



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

INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2014

Following the Shell Refining Company (Federation of Malaya) Berhad (“the Company”) Board of Directors’ Meeting on 17 February 2015, the Company hereby announces its financial results for the three months ended 31 December 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 31 DECEMBER 2014

Condensed Statement of Comprehensive Income
Unaudited

	Note	Individual Quarter 3 months ended		Cumulative Quarters 12 months ended	
		31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Revenue	A8	2,934,389	3,756,646	14,262,773	14,696,086
Cost of Sales		(3,270,300)	(3,720,436)	(14,571,039)	(14,519,448)
Gross profit		(335,911)	36,210	(308,266)	176,638
Other operating income		3,482	3,280	14,440	13,653
Manufacturing expenses		(56,341)	(50,374)	(191,576)	(188,198)
Administrative expenses		(16,688)	(7,295)	(53,917)	(43,384)
Depreciation, depletion and amortisation		(34,603)	(38,017)	(151,435)	(146,700)
Other operating losses		1,040	(2,974)	(3,148)	(2,261)
Interest and other expenses		(17,011)	(6,663)	(68,693)	(33,084)
Impairment		(460,878)	-	(460,878)	-
(Loss) before taxation	A10	(916,910)	(65,833)	(1,223,473)	(223,336)
Taxation	A11	-	29,912	34,705	67,353
(Loss)/profit for the year / total comprehensive expense for the year		(916,910)	(35,921)	(1,188,768)	(155,983)
Estimated average effective tax rate		0.00%	45.44%	2.84%	30.16%
Earnings per share:					
- basic (sen)	A9	(305.64)	(11.97)	(396.26)	(51.99)
- 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 2014

Condensed Statement of Financial Position
Unaudited

	Note	As at 31.12.2014 RM'000	As at 31.12.2013 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,104,821	1,667,822
Prepaid lease payments		1,864	1,885
Long term receivables		-	287
Derivative financial asset	A21	118,565	86,867
		<u>1,225,250</u>	<u>1,756,861</u>
CURRENT ASSETS			
Inventories	A23	801,183	1,386,826
Trade receivables		26,971	68,649
Other receivables and prepayments		1,404	743
Tax recoverable		4,376	4,378
Amounts receivable from related companies	A28	743,169	1,232,231
Bank balances		8,737	41,009
		<u>1,585,840</u>	<u>2,733,836</u>
TOTAL ASSETS		<u>2,811,090</u>	<u>4,490,697</u>
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital		300,000	300,000
Performance Share Plan from RDS		1,306	1,237
Retained earnings		23,378	1,212,146
		<u>324,684</u>	<u>1,513,383</u>
CURRENT LIABILITIES			
Trade and other payables		75,558	89,949
Amounts payable to related companies	A28	652,573	1,101,491
Short term borrowings	A22	919,115	503,513
Derivative financial liability	A21	-	11,536
		<u>1,647,246</u>	<u>1,706,489</u>
NON-CURRENT LIABILITIES			
Provisions			
Long term borrowings	A22	839,160	1,236,120
Deferred tax liabilities		-	34,705
		<u>839,160</u>	<u>1,270,825</u>
TOTAL EQUITY AND LIABILITIES		<u>2,811,090</u>	<u>4,490,697</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 2014

Condensed Statement of Changes in Equity
Unaudited

	Issued and fully paid ordinary shares of RM 1 each		Non - distributable	Distributable	Total RM'000
	Numbers of Shares '000	Nominal Value RM'000	PSP reserve RM'000	Retained earnings RM'000	
At 1 January 2014	300,000	300,000	1,237	1,212,146	1,513,383
Profit for the year ended 31 December 2014	-	-	-	(1,188,768)	(1,188,768)
Performance Share Plan from RDS					
- recharge by the parent			(1,144)		(1,144)
- charge during the year			1,213		1,213
Dividend for the year ended:					
- 31 December 2013	-	-	-	-	-
- 31 December 2014	-	-	-	-	-
At 31 December 2014	300,000	300,000	1,306	23,378	324,684
At 1 January 2013	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			(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	-	-	-	-	-
At 31 December 2013	300,000	300,000	1,237	1,212,146	1,513,383

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 2014

Condensed Cash Flow Statement
Unaudited

	12 months ended	
	31.12.2014	31.12.2013
	RM'000	RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss before taxation	(1,223,473)	(223,336)
Adjustments for:		
Property, plant and equipment		
- depreciation	151,435	146,700
- Impairment	460,878	-
- (gain) /loss on disposals/write off	134	-
Interest expense	58,755	42,546
Interest income	(92)	(271)
Net foreign exchange loss - unrealised	50,652	60,384
Fair value loss/(gain) on derivative financial instrument	(43,236)	(61,798)
Provision for inventories write down	80,167	(2,955)
Amortisation of prepaid lease payments	21	21
Share based payments	1,213	40
Write back of allowance for doubtful debts	(891)	1,307
	(464,437)	(37,362)
Changes in working capital		
Inventories	505,476	(250,331)
Trade and other receivables	41,574	(45,463)
Trade and other payables	(8,921)	(8,832)
Related companies	41,760	89,684
Cash used in operations	115,452	(252,304)
Interest received	92	271
Net cash flow generated from/ (used in) operating activities	115,544	(252,033)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(54,827)	(164,899)
Net cash flow used in investing activities	(54,827)	(164,899)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(57,423)	(43,874)
Dividends paid	-	(33,750)
Borrowings	(35,730)	502,540
Net cash flow from financing activities	(93,153)	424,916
NET DECREASE IN CASH AND CASH EQUIVALENTS	(32,436)	7,984
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	41,009	32,932
EFFECTS OF EXCHANGE RATE CHANGES	164	93
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8,737	41,009

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 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 statements have been prepared on the assumption that the Company is a going concern. The Company incurred net losses during the financial year ended 31 December 2014 of RM1,189 million (2013: RM156 million) including impairment charge of RM461 million in 2014 (2013: RM Nil) and, as of that date, the Company had net current liabilities of RM61 million (2013: net current assets of RM1,027 million).

As at 31 December 2014, there are outstanding borrowings amounted to RM1,758 million (2013: RM1,740 million) as disclosed in Notes A22. The company is working on restructuring of the loan of RM450 million due on 15 June 2015, and to attain reliable operations to generate sufficient cash flows to fulfil their obligations as and when they fall due.

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 February 2014 are as follows:

- i) MFRS 132 Financial Instruments: Presentation

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)

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 Critical Accounting Estimates and Judgments

During the financial year, a review of the recoverable amount of plant, property and equipment (cash generating unit) was performed and an impairment loss of RM461 million, representing the write-down of plant, property and equipment to the recoverable amount was recognised in profit or loss as disclosed in statement of comprehensive income.

The recoverable amount of the plant, property and equipment were determined based on the key assumptions management uses in estimating risk-adjusted future cash flows for value-in use measures.

The Company's results of operations in any given period are principally driven by the demand for and price of petroleum products relative to the supply and cost of crude oil.

Refining margins are forecasted through expert's study on latest insight based on feedstock supply and product demand outlook. The refinery margins are expected to be continuously under pressure and may persist longer than expected.

Key assumptions of the underlying cash flow forecasts were tested including inflation rate of 2% (2013: 2%), nominal post-tax discount rate of 8.00% (2013: 6.65%) amongst others.



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

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

A5 Critical Accounting Estimates and Judgments (continued)

The Company reviews the recoverable amount of its property plant and equipment for impairment triggers, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance to the Malaysian Financial Reporting Standard 136: Impairment of Assets. The Company's results of operations in any given period are principally driven by the demand for and price of petroleum products relative to the supply and cost of crude oil.

During the year, with the declining trend in refining margins and the announcement by the relevant regulatory bodies of its intention to implement the Euro 4m and 5 compliant fuel by 2018 and 2020 respectively, a review of the outlook of margins was performed. Accordingly the Company performed an impairment in accordance to the Malaysian Financial Reporting Standard 136: Impairment of Assets. The recoverable amount of the refinery, being defined as a cash-generating unit, was determined at RM1,054 million based on its value-in-use and an impairment loss of RM461 million was recognised in the profit or loss as disclosed in statement of comprehensive income.

The recoverable amount was determined using the value in use method being the higher of fair value less cost. Cash flow projections for a period of 11 years was used which represents the estimated economic life of the refinery.

The following key assumptions were made in determination of the recoverable amount:

Assumptions		
Refinery margins per barrel	A low of \$2.68 to a high of \$9.14.	Based on business plan and inputs obtained from independent experts
Availability of export markets for the output of the refinery	Asia and Africa markets	Market research
Pre-tax Discount rate	11%	Management estimate



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

INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2014

Sensitivity analysis:

The key estimation uncertainty over the assumptions used by management in the value-in-use cash flows is the refining margins and the availability of export markets due to the impact of transportation costs to the refinery margins. The sensitivity of these assumptions to the recoverable amount and impairment loss is as follows:

		Recoverable amount (RM million)	Impairment loss (RM million)
Refinery margin	5% increase over the period from 2015 – 2025	1,303	212
Refinery margin	5% decrease over the period from 2015 – 2025	828	687
Refinery margin	22% decrease over the period from 2015 – 2025	Nil	Full Impairment of RM1,515
Availability of export markets	Change in accelerated timing by a year earlier	994	521

It is reasonably possible that the estimate of expected future cash flows may change in the near term resulting in the need to adjust the resulting cash flow projections to support the recoverable amount of the refinery.

Refinery margins are subject to cyclical fluctuations resulting from an over-supply and supply tightness in various global and regional markets in the short term. Fluctuations in the short term may result in significant changes in monthly/quarterly profit and loss resulting in significant loss or profits.



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

INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2014

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.

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

	Individual Quarter		Cumulative Quarters	
	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Sale of oil products				
- Refined	2,933,537	3,756,211	14,259,287	14,693,340
- Crude oil	852	435	3,486	2,746
	<u>2,934,389</u>	<u>3,756,646</u>	<u>14,262,773</u>	<u>14,696,086</u>



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

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

A9 Earnings per share

		3 months ended		12 months ended	
		31.12.2014	31.12.2013	31.12.2014	31.12.2013
(a) Basic earnings per share					
Net (loss)/profit for the period	(RM'000)	(916,910)	(35,921)	(1,188,768)	(155,983)
Weighted average number of ordinary shares in issue	('000)	300,000	300,000	300,000	300,000
Basic earnings per share	(sen)	(305.64)	(11.97)	(396.26)	(51.99)
(b) Diluted earnings per share					
	(sen)	N/A	N/A	N/A	N/A

A10 Profit/ (Loss) Before Taxation

The company recorded a loss before tax of RM916.91 million for the three months ended 31 December 2014 compared to a loss before tax of RM65.83 million in the same period of 2013 (also see accompanying Management Commentary in Part B).

	Individual Quarter 3 months ended		Cumulative Quarters 12 months ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
<i>The profit before taxation is arrived at after charging/(crediting):</i>				
Interest income	(19)	(30)	(92)	(271)
Other income including investment income	(3,463)	(3,250)	(14,348)	(13,382)
Interest expense	17,302	9,927	58,755	42,546
Property, plant and equipment				
- Depreciation and amortization	34,603	38,016	151,435	146,700
- Impairment	460,878	0	460,878	0
Amortisation on prepaid lease payments	6	6	21	21
Provision for inventories write down (included in cost of sales)	67,829	34,626	80,167	(2,955)
Provision for impairment write (back)/off of receivables	(891)	1,307	(891)	1,307
Foreign exchange loss on net trade - realized	44,908	(8,212)	17,026	41,387
Foreign exchange loss/(gain) on net trade – unrealized	(11,699)	(3,012)	(2,224)	8,278
Foreign exchange loss/(gain) on cash and bank balances - unrealized	10	608	164	(93)
Foreign exchange loss/(gain) on term loan – unrealized	54,240	2,639	53,040	52,199
Fair value (gain)/loss on derivative financial instruments – unrealized	(54,629)	(7,196)	(43,236)	(61,798)



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

INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2014

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

A10 Profit/ (Loss) Before Taxation (continued)

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

- i) Exceptional items

A11 Taxation

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

	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Current Period				
Movement in deferred tax	<u>0</u>	29,913	<u>34,705</u>	<u>67,353</u>
	0	29,913	34,705	67,353
Prior Period				
Income tax	<u>-</u>	-	<u>-</u>	<u>-</u>
	-	29,913	34,705	67,353

The effective tax rate for the quarter ending 31 December 2014 is 0%, 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 31 December 2014.

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 2014, 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 2014

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.



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

INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2014

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 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
<u>At 31 December 2014</u>				
Derivatives – Cross currency interest rate swaps	0	118,565	0	63,937
<u>At 31 December 2013</u>				
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.



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

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:

	31.12.2014	31.12.2013
	RM'000	RM'000
Long term borrowings		
Term loan (unsecured)		
- Local currency loan	-	450,000
- Foreign currency loan	839,160	786,120
	839,160	1,236,120
Short term borrowings		
Short term loan (less than 3 months)	466,740	503,513
Short term portion of long-term borrowings		
-Local currency loan	452,375	-
	919,115	503,513
Restated in loan's original currency:	USD'000	USD'000
Bank borrowings denominated in foreign currency	240,000	240,000

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

	31.12.2014	31.12.2013
	RM'000	RM'000
Derivative financial assets/(liabilities):		
Term loan (unsecured)		
- current (less than 1 year)	(13,695)	(11,536)
- non-current (between 1 to 3 years)	132,260	86,867
	118,565	75,331



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

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

	31.12.2014	31.12.2013
	RM'000	RM'000
Crude Oil	393,132	789,134
Petroleum products	462,282	571,339
	855,414	1,359,473
Less: Allowance for inventories write-down	(80,710)	(543)
Materials	26,479	26,896
	801,183	1,386,826

A24 Capital commitments

Capital commitments not provided for in the financial statements as at 31 December 2014 are as follows:

	RM'000
Property, plant and equipment	
Authorised by Directors and contracted for	6,604
Authorised by Directors and not contracted for	64,611
	<u>71,215</u>



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

INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2014

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:

	For the quarter ended 31.12.2014 RM'000
a) Income:	
i) Sale of refined products to:	2,502,584
ii) Tariff revenue on the use of properties/ facilities:	4,085
b) Expenses:	
i) Purchase of crude and products:	(2,828,412)
ii) Central Management and administrative expenses:	(12,656)

Capital commitments as at 31 December 2014 includes unsecured commitment for purchase of catalysts amounting to RM1,103,707 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.



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

INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2014

**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:

	2014 RM'000
Realised	96,958
Unrealised	<u>(73,580)</u>
	<u><u>(23,378)</u></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 31 DECEMBER 2014

Part B: Additional Information Required By Bursa Malaysia Listing Requirements

B1 Review of Performance – YTD/Q4 2014 vs. YTD/Q4 2013

The Company registered revenue of RM14.3 billion YTD Q4 2014, 3% lower than the same period last year. The decrease is attributable to lower product prices in 2014.

Year on year basis, the Company posted after-tax loss of RM1,188.7 million in 2014 as compared to after-tax loss of RM155.9 million in 2013. The higher losses in 2014 are mainly contributed by stockholding losses of RM625.1 million due to fall in oil prices (from average dated Brent marker of USD107/bbl in Jan 2014 to Dec 2014 of USD55/bbl), impairment losses of RM461 million, and operational losses of RM102.6million.

In 2013, comparatively, the company recorded a stockholding gain of RM95.5 million, which resulted in operational losses of RM251.5million in 2013.

The refinery processed 37.9 million barrels of crude oil, and this is higher by 1% as compared to 2013.

B2 Variation of results against previous quarter – Q4 2014 vs. Q3 2014

The Company posted 15% lower revenue of RM2.9 billion in Q4 2014, compared to Q3 2014 due to decreasing product prices since early July.

The Company posted an after-tax loss of RM916.9 million this quarter contributed by stockholding losses of RM445.8 million (from average dated Brent marker of USD94/bbl in Oct 2014 to Dec 2014 of USD55/bbl) and impairment loss of RM461 million, and operational losses of RM10.1 million. In Q3 2014, the company's after-tax loss was RM199.8 million and stockholding loss was RM153.7 million (from average dated Brent marker of USD110/bbl in July 2014 to Sept 2014 of USD97/bbl).

The refinery processed 9.5 million barrels of crude oil, and this is higher by 1.6% as compared to Q3 2014.



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

INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2014

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

B3 Current Year Prospects

Refinery margins are expected to be weak. 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

Nuruluyun Binti Abdul Jabar (MIA 9113)
Tia Hwei Ping (MAICSA 7057636)
Company Secretaries

Kuala Lumpur
17 February 2015