



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

**INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2013**

Following the Shell Refining Company (Federation of Malaya) Berhad (“the Company”) Board of Directors’ Meeting on 26 February 2014, the Company is pleased to announce its financial results for the three months ended 31 December 2013.

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 2012.



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

**INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2013**

**Condensed Statement of Comprehensive Income**  
*Unaudited*

	Note	Individual Quarter 3 months ended		Cumulative Quarters 12 months ended	
		31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Revenue	A8	3,756,646	3,897,528	14,696,086	15,086,427
Cost of sales		(3,814,515)	(3,909,195)	(14,798,226)	(15,218,060)
Gross profit		(57,869)	(11,667)	(102,140)	(131,633)
Other operating income		3,280	4,256	13,653	19,280
Administrative expenses		(7,295)	(7,966)	(43,384)	(32,642)
Other operating (losses)/ gains		2,714	27,020	(58,381)	39,527
Finance cost		(6,663)	(6,533)	(33,084)	(16,117)
Profit/ (loss) before taxation	A10	(65,833)	5,110	(223,336)	(121,585)
Taxation	A11	29,912	1,239	67,353	26,925
Profit/ (loss) for the year / total comprehensive income for the year		(35,921)	6,349	(155,983)	(94,660)
Estimated average effective tax rate		45.44%	-24.25%	30.16%	22.15%
Earnings per share:					
- basic (sen)	A9	(11.97)	2.12	(51.99)	(31.55)
- diluted (sen)	A9	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.



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

**INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2013**

**Condensed Statement of Financial Position**

*Unaudited*

	Note	As at 31.12.2013 RM'000	As at 31.12.2012 RM'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		1,667,822	1,724,759
Prepaid lease payments		1,885	1,906
Long term receivables		287	385
Derivative financial asset	A21	86,867	24,375
		<u>1,756,861</u>	<u>1,751,425</u>
<b>CURRENT ASSETS</b>			
Inventories	A22	1,386,826	1,133,554
Trade receivables		68,649	21,633
Other receivables and prepayments		743	2,479
Tax recoverable		4,378	4,378
Amounts receivable from related companies	A27	1,232,231	1,223,831
Deposit with licensed banks		-	2,820
Bank balances		41,009	30,112
		<u>2,733,836</u>	<u>2,418,807</u>
<b>TOTAL ASSETS</b>		<u>4,490,697</u>	<u>4,170,232</u>
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>			
Share capital		300,000	300,000
Performance Share Plan from RDS		1,237	1,996
Retained earnings		1,212,146	1,402,749
		<u>1,513,383</u>	<u>1,704,745</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		89,949	174,769
Amounts payable to related companies	A27	1,101,491	992,921
Short term borrowings	A21	503,513	973
Derivative financial liability	A21	11,536	10,843
		<u>1,706,489</u>	<u>1,179,506</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	A21	1,236,120	1,183,920
Deferred tax liabilities		34,705	102,061
		<u>1,270,825</u>	<u>1,285,981</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>4,490,697</u>	<u>4,170,232</u>

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**  
(3926-U)  
(Incorporated in Malaysia)

**INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2013**

**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	
<b>At 1 January 2013</b>	300,000	300,000	1,996	1,402,749	1,704,745
Profit for the year ended 31 December 2013	-	-	-	(155,983)	(155,983)
Performance Share Plan from RDS					
- recharge by the parent			(719)	(870)	(1,589)
- charge during the year			(40)		(40)
Dividend for the year ended:					
- 31 December 2012	-	-	-	(33,750)	(33,750)
- 31 December 2013	-	-	-	-	-
<b>At 31 December 2013</b>	<u>300,000</u>	<u>300,000</u>	<u>1,237</u>	<u>1,212,146</u>	<u>1,513,383</u>
<b>At 1 January 2012</b>	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 2011	-	-	-	(45,000)	(45,000)
- 31 December 2012	-	-	-	(11,250)	(11,250)
<b>At 31 December 2012</b>	<u>300,000</u>	<u>300,000</u>	<u>1,996</u>	<u>1,402,749</u>	<u>1,704,745</u>

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**  
(3926-U)  
(Incorporated in Malaysia)

**INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2013**

**Condensed Cash Flow Statement**  
*Unaudited*

	<b>12 months ended</b>	
	<b>31.12.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Loss before taxation	(223,336)	(121,585)
Adjustments for:		
Property, plant and equipment		
- depreciation	146,700	106,730
- gain on disposals	-	6,880
Interest expense	42,546	29,442
Interest income	(271)	(3,816)
Net foreign exchange loss/(gain) - unrealised	60,384	(16,150)
Fair value (gain)/loss on derivative financial instrument	(61,798)	(634)
Provision for inventories write down	(2,955)	(8,956)
Allowance for doubtful debts	1,307	-
Amortisation of prepaid lease payments	21	21
PSP from RDS	40	1,996
	<b>(37,362)</b>	<b>(6,072)</b>
Changes in working capital		
Inventories	(250,331)	190,517
Trade and other receivables	(45,463)	(10,192)
Trade and other payables	(8,832)	(5,255)
Related companies	89,684	(242,728)
	<b>(252,304)</b>	<b>(73,730)</b>
Cash used in operations	(252,304)	(73,730)
Interest received	271	3,816
Net cash flow used in operating activities	<b>(252,033)</b>	<b>(38,046)</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(164,899)	(370,255)
Proceeds from disposal of property, plant and equipment	-	16
Net cash flow used in investing activities	<b>(164,899)</b>	<b>(370,240)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(43,874)	(37,941)
Dividends paid	(33,750)	(56,250)
Borrowings	502,540	361,500
Net cash flow from financing activities	<b>424,916</b>	<b>267,308</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>7,984</b>	<b>(140,976)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>32,932</b>	<b>173,104</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	<b>93</b>	<b>804</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>41,009</b>	<b>32,932</b>

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**  
(3926-U)  
(Incorporated in Malaysia)

**INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2013**

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

**A1 Basis of preparation**

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. This report should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2012.

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 performance of the Company since the financial year ended 31 December 2012.

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

The new accounting standards, amendments and improvements to published standards and interpretations that are effective for the Company's financial year beginning on or after 1 July 2012 and 1 January 2013 are as follows:

- |                            |   |
|----------------------------|---|
| i) MFRS 13                 | Fair Value Measurement                              |
| ii) Amendments to MFRS 101 | Presentation of items of other comprehensive Income |
| iii) Amendment to MFRS 7   | Financial Instruments: Disclosures                  |

There is no significant impact on the financial results and position of the Company upon adoption of the above new standards, amendments to published standards and interpretation.



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

**INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2013**

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

**A2 Audit report**

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

**A3 Comments about Seasonal or Cyclical Factors**

The Company's operation is not affected by any seasonal or cyclical factors within the financial year.

**A4 Individually significant items**

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

**A5 Changes in Estimates**

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

**A6 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.



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

**INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2013**

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

**A7 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.

**A8 Revenue**

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarters 12 months ended</b>	
	<b>31.12.2013 RM'000</b>	31.12.2012 RM'000	<b>31.12.2013 RM'000</b>	31.12.2012 RM'000
Sale of oil products				
- Refined	<b>3,756,211</b>	3,853,927	<b>14,693,340</b>	14,917,656
- Crude oil	<b>435</b>	43,601	<b>2,746</b>	168,771
	<b><u>3,756,646</u></b>	<u>3,897,528</u>	<b><u>14,696,086</u></b>	<u>15,086,427</u>

**A9 Earnings per share**

		<b>3 months ended</b>		<b>12 months ended</b>	
		<b>31.12.2013</b>	31.12.2012	<b>31.12.2013</b>	31.12.2012
<b>(a) Basic earnings per share</b>					
Net (loss)/profit for the period	(RM'000)	<b>(35,921)</b>	6,349	<b>(155,983)</b>	(94,660)
Weighted average number of ordinary shares in issue	('000)	<b>300,000</b>	300,000	<b>300,000</b>	300,000
Basic earnings per share	(sen)	<b>(11.97)</b>	2.12	<b>(51.99)</b>	(31.55)
<b>(b) Diluted earnings per share</b>					
	(sen)	<b>N/A</b>	N/A	<b>N/A</b>	N/A





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

**INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2013**

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

**A10 Profit/ (Loss) Before Taxation**

The company recorded a loss before tax of RM65.8 million for the three months ended 31 December 2013 compared to a profit before tax of RM5.1 million in the same period of 2012 (also see accompanying Management Commentary in Part B).

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarters 12 months ended</b>	
	<b>31.12.2013 RM'000</b>	<b>31.12.2012 RM'000</b>	<b>31.12.2013 RM'000</b>	<b>31.12.2012 RM'000</b>
<i>The profit before taxation is arrived at after charging/(crediting):</i>				
Interest income	<b>(30)</b>	(684)	<b>(271)</b>	(3,816)
Other income including investment income	<b>(3,250)</b>	(6,265)	<b>(13,382)</b>	(15,464)
Interest expense	<b>9,927</b>	5,206	<b>42,546</b>	29,442
Property, plant and equipment				
- Depreciation and amortization	<b>38,016</b>	23,902	<b>146,700</b>	106,730
- Gain on disposal	<b>0</b>	0	<b>0</b>	339
Amortisation of prepaid lease payments	<b>6</b>	5	<b>21</b>	21
Provision for inventories write (back)/down (included in cost of sales)	<b>34,626</b>	(8,956)	<b>(2,955)</b>	(8,956)
Foreign exchange loss/(gain) on net trade - realized	<b>(8,212)</b>	(5,733)	<b>41,387</b>	(38,355)
Foreign exchange gain on net trade – unrealized	<b>(3,012)</b>	(14,072)	<b>8,278</b>	(3,717)
Foreign exchange (gain)/loss on cash and bank balances	<b>608</b>	(194)	<b>(93)</b>	(804)
Foreign exchange loss/(gain) on term loan – unrealized	<b>2,639</b>	(5,053)	<b>52,199</b>	(7,800)
Fair value (gain)/loss on derivative financial instruments - unrealized	<b>(7,196)</b>	2,732	<b>(61,798)</b>	(634)



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

**INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2013**

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

**A11 Taxation**

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

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2013</b>	31.12.2012	<b>31.12.2013</b>	31.12.2012
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Current Period</b>				
Movement in deferred tax	<u>(29,915)</u>	(1,380)	<u>(67,356)</u>	(27,066)
	<u>(29,915)</u>	<u>(1,380)</u>	<u>(67,356)</u>	<u>(27,066)</u>
<b>Prior Period</b>				
Income tax	<u>3</u>	141	<u>3</u>	141
	<u>(29,912)</u>	<u>(1,239)</u>	<u>(67,353)</u>	<u>(26,925)</u>

The effective tax rate for the quarter ending 31 December 2013 is 45.44%, higher than the statutory tax rate of 25%, due to recognition of deferred tax asset on re-investment allowance.

**A12 Dividend**

The Company has not declared any dividend for the 12 months period ended 31 December 2013.

**A13 Valuation of Property, Plant and Equipment**

There was no revaluation of property, plant and equipment during the period under review. As at 31 December 2013, all property, plant and equipment were stated at cost less accumulated depreciation and impairment loss.



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

**INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2013**

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

**A14 Significant post balance sheet event**

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

**A15 Changes in Composition of the Company**

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

**A16 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 2012.

**A17 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.

**A18 Quoted Securities**

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

**A19 Corporate proposal**

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

**A20 Material Litigation**

There were no significant changes to material litigation since 31 December 2012.



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

**INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2013**

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

**A21 Fair value measurement**

(a) Financial instruments carried at amortised cost:

The carrying amounts of financial assets and liabilities of the Group approximated their fair values as at 31 December 2013.

(b) Financial Instruments carried at fair value:

The Company measures fair value using the following fair value hierarchy that reflects the significance of the input used in making the measurements:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Company's assets and liabilities for recurring fair value measurements recognised through profit or loss:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	<b>Total RM'000</b>
<b><u>At 31 December 2013</u></b>				
Derivatives – Cross currency interest rate swaps	<b>0</b>	<b>75,331</b>	<b>0</b>	<b>75,331</b>
<b><u>At 31 December 2012</u></b>				
Derivatives – Cross currency interest rate swaps	0	13,532	0	13,532

During the year, there were no transfers between Level 1 & Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurement.



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

**INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2013**

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

**A22 Borrowings**

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

	<b>31.12.2013</b>	31.12.2012
	<b>RM'000</b>	RM'000
Long term borrowings		
Term loan (unsecured)		
- Local currency loan	<b>450,000</b>	450,000
- Foreign currency loan	<b>786,120</b>	733,920
	<b>1,236,120</b>	1,183,920
Short term borrowings		
Short term loan (less than 3 months)	<b>503,513</b>	973
Restated in loan's original currency:	<b>USD'000</b>	USD'000
Bank borrowings denominated in foreign currency	<b>240,000</b>	240,000

**Derivative Financial Instrument – Cross currency interest rate swap ('CCIRS')**

	<b>31.12.2013</b>	31.12.2012
	<b>RM'000</b>	RM'000
Derivative financial assets/(liabilities):		
Term loan (unsecured)		
- current (less than 1 year)	<b>(11,536)</b>	(10,843)
- non-current (between 1 to 3 years)	<b>86,867</b>	24,375
	<b>75,331</b>	13,532



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

**INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2013**

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

**A22 Borrowings (continued)**

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.

There is no change with respect to the following from the financial year ended 31st December 2012.

- The credit risk, market risk and liquidity risk associated with CCIRS.
- The cash requirements of the CCIRS;
- The policies in place for mitigating or controlling the risks associated with CCIRS and
- The related accounting policies.

**A23 Inventories**

	<b>31.12.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Crude Oil	789,134	683,989
Petroleum products	571,339	426,235
	1,359,473	1,110,224
Less: Allowance for inventories write-down	(543)	(3,498)
Materials	26,899	26,828
	1,386,829	1,133,554

**A24 Capital commitments**

Capital commitments not provided for in the financial statements as at 31 December 2013 are as follows:

	<b>RM'000</b>
<b>Property, plant and equipment</b>	
Authorised by Directors and contracted for	23,207
Authorised by Directors and not contracted for	56,947
	80,154



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

**INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2013**

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

**A25 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.

**A26 Company Performance**

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

**A27 Current Year Prospects**

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

**A28 Related Party Disclosure**

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

	<b>For the quarter ended 31.12.2013 RM'000</b>
a) Income:	
i) Sale of refined products to:	3,662,228
ii) Tariff revenue on the use of properties/ facilities:	3,846
b) Expenses:	
i) Purchase of crude and products:	(3,851,332)
ii) Central Management and administrative expenses:	(11,633)

As at 31 December 2013, there are no capital commitments with related parties

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 31 DECEMBER 2013**

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

**A29 Retained Earnings**

The following analysis of realized and unrealized retained earnings at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realized and Unrealized 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:

	<b><u>2013</u></b> <b>RM'000</b>
Realized	1,253,595
Unrealized	<u>(41,449)</u>
	<u>1,212,146</u>

The unrealized 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 realized and unrealized 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)  
(Incorporated in Malaysia)

**INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2013**

**Part B: Additional Information Required By Bursa Malaysia Listing Requirements**

**B1 Review of Performance – YTD/Q4 2013 vs. YTD/Q4 2012**

The Company registered revenue of RM14.7 billion, 3% lower than the same period last year. The decrease is attributable to lower product prices in 2013.

The Company posted after-tax loss of RM156 million for 2013 compared to RM95 million in 2012. The increase in losses is mainly due to weakened refining margins driven by lower differential between crude and product prices in 2013.

The refinery processed 37 million barrels of crude oil, lower by 0.3% as compared to 2012.

**B2 Variation of results against previous quarter – Q4 2013 vs. Q3 2013**

The Company posted 5% lower revenue registering RM3.9 billion in Q4 2013 compared to previous quarter due to lower volumes sold and product prices.

The Company posted an after-tax loss of RM37 million this quarter against RM43 million after-tax gain in Q3 2013, largely contributed by the weakened refining margin driven by higher crude prices in Q4'13.

In the fourth quarter of 2013, the refinery processed 9 million barrels of crude oil and sold 10 million barrels of product. The Company buys 67% of its crude from the Far East and Africa, with the remaining 33% coming from Malaysia.



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

**INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2013**

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

**B3 Current Year Prospects**

Refinery margins are expected to be continuously under pressure. Operational and product quality will continue to remain the refinery's key focus area to maximize margin opportunities.

**B4 Profit Forecast**

We do not issue any profit forecast.

**BY ORDER OF THE BOARD**

Lee Mi Ryoung (MAICSA 7058423)  
Catherine Mah Suik Ching (LS 01302)  
Tia Hwei Ping (MAICSA 7057636)  
Company Secretaries

Kuala Lumpur  
26 February 2014