



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

INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2012

Following the Shell Refining Company (Federation of Malaya) Berhad (“the Company”) Board of Directors’ Meeting on 27 February 2012, the Company is pleased to announce its financial results for the three months ended 31 December 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 31 DECEMBER 2012

Condensed Statement of Comprehensive Income
Unaudited

	Note	Individual Quarter 3 months ended		Cumulative Quarters 12 months ended	
		31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Revenue	A10	3,897,528	3,322,695	15,086,427	11,212,679
Cost of sales		(3,909,195)	(3,368,578)	(15,218,060)	(11,310,589)
Gross profit		(11,667)	(45,883)	(131,633)	(97,910)
Other operating income		4,256	5,033	19,280	31,745
Administrative expenses		(7,966)	(13,253)	(32,642)	(40,734)
Other operating income/ (expenses)		27,020	(52,399)	39,527	(38,131)
Finance cost		(6,533)	(8,277)	(16,117)	(18,783)
Profit/ (loss) before taxation	A12	5,110	(114,779)	(121,585)	(163,813)
Taxation	A13	1,239	15,286	26,925	38,069
Profit/ (loss) for the year / total comprehensive income for the year		6,349	(99,493)	(94,660)	(125,744)
Profit/ (loss) for the year / total comprehensive income for the year attributable to:					
Owner of the company		3,238	(50,741)	(48,277)	(64,129)
Non-controlling interest		3,111	(48,752)	(46,383)	(61,615)
		6,349	(99,493)	(94,660)	(125,744)
Estimated average effective tax rate		24.25%	13.32%	22.15%	23.24%
Earnings per share:					
- basic (sen)	A11	2.12	(33.16)	(31.55)	(41.91)
- diluted (sen)	A11	N/A	N/A	N/A	N/A

The notes set out on pages 6 to 15 form an integral part of, and should be read in conjunction with this interim financial report.



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INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2012

Condensed Statement of Financial Position
Unaudited

	Note	As at 31.12.2012 RM'000	As at 31.12.2011 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,724,759	1,474,848
Prepaid lease payments		1,906	1,927
Long term receivables		385	933
Derivative financial asset	A23	24,375	16,661
		<u>1,751,425</u>	<u>1,494,369</u>
CURRENT ASSETS			
Inventories	A24	1,133,554	1,315,114
Trade receivables		21,633	10,795
Other receivables and prepayments		2,479	2,564
Tax recoverable		4,378	36,387
Amounts receivable from related companies	A29	1,223,831	1,219,567
Deposit with licensed banks		2,820	47,825
Bank balances		30,112	77,454
		<u>2,418,807</u>	<u>2,709,706</u>
TOTAL ASSETS		<u>4,170,232</u>	<u>4,204,075</u>
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital		300,000	300,000
Performance Share Plan from RDS		1,996	-
Retained earnings		1,402,749	1,553,659
		<u>1,704,745</u>	<u>1,853,659</u>
CURRENT LIABILITIES			
Trade and other payables		174,769	201,165
Amounts payable to related companies	A29	992,921	1,185,169
Short term borrowings	A23	973	973
Derivative financial liability	A23	10,843	3,762
		<u>1,179,506</u>	<u>1,391,069</u>
NON-CURRENT LIABILITIES			
Long term borrowings	A23	1,183,920	830,220
Deferred tax liabilities		102,061	129,127
		<u>1,285,981</u>	<u>959,347</u>
TOTAL EQUITY AND LIABILITIES		<u>4,170,232</u>	<u>4,204,075</u>

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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>PSP reserve</u> RM'000	<u>Retained earnings</u> RM'000	
At 1 January 2012	300,000	300,000	-	1,553,659	1,853,659
Profit for the year ended 31 December 2012	-	-	-	(94,660)	(94,660)
Performance Share Plan from RDS	-	-	1,996	-	1,996
Dividend for the year ended:					
- 31 December 2012	-	-	-	(11,250)	(11,250)
- 31 December 2011	-	-	-	(45,000)	(45,000)
At 31 December 2012	300,000	300,000	1,996	1,402,749	1,704,745
At 1 January 2011	300,000	300,000	-	1,791,903	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	300,000	300,000	-	1,553,659	1,853,659

The notes set out on pages 6 to 15 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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INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2012

Condensed Cash Flow Statement
Unaudited

	12 months ended	
	31.12.2012	31.12.2011
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(121,585)	(163,813)
Adjustments for:		
Property, plant and equipment		
- depreciation	106,730	112,803
- Loss/(gain) on disposals	6,880	(783)
Interest expense	29,442	17,025
Interest income	(3,816)	(9,032)
Net foreign exchange (gain)/loss - unrealised	(16,150)	10,331
Fair value loss on derivative financial instrument	(634)	(12,899)
Provision for inventories write down	(8,956)	12,453
Amortisation of prepaid lease payments	21	21
Performance Share Plan from RDS	1,996	-
	(6,072)	(33,894)
Changes in working capital		
Inventories	190,517	(326,372)
Trade and other receivables	(10,192)	(4,473)
Trade and other payables	(5,255)	13,924
Related companies	(242,728)	464,850
Cash used in operations	(73,730)	114,035
Interest received	3,816	9,032
Tax paid	-	(37,668)
Tax refund	31,868	10,000
Net cash flow (used in)/ from operating activities	(38,046)	95,399
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(370,255)	(392,145)
Proceeds from disposal of property, plant and equipment	16	1,283
Net cash flow used in investing activities	(370,239)	(390,862)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Repayment of term borrowings		
Interest paid	(37,941)	(20,394)
Dividends paid	(56,250)	(112,500)
Borrowings	361,500	366,508
Net cash flow from financing activities	267,309	233,614
NET DECREASE IN CASH AND CASH EQUIVALENTS	(140,976)	(61,849)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	173,104	234,556
EFFECTS OF EXCHANGE RATE CHANGES	804	397
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	32,932	173,104

The notes set out on pages 6 to 15 form an integral part of, and should be read in conjunction with this interim financial report.



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INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 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 31 December 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.



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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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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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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		12 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Sale of oil products				
- Refined	3,324,213	2,871,556	12,867,256	9,690,277
- Partially refined	529,714	406,164	2,050,400	1,370,631
- Feedstocks	43,601	44,975	168,771	151,771
	<u>3,897,528</u>	<u>3,322,695</u>	<u>15,086,427</u>	<u>11,212,679</u>

A11 Earnings per share

		3 months ended		12 months ended	
		31.12.2012	31.12.2011	31.12.2012	31.12.2011
(a) Basic earnings per share					
Net profit/(loss) for the period	(RM'000)	6,349	(99,493)	(94,660)	(125,744)
Weighted average number of ordinary shares in issue	('000)	300,000	300,000	300,000	300,000
Basic earnings per share	(sen)	2.12	(33.16)	(31.55)	(41.91)
(b) Diluted earnings per share					
	(sen)	N/A	N/A	N/A	N/A



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

A12 Profit Before Taxation

The company recorded a profit before tax of RM5.1 million for the three months ended 31 December 2012 compared to a loss before tax of RM114.8 million in the same period of 2011 (also see accompanying Management Commentary in Part B).

	Individual Quarter		Cumulative Quarters	
	3 months ended	3 months ended	12 months ended	12 months ended
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
<i>The profit before taxation is arrived at after charging/(crediting):</i>				
Interest income	(684)	(1,169)	(3,816)	(9,032)
Other income including investment income	(6,265)	(3,864)	(18,157)	(22,713)
Interest expense	5,206	20,467	29,442	17,025
Property, plant and equipment				
- Depreciation and amortization	23,902	27,963	106,730	112,803
- Loss/(Gain) on disposal	0	(782)	339	(783)
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	21	21
Provision for inventories write down (included in cost of sales)	(8,956)	12,453	(8,956)	12,453
Foreign exchange gain on net trade - realised	(5,773)	3,824	(38,355)	33,505
Foreign exchange gain on net trade - unrealized	(14,072)	(14,123)	(3,717)	(901)
Foreign exchange loss on cash and bank balances	(194)	(298)	(804)	(397)
Foreign exchange loss on term loan - unrealised	(5,053)	16,560	(7,800)	14,040
Fair value (gain)/loss on derivative financial instruments - unrealised	2,732	(11,051)	(634)	(12,899)



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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		12 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Current Period				
Income tax	-	(4,211)	-	0
Movement in deferred tax	(1,380)	(12,931)	(27,066)	(36,916)
	<u>(1,380)</u>	<u>(17,142)</u>	<u>(27,066)</u>	<u>(36,916)</u>
Prior Period				
Income tax	141	1,856	141	(1,153)
Movement in deferred tax	-	-	-	-
	<u>(1,239)</u>	<u>(15,286)</u>	<u>(26,925)</u>	<u>(38,069)</u>

The effective tax rate for the quarter ending 31 December 2012 is 24.25%, lower than the statutory tax rate of 25%, due to adjustments for non qualifying tax expenses and unrealized DIE.

A14 Dividends paid / payable

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, paid 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 31 December 2012, all property, plant and equipment were stated at cost less accumulated depreciation and impairment loss as per stated in annual report.



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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.



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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:

	31.12.2012	31.12.2011
	RM'000	RM'000
Long term borrowings		
Term loan (unsecured)		
- Local currency loan	450,649	450,740
- Foreign currency loan	734,244	380,453
	<u>1,184,893</u>	<u>831,193</u>
Short term borrowings		
Short term loan (less than 3 months)	973	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 31 December 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	-	24,375
Derivative Financial Liability		
- Cross Currency Interest Rate Swap	<u>(10,842)</u>	<u>-</u>
As at 31 December 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.



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

A24 Inventories

	31.12.2012	31.12.2011
	RM'000	RM'000
Crude Oil	683,579	801,578
Partially refined oil	237,981	269,958
Finished products	185,166	217,485
Materials	26,828	26,093
	<u>1,133,554</u>	<u>1,315,114</u>

The carrying value of inventories as at 31 December 2012 includes an allowance for inventories write down of RM 8,956,000.

A25 Capital commitments

Capital commitments not provided for in the financial statements as at 31 December 2012 are as follows:

	RM'000
Property, plant and equipment	
Authorised by Directors and contracted for	75,538
Authorised by Directors and not contracted for	166,285
	<u>242,823</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.



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INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 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 31.12.2012 RM'000
a) Income:	
i) Sale of refined products to:	<u>2,469,565</u>
ii) Tariff revenue on the use of properties/ facilities:	<u>4,376</u>
b) Expenses:	
i) Purchase of crude and products:	<u>(3,950,133)</u>
ii) Central Management and administrative expenses:	<u>(10,963)</u>

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



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**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:

	<u>2012</u> RM'000
Realised	1,499,855
Unrealised	<u>(97,106)</u>
	<u>1,402,749</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.



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Part B: Additional Information Required By Bursa Malaysia Listing Requirements

B1 Review of Performance – YTD/Q4 2012 vs YTD/Q4 2011

The Company's revenue was RM15.1 billion, 35% higher than the same period last year which was affected by a Major Statutory Turnaround (MTA).

The Company posted after-tax loss of RM94 million for YTD Q4 2012, compared to after-tax losses of RM126 million in YTD Q4 2011 mainly due to improved refining margin. Refining margin strengthened in 2012 due to global refinery outages and increase in demand.

In Q3 & Q4 2012, the Company posted after tax profit of RM112.1 million, reducing the losses incurred during first half of 2012 by 53%.

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 – Q4 2012 vs Q3 2012

Against the previous quarter, the Company recorded revenue of RM3.9 billion, 1% lower due to decreased sales volume of 0.3 million barrels and lower product prices in Q4 2012.

The Company posted an after-tax profit of RM7 million this quarter as compared to an after-tax profit of RM106 million in Q3 2012, largely contributed by low refining margin and stockholding loss. Margins have normalized from the highs of Q3 (USD4.0/bbl) which was mainly due to refinery outages and increase in demand.

The refinery processed 9.8 million barrels of crude oil and sold 10.3 million barrels of product. The crude diet comprised of 59% Far East/African crudes and the balance from Malaysia.



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

INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 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 Proposed

The Board of Directors have on 27 February 2013 declared the payment of a final gross dividend of 15 sen (2011: 20 sen) per RM1 unit of share less income tax of 25%, amounting to RM33,750,000 which, subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, will be paid on 16 May 2013 to shareholders registered on the Record of Depositors at the close of business on 3 May 2013. Full year dividend declared for the financial year ended 2012 is 20 sen (2011: 40 sen).

BY ORDER OF THE BOARD

Rodziah binti Zainudin (LS 0008034)
Lee Mi Ryoung (MAICSA 7058423)
Catherine Mah Suik Ching (LS 01802)
Tia Hwei Ping (MAICSA 7057636)
Company Secretaries

Kuala Lumpur
27 February 2013