HENGYUAN REFINING COMPANY BERHAD
(formerly known as Shell Refining Company (Federation of Malaya) Berhad)
(3926-U)
(Incorporated in Malaysia)

In accordance with the approval of the Board of Directors of Hengyuan Refining Company Berhad (formerly known as Shell Refining Company (Federation of Malaya) Berhad) ("the Company") dated 25 August 2017, the Board hereby announces its financial results for the second quarter ended 30 June 2017.

The condensed financial statements have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) 134 "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Securities Berhad ("BMSB") Main Market Listing Requirements, and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2016.

HENGYUAN REFINING COMPANY BERHAD
(formerly known as Shell Refining Company (Federation of Malaya) Berhad)
(3926-U)
(Incorporated in Malaysia)

Condensed Statement of Comprehensive Income

	Note	**Unaudited**	Unaudited	**Unaudited**	Unaudited
		Individual Quarter 3 months ended		**Cumulative Period 6 months ended**	
		30.06.2017	30.06.2016	**30.06.2017**	30.06.2016
		RM'000	RM'000	**RM'000**	RM'000
Revenue	A8	**2,597,978**	2,001,420	**5,529,538**	3,871,371
Purchases		**(2,346,170)**	(1,769,323)	**(4,882,123)**	(3,423,728)
Gross profit		**251,808**	232,097	**647,415**	447,643
Other income		**6,513**	5,089	**12,482**	9,955
Manufacturing expenses		**(72,123)**	(52,332)	**(124,849)**	(93,567)
Administrative expenses		**(9,841)**	(17,738)	**(16,336)**	(30,084)
Depreciation and amortisation		**(51,210)**	(47,026)	**(103,762)**	(92,664)
Other operating gains/(losses)		**(24,243)**	279	**(18,022)**	(6,848)
Finance cost		**(16,497)**	(13,314)	**(33,036)**	(25,408)
Profit before taxation	A10	**84,407**	107,055	**363,892**	209,027
Taxation	A11	**-**	(383)	**-**	(705)
Profit after taxation		**84,407**	106,672	**363,892**	208,322
Other comprehensive expenses:					
Foreign currency translation difference		**(35,218)**	-	**(50,378)**	-
Total comprehensive income for the financial period		**49,189**	106,672	**313,514**	208,322
Earnings per share:					
- basic (sen)	A9	**28.14**	35.56	**121.30**	69.44
- diluted (sen)	A9	**N/A**	N/A	**N/A**	N/A

The above Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying supplementary notes to these condensed financial statements.

HENGYUAN REFINING COMPANY BERHAD
(formerly known as Shell Refining Company (Federation of Malaya) Berhad)
(3926-U)
(Incorporated in Malaysia)

Condensed Statement of Financial Position

	Note	Unaudited As at 30.06.2017 RM'000	Audited As at 31.12.2016 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment		**759,092**	851,282
Prepaid lease payments		**1,735**	1,824
Intangible assets		**51,238**	51,444
		812,065	904,550
CURRENT ASSETS			
Inventories		**1,127,923**	825,819
Trade receivables		**923,401**	950,686
Other receivables and prepayments		**95,171**	41,514
Tax recoverable		**1,050**	1,050
Deposits with licensed banks		**642,500**	328,900
Bank balances		**101,098**	26,712
		2,891,143	2,174,681
TOTAL ASSETS		**3,703,208**	3,079,231
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital		**300,000**	300,000
Retained earnings	A24	**1,074,331**	710,439
Foreign currency exchange reserve		**(50,378)**	-
		1,323,953	1,010,439
CURRENT LIABILITIES			
Trade and other payables		**1,047,918**	651,879
Derivative financial liabilities	A18	**15,307**	-
Borrowings	A19	**83,498**	87,324
		1,146,723	739,203
NON-CURRENT LIABILITIES			
Borrowings		**1,232,532**	1,329,589
		1,232,532	1,329,589
TOTAL EQUITY AND LIABILITIES		**3,703,208**	3,079,231

The above Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying supplementary notes to these condensed financial statements.

HENGYUAN REFINING COMPANY BERHAD
(formerly known as Shell Refining Company (Federation of Malaya) Berhad)
(3926-U)
(Incorporated in Malaysia)

Condensed Statement of Changes in Equity

	Issued and fully paid ordinary shares of RM1 each		Non-distributable		Distributable	
Unaudited	**Number of shares**	**Nominal value**	**PSP reserve**	**Foreign exchange reserve**	**Retained earnings**	**Total**
	000	**RM '000**	**RM '000**	**RM '000**	**RM '000**	**RM '000**
At 1 January 2017	**300,000**	**300,000**	**-**	**-**	**710,439**	**1,010,439**
Net profit for the financial period	**-**	**-**	**-**	**-**	**363,892**	**363,892**
Other comprehensive expense for the financial period	**-**	**-**	**-**	**(50,378)**	**-**	**(50,378)**
Total comprehensive income for the financial period	**-**	**-**	**-**	**(50,378)**	**363,892**	**313,514**
At 30 June 2017	**300,000**	**300,000**	**-**	**(50,378)**	**1,074,331**	**1,323,953**
At 1 January 2016	300,000	300,000	1,924	-	375,166	677,090
Net profit for the financial period/Total comprehensive income for the financial period	-	-	-	-	208,322	208,322
At 30 June 2016	300,000	300,000	1,924	-	583,488	885,412

The above Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying supplementary notes to these condensed financial statements.

HENGYUAN REFINING COMPANY BERHAD
(formerly known as Shell Refining Company (Federation of Malaya) Berhad)
(3926-U)
(Incorporated in Malaysia)

Condensed Statement of Cash Flows

	6 months ended	
Unaudited	**30.06.2017 RM'000**	30.06.2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**363,892**	209,027
Adjustments for:		
Depreciation of property, plant and equipment	**94,782**	92,655
Amortisation of intangible assets	**8,967**	-
Amortisation of prepaid lease payments	**13**	9
Interest expense	**33,036**	21,292
Interest income	**(5,512)**	(2,935)
Net foreign exchange losses/(gains) - unrealised	**298**	(75,492)
Fair value loss on derivative financial instuments	**-**	61,071
Write back of allowance for inventories	**-**	(3,178)
Allowance for doubtful debt	**430**	124
Operating profit before change in working capital	**495,906**	302,573
Changes in working capital		
Inventories	**(328,636)**	(99,473)
Trade and other receivables	**(70,394)**	(28,414)
Trade and other payables	**421,712**	101,595
Cash generated from operations	**518,588**	276,281
Interest received	**5,512**	2,935
Tax paid	**-**	(484)
Net cash flow generated from operating activities	**524,100**	278,732
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(37,253)**	(8,491)
Net cash flows used in investing activities	**(37,253)**	(8,491)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	**(43,889)**	(182,074)
Reduction in prepaid term loan instalments	**61**	-
Security deposit placed with a licensed bank for trade facilities	**(10,000)**	-
Interest paid	**(31,214)**	(21,459)
Net cash flows used in financing activities	**(85,042)**	(203,533)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**401,805**	66,708
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**344,516**	175,523
EFFECTS OF EXCHANGE RATE CHANGES	**(23,292)**	607
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**723,029**	242,838
Cash and cash equivalents comprise of:		
Deposits with licensed banks	**642,500**	234,560
Bank balances	**101,098**	8,278
Less: Restricted cash	**(20,569)**	-
	723,029	242,838

The above Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying supplementary notes to these condensed financial statements.

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

A1 Basis of preparation

The condensed 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 condensed 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 financial year ended 31 December 2016.

The explanatory notes to this report 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 2016.

The financial information presented herein have been prepared in accordance with the accounting policies used in preparing the audited financial statements for the financial year ended 31 December 2016, and for the following standards which became effective on 1 January 2017:

(a) Standards, amendments to published standards and interpretations that are effective for financial year beginning 1 January 2017

- Amendments to MFRS 107 'Statement of Cash Flows - Disclosure initiative'
- Amendments to MFRS 112 'Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses'

(b) Standards, amendments to published standards and interpretations that have been issued but not yet effective

- MFRS 9 'Financial Instruments' (effective from 1 January 2018)
- MFRS 15 'Revenue from contracts with customers' (effective from 1 January 2018)
- IC Interpretation 22 'Foreign Currency Transactions and Advance Consideration' (effective from 1 January 2018)
- MFRS 16 'Leases' (effective from 1 January 2019)

A1 Basis of preparation (continued)

Change in functional currency from RM to USD

A company's functional currency should reflect the underlying transactions, events and conditions that are relevant to it which includes the currency of the primary economic environment in which a company generates and expends cash, the currency in which funds from financing activities are generated and the currency in which receipts from operating activities are usually retained. The Company has changed its functional currency from RM to USD with effect from 1 January 2017 following the refinancing of the Company's borrowings to entirely USD denominated loans.

The Company continues to present its condensed financial statements in Ringgit Malaysia, consistent with the requirements of Companies Act, 2016 which requires financial statements and reports to be quoted in Ringgit Malaysia. The resulting exchange differences arising from the conversion to Ringgit Malaysia presentation currency have been recognised within other comprehensive income.

A2 Audit report of preceding annual financial statement

The audit report of the Company’s financial statement for the financial year ended 31 December 2016 was not subjected to any audit qualification.

A3 Comments about seasonal or cyclical Factors

The Company’s financial performance is affected by market driven refinery margins and hydrocarbon prices, which are influenced by international supply and demand for crude and petroleum products and geopolitical factors.

A4 Significant events and transactions

There were no significant events or transactions affecting assets, liabilities, equity, net income, or cash flows for the financial period that were unusual due to their nature, size, or incidence.

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

A5 Critical accounting estimates and judgments

There were no changes in estimates of amounts reported in prior periods that had a material effect in the current quarter.

A6 Debt and equity securities

There were no issuances of new debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period ended 30 June 2017.

A7 Segmental reporting

The Company is principally engaged in the business of refining and manufacturing of petroleum products in Malaysia, which is a single business segment. The Company's primary operations are also concentrated within Malaysia, hence operating within a single geographical segment. Accordingly, no segmental information is considered necessary for analysis by business or by geographical segments.

A8 Revenue

	Quarter ended		**6 months ended**	
	30.06.2017	30.06.2016	**30.06.2017**	30.06.2016
	RM'000	RM'000	**RM'000**	RM'000
Sale of oil products				
- Refined	**2,597,643**	2,001,221	**5,528,154**	3,870,323
- Crude oil	**335**	199	**1,384**	1,048
	2,597,978	2,001,420	**5,529,538**	3,871,371

A9 Earnings per share

		Quarter ended		6 months ended	
		30.06.2017	30.06.2016	**30.06.2017**	30.06.2016
(a) Basic earnings per share					
Net profit for the period	(RM'000)	**84,407**	106,672	**363,892**	208,322
Weighted average number of ordinary shares in issue	('000)	**300,000**	300,000	**300,000**	300,000
Basic earnings per share	(sen)	**28.14**	35.56	**121.30**	69.44
(b) Diluted earnings per share	(sen)	**N/A**	N/A	**N/A**	N/A

A10 Profit before taxation

	Unaudited	Unaudited	**Unaudited**	Unaudited
	Quarter ended		**6 months ended**	
	30.06.2017	30.06.2016	**30.06.2017**	30.06.2016
	RM'000	RM'000	**RM'000**	RM'000
The profit before taxation is arrived at after charging/(crediting):				
Interest income	**(3,005)**	(1,594)	**(5,512)**	(2,935)
Operating and transport fees	**(3,469)**	(3,495)	**(6,921)**	(7,020)
Interest expense	**16,497**	10,402	**33,036**	21,292
Depreciation of property, plant and equipment	**46,780**	47,017	**94,782**	92,655
Amortisation of intangible assets	**4,423**	-	**8,967**	-
Amortisation of prepaid lease payments	**7**	5	**13**	9
Write back of allowance for inventories	**-**	(351)	**-**	(3,178)
Allowance for doubtful debts	**430**	124	**430**	124
Foreign exchange (gain)/loss - realised	**20,139**	6,642	**18,679**	(7,755)
Foreign exchange (gain)/loss – unrealised	**4,104**	8,383	**(657)**	(13,568)
Fair value (gain)/loss on derivatives	**-**	(29,129)	**-**	61,924

Save as disclosed above and in the Condensed Statement of Comprehensive Income, the other items required by Bursa Malaysia Securities Berhad Main Market Listing Requirements, Chapter 9, Appendix 9B are not applicable to the Company.

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

A11 Taxation

Details of the Company's taxation are as follows:

	Quarter ended		6 months ended	
	30.06.2017	30.06.2016	**30.06.2017**	30.06.2016
Malaysian Tax	**RM'000**	RM'000	**RM'000**	RM'000
Current tax	**-**	383	**-**	705
Deferred tax	**-**	-	**-**	-
	-	383	**-**	705

The effective tax rate of the Company varies from the statutory tax rate due to the following.

	Quarter ended		6 months ended	
	30.06.2017	30.06.2016	**30.06.2017**	30.06.2016
Applicable tax rate	**24%**	24%	**24%**	24%
Tax effects in respect of:				
- Expenses not deductible for tax purposes	**1%**	1%	**1%**	1%
- Utilisation of tax losses	**-25%**	-25%	**-25%**	-25%
Effective tax rate	**0%**	0%	**0%**	0%

A12 Dividends

The Company did not declare any dividend for the 3 months period ended 30 June 2017.

A13 Changes in the composition of the Company

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

A14 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 2016.

A15 Corporate proposal

There are no corporate proposals announced but not completed as at 30 June 2017.

A16 Material Litigation

There were no material litigations involving the Company since 31 December 2016.

A17 Commodity prices and foreign currency exchange exposures

The Company's margins and financial performance are exposed to the risk of crude and refined product price fluctuations, driven by geopolitical forces and global economic changes. The Company aims to match the average price of its crude oil intake to the planned production of refined oil products, to manage the risks of margin erosion and stock holding losses to an acceptable level. The Company may enter into futures, swaps, options and option derivatives to mitigate margin risks, but only whilst achieving an adequate balance between paper and physical positions.

The Company is also exposed to foreign currency exchange risk as a result of transactions entered into currencies other than its functional currency. Following the change of its functional currency from Ringgit Malaysia to the US Dollar, the Company's exposure to foreign currencies is now limited to financial assets and liabilities that are denominated in currencies other than the US Dollar. The USD denominated term loans are no longer exposed to foreign currency fluctuations. The Company may enter into foreign currency hedge transactions to manage this exposure.

.

A18 Fair value disclosures

(a) Financial instruments carried at amortised cost:

The carrying amounts of financial assets and liabilities of the Company approximated their fair values as at 30 June 2017.

(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 financial asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - inputs for the financial asset or liability that are not based on observable market data (i.e., unobservable inputs).

Derivative financial instruments that were outstanding as at the reporting date are detailed below:

	As at 30 June 2017 RM'000	As at 30 June 2016 RM'000
Derivative financial liabilities		
Fair value of forward priced commodity contracts (Level 2)	**15,307**	-
Fair value of cross currency interest rate swaps (CCIRS) with less than 1 year maturity (Level 2)	-	180,101
	15,307	180,101

A19 Borrowings

Details of the Company's borrowings as at 30 June 2017 are as follows:

	As at 30.06.2017 RM '000	As at 31.12.2016 RM '000
Term Loans (secured)		
- Term Loan I	**805,488**	884,529
- Term Loan II	**510,542**	532,384
	1,316,030	1,416,913
Less: Amount repayable within 12 months	**(83,498)**	(87,324)
Amount repayable after 12 months	**1,232,532**	1,329,589

Both terms loans are denominated in US Dollar.

Terms and conditions of the term loans are as detailed in the audited financial statement for the financial year ended 31 December 2016.

The overall reduction in the term loan balances between the reporting date and 31 December 2016 is due to the first instalment payment of USD10 million that was made on 21 June 2017 and differences arising from the translation of the USD denominated borrowings into RM for presentation purposes (30.6.2017: USD1.00 = RM4.295; 31.12.2016: USD1.00 = RM4.484).

A20 Capital commitments

Capital commitments not provided for in the financial statements as at 30 June 2017 are as follows:

	RM'000
Property, plant and equipment	
Approved and contracted for	163,690
Approved but not contracted for	519,790
	683,480

A21 Company's performance

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

A22 Current year prospects

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

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

A23 Related party disclosure

	Quarter ended		6 months ended	
	30.06.2017	30.06.2016	**30.06.2017**	30.06.2016
Transactions with affiliates of Royal Dutch Shell Plc:	**RM '000**	RM '000	**RM '000**	RM '000
- Sales of refined products	**-**	1,906,677	**-**	3,688,087
- Tariff revenue on the use of properties / facilities	**-**	4,399	**-**	8,723
- Purchase of crude and products	**-**	1,971,626	**-**	3,622,808
- Central management and administrative expenses	**-**	18,082	**-**	31,568

Following the acquisition of 51% of the issued and paid-up capital of the Company by Malaysia Hengyuan International Limited from Shell Overseas Holdings Limited on 22 December 2016, all transactions with companies affiliated to Royal Dutch Shell Plc have not been disclosed as related party transactions, in accordance with MFRS 124 "Related Party Disclosures". Accordingly, all trade and non-trade transactions with Royal Dutch Shell Plc and its affiliates have been classified as transactions with external parties.

There were no trade or non-trade transactions with Malaysia Hengyuan International Limited or with its affiliated companies during the current quarter and 6 months ended 30 June 2017.

Supplementary Information Disclosed
Pursuant to Bursa Malaysia Securities Berhad Listing Requirements

A24 Retained Earnings

The following analysis of realised and unrealised retained earnings at the legal entity level is prepared based on the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants.

Total retained earnings of the Company:

	30.06.2017	31.12.2016
	RM'000	RM'000
Realised	**1,073,674**	715,324
Unrealised	**657**	(4,885)
	1,074,331	710,439

The unrealised portion of the retained earnings disclosed above represents the cumulative unrealised foreign currency exchange gains/(losses).

Part B: Additional Information Required By Bursa Malaysia Listing Requirements

B1 Financial review for current quarter and financial year-to-date

	Quarter ended				6 months ended			
	30.06.2017	30.06.2016	Variance		30.06.2017	30.06.2016	Variance	
	RM 'mil	RM 'mil	RM 'mil	%	RM 'mil	RM 'mil	RM 'mil	%
Revenue	2,598	2,001	597	30%	5,530	3,871	1,658	43%
Gross profit	252	232	20	8%	647	448	200	45%
Profit after taxation	84	107	(22)	-21%	364	208	156	75%

Revenue for the second quarter ended 30 June 2017 was 30% higher against the same period last year, attributable to 15% higher prices for market traded refined product and additional sales of 0.33 million barrels in the current quarter, when compared to Q2 2016. These were complemented by lower plant unplanned downtime whilst the plant underwent a minor turnaround for its smaller crude distiller and a relatively stronger US Dollar against Ringgit Malaysia during the period in review (Q2 2017: USD1.00 = RM4.33; Q2 2016: USD1.00 = RM4.01).

Similarly, revenue for the 6-months period ended 30 June 2017 was 43% higher than revenue for the corresponding period last year, due to higher average product market prices at $63.40 per barrel, compared to $47.50 per barrel for the first half of last year. A stronger US Dollar against the local currency during the first 6 months of the current year further widened the variance in revenue recognised between both periods.

Gross profit for the quarter ended 30 June 2017 was supported by improved market average product cracks, offset by a stockholding loss of $1.71 per barrel, as global crude prices experienced a decline between April 2017 and June 2017. Gross profit recorded in the corresponding quarter last year included stockholding gains of $3.50 per barrel, as the average crude and product prices recovered amidst a rebalanced global crude inventory.

Stronger market average product cracks in the first quarter of 2017 contributed to a higher gross profit for the 6 months ended June 2017 in comparison to the first half of 2016, although margins remained comparable as a percentage of average product prices for both periods.

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

B1 Financial review for current quarter and financial year-to-date (continued)

Profit after taxation for the current quarter was comparatively lower against the same period last year, due to the minor turnaround maintenance expenses and additional amortisation charges arising from new software/intellectual property assets that were capitalised towards the end of FY2016. Foreign currency loss due to the effects of a stronger RM against USD; and higher financing costs contributed further to the variance between the quarters under review.

The Company's net profit for the 6 months ended 30 June 2017 is mainly due to higher gross profit and lower administrative costs, offset by the minor turnaround maintenance costs, software subscription charges, higher finance costs and additional amortisation of intangible assets and foreign currency loss on RM denominated expenses arising from a stronger RM against USD.

B2 Financial review for current quarter compared with immediately preceding quarter

	Quarter ended			
	30.06.2017	31.03.2017	Variance	
	RM 'mil	RM 'mil	RM 'mil	%
Revenue	2,598	2,932	(334)	-11%
Gross profit	252	396	(144)	-36%
Profit after taxation	84	279	(195)	-70%

Revenue for Q2 2017 was lower than Q1 2017 due to a 7% reduction in the average product market prices as global product prices experienced a decline during Q2 2017. One of the crude distillers was also temporarily shutdown for approximately 3 weeks for the planned minor turnaround maintenance in May 2017. This resulted in a reduction of 0.3 million barrels in crude processing and product sales. Notably, the production impact of the planned shutdown was partly compensated by improved refinery production as a result of low unplanned downtime.

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

B2 Financial review for current quarter compared with immediately preceding quarter (continued)

Lower gross profit margin in the current quarter is attributable to a marginal reduction in market average product cracks and a stockholding loss in Q2 2017, as global crude and product prices experienced a decline between April 2017 and June 2017, as opposed to a stockholding gain in Q1 2017.

Profit after taxation for Q2 2017 was lower than Q1 2017 as a result of reduced gross profit, minor turnaround maintenance costs and foreign currency loss as RM gradually strengthened against USD during Q2 2017.

B3 Current year prospects

Crude oil prices and refining margins are expected to remain volatile. Operational efficiency, product quality, hydrocarbon and financial risk management continue to remain key areas of focus in optimising the Company's performance for FY2017.

B4 Profit forecast

The Company does not issue any profit forecast.

BY ORDER OF THE BOARD
Lim Hooi Mooi (MAICSA 0799764)
Ong Wai Leng (MAICSA 7065544)
Company Secretaries

Kuala Lumpur
25 August 2017