABILITIES		<u>4,541,830</u>	<u>4,204,075</u>

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INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2012

Condensed Statement of Changes in Equity
Unaudited

	Issued and fully paid ordinary shares of RM 1 each		Non - distributable	Distributable	<u>Total</u> RM'000
	<u>Numbers of Shares</u> '000	<u>Nominal Value</u> RM'000	<u>Revaluation reserves</u> RM'000	<u>Retained earnings</u> RM'000	
At 1 January 2012	300,000	300,000	15,738	1,537,921	1,853,659
Loss for the period ended 30 September 2012	-	-	-	(101,012)	(101,012)
Dividend for the year ended:					
- 31 December 2012	-	-	-	(11,250)	(11,250)
- 31 December 2011	-	-	-	(45,000)	(45,000)
At 30 June 2012	<u>300,000</u>	<u>300,000</u>	<u>15,738</u>	<u>1,380,659</u>	<u>1,696,397</u>
At 1 January 2011	300,000	300,000	15,738	1,776,165	2,091,903
Profit for the year ended 31 December 2011	-	-	-	(125,744)	(125,744)
Dividend for the year ended:					
- 31 December 2010	-	-	-	(67,500)	(67,500)
- 31 December 2011	-	-	-	(45,000)	(45,000)
At 31 December 2011	<u>300,000</u>	<u>300,000</u>	<u>15,738</u>	<u>1,537,921</u>	<u>1,853,659</u>

The notes set out on pages 6 to 13 form an integral part of, and should be read in conjunction with this interim financial report



SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD
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(Incorporated in Malaysia)

INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2012

Condensed Cash Flow Statement
Unaudited

	9 months ended	
	30.09.2012	30.09.2011
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(126,698)	(49,035)
Adjustments for:		
Property, plant and equipment		
- depreciation	82,827	86,811
- Loss/(gain) on disposals	342	(782)
Interest expense	15,261	12,822
Interest income	(3,133)	(7,863)
Net foreign exchange loss/(gain) - unrealised	6,681	(38,381)
Fair value loss on derivative financial instrument	(3,367)	(11,051)
Provision for inventories write down	72,854	55,321
Amortisation of prepaid lease payments	15	(185)
Proposed dividend	56,250	-
	101,032	47,657
Changes in working capital		
Inventories	(64,332)	(398,786)
Trade and other receivables	(8,375)	50,806
Trade and other payables	(82,313)	(68,313)
Related companies	(125,981)	(43,143)
Cash used in operations	(179,969)	(411,779)
Interest received	3,133	7,863
Tax paid	-	(16,423)
Tax refund	-	9,999
Net cash flow from operating activities	(176,836)	(410,340)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(274,575)	(320,591)
Proceeds from disposal of property, plant and equipment	14	1,283
Net cash flow from investing activities	(274,562)	(319,308)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Repayment of term borrowings		
Interest paid	(15,375)	(12,822)
Dividends paid	(45,000)	(112,500)
Borrowings	443,400	661,590
Net cash flow from financing activities	383,025	536,268
NET DECREASE IN CASH AND CASH EQUIVALENTS	(68,373)	(193,380)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	173,102	881,675
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	104,729	688,295

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(3926-U)

(Incorporated in Malaysia)

INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2012

Part A – Explanatory Notes Pursuant to Interim Financial Reporting (MFRS 134)

A1 First Time Adoption of Malaysian Financial Reporting Standards (MFRS 1)

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 (BMSB). These interim financial statements also comply with IAS 134 Interim Financial Reporting issued by the international Accounting Standards Board.

These interim financial reporting statements are the Company's first 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.

A2 Basis of preparation

For all periods up to and including 30 June 2012, the Company prepared its consolidated financial statement in accordance with Financial Reporting Standards ("FRS"); including any amendments and improvements to published interpretations as issued by the Malaysian Accounting Standards Boards ("MASB"). The Company has adopted the Malaysian Financial Reporting Standards (MFRS) framework and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards for the first time in these condensed interim financial statements. The Company has elected 1 July 2012, being the beginning date of the immediate preceding financial period, as the Company's date to transition to MFRS accordingly.

MFRS 134 requires the comparative statements to be presented from the immediate preceding financial year and restated as necessary in accordance with the MFRS framework. Nevertheless, the comparatives in this report are disclosed as such in accordance to present a comparable review of performance of the company operations and business activities. Based on initial assessment on the impact of transition, there is no significant impact on the financial results and position of the Company including previously reported income or net assets even if applied to the first quarter of 2012.

This interim financial report is based on the unaudited financial statements for the quarter ended 30 September 2012 and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, Interim Financial Reporting in Malaysia. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended 31 December 2011. The explanatory notes attached to the Interim Financial Report provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the company since the period ended 31 December 2011.



SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD
(3926-U)
(Incorporated in Malaysia)

INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2012

Part A – Explanatory Notes Pursuant to Interim Financial Reporting (MFRS 134)
(continued)

The financial Information presented herein has been prepared in accordance with the accounting policies expected to be used in preparing the annual consolidated financial statements for 31 December 2012 under the MFRS framework.

As of 1 July 2012, the Company has adopted the following MFRS and Statement of Interpretation which are effective for annual periods beginning on or after 1 January 2012:

- | | | |
|--------|-----------|---|
| i) | MFRS 1- | Adoptions of MFRS 1
<i>Transition of FRS to MFRS</i> |
| ii) | MFRS 2- | Share Based Payment |
| iii) | MFRS 7- | Financial Instrument (Disclosure) |
| iv) | MFRS 9- | Presentation |
| v) | MFRS 101- | Presentation of Financial Statement
<i>Annual Report</i> |
| vi) | MFRS 108- | Accounting Policies
<i>Changes in accounting policies ad disclosure of related party transaction</i> |
| vii) | MFRS 110- | Event after the reporting date |
| viii) | MFRS 112- | Income Taxes |
| ix) | MFRS 121- | The effect of Foreign Exchange Rate |
| x) | MFRS 123- | Borrowing Cost |
| xi) | MFRS 124- | Related Party Transaction
<i>Government Entities</i> |
| xii) | MFRS 132- | Financial Instrument (Presentation) |
| xiii) | MFRS 133- | Earnings Per Share |
| xiv) | MFRS 134- | Interim Financial Reporting |
| xv) | MFRS 136- | Impairment of Assets |
| xvi) | MFRS 137- | Provision, Contingent Liabilities and Contingent Assets |
| xvii) | MFRS 138- | Intangible Assets |
| xviii) | MFRS 139- | Financial Instrument (Recognition and Disclosure) |



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(3926-U)
(Incorporated in Malaysia)

INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2012

Part A – Explanatory Notes Pursuant to Interim Financial Reporting (MFRS 134)
(continued)

A3 Audit report

The audit report of the Company's preceding annual financial statement was not subjected to any qualification.

A4 Comments about Seasonal or Cyclical Factors

The Company's operation is not affected by any seasonal or cyclical factors.

A5 Individually significant items

The Company has nothing to disclose as regards to significant items in the quarterly financial statements under review.

A6 Changes in Estimates

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

A7 Debt and equity securities

The Company has nothing to disclose with respect to issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period to date.

A8 Segmental Reporting

The Company is principally engaged in the oil and gas industry namely refining and manufacturing of petroleum products. Accordingly, no segmental information is considered necessary for analysis by industry segments.



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INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2012

Part A – Explanatory Notes Pursuant to Interim Financial Reporting (MFRS 134)
(continued)

A9 Explanation of Transition to MFRSs

As stated in Note A2, these are the Company's first consolidated interim financial report prepared in accordance with MFRSs.

Based on initial assessment on the impact of transition from the previous FRSs to the new MFRSs, there is no significant or material impact on the financial results and position of the Company including previously reported income or net assets even if applied to the first quarter of 2012. In preparing its opening MFRS statement of financial position, the Company has not adjusted the amounts previously reported in the financial statements prepared in accordance with the previous FRSs; hence no reconciliation is required to reflect the impact to the Company's financial position, financial performance and cash flows in this consolidated interim financial report under the new MFRS framework. The adoption of the new MFRS standards, amendments to published standards and interpretations to existing standards is not anticipated to have a material impact on the financial statements of the Company.

A10 Revenue

	Individual Quarter		Cumulative Quarters	
	3 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
Sale of oil products				
- Refined	3,577,918	2,541,726	10,254,239	6,532,503
- Partially refined	180,272	378,362	766,068	972,430
- Feedstocks	166,201	149,819	168,591	385,051
	<u>3,924,391</u>	<u>3,069,907</u>	<u>11,188,897</u>	<u>7,889,984</u>

A11 Earnings per share

		3 months ended		9 months ended	
		30.09.2012	30.09.2011	30.09.2012	30.09.2011
(a) Basic earnings per share					
Net profit/(loss) for the period	(RM'000)	105,761	(134,079)	(101,012)	(26,252)
Weighted average number of ordinary shares in issue	('000)	300,000	300,000	300,000	300,000
Basic earnings per share	(sen)	35.25	(44.69)	(33.67)	(8.75)
(b) Diluted earnings per share	(sen)	N/A	N/A	N/A	N/A



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(3926-U)
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INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2012

Part A – Explanatory Notes Pursuant to Interim Financial Statements (MFRS 134)
(continued)

A12 Profit Before Taxation

The company recorded a profit before tax of RM143.6 million for the three months ended 30 September 2012 compared to a loss before tax of RM200.1 million in the same period of 2011 (also see accompanying Management Commentary in Part B).

	Individual Quarter 3 months ended		Cumulative Quarters 9 months ended	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
<i>The profit before taxation is arrived at after charging/(crediting):</i>				
Interest income	(637)	(2,351)	(3,133)	(7452)
Other income including investment income				
Interest expense	5,359	4,979	15,261	12,822
Property, plant and equipment				
- Depreciation and amortization	27,672	27,963	82,827	85,846
- Gain on disposal	0	(782)	342	(782)
Impairment of assets	0	0	0	0
Write-back of provision for impairment of trade receivables	0	0	0	0
Amortisation of prepaid lease payments	5	5	15	15
Provision for inventories write down (included in cost of sales)	1,344	27,278	72,853	55,320
Foreign exchange gain on net trade - realised	(6,434)	46,199	(32,582)	29,681
Foreign exchange gain on net trade - unrealised	5,315	(49,120)	10,355	(51,196)
Foreign exchange loss on cash and bank balances	3,542	(6,771)	3,714	(3,742)
Foreign exchange loss on term loan - unrealised	(29,136)	16,560	(6,576)	16,560
Fair value loss on derivative financial instruments - unrealised	19,240	(11,051)	(3,366)	(11,051)



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(3926-U)
(Incorporated in Malaysia)

INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2012

Part A – Explanatory Notes Pursuant to Interim Financial Statements (MFRS 134)
(continued)

A13 Taxation

Details of the Company's taxation as at end of the period are as follows:

	3 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
Current Period				
Income tax	-	54,194	-	(4,211)
Movement in deferred tax	36,865	8,784	(26,650)	23,985
	36,865	62,978	(26,650)	19,774
Prior Period				
Income tax	-	3,009	-	3,009
Movement in deferred tax	-	-	-	-
	36,865	65,987	(26,650)	22,783

The effective tax rate for the quarter ending 30 September 2012 is 26.34%, slightly higher than the statutory tax rate of 25%, due to adjustments for non qualifying tax expense and unrealized DIE.

A14 Dividends paid / payable

There was no dividend payment in this quarter. However, the Directors have on 13 August 2012 declared the payment of an interim gross dividend of 5 sen per RM1 unit of share less income tax of 25% amounting to RM11,250,000, in respect of the financial year ending 31 December 2012, payable on 31 October 2012 to the shareholders registered in the Record of Depositors or Register of Members at the close of business on 5 October 2012.

A15 Valuation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment during the period under review. As at 30 September 2012, all property, plant and equipment were stated at cost less accumulated depreciation and impairment loss as per stated in annual report.



SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD
(3926-U)
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Part A – Explanatory Notes Pursuant to Interim Financial Statements (MFRS 134)
(continued)

A16 Significant post balance sheet event

There were no material events subsequent to the end of the period under review.

A17 Changes in Composition of the Company

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

A18 Changes in Contingent Assets / Liabilities

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

A19 Unquoted investments and/or properties

The Company has nothing to disclose with respect to sale of investments and/or properties (other than fixed assets in the normal course of business) in the quarterly financial statements under review.

A20 Quoted Securities

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

A21 Corporate proposal

The Company does not have anything to report with regards the status of corporate proposals.

A22 Material Litigation

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



SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD
(3926-U)
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INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2012

Part A – Explanatory Notes Pursuant to Interim Financial Statements (MFRS 134)
(continued)

A23 Borrowings

Details of the Company's borrowings as at end of the period are as follows:

	30.09.2012	31.12.2011
	RM'000	RM'000
Long term borrowings		
Term loan (unsecured)		
- Local currency loan	450,560	450,740
- Foreign currency loan	735,144	380,453
	<u>1,185,144</u>	<u>831,193</u>
Short term borrowings		
Short term loan (less than 3 months)	82,762	973
Restated in loan's original currency:	USD'000	USD'000
Bank borrowings denominated in foreign currency	240,000	120,000

Derivative Financial Instrument

The Company has a position in the following derivative financial instrument:

As at 30 September 2012	<u>Less than 1 year</u>	<u>Between 2 – 5 years</u>
	RM'000	RM'000
Derivative Financial Asset		
- Cross Currency Interest Rate Swap	-	26,292
Derivative Financial Liability		
- Cross Currency Interest Rate Swap	<u>(10,026)</u>	<u>-</u>
As at 31 Dec 2011		
Derivative Financial Asset		
- Cross Currency Interest Rate Swap	-	16,661
Derivative Financial Liability		
- Cross Currency Interest Rate Swap	<u>(3,762)</u>	<u>-</u>

Swaps are contractual agreements between two parties to exchange exposures in foreign currency or interest rates. The Company uses cross currency interest rate swaps to hedge its long-term borrowings in order to minimize its exposure to movements on foreign currency positions and interest rate volatility.



SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD
(3926-U)
(Incorporated in Malaysia)

Part A – Explanatory Notes Pursuant to Interim Financial Statements (FRS 134)
(continued)

A24 Inventories

	30.09.2012	31.12.2011
	RM'000	RM'000
Crude Oil	709,497	801,578
Partially refined oil	340,653	269,958
Finished products	229,684	217,485
Materials	26,758	26,093
	<u>1,306,592</u>	<u>1,315,114</u>

The carrying value of inventories as at 30 September 2012 includes an allowance for inventories write down of RM1,344,455.

A25 Capital commitments

Capital commitments not provided for in the financial statements as at 30 September 2012 are as follows:

	RM'000
Property, plant and equipment	
Authorised by Directors and contracted for	55,092
Authorised by Directors and not contracted for	<u>359,804</u>
	<u>414,896</u>

A26 Financial Instruments

As of 1 July 2012, the Company has complied with MFRS 7 and MFRS 139; following the transition from the previous FRSs to the new MFRS framework. There is no significant impact on the accounts upon adoption of the new MFRS 7 and MFRS 139 as compared to the previous FRS 7 and FRS 139.

A27 Company Performance

A review of the Company's performance in the reporting period is provided for in the accompanying Management Commentary in Part B.

A28 Current Year Prospects

A commentary on the Company's current year prospects is provided for in the accompanying Management Commentary in Part B.



SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD
(3926-U)
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INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2012

Part A – Explanatory Notes Pursuant to Interim Financial Statements (MFRS 134)
(continued)

A29 Related Party Disclosure

Below are the significant related party transactions, which were carried out on terms and conditions negotiated amongst the related parties:

	For the quarter ended 30.09.2012 RM'000
a) Income:	
i) Sale of refined products to:	<u>3,839,236</u>
ii) Tariff revenue on the use of properties/ facilities:	<u>4,988</u>
b) Expenses:	
i) Purchase of crude and products:	<u>3,883,422</u>
ii) Central Management and administrative expenses:	<u>11,116</u>

These transactions have been entered into in the normal course of business and have been established under negotiated terms.



SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD
(3926-U)
(Incorporated in Malaysia)

INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2012

**Supplementary Information Disclosed
Pursuant to Bursa Malaysia Securities Berhad Listing Requirements**

A30 Retained Earnings

The following analysis of realised and unrealised retained earnings 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.

Total retained earnings of Shell Refining Company (Federation of Malaya) Berhad:

	2012
	RM'000
Realised	1,499,759
Unrealised	<u>(119,100)</u>
	<u>1,380,659</u>

The unrealised losses disclosed above are charges relating to the recognition of deferred tax liabilities, fair value gain on derivative financial instruments and foreign exchange losses.

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.



SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD
(3926-U)
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INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2012

Part B: Additional Information Required By Bursa Malaysia Listing Requirements

B1 Review of Performance – YTD/Q3 2012 vs YTD/Q3 2011

The Company's revenue was RM11.2 billion, 42% higher than the same period last year which was affected by a Major Statutory Turnaround (MTA).

The Company posted after-tax loss of RM101 million for YTD Q3 2012, compared to after-tax losses of RM26 million in YTD Q3 2011 mainly due to weak refining margin and stockholding loss incurred in first half of 2012.

In Q3 2012, the Company posted after tax profit of RM106million, reducing the losses incurred during first half of 2012 by 51%.

Refining margins are driven by differential between crude and product prices which are affected by changes in the macro economic and political events.

B2 Variation of results against previous quarter – Q3 2012 vs Q2 2012

Against the previous quarter, the Company recorded revenue of RM3.9 billion, 8.3% higher due to increased sales volume of 0.9 million barrels driven by strong margins and higher product prices in Q3 2012.

The Company posted an after-tax profit of RM106 million this quarter as compared to an after-tax losses of RM235 million in Q2 2012, largely contributed by good operational performance to capitalize on strong recovery of refining margin in Q3 and stockholding gain.

The refinery processed 9.3 million barrels of crude oil and sold 10.6 million barrels of product. The crude diet comprised 57% Far East/African crudes and the balance from Malaysia. With the current strength in margins, the Company's main focus is to maximize production on high yielding products.



SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD
(3926-U)
(Incorporated in Malaysia)

INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2012

Part B: Additional Information Required By Bursa Malaysia Listing Requirements
(continued)

B3 Current Year Prospects

As the recovery of the world economy remains uncertain, refining margins are expected to be continuously under pressure.

The refinery's key focus areas are to improve its financial and operational performance including ensuring processing flexibility, cost competitiveness and high plant reliability. The refinery is also focusing on the expected completion and commissioning of the new diesel processing unit in Q1 2013 to improve crude flexibility and upgrade products.

B4 Profit Forecast

We do not issue any profit forecast.

B5 Dividend

No dividend is proposed in this quarter.

BY ORDER OF THE BOARD

Rodziah binti Zainudin (LS 0008034)
Chia Siew Chin (MIA 2184)
Pang Chia Tyng (MAICSA 7034545)
Company Secretaries

Kuala Lumpur
7 November 2012