



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

**INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2014**

Following the Shell Refining Company (Federation of Malaya) Berhad (“the Company”) Board of Directors’ Meeting on 12 November 2014, the Company is pleased to announce its financial results for the three months ended 30 September 2014.

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 2013.



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

**INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2014**

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

	Note	3 months ended		9 months ended	
		30.09.2014 RM'000	30.09.2013 RM'000	30.09.2014 RM'000	30.09.2013 RM'000
Revenue	A8	3,436,837	3,936,304	11,333,420	10,939,440
Interest and other income		2,532	3,371	6,359	11,075
Total revenue and other income		<b>3,439,369</b>	3,939,675	<b>11,339,779</b>	10,950,515
Purchases		(3,535,619)	(3,785,656)	(11,312,500)	(10,800,110)
Production and manufacturing expenses		(44,223)	(48,715)	(136,635)	(133,721)
Administrative expenses		(14,165)	(11,974)	(28,729)	(37,745)
Depreciation,depletion and amortisation		(38,910)	(39,927)	(116,831)	(108,684)
Interest expense		(15,196)	(11,767)	(41,452)	(31,362)
Fair value (loss)/ gain on derivative financial instruments		(3,903)	10,194	(10,194)	5,042
Profit/ (loss) before taxation	A10	<b>(212,647)</b>	51,830	<b>(306,562)</b>	(156,065)
Taxation	A11	12,882	(8,949)	34,705	37,440
Profit/ (loss) for the year / total comprehensive expense for the year		<b>(199,765)</b>	42,881	<b>(271,857)</b>	(118,625)
Estimated average effective tax rate		6.06%	17.27%	11.32%	23.99%
Earnings per share:					
- basic (sen)	A9	<b>(66.59)</b>	14.29	<b>(90.62)</b>	(39.54)
- diluted (sen)	A9	<b>N/A</b>	N/A	<b>N/A</b>	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 30 SEPTEMBER 2014**

**Condensed Statement of Financial Position**  
*Unaudited*

	Note	As at 30.09.2014 RM'000	As at 31.12.2013 RM'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		1,585,111	1,667,822
Prepaid lease payments		1,870	1,885
Long term receivables		137	287
Derivative financial asset	A21	78,055	86,867
		<u>1,665,173</u>	<u>1,756,861</u>
<b>CURRENT ASSETS</b>			
Inventories	A23	1,268,251	1,386,826
Trade receivables		48,063	68,649
Other receivables and prepayments		3,033	743
Tax recoverable		4,376	4,378
Amounts receivable from related companies	A28	777,000	1,232,231
Bank balances		27,147	41,009
		<u>2,127,870</u>	<u>2,733,836</u>
<b>TOTAL ASSETS</b>		<u>3,793,043</u>	<u>4,490,697</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	1,237
Retained earnings		940,289	1,212,146
		<u>1,241,526</u>	<u>1,513,383</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		63,276	89,949
Amounts payable to related companies	A28	847,763	1,101,491
Short term borrowings	A22	841,440	503,513
Derivative financial liability	A21	14,118	11,536
		<u>1,766,597</u>	<u>1,706,489</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions			
Long term borrowings	A22	784,920	1,236,120
Deferred tax liabilities		-	34,705
		<u>784,920</u>	<u>1,270,825</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>3,793,043</u>	<u>4,490,697</u>

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**INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2014**

**Condensed Statement of Changes in Equity**  
*Unaudited*

	Issued and fully paid ordinary shares of RM 1 each		Non - distributable	Distributable	
	<u>Numbers of Shares</u> '000	<u>Nominal Value</u> RM'000	<u>PSP reserve</u> RM'000	<u>Retained earnings</u> RM'000	<u>Total</u> RM'000
<b>At 1 January 2014</b>	300,000	300,000	1,237	1,212,146	1,513,383
Loss for the period ended 30 September 2014	-	-	-	(271,857)	(271,857)
Performance Share Plan from RDS - recharge by the parent - charge during the year			-	-	-
Dividend for the year ended: - 31 December 2013 - 31 December 2014	-	-	-	-	-
<b>At 30 September 2014</b>	<u>300,000</u>	<u>300,000</u>	<u>1,237</u>	<u>940,289</u>	<u>1,241,526</u>
<b>At 1 January 2013</b>	300,000	300,000	1,996	1,402,749	1,704,745
Loss for the year ended 31 December 2013	-	-	-	(155,983)	(155,983)
Performance Share Plan from RDS - recharge by the parent - charge during the year			(719) (40)	(870) -	(1,589) (40)
Dividend for the year ended: - 31 December 2012 - 31 December 2013	-	-	-	(33,750) -	(33,750) -
<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>

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**INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2014**

**Condensed Cash Flow Statement**  
*Unaudited*

	<b>9 months ended</b>	
	<b>30.09.2014</b>	<b>30.09.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Loss before taxation	(306,561)	(156,065)
Adjustments for:		
Property, plant and equipment - depreciation	116,831	108,684
Interest expense	41,452	31,362
Interest income	(73)	(241)
Net foreign exchange loss - unrealised	8,121	54,125
Fair value loss/(gain) on derivative financial instrument	11,394	(54,602)
Provision for inventories write down	12,338	31,671
Amortisation of prepaid lease payments	15	15
	<u>(116,483)</u>	<u>14,949</u>
Changes in working capital		
Inventories	106,237	(203,982)
Trade and other receivables	8,970	(31,941)
Trade and other payables	(26,692)	(83,199)
Related companies	201,503	(31,946)
Cash used in operations	<u>173,535</u>	<u>(336,119)</u>
Interest received	73	241
Net cash flow generated from/ (used in) operating activities	<u>173,608</u>	<u>(335,878)</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<u>(34,120)</u>	<u>(62,030)</u>
Net cash flow used in investing activities	<u>(34,120)</u>	<u>(62,030)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(41,431)	(32,685)
Dividends paid	-	(33,805)
Borrowings	<u>(112,074)</u>	<u>438,052</u>
Net cash flow from financing activities	<u>(153,505)</u>	<u>371,562</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(14,017)</b>	<b>(26,346)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>41,009</b>	<b>32,932</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	<b>155</b>	<b>701</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u><b>27,147</b></u>	<u><b>7,287</b></u>

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**INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2014**

**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 2013.

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 2013.

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 2013 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.



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**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.



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**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</b>		<b>Cumulative Quarters</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2014</b>	<b>30.09.2013</b>	<b>30.09.2014</b>	<b>30.09.2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Sale of oil products				
- Refined	<b>3,319,607</b>	3,879,771	<b>11,126,047</b>	10,441,492
- Crude oil	<b>117,230</b>	56,533	<b>207,373</b>	497,948
	<b><u>3,436,837</u></b>	<u>3,936,304</u>	<b><u>11,333,420</u></b>	<u>10,939,440</u>

**A9 Earnings per share**

		<b>3 months ended</b>		<b>9 months ended</b>	
		<b>30.09.2014</b>	<b>30.09.2013</b>	<b>30.09.2014</b>	<b>30.09.2013</b>
<b>(a) Basic earnings per share</b>					
Net (loss)/profit for the period	(RM'000)	<b>(199,765)</b>	42,881	<b>(271,857)</b>	(118,625)
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>(66.59)</b>	14.29	<b>(90.62)</b>	(39.54)
<b>(b) Diluted earnings per share</b>					
	(sen)	<b>N/A</b>	N/A	<b>N/A</b>	N/A





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**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 RM212.65 million for the three months ended 30 September 2014 compared to a profit before tax of RM51.83 million in the same period of 2013 (also see accompanying Management Commentary in Part B).

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarters 9 months ended</b>	
	<b>30.09.2014</b>	<b>30.09.2013</b>	<b>30.09.2014</b>	<b>30.09.2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<i><b>The profit before taxation is arrived at after charging/(crediting):</b></i>				
Interest income	<b>(16)</b>	(26)	<b>(73)</b>	(241)
Other income including investment income	<b>(3,895)</b>	(3,247)	<b>(10,886)</b>	(10,131)
Interest expense	<b>15,196</b>	11,767	<b>41,452</b>	32,619
Property, plant and equipment				
- Depreciation and amortization	<b>38,910</b>	39,927	<b>116,831</b>	108,684
Provision for inventories write down (included in cost of sales)	<b>10,929</b>	30,654	<b>12,338</b>	31,671
Provision for impairment write (back)/off of receivables	<b>(786)</b>	0	<b>(888)</b>	0
Foreign exchange loss on net trade - realized	<b>(7,615)</b>	32,346	<b>(27,883)</b>	49,599
Foreign exchange loss/(gain) on net trade – unrealized	<b>17,961</b>	(4,021)	<b>9,476</b>	5,266
Foreign exchange loss/(gain) on cash and bank balances - unrealized	<b>10</b>	(97)	<b>(155)</b>	(701)
Foreign exchange loss/(gain) on term loan – unrealized	<b>14,520</b>	22,920	<b>(1,200)</b>	49,560
Fair value (gain)/loss on derivative financial instruments – unrealized	<b>(10,616)</b>	(33,114)	<b>11,394</b>	(54,602)

The following items are not applicable to the company for the financial period under review:

- i) Impairment of assets
- ii) Exceptional items



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**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>9 months ended</b>	
	<b>30.09.2014</b>	30.09.2013	<b>30.09.2014</b>	30.09.2013
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Current Period</b>				
Movement in deferred tax	<u>12,882</u>	(8,949)	<u>34,705</u>	<u>37,440</u>
	<u>12,882</u>	<u>(8,949)</u>	<u>34,705</u>	<u>37,440</u>
<b>Prior Period</b>				
Income tax	<u>-</u>	-	<u>-</u>	<u>-</u>
	<u>12,882</u>	<u>(8,949)</u>	<u>34,705</u>	<u>37,440</u>

The effective tax rate for the quarter ending 30 September 2014 is 6.06%, lower than the statutory tax rate of 25%, mainly due to unrecognised deferred tax.

**A12 Dividend**

The Company did not declare any dividend for the 3 months period ended 30 September 2014.

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

There was no revaluation of property, plant and equipment during the period under review. As at 30 September 2014, all property, plant and equipment were stated at cost less accumulated depreciation and impairment loss.



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**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 2013.

**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 2013.



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**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 30 September 2014.

(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	Total RM'000
<b><u>At 30 September 2014</u></b>				
Derivatives – Cross currency interest rate swaps	0	63,937	0	63,937
<b><u>At 31 December 2013</u></b>				
Derivatives – Cross currency interest rate swaps	0	75,331	0	75,331

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.



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**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>30.09.2014</b>	31.12.2013
	<b>RM'000</b>	RM'000
Long term borrowings		
Term loan (unsecured)		
- Local currency loan	-	450,000
- Foreign currency loan	<b>784,920</b>	786,120
	<b>784,920</b>	1,236,120
Short term borrowings		
Short term loan (less than 3 months)	<b>391,440</b>	503,513
Short term portion of long-term borrowings		
-Local currency loan	<b>450,000</b>	-
	<b>841,440</b>	503,513
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>30.09.2014</b>	31.12.2013
	<b>RM'000</b>	RM'000
Derivative financial assets/(liabilities):		
Term loan (unsecured)		
- current (less than 1 year)	<b>(14,118)</b>	(11,536)
- non-current (between 1 to 3 years)	<b>78,055</b>	86,867
	<b>63,937</b>	75,331



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**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 2013.

- 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>30.09.2014</b>	<b>31.12.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Crude Oil	<b>726,440</b>	789,134
Petroleum products	<b>526,345</b>	571,339
	<b>1,252,785</b>	1,359,473
Less: Allowance for inventories write-down	<b>(12,338)</b>	(543)
Materials	<b>27,804</b>	26,896
	<b>1,268,251</b>	1,386,826

**A24 Capital commitments**

Capital commitments not provided for in the financial statements as at 30 September 2014 are as follows:

	<b>RM'000</b>
<b>Property, plant and equipment</b>	
Authorised by Directors and contracted for	52,280
Authorised by Directors and not contracted for	7,846
	<u>60,126</u>



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**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 30.09.2014 RM'000</b>
a) Income:	
i) Sale of refined products to:	<u>3,356,393</u>
ii) Tariff revenue on the use of properties/ facilities:	<u>4,085</u>
b) Expenses:	
i) Purchase of crude and products:	<u>(3,399,651)</u>
ii) Central Management and administrative expenses:	<u>(11,993)</u>

Capital commitments as at 30 September 2014 includes unsecured commitment for purchase of catalysts amounting to RM1,145,099 with Criterion Marketing Asia Pacific Pte. Ltd. (wholly owned subsidiary of Royal Dutch Shell plc)

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**

**A29 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:

	<b>2014</b>
	<b>RM'000</b>
Realised	307,317
Unrealised	632,972
	<u>940,289</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)  
(Incorporated in Malaysia)

**INTERIM REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2014**

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

**B1 Review of Performance – YTD/Q3 2014 vs. YTD/Q3 2013**

The Company registered revenue of RM11.3 billion YTD Q3 2014, 4% higher than the same period last year. The increase is mainly due to higher volumes sold in 2014.

The Q3 2014 after-tax loss of RM199.8 million is contributed by stockholding losses of RM153.7 million.

Year on year basis, the Company posted after-tax loss of RM271.8 million in 2014 as compared to after-tax loss of RM118.6 million in 2013. The higher losses in 2014 are mainly contributed by stockholding losses of RM179.4 million due to fall in oil prices and comparatively, the company recorded a stockholding gain of RM46.5 million in 2013.

The after-tax current cost of supplies (“CCS”) loss of RM137.3 million in YTD Q3 2014 is lower as compared to after-tax CCS loss of RM153.5 million in YTD Q3 2013.

The refinery processed 28.4 million barrels of crude oil, and this is lower by 1% as compared to 2013.

**B2 Variation of results against previous quarter – Q3 2014 vs. Q2 2014**

The Company posted 12% lower revenue of RM3.4 billion in Q3 2014, compared to Q2 2014 due to decreasing product prices since early July.

The Company posted an after-tax loss of RM199.8 million this quarter contributed by stockholding losses of RM153.7 million. In Q2 2014, the company’s after-tax loss is RM28.0 million and posted stockholding loss of RM11.4 million. The stockholding losses in Q3 2014 are attributable to the sharp decline in oil prices July 2014 onwards.

In the third quarter of 2014, the refinery processed 9.4 million barrels of crude oil and sold 9.7 million barrels of product. The Company buys 34% from Malaysia, 29% crude from the Far East, Middle East and Africa with the remaining 37% from Russia.



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*(continued)*

**B3 Current Year Prospects**

Refinery margins are expected to be weak for the rest of the year. 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)  
Nuruluyun Binti Abdul Jabar (MIA 9113)  
Tia Hwei Ping (MAICSA 7057636)  
Company Secretaries

Kuala Lumpur  
12 November 2014