Financial Statement

Directors' Report

The Directors hereby submit their annual report to the members together with the audited financial statements of the Company for the financial year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of refining and manufacturing of petroleum products. There has been no significant change in these activities during the financial year.

FINANCIAL RESULTS

The results of the operations of the Company for the financial year were as follows:

	RM'000
Loss for the financial year	(155,983)

DIVIDENDS

The dividends on ordinary shares paid or declared by the Company since 31 December 2012 were as follows:

	RM'000
In respect of the financial year ended 31 December 2012 as shown in the Directors' report of that year:	
Final gross dividend of 15 sen per ordinary share of RM1.00 each, less: income tax at 25%, paid on 24 May 2013	33,750

The Directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

DIRECTORS

The Directors who have held office during the period since the date of the last report are as follows:

Iain John Lo	
Dato' Seri Talaat Bin Husain	
Dato' Saw Choo Boon	
Datuk Zainun Aishah Binti Ahmad	
Lau Nai Pek	
Datuk Yau Ah Lan @ Fara Yvonne	(appointed on 13 August 2013)
Arnel Lamco Santos	(appointed on 21 January 2014)
Amir Hamzah Bin Abu Bakar	(appointed on 2 April 2014)
Tan Sri Datuk Clifford Francis Herbert	(resigned on 2 December 2013)
Khong Kok Toong	(resigned on 31 December 2013)
Chew Seng Heng	(resigned on 26 February 2014)
Dato' Haji Rozano Bin Saad	(resigned on 2 April 2014)

In accordance with Articles 81(2) and 81(9) of the Company's Articles of Association, Datuk Yau Ah Lan @ Fara Yvonne, Arnel Lamco Santos and Amir Hamzah bin Abu Bakar retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers themselves for re-election.

In accordance with Article 81(3) of the Company's Articles of Association, Dato' Saw Choo Boon and Lau Nai Pek, retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for awards of shares under the Performance Share Plan ("PSP") granted by Royal Dutch Shell plc to eligible senior executives including certain Directors of the Company.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than benefits disclosed as Directors' remuneration in Note 14 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Long-term incentives

Following the unification of Shell Transport and Trading Company plc and Royal Dutch Petroleum Company (N.V. Koninklijke Nederlandsche Petroleum Maatschappij) in 2005, the share option grants were discontinued and in its place, an amended Long-Term Incentive Plan was introduced. The purpose of the changes was to ensure a closer link between the remuneration of Directors and executives and the performance of the Royal Dutch Shell plc relative to its peers.

Long-Term Incentive Plan ("LTIP")

Under the LTIP, performance shares are awarded conditionally once a year as shown below.

TSR Rank	Performance shares received
1st	2 x award
2nd	1.5 x award
3rd	0.8 x award
4th or 5th	Nil

Awards will have a face value between zero and two times base award. Awards are subject to performance over a period of at least three (3) years.

The actual number of shares that Directors received in 2013 is based on the TSR performance of Royal Dutch Shell plc over the period from year 2010 to 2012. The face value of the conditional performance share award is the number of shares as referred to in Directors' Long-term Incentive Interest below multiplied by the share price at the time of the award.

Directors' Long-Term Incentive Interest

The tables below show the PSP and the share options interest of the Directors who held office at the end of the financial year. Following the unification, the options that were made with respect to N.V. Koninklijke Nederlandsche Petroleum Maatschappij and Shell Transport and Trading Company plc shares, have been converted into Royal Dutch Shell plc share entitlements at the appropriate conversion rates. Other than consequential changes, the terms and conditions applicable to these options have generally not been altered as a result of this conversion.

DIRECTORS' BENEFITS (CONTINUED)

Directors' Long-Term Incentive Interest (continued)

(a) Interest in options over shares of Royal Dutch Shell plc

	Interest in options over shares in Royal Dutch Shell plc				
	Balance as at 1.1.2013/ since date of appointment	**Options granted**	**Options exercised**	**Options expired**	**Balance as at 31.12.2013**
Lau Nai Pek	23,600	0	(12,000)	0	11,600

(b) Direct interest in shares of Royal Dutch Shell plc

(i) LTIP Awards

	Class of Shares	**Awards as at 1.1.2013/ since date of appointment**	**Awards granted in 2013**	**Awards cancelled/ lapsed in 2013**	**Awards as at 31.12.2013**	**Awards vested in 2013***
Iain John Lo	[1]RDSA	25,775	12,650	(7,500)	30,925	(13,631)
Dato' Haji Rozano Bin Saad	[1]RDSA	7,000	0	0	7,000	0
Lau Nai Pek	[1]RDSA	1,360	0	0	1,360	0
Khong Kok Toong	[1]RDSA	6,625	0	0	6,625	0
Chew Seng Heng	[1]RDSA	8,050	2,875	(2,300)	8,625	(4,180)

* *A face value of 182% of the LTIP awards granted in 2010 was vested during the financial year*

(ii) Direct interest in vested shares of **PSP and ***GESPP

	Class of Shares	**Balance as at 1.1.2013/ since date of appointment**	**Shares added to vested share account in 2013**	**Dividend share**	**Shares sold/ transferred in 2013**	**Balance as at 31.12.2013**
Iain John Lo	[1]RDSA	15,583	13,631	970	(3,220)	26,964
	[2]RDSB	91	0	6	0	97
Dato' Saw Choo Boon	[1]RDSA	25,844	0	966	(5,000)	21,810
	[2]RDSB	22	0	1	0	23
Lau Nai Pek	[1]RDSA	3,763	0	175	0	3,938
Chew Seng Heng	[1]RDSA	5,968	4,180	350	(10,387)	111

** *PSP is Performance Share Plan*

*** *GESPP is the Global Employee Share Purchase Plan available to all employees to subscribe for shares in Royal Dutch Shell plc*

According to the register of Directors' shareholdings, none of the other Directors in office at the end of the financial year held any interest in shares in and debentures of the Company or its related corporations.

[1] *RDSA – Royal Dutch Shell plc Class A shares*
[2] *RDSB – Royal Dutch Shell plc Class B shares*

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations when they fall due.

At the date of this report, there does not exist:

(a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company, which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

(a) the results of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

ULTIMATE HOLDING COMPANY

The Directors regard Royal Dutch Shell plc, a company incorporated in England and Wales, as the Company's ultimate holding company.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 30 April 2014.

AMIR HAMZAH BIN ABU BAKAR
MANAGING DIRECTOR

IAIN JOHN LO
CHAIRMAN

Statement By Directors

Pursuant to Section 169(15) of The Companies Act, 1965

We, Amir Hamzah Bin Abu Bakar and Iain John Lo, being the Directors of Shell Refining Company (Federation of Malaya) Berhad, state that, in the opinion of the Directors, the accompanying financial statements set out on pages 55 to 87 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Company as at 31 December 2013 and of the results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 33 on page 88 have been prepared in accordance with the Guidance of 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.

Signed on behalf of the Board of Directors in accordance with their resolution dated 30 April 2014.

AMIR HAMZAH BIN ABU BAKAR
MANAGING DIRECTOR

IAIN JOHN LO
CHAIRMAN

Statutory Declaration

Pursuant to Section 169(16) of The Companies Act, 1965

I, Wong Hong Zhou, the officer primarily responsible for the financial management of Shell Refining Company (Federation of Malaya) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 55 to 87 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

WONG HONG ZHOU
MALAYSIA COUNTRY CONTROLLER

Subscribed and solemnly declared by the above named Wong Hong Zhou at Kuala Lumpur in Malaysia on 30 April 2014, before me.

ZULKIFLA MOHD DAHLIM – W541
COMMISSIONER FOR OATHS

PESURUHJAYA SUMPAH
W 541
ZULKIFLA MOHD DAHLIM
MALAYSIA

NO: 17, JALAN PETALING
50000 KUALA LUMPUR

Independent Auditors' Report

To The Members of Shell Refining Company (Federation of Malaya) Berhad (Incorporated in Malaysia) (Company No. 3926-U)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Shell Refining Company (Federation of Malaya) Berhad, which comprise the statement of financial position as at 31 December 2013 of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 55 to 87.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that, in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Independent Auditors' Report (continued)

To The Members of Shell Refining Company (Federation of Malaya) Berhad
(Incorporated in Malaysia) (Company No. 3926-U)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 33 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information 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 ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PricewaterhouseCoopers

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

SUBATHRA A/P GANESAN
(No. 3020/08/14 (J))
Chartered Accountant

Kuala Lumpur
30 April 2014

Statement of Comprehensive Income

For The Financial Year Ended 31 December 2013

	Note	2013 RM'000	2012 RM'000
Revenue	6	**14,696,086**	15,086,427
Cost of sales		**(14,798,226)**	(15,218,060)
Gross profit		**(102,140)**	(131,633)
Other operating income	7	**13,653**	19,280
Administrative expenses		**(43,384)**	(32,642)
Other operating (losses)/gains	8	**(58,381)**	39,527
Finance cost	9	**(33,084)**	(16,117)
Loss before taxation	10	**(223,336)**	(121,585)
Taxation	11	**67,353**	26,925
Loss for the financial year/ Total comprehensive expense for the financial year		**(155,983)**	(94,660)
Loss per RM1 unit of share (sen) – basic	13	**(52)**	(32)

Statement of Financial Position

As At 31 December 2013

	Note	2013 RM'000	2012 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**1,667,822**	1,724,759
Prepaid lease payments	16	**1,885**	1,906
Long-term receivables	17	**287**	385
Derivative financial assets	18	**86,867**	24,375
		1,756,861	1,751,425
CURRENT ASSETS			
Inventories	19	**1,386,826**	1,133,554
Trade receivables	20	**68,649**	21,633
Other receivables and prepayments	21	**743**	2,479
Tax recoverable		**4,378**	4,378
Amounts receivable from related companies	22		
– Trade		**1,226,301**	1,208,582
– Non-trade		**5,930**	15,249
Deposits with licensed banks	23	**0**	2,820
Bank balances	23	**41,009**	30,112
		2,733,836	2,418,807
TOTAL ASSETS		**4,490,697**	4,170,232
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	24	**300,000**	300,000
PSP from RDS*		**1,237**	1,996
Retained earnings		**1,212,146**	1,402,749
		1,513,383	1,704,745
CURRENT LIABILITIES			
Trade and other payables	25	**89,949**	174,769
Amounts payable to related companies	22		
– Trade		**1,060,288**	539,391
– Non-trade		**41,203**	453,530
Borrowings	18	**503,513**	973
Derivative financial liabilities	18	**11,536**	10,843
		1,706,489	1,179,506
NON-CURRENT LIABILITIES			
Borrowings	18	**1,236,120**	1,183,920
Deferred tax liabilities	26	**34,705**	102,061
		1,270,825	1,285,981
TOTAL EQUITY AND LIABILITIES		**4,490,697**	4,170,232

* *Performance share plan from Royal Dutch Shell plc*

The notes set out on pages 59 to 87 form an integral part of these financial statements.

Statement of Changes in Equity

For The Financial Year Ended 31 December 2013

		Issued and fully paid ordinary shares of RM1 each		Non-distributable	Distributable	
	Note	Number of shares '000	Nominal value RM'000	PSP reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2013		300,000	300,000	1,996	1,402,749	1,704,745
Total comprehensive expense for the financial year					(155,983)	(155,983)
PSP from RDS						
– re-charge by parent				(719)	(870)	(1,589)
– charge during the year				(40)	0	(40)
Dividends for the financial year ended:						
– 31 December 2012	12				(33,750)	(33,750)
– 31 December 2013	12				0	0
At 31 December 2013		**300,000**	**300,000**	**1,237**	**1,212,146**	**1,513,383**
At 1 January 2012		300,000	300,000	0	1,553,659	1,853,659
Total comprehensive expense for the financial year		0	0	0	(94,660)	(94,660)
PSP from RDS						
– charge during the year		0	0	1,996	0	1,996
Dividends for the financial year ended:						
– 31 December 2011	12	0	0	0	(45,000)	(45,000)
– 31 December 2012	12	0	0	0	(11,250)	(11,250)
At 31 December 2012		300,000	300,000	1,996	1,402,749	1,704,745

The notes set out on pages 59 to 87 form an integral part of these financial statements.

Statement of Cash Flows

For The Financial Year Ended 31 December 2013

	Note	2013 RM'000	2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		**(223,336)**	(121,585)
Adjustments for:			
Property, plant and equipment			
– depreciation		**146,700**	106,730
– write off		**0**	6,542
– loss/(gain) on disposal		**0**	338
Interest expense		**42,546**	29,442
Interest income		**(271)**	(3,816)
Net foreign exchange (gain)/loss – unrealised		**60,384**	(16,150)
Fair value gain on derivative financial instruments		**(61,798)**	(634)
Reversal of inventories write down		**(2,955)**	(8,956)
Allowance for doubtful debts		**1,307**	0
Amortisation of prepaid lease payments		**21**	21
PSP from RDS		**40**	1,996
		(37,362)	(6,072)
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)
Cash used in from operations		**(252,304)**	(73,730)
Interest received		**271**	3,816
Tax paid		**0**	0
Tax refund		**0**	31,868
Net cash flows used in from operating activities		**(252,033)**	(38,046)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment			
– Additions		**(164,899)**	(370,255)
– Proceeds from disposal		**0**	16
Net cash flows used in investing activities		**(164,899)**	(370,239)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**502,540**	361,500
Interest paid		**(43,874)**	(37,941)
Dividends paid		**(33,750)**	(56,250)
Net cash flows generated from financing activities		**424,916**	267,309
NET DECREASE IN CASH AND CASH EQUIVALENTS		**7,984**	(140,976)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		**32,932**	173,104
EFFECTS OF EXCHANGE RATE CHANGES		**93**	804
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	23	**41,009**	32,932

The notes set out on pages 59 to 87 form an integral part of these financial statements.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2013

1 GENERAL INFORMATION

The principal activities of the Company consist of refining and manufacturing of petroleum products. There has been no significant change in these activities during the financial year.

The Directors regard Royal Dutch Shell plc, a company incorporated in England and Wales, as the Company's ultimate holding company.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of the Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The address of the registered office of the Company is:

Level 8, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

The address of the principal place of business of the Company is:
Batu 1, Jalan Pantai
71000 Port Dickson
Negeri Sembilan

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Company have been prepared under the historical cost convention unless otherwise indicated in the summary of significant accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. As at 31 December 2013, the areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(a) Standards, amendments to published standards and interpretations that are effective

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 January 2013 are as follows:

- MFRS 13, 'Fair Value Measurement'
- Amendments to MFRS 101 'Presentation of items of other comprehensive income'
- Amendment to MFRS 7, 'Financial Instruments: Disclosures'
- Amendment to MFRS 116, 'Property, plant and equipment'

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

(b) Standards early adopted by the Company

The amendments to MFRS 136 'Impairment of assets' removed certain disclosures of the recoverable amount of CGUs which had been included in MFRS 136 by the issuance of MFRS 13. The amendment is not mandatory for the Company until 1 January 2014, however the Company has decided to early adopt the amendment as of 1 January 2013.

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Company but not yet effective

The Company will apply the new standards, amendments to standards and interpretations in the following period:

(i) Financial year beginning on/after 1 February 2014

Amendment to MFRS 132 "Financial instruments: Presentation" (effective from 1 February 2014) does not change the current offsetting model in MFRS 132. It clarifies the meaning of 'currently has a legally enforceable right of set-off' that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

(ii) Effective date yet to be determined

MFRS 9, 'Financial Instruments – Classification and Measurement of Financial Assets and Financial Liabilities' replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company will quantify the effect of adopting this standard closer to the adoption date of the standard.

2.2 REVENUE RECOGNITION

(a) Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities.

Revenue is recognised upon delivery of products and acceptance by customers of refined and partially refined oil products and feedstocks, net of government taxes.

(b) Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

(c) Other income

Other income comprises mainly of capital and operating expenditure recoveries from related companies, which are recognised on an accrual basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to accounting policy Note 2.12 on borrowing costs).

All other property, plant and equipment are stated at historical costs less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated as it has an infinite life.

All property, plant and equipment are depreciated on a straight line basis to allocate the cost, or the revalued amounts, over their estimated useful lives at the following annual rates:

Land improvements and buildings	2.5% – 5.0%
Plant, machinery and equipment	3.3% – 33.3%
Motor vehicles	20%

Depreciation on assets under construction commences when the assets are ready for their intended use.

Plant, machinery and equipment comprise components of the refinery which are subject to different refurbishment cycle.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

At the end of reporting period, the Company assesses whether there is any indication of impairment. If such indicators exist, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 2.5 on impairment of non-financial assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in profit or loss. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

2.4 MAINTENANCE COSTS

Asset replacement costs incurred by the Company for major scheduled maintenance of the refinery are capitalised as part of the refinery assets and depreciated on a straight line basis over their estimated useful lives, typically the period until the next major scheduled maintenance. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

2.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset, in which case it is taken to revaluation surplus reserve.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 LEASES

(a) Finance leases

Leases of property, plant and equipment where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges are included in borrowings. The interest element of the finance charge is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Property, plant and equipment acquired under finance lease are depreciated over the shorter of the estimated useful life of the asset and the lease term.

(b) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the lease period.

Initial direct costs incurred by the Company in negotiating and arranging operating leases are capitalised as prepayments and recognised in profit or loss over the lease term on a straight-line basis.

2.7 INVENTORIES

Inventories are stated at the lower of cost and net realisable value.

Cost comprises direct purchase costs (including transportation, insurance and premium) and is determined using the first in, first out method. The cost of finished products includes oil, direct materials, labour and an appropriate proportion of fixed and variable manufacturing overheads.

Net realisable value is the estimate of selling price in the ordinary course of business, less the cost of completion and selling expenses.

2.8 TRADE RECEIVABLES

Trade receivables are amounts due from customers for oil products sold in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

2.9 CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash, bank balances, deposits with licensed banks, other short-term and highly liquid investments with original maturities of three months or less.

2.10 SHARE CAPITAL

(a) Classification

Ordinary shares are classified as equity.

(b) Dividends to shareholders of the Company

Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.12 BORROWINGS AND BORROWING COSTS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the fair value (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method, except for borrowing costs incurred for construction of any qualifying asset.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.13 CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 EMPLOYEE BENEFITS

(a) Short-term employee benefits

The Company recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, paid annual leave, sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

(b) Post-employment benefits

The Company's post-employment benefit scheme comprises only of the defined contribution plan.

Contributions to the Employees' Provident Fund, which is a defined contribution plan, are charged to profit or loss when incurred. Once the contributions have been paid, the Company has no further payment obligations.

(c) Long-term employee benefits

The Company provides death in service and long-term disability benefits to its employees. The benefit is on a lump sum basis based on a multiplier of the last drawn average annual salary of the employee and is not dependent on the employee's length of service. Accordingly, it is charged to profit or loss when incurred.

2.15 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company does not recognise contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past event whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. The Company does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

2.16 PROVISIONS

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 GOVERNMENT GRANTS

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grants will be received and the Company will comply with all attached conditions.

Government grants relating to costs are recognised in profit or loss over the period necessary to match the related costs for which the grants are intended to compensate.

Government grants relating to the purchase of assets are deducted in arriving at the carrying amount of the assets. The grants are recognised in profit or loss over the life of a depreciable asset by way of a reduced depreciation charge.

2.18 FOREIGN CURRENCIES

The basis of accounting for foreign currency transactions is as follows:

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other income/(expenses)'.

2.19 FINANCIAL ASSETS

(a) Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise trade and other receivables, amounts due from related companies and cash and cash equivalents in the statement of financial position.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 FINANCIAL ASSETS (CONTINUED)

(b) Recognition and initial measurement

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

(c) Subsequent measurement – gains and losses

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income are recognised in profit or loss in the period in which the changes arise.

(d) Subsequent measurement – impairment of financial assets

Assets carried at amortised cost

The Company assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:
- Significant financial difficulty of the customers;
- A breach of contract, such as a default or delinquency in interest or principal payments; or
- It becomes probable that the customers will enter bankruptcy or other financial reorganisation.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. If loans and receivables have a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

(e) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.21 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy set out in Note 2.19.

2.22 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

2.23 SHARE BASED PAYMENTS

Royal Dutch Shell plc ("RDS"), the Company's ultimate holding company operates a number of equity settled, share-based compensation plan for the employees of RDS and its subsidiaries.

Employee services received in exchange for the grant of the share options are recognised as an expense in the profit or loss over the vesting period of the grant, with a corresponding increase in equity as a contribution from RDS.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in the assumptions about the number of options that are expected to vest. At the end of reporting date, the ultimate holding company revises its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to equity as an employees' share option scheme reserve.

Where RDS recharges the Company for the equity instruments granted, the recharge is treated as an adjustment to the equity contribution from RDS.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In determining and applying accounting policies, judgment is often required in respect of items where the choice of specific policy could materially affect the reported results and financial position of the Company. The following accounting policies require subjective judgment:

(i) Functional currency

The financial statements are prepared in the functional currency of the Company of Ringgit Malaysia, which is the currency of the primary economic environment in which the Company operates. Factors considered by management when determining the functional currency include the competitive forces and regulations affecting the sales price, the currency used to acquire raw materials, labour, services and supplies, and sources of financing. Based on the factors considered, the Company has determined that Ringgit Malaysia to be its functional currency.

(ii) Property, plant and equipment

The Company reviews annually whether the refinery has suffered any impairment in accordance with the accounting policy stated in Note 2.5. The recoverable amount of the refinery, being defined as a cash-generating unit, has been determined based on the higher of fair value less cost to sell and value-in-use.

The key estimation uncertainty over the assumptions used by the management in the value-in-use cash flows is the refining margins. 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.

These prices are subject to significant fluctuations resulting from a periodic over-supply and supply tightness in various global and regional markets, coupled with fluctuations in demand.

With the aim of securing its margins and future cash flows, the Company has invested in the completion of a significant capital expenditure undertaken to expand the refinery's crude flexibility, eventuating in margin uplifts.

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. A reduction of 10% in refining margin will reduce the recoverable amount to breakeven.

As at the financial year end, the Directors are satisfied that the recoverable amount of the refinery is in excess of the carrying amount.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks; market risk (including foreign currency exchange risk and interest rate risk), credit risk, liquidity and cash flow risk, capital risk and refining margin risk. The Company's overall financial risk management objective is to ensure the Company creates value for its shareholders. The Company focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. Financial risk management is carried out through risk reviews, assurance plans, internal control systems, insurance programmes and adherence to the Company's Treasury Policy and Procedures.

The Company may enter into foreign exchange forward contracts to manage the exposure to foreign currency risks in receivables and payables. In addition, financial instruments such as trade receivables, trade payables and long-term borrowings arise directly from the Company's operations. Straightforward derivative financial instruments are utilised by the Company to manage the exposure to foreign currency and interest rate risks. The Company does not enter into derivative financial instruments for trading purposes.

(a) Market risk

(i) Foreign currency exchange risk

The objectives of the Company's currency risk management policies are to allow the Company to effectively manage exposures that may arise from operating and financing activities.

The Company is exposed to currency risk as a result of the foreign currency transactions entered into in currencies other than its functional currency. Financial instruments affected by foreign currency exchange risk include intercompany balances, receivables and payables, deposit and bank balances, bank borrowings and derivative financial instruments.

The Company may enter into foreign exchange swaps and forward contracts to limit its exposure on foreign currency receivables and payables and on cash flows generated from anticipated transactions denominated in foreign currencies. There are no forward exchange swaps and forward contracts as of 31 December 2013.

In 2012, the Company obtained a 5-year USD term loan facility to finance a capital expenditure project as disclosed in Note 18 to the financial statements. The loan has been fully drawn down during the financial year. At the same time, the Company entered into cross currency interest rate swaps to hedge its foreign currency borrowings in order to minimise its exposures to movements in foreign currency positions.

The following analysis illustrates the sensitivity to changes in market variables, being the USD to Ringgit Malaysia exchange rate, on the financial instruments:

	Impact on (loss)/ profit after tax, equity and net assets	
	2013	**2012**
	RM'000	**RM'000**
10% increase in USD	**24,524**	19,488
10% decrease in USD	**61,606**	(11,658)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The Company finances its operations through a mixture of retained earnings and bank borrowings. The Company's interest rate risk arises from borrowings and deposits with licensed banks and is managed in compliance with the treasury policy of the Company.

The Company analyses its cash flow interest rate exposure on a regular basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging.

Based on these scenarios, the Company calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for borrowings and deposits that represent the major interest-bearing positions.

	Impact on (loss)/ profit after tax, equity and net assets	
	2013	**2012**
	RM'000	**RM'000**
1% (100 basis points) increase in interest rate	**(13,047)**	(8,866)
1% (100 basis points) decrease in interest rate	**13,047**	8,866

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks, financial institutions and related companies, as well as credit exposures to customers, including outstanding receivables. The Company seeks to invest cash assets safely and profitably. Deposits are placed only with financial institutions with strong long-term credit ratings based on independent rating agencies.

Credit risk on customers arises when sales are made on deferred credit terms. It seeks to control credit risk by setting counterparty limits and ensuring that sales of products are made only to approve customers with an appropriate credit history. It is the Company's policy to monitor the financial standing of the customers on an ongoing basis to ensure that the Company is exposed to a minimal credit risk. The maximum credit exposure associated with financial assets is equal to the carrying amount.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

The credit quality of financial assets that are neither past due nor impaired as at the end of reporting date can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

	2013 RM'000	2012 RM'000
Derivative financial assets		
Counterparties with external credit rating		
– AAA	**86,867**	24,375
Trade receivables		
Counterparties without external credit rating		
– Group A	**0**	13,157
– Group B	**68,649**	8,476
Total unimpaired trade receivables	**68,649**	21,633
Cash at bank and deposits with licensed banks		
Counterparties with external credit rating		
– A	**0**	15,590
– AA-	**0**	17,342
– AAA	**41,009**	0
	41,009	32,932
Amounts receivable from related companies		
Counterparties without external credit rating		
– Group B	**1,232,231**	1,223,831

- Group A – new customers (less than 12 months)
- Group B – existing customer including related parties (more than 12 months) with no defaults in the past

None of the financial assets that are fully performing have been renegotiated in the current year.

The Company generally has no significant concentration of credit risk other than as set out below:

(i) 96% (2012: 83%) of the Company's total trade receivables at the reporting date were receivable from major customers within the oil and gas industry in Malaysia. The Directors are of the view that such credit risk is minimal in view of the strength of the customers' financial position.

(ii) 84% (2012: 77%) of the Company's total intercompany receivables at the reporting date was receivable from Shell Malaysia Trading Sendirian Berhad, and Shell International Eastern Trading Company. The Directors are of the view that the exposure to credit risk is minimal in view of the stability of the fellow subsidiaries' financial position. Sales to the above mentioned related companies constitute 82% (2012: 91%) of the Company's revenue.

(iii) majority of the Company's deposits, bank and cash balances were placed with major financial institutions in Malaysia. The Directors are of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity and cash flow risks

The Company ensures that cash is available to meet working capital and other financing requirements, and that cash flows are managed efficiently. This is done through reliable cash forecasts to achieve optimal cash management planning. The Company sets a minimum level of cash to be held on a daily basis and on a planned level for the next 12 months, in order to meet both firm commitments and forecast obligations. In addition, the Company maintains an adequate amount of short term credit facilities.

In 2012, the Company obtained a 5-year USD term loan facility to finance a capital expenditure project as disclosed in Note 18 to the financial statements. The loan has been fully drawn down during the financial year.

The table below summarises the maturity brackets of undiscounted cash flows contractually payable under financial liabilities as at reporting date are as follows:

	Within 1 year RM'000	Between 1 to 3 years RM'000	Total RM'000
At 31 December 2013			
Trade and other payables excluding statutory liabilities	**86,334**	**0**	**86,334**
Amounts due to related companies	**1,101,491**	**0**	**1,101,491**
Short term borrowings	**503,513**	**0**	**503,513**
Borrowings (net of cross currency interest rate swaps)	**36,075**	**1,221,460**	**1,257,535**
At 31 December 2012			
Trade and other payables excluding statutory liabilities	170,731	0	170,731
Amounts due to related companies	992,921	0	992,921
Short term borrowings	973	0	973
Borrowings (net of cross currency interest rate swaps)	34,779	1,254,589	1,289,368

(d) Capital risk management

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern;
- to maximise returns for shareholders; and
- to maintain an optimal capital structure which minimises the cost of capital while maintaining sufficient liquidity.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt (total borrowings) divided by total capital. The capital structure of the Company consists of borrowings and total equity, comprising issued share capital as follows:

	2013 RM'000	2012 RM'000
Net debt/Total borrowings	**1,739,633**	1,184,893
Total equity	**1,513,383**	1,704,745
Total capital	**3,253,016**	2,889,638
Gearing ratio	**53%**	41%

5 FAIR VALUE MEASUREMENTS

(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	Total RM'000
At 31 December 2013				
Derivatives				
– Cross currency interest rate swaps	**0**	**75,331**	**0**	**75,331**
At 31 December 2012				
Derivatives				
– Cross currency interest rate swaps	0	13,532	0	13,532

The valuation technique used to derive the Level 2 fair value is as disclosed in Note 18.2.

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.

6 REVENUE

	2013 RM'000	2012 RM'000
Sale of oil products:		
– refined	**14,693,340**	14,917,656
– crude oil	**2,746**	168,771
	14,696,086	15,086,427

7 OTHER OPERATING INCOME

	2013 RM'000	2012 RM'000
Operating and transport fees	**13,382**	15,464
Interest income	**271**	3,816
	13,653	19,280

8 OTHER OPERATING (LOSSES)/GAINS

	2013 RM'000	2012 RM'000
Foreign exchange (losses)/gains:		
– realised	**(41,387)**	38,355
– unrealised	**(8,278)**	3,717
Foreign exchange gain on cash and bank balances:		
– unrealised	**93**	804
Write-off of fixed assets	**0**	(4,567)
Loss on sale of fixed assets	**0**	(338)
Allowance for doubtful debts	**(1,307)**	0
Other operating (expense)/income	**(7,502)**	1,556
	(58,381)	39,527

9 FINANCE COST

	2013 RM'000	2012 RM'000
Interest expense:		
– term loan	**(23,758)**	(24,064)
– short-term borrowings	**(9,106)**	(4,902)
– cross-currency interest rate swap ("CCIRS")	**(10,939)**	(8,975)
Commitment fees	**(137)**	(618)
Foreign exchange gain/(loss) on CCIRS:		
– realised	**0**	1,680
Foreign exchange gain/(loss) on term loan:		
– unrealised	**(52,199)**	7,800
Fair value gain on derivative financial instruments	**61,798**	634
	(34,341)	(28,445)
Less: Amounts capitalised in property, plant and equipment	**1,257**	12,328
	(33,084)	(16,117)

10 LOSS BEFORE TAXATION

	2013 RM'000	2012 RM'000
The loss before taxation (exclude Notes 7 to 9) is arrived at after charging/(crediting):		
Auditors' remuneration:		
– statutory audit fees	**220**	220
– audit-related fees	**18**	18
Cost of inventories	**13,826,673**	14,236,277
Staff cost:		
– salaries, bonus and allowances	**51,119**	42,340
– defined contribution plan	**7,525**	7,120
– other employee benefits	**5,382**	5,902
(Reversal) for inventories write-down (included in cost of sales)	**(2,955)**	(8,956)
Depreciation	**146,700**	106,730
Amortisation of prepaid lease payments	**21**	21

11 TAXATION

	2013 RM'000	2012 RM'000
Current tax	**(3)**	(141)
Deferred taxation (Note 26)	**67,356**	27,066
	67,353	26,925
Current tax:		
– (under)/over accruals in prior years	**(3)**	(141)
	(3)	(141)
Deferred taxation:		
– origination and reversal of temporary differences (Note 26)	**67,356**	27,066
	67,353	26,925

The numerical reconciliation between the effective tax rate and the applicable statutory tax rate is as follows:

	2013 %	2012 %
Applicable tax rate	**25**	25
Tax effects in respect of:		
– expenses not deductible for tax purposes	**(1)**	(2)
– previously unrecognised temporary differences	**3**	(1)
– under accruals in prior year's deferred tax	**3**	0
Effective tax rate	**30**	22

12 DIVIDENDS

	2013 Gross dividends per share Sen	2013 Amount of dividends, net of tax at 25% RM'000	2012 Gross dividends per share Sen	2012 Amount of dividends, net of tax at 25% RM'000
Interim dividends paid in respect of the financial year ended				
– 31 December 2013	**0**	**0**	0	0
– 31 December 2012	**0**	**0**	5	11,250
Interim dividends paid in respect of the financial year ended				
– 31 December 2012	**15**	**33,750**	0	0
– 31 December 2011	**0**	**0**	20	45,000
Dividends recognised as distribution to owners of the Company	**15**	**33,750**	25	56,250

	2013	2012
Gross dividend per RM1 unit of share (sen) in respect of financial year ended – 31 December	**0**	20

The Directors do not recommend the payment of any dividend for the current financial year.

13 LOSS PER UNIT OF SHARE

Basic loss per unit of share of the Company is calculated by dividing the loss for the financial year by the weighted average number of ordinary shares in issue during the year.

	2013	2012
Loss for financial the year (RM'000)	**(155,983)**	(94,660)
Weighted average number of ordinary shares in issue ('000)	**300,000**	300,000
Basic earnings per RM1 unit of share (sen)	**(52)**	(32)

14 DIRECTORS' REMUNERATION

	2013 RM'000	2012 RM'000
Fees	**387**	436
Salaries, bonus and allowances	**1,041**	1,095
Defined contribution plan	**158**	120
Share based payment	**359**	0
	1,945	1,651

The estimated monetary value of benefits provided to Directors during the year by way of usage of the Company's assets and the provision of accommodation and other benefits amounted to RM12,500 (2012: RM14,941).

15 PROPERTY, PLANT AND EQUIPMENT

2013	Freehold land RM'000	Land improvements RM'000	Buildings RM'000	Plant, machinery, equipment and motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
Cost or deemed cost						
At 1 January	**50,598**	**15,700**	**109,266**	**2,470,432**	**804,495**	**3,450,491**
Additions	**0**	**0**	**0**	**1,498**	**88,265**	**89,763**
Capitalisation	**0**	**0**	**0**	**836,821**	**(836,821)**	**0**
Write off	**0**	**(46)**	**(24)**	**(8,109)**	**0**	**(8,179)**
At 31 December	**50,598**	**15,654**	**109,242**	**3,300,642**	**55,939**	**3,532,075**
Accumulated depreciation						
At 1 January	**0**	**12,864**	**51,744**	**1,661,124**	**0**	**1,725,732**
Charge for the financial year	**0**	**339**	**2,491**	**143,870**	**0**	**146,700**
Write off	**0**	**(46)**	**(24)**	**(8,109)**	**0**	**(8,179)**
At 31 December	**0**	**13,157**	**54,211**	**1,796,885**	**0**	**1,864,253**
Net book value						
At 31 December	**50,598**	**2,497**	**55,031**	**1,503,757**	**55,939**	**1,667,822**

Included within work-in-progress is RM1,257,020 (2012: RM12,327,900) of finance cost capitalised.

2012	Freehold land RM'000	Land improvements RM'000	Buildings RM'000	Plant, machinery, equipment and motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
Cost or deemed cost						
At 1 January	50,598	15,296	108,059	2,392,237	535,783	3,101,973
Additions	0	0	0	710	362,827	363,537
Reclassification	0	404	0	(404)	0	0
Capitalisation	0	0	1,223	92,892	(94,115)	0
Disposal	0	0	(16)	(487)	0	(503)
Write off	0	0	0	(14,516)	0	(14,516)
At 31 December	50,598	15,700	109,266	2,470,432	804,495	3,450,491
Accumulated depreciation						
At 1 January	0	12,541	49,305	1,565,279	0	1,627,125
Charge for the financial year	0	323	2,455	103,952	0	106,730
Disposal	0	0	(16)	(133)	0	(149)
Write off	0	0	0	(7,974)	0	(7,974)
At 31 December	0	12,864	51,744	1,661,124	0	1,725,732
Net book value						
At 31 December	50,598	2,836	57,522	809,308	804,495	1,724,759

Included within work-in-progress is RM12,327,900 (2011: RM5,779,859) of finance cost capitalised.

16 PREPAID LEASE PAYMENTS

	2013 RM'000	2012 RM'000
As at 1 January	**1,906**	1,927
Amortisation of prepaid lease payments	**(21)**	(21)
As at 31 December	**1,885**	1,906

17 LONG-TERM RECEIVABLES

	2013 RM'000	2012 RM'000
Staff car loan	**494**	894
Less: Current portion (Note 21)	**(207)**	(509)
Staff car loan (Non-current portion)	**287**	385

Staff car loan are interest free and are repayable within 1 to 3 years (2012: 1 to 4 years). The fair value of the staff car loan is RM274,781 (2012: RM367,799). Fair value of the staff car loan is computed by discounting the future cash flows using discount rate of 3.6% per annum (2012: 3.6%).

The staff car loan does not contain impaired assets.

18 BORROWINGS/DERIVATIVE FINANCIAL ASSETS

18.1 Borrowings

	2013 RM'000	2012 RM'000
Term loan (unsecured):		
– current (less than 1 year)	**503,513**	973
– non-current (between 1 to 3 years)	**1,236,120**	1,183,920
	1,739,633	1,184,893

As at 31 December 2013, the Company has in place revolving credit facilities with local banks for working capital purposes. The facilities carry interest rates at a range of COF+0.25% to COF+0.35% (Cost of Funds).

The Company obtained a RM450 million loan for working capital financing in 2010. The term loan carries interest at rates which varies according to prevailing KLIBOR+0.30% (Kuala Lumpur Interbank Offer Rate) starting from 15 June 2010. The repayment of the term loan is through twenty quarterly interest repayments and a bullet repayment of the entire principal balance which is due on 15 June 2015.

In 2011, the Company obtained a USD240 million 5-year term loan facility primarily to finance a capital expenditure project. The term loan carries interest based on LIBOR+0.75% (London Interbank Offered Rate). The loan will be maturing on 14 September 2016. The repayment of the term loan is through twenty quarterly interest payments and a bullet repayment of the entire principal balance on 14 September 2016.

The fair value of the non-current borrowing approximates the carrying value. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 3.50% on the RM450 million loan and 1.01% on the USD240 million loan per annum (2012: 3.46%; 1.16%).

18 BORROWINGS/DERIVATIVE FINANCIAL ASSETS (CONTINUED)

18.2 Derivative financial instrument – Cross currency interest rate swap ('CCIRS')

	2013 RM'000	2012 RM'000
Derivative financial assets/(liabilities):		
– current (less than 1 year)	**(11,536)**	(10,843)
– non-current (between 1 to 3 years)	**86,867**	24,375
	75,331	13,532

The Company entered into CCIRS to hedge against the fluctuations in USD/RM exchange rate on its USD term loan. The fair values were obtained from the counterparty banks. Details are as follows:

Contract Amount	Principal exchange rate	Interest rate swapped	Period entered
USD60 million	USD1 = RM3.03	Pay [1]KLIBOR – 0.62% Receive [2]LIBOR + 0.75%	27 February 2012 to 14 September 2016
USD60 million	USD1 = RM3.03	Pay [1]KLIBOR – 0.68% Receive [2]LIBOR + 0.75%	27 February 2012 to 14 September 2016
USD120 million	USD1 = RM3.05	Pay [1]KLIBOR – 0.56% Receive [2]LIBOR + 0.75%	14 September 2011 to 14 September 2016

[1]KLIBOR – Kuala Lumpur Inter Bank Offer rate
[2]LIBOR – London Inter Bank Offer rate

The effective interest rates of the Company's term loans at the end of the reporting period ranged from 0.99% to 3.53% (2012: 1.06% to 3.51%) per annum. After executing the swap, the Company's effective interest rate at the end of the reporting period ranged from 2.64% to 2.76% per annum (2012: 2.53% to 2.65%).

Financial instruments	Functional currency/currency exposure	Applicable interest rate	Total carrying amount RM'000	Effective interest rate at end of reporting date %
As at 31 December 2013				
Term loan	**RM/RM**	**[1]KLIBOR + 0.30%**	**450,380**	**3.53**
	RM/USD	**[2]LIBOR + 0.75%**	**786,783**	**0.99**
CCIRS	**RM/USD**	**[1]KLIBOR – 0.56%**	**36,067**	**2.76**
		[1]KLIBOR – 0.62%	**19,556**	**2.70**
		[1]KLIBOR – 0.68%	**19,708**	**2.64**
As at 31 December 2012				
Term loan	RM/RM	[1]KLIBOR + 0.30%	450,649	3.51
	RM/USD	[2]LIBOR + 0.75%	734,244	1.06
CCIRS	RM/USD	[1]KLIBOR – 0.56%	4,989	2.65
		[1]KLIBOR – 0.62%	4,076	2.59
		[1]KLIBOR – 0.68%	4,467	2.53

19 INVENTORIES

	2013 RM'000	2012 RM'000
Crude oil	**789,131**	683,989
Petroleum products	**571,339**	426,235
	1,360,470	1,110,224
Less: Allowance for inventories write-down	**(543)**	(3,498)
Materials	**26,899**	26,828
	1,386,826	1,133,554

Included within crude oil is stock in transit as at 31 December 2013 RM406,091,826 (2012: RM331,322,869).

20 TRADE RECEIVABLES

	2013 RM'000	2012 RM'000
Trade receivables	**68,930**	21,931
Less: Allowance for impairment of trade receivables	**(281)**	(298)
	68,649	21,633

The credit terms range between 15 to 30 days (2012: 15 to 30 days).

As at 31 December 2013, trade receivables amounting to RM4,623,530 (2012: RM4,821,856) were past due but not impaired as management is of the view that these amount will be recoverable.

Ageing of trade receivable balances as at 31 December 2013 that are past due but not impaired and impaired receivables are as follows:

	Less than 30 days RM'000	Between 30 to 180 days RM'000	Over 180 days RM'000	Total RM'000
As at 31 December 2013				
Past due but not impaired	**2,969**	**1,489**	**166**	**4,624**
Impaired	**0**	**0**	**281**	**281**
As at 31 December 2012				
Past due but not impaired	660	2,612	1,550	4,822
Impaired	0	0	298	298

The carrying amounts of trade receivables at the end of reporting date approximated their fair values due to the short-term maturities of the instruments.

As of 31 December 2013 trade receivables of RM281,291 (2012: RM298,000) was impaired. The individually impaired receivables mainly relate to contentious balances and customer facing financial distress. The impaired receivables are overdue for more than a year.

20 TRADE RECEIVABLES (CONTINUED)

Movement on the provision for impairment of trade receivables is as follows:

	2013 RM'000	**2012 RM'000**
As at 1 January	**298**	298
Receivables written-off during the year	**(298)**	0
Receivables provided during the year	**281**	0
As at 31 December	**281**	298

The creation and release of provision for impairment of trade receivables have been included in other income/(expenses) in the profit or loss (Note 8). Amounts charged to allowance account are generally written off, when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security.

21 OTHER RECEIVABLES AND PREPAYMENTS

	2013 RM'000	**2012 RM'000**
Other receivables	**270**	296
Staff car loan (Note 17)	**207**	509
Prepayments	**266**	1,674
	743	2,479

The carrying amounts of financial assets (excluding prepayments) at the end of reporting date approximated their fair values. The other receivables and staff car loan do not contain impaired assets.

22 AMOUNTS RECEIVABLE FROM/(PAYABLE TO) RELATED COMPANIES

As at 31 December 2013, the amounts receivable from related companies of RM4,685,660 (2012: RM35,311,000) were past due but not impaired. The Directors are of the view that such credit risk is minimal in view of the stability of the fellow subsidiaries' financial position. Ageing analysis of these amounts receivable from related companies is as follows:

	Less than 30 days RM'000	**Between 30 to 180 days RM'000**	**Over 180 days RM'000**	**Total RM'000**
Past due but not impaired				
– 31 December 2013	1,244	437	3,005	4,686
– 31 December 2012	31,842	0	3,469	35,311

The fair values of related party balances approximate the carrying value as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the weighted average borrowing rate of 1.96% per annum (2012: 2.03%). The discount rate equals to KLIBOR plus appropriate credit rating.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security.

As of 31 December 2013 receivables from related companies of RM1,026,265 (2012: Nil) was impaired. The individually impaired receivables mainly relate to long-outstanding balances with secondees.

22 AMOUNTS RECEIVABLE FROM/(PAYABLE TO) RELATED COMPANIES (CONTINUED)

Movement on the provision for impairment of amounts receivables from related Companies is as follows:

	2013 **RM'000**
As at 1 January	**0**
Receivables provided during the year	**1,026**
As at 31 December	**1,026**

The creation and release of provision for impairment of receivables from related companies have been included in other income/(expenses) in the profit or loss (Note 8). Amounts charged to allowance account are generally written off, when there is no expectation of recovering additional cash.

23 CASH AND CASH EQUIVALENTS

	2013 **RM'000**	**2012** **RM'000**
Deposits with licensed banks	**0**	2,820
Bank balances	**41,009**	30,112
Cash and cash equivalents	**41,009**	32,932

Bank balances are deposits held at call with banks and earned no interest.

The average maturity period of the deposits with licensed banks is 1 day (2012: 1 day).

The weighted average interest rate per annum that was effective as at the end of reporting date was:

	2013 **%**	**2012** **%**
Deposits with licensed banks	**0**	3.00

24 SHARE CAPITAL

	2013 **RM'000**	**2012** **RM'000**
At 1 January/At 31 December		
Authorised 300,000,000 units of ordinary shares of RM1 each	**300,000**	300,000
At 1 January/At 31 December		
Issued and fully paid 300,000,000 units of ordinary shares of RM1 each	**300,000**	300,000

25 TRADE AND OTHER PAYABLES

	2013 RM'000	2012 RM'000
Accruals for capital expenditure	**18,664**	95,057
Other payables and accruals	**55,720**	64,624
Accruals for materials and contract payments	**15,565**	15,088
	89,949	174,769

The Company's trade payables are unsecured. The credit terms for trade payables range from 30 to 45 days (2012: 30 to 45 days).

26 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position.

	2013 RM'000	2012 RM'000
Deferred tax liabilities		
– To be recovered within 12 months	**165,753**	37,818
– To be recovered after more than 12 months	**(200,458)**	(139,879)
	(34,705)	(102,061)

The gross movement on the deferred income tax account is as follows:

	2013 RM'000	2012 RM'000
As at 1 January	**(102,061)**	(129,127)
Credited/(charged) to profit or loss (Note 11):		
– property, plant and equipment	**37,462**	24,166
– provision for impairment of trade receivables	**(5)**	0
– allowance for inventories write down	**(738)**	(2,239)
– unused tax losses	**21,630**	5,139
– unused reinvestment allowance	**8,698**	0
– performance share plan	**309**	0
	67,356	27,066
As at 31 December	**(34,705)**	(102,061)
Deferred tax liabilities (before offsetting):		
– property, plant and equipment	**(95,498)**	(132,960)
Offsetting	**60,793**	30,899
As at 31 December (after offsetting)	**(34,705)**	(102,061)

26 DEFERRED TAXATION (CONTINUED)

	2013 RM'000	2012 RM'000
Deferred tax assets (before offsetting):		
– provision for impairment of trade receivables	**70**	75
– allowance for inventories write down	**136**	874
– unused tax losses	**51,580**	29,950
– unused reinvestment allowance	**8,698**	0
– performance share plan	**309**	0
	60,793	30,899
Offsetting	**(60,793)**	(30,899)
As at 31 December (after offsetting)	**0**	0

27 SIGNIFICANT RELATED PARTIES TRANSACTIONS

The related party transactions of the Company comprise mainly transactions between the Company and its related companies. Related party transactions also include transactions with entities that are controlled, significantly influenced directly or indirectly by the Directors, key management personnel of the Company or their close family members.

In the normal course of business, the Company undertakes a variety of transactions with fellow subsidiaries whose common ultimate holding company is Royal Dutch Shell plc. The Directors regard Shell Overseas Holdings Limited as the Company's immediate holding company.

In addition to related party balances mentioned elsewhere in the financial statements, set out below is significant related party transactions, which were carried out on terms and conditions negotiated amongst the related parties:

	2013 RM'000	2012 RM'000
(a) Income:		
(i) Sale of refined products to:		
– Shell Malaysia Trading Sendirian Berhad	**11,174,392**	11,314,877
– Shell International Eastern Trading Company	**830,261**	2,378,414
– Shell Timur Sendirian Berhad	**1,684,212**	927,621
– Shell Eastern Chemicals Pte Limited	**368,173**	379,314
(ii) Tariff revenue on the use of properties/facilities:		
– Shell Malaysia Trading Sendirian Berhad	**12,906**	15,272

27 SIGNIFICANT RELATED PARTIES TRANSACTIONS (CONTINUED)

	2013 RM'000	2012 RM'000
(b) Expenses:		
(i) Purchase of crude and products from:		
– Shell International Eastern Trading Company	**(13,093,113)**	(10,482,802)
– Sarawak Shell Berhad	**(1,111,541)**	(2,672,026)
– Sabah Shell Petroleum Company Limited	**(314,326)**	(1,452,548)
– Shell Eastern Trading Pte Limited	**(283,533)**	(246,095)
– Shell Lubricants Supply Company	**(70,938)**	(44,486)
(ii) Central management and administrative expenses:		
– Shell Global Solutions International B.V.	**(8,937)**	(3,118)
– Shell Global Solutions (Malaysia) Sendirian Berhad	**(12,923)**	(31,648)
– Shell International Petroleum Company Limited	**(33,711)**	(21,365)
(c) Movement in deposits:		
– Shell Malaysia Limited		
Deposits	**0**	5,161,915
Withdrawals	**0**	(5,209,740)
(d) Dividends paid:		
– Shell Overseas Holdings Limited	**17,213**	28,687
(e) Outstanding balances:		
Receivables		
– Shell Malaysia Trading Sendirian Berhad	**1,005,999**	946,935
– Shell International Eastern Trading Company	**40,853**	172,133
– Shell Timur Sendirian Berhad	**147,516**	67,216
– Shell Eastern Chemicals Pte Limited	**36,400**	30,080
Payables		
– Shell Malaysia Trading Sendirian Berhad	**(16,744)**	(2,943)
– Shell International Eastern Trading Company	**(1,029,863)**	(531,198)
– Shell Malaysia Limited	**(483)**	(695)
– Shell Timur Sendirian Berhad	**(21)**	(209)
– Shell Eastern Chemicals Pte Limited	**(4,448)**	(2,332)
– Sabah Shell Petroleum Company Limited	**0**	(101,756)
– Shell Eastern Trading Pte Limited	**(28,502)**	(22,472)
– Shell International Petroleum Company Limited	**(6,822)**	(48,859)
– Sarawak Shell Berhad	**(24)**	(260,157)
– Shell Global Solutions International B.V.	**(456)**	(4,892)

27 SIGNIFICANT RELATED PARTIES TRANSACTIONS (CONTINUED)

(f) As at 31 December 2013, there are no capital commitments with related parties (2012: RM 5,239,000).

Key management personnel are the persons who have authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. Key management personnel of the Company include the Board of Directors and senior management personnel of the Company.

	2013 RM'000	2012 RM'000
Compensation for key management personnel:		
– salaries, bonus and allowances	**5,262**	4,648
– benefits in kind	**554**	529
– defined contribution plan	**1,070**	911
– fees	**387**	436
– shared based payments	**806**	239

28 CONTINGENT LIABILITIES

The Company is a member of an oil spill fund, namely the International Oil Pollution Compensation ("IOPC") 1992 Fund. The purposes of the Funds are to help compensate parties that suffer financial loss as a result of oil spill from tankers. The members make contributions to the Funds depending on specific global oil spill incidents, which give rise to payments of compensation by the Funds. The contingent liability is unsecured, and as at the date of this report, there are no material claims outstanding.

29 CAPITAL COMMITMENTS

Approved capital expenditure for property, plant and equipment not provided for in the financial statements are as follows:

	2013 RM'000	2012 RM'000
Approved and contracted for	**23,207**	75,538
Approved but not contracted for	**56,947**	166,285

30 SEGMENTAL INFORMATION

Segmental reporting is not separately presented as the Company is principally engaged in the oil and gas industry namely refining and manufacturing of petroleum products in Malaysia, which are substantially within a single business segment. The Company operates primarily in Malaysia. Accordingly, no segmental information is considered necessary for analysis by industry segments or by geographical segment.

Additionally, the chief operating decision-maker also reviews the EBITDA margin of the Company. EBITDA margin is defined as earnings before interest, tax, depreciation and amortisation which amounted to a loss of RM34.36 million (2012: loss of RM10.8 million).

31 FINANCIAL INSTRUMENTS BY CATEGORY

	2013 RM'000	2012 RM'000
Financial assets as per statement of financial position		
Loans and receivables		
Long-term receivables	**287**	385
Trade and other receivables excluding prepayments	**69,126**	22,438
Amounts receivable from related companies	**1,232,231**	1,223,831
Cash and cash equivalents	**41,009**	32,932
	1,342,653	1,279,586
Assets at fair value through profit or loss		
Derivative financial liability	**(11,536)**	(10,843)
Derivative financial asset	**86,867**	24,375
Financial liabilities as per statement of financial position		
Other financial liabilities at amortised cost		
Trade and other payables excluding statutory liabilities	**86,334**	170,731
Amounts payable to related companies	**1,101,491**	992,921
Borrowings	**1,739,633**	1,184,893
	2,927,458	2,348,545

32 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 30 April 2014.

33 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

The following analysis of realised and unrealised profits or losses 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:

	2013 RM'000	**2012 RM'000**
Realised	**1,253,595**	1,500,353
Unrealised	**(41,449)**	(97,604)
Retained earnings as at 31 December	**1,212,146**	1,402,749

The unrealised losses disclosed above are charges relating to the recognition of deferred tax liabilities, fair value gain on derivative financial instruments and unrealised 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.

Company Properties

As At 31 December 2013

No	Tenure	Address	Land area (square feet)	Description	Age of properties/ buildings	Date of last valuation	Land NBV RM'000	Land Improvement NBV RM'000	Building NBV RM'000	Net book value RM'000
1	Freehold	1236 –1238 GRN 62766 – 62768 87 Jln Resthouse, Port Dickson	76,964	A club house and training centre	48 years	01.01.1991	1,077		1,690	2,767
2	Freehold	Lot 3 HS(D) 1310, Jln Pantai, Port Dickson	6,284,183	Refinery	49 years	01.01.1991	22,194	2,497	44,355	69,046
3	Freehold	Lot 138, GRN 51925, Port Dickson	39,116	Oil Spill Response Centre	48 years	01.01.1991	262		420	682
4	Freehold	Lot 798 GM 1458, Kg Arab, Port Dickson	49,959	Refinery	24 years	01.01.1991	140			140
5	Freehold	Lot 196 GM 1522, Kg Gelam, Port Dickson	242,847	Refinery	25 years	01.01.1991	687			687
6	Freehold	Lot 195 GM 1521, Kg Gelam, Port Dickson	247,072	Refinery	25 years	01.01.1991	694			694
7	Freehold	PT 1369, PT 1370, PT 10747, PT 1371 HSD 35655, 35656, 35658, 35657, Port Dickson	98,010	Refinery	26 years	01.01.1991	314			314
8	Freehold	PT 1369, PT 1370, PT 10747, PT 1371 HSD 35655,35656, 35658, 35657, Port Dickson	112,490	Refinery	26 years	01.01.1991	360			360
9	Freehold	Lot 12284 &12290, GM 1961 – 1962 Port Dickson	112,019	Refinery	17 years	31.08.2000	480			480
10	Freehold	LOT 596 GRN 244911, P.Dickson	100,729	Crude Tank Farm	17 years	31.08.2000	593			593
11	Freehold	PT 1369, PT 1370, PT 10747, PT 1371 HSD 35655,35656, 35658, 35657, Port Dickson	132,030	Crude Tank Farm	25 years	01.01.1991	423			423
12	Freehold	PT 1369, PT 1370, PT 10747, PT 1371 HSD 35655, 35656, 35658, 35657, Port Dickson	212,590	Crude Tank Farm	25 years	01.01.1991	681			681
13	Freehold	PT 1369, PT 1370, PT 10747, PT 1371 HSD 35655, 35656, 35658, 35657, Port Dickson	118,439	Crude Tank Farm	26 years	01.01.1991	379			379
14	Freehold	PT 1369, PT 1370, PT 10747, PT 1371 HSD 35655, 35656, 35658, 35657, Port Dickson	141,570	Crude Tank Farm	26 years	01.01.1991	458			458
15	Freehold	PT 1369, PT 1370, PT 10747, PT 1371 HSD 35655, 35656, 35658, 35657, Port Dickson	124,146	Crude Tank Farm	26 years	01.01.1991	398			398

Company Properties (continued)

As At 31 December 2013

No	Tenure	Address	Land area (square feet)	Description	Age of properties/ buildings	Date of last valuation	Land NBV RM'000	Land Improvement NBV RM'000	Building NBV RM'000	Net book value RM'000
16	Freehold	PT 1369, PT 1370, PT 10747, PT 1371 HSD 35655, 35656, 35658, 35657, Port Dickson	141,047	Crude Tank Farm	26 years	01.01.1991	451			451
17	Freehold	PT 1369, PT 1370, PT 10747, PT 1371 HSD 35655, 35656, 35658, 35657, Port Dickson	103,455	Crude Tank Farm	26 years	01.01.1991	331			331
18	Freehold	PT 1369, PT 1370, PT 10747, PT 1371 HSD 35655, 35656, 35658, 35657, Port Dickson	123,884	Crude Tank Farm	26 years	01.01.1991	397			397
19	Freehold	Lot 5471 – 5494 GM 994 – 1017 Lot 5496 – 5540 GM 1019 – 1063 Port Dickson	188,799	Crude Tank Farm	15 years	31.08.2000	1,259			1,259
20	Freehold	Lot 950 GM 2721, Port Dickson	104,819	Crude Tank Farm	16 years	31.08.2000	727			727
21	Freehold	Lot 12425 – 12456 GRN 146936 – 146967, Lot 5441 H.S.D 4418, Lot 12458 – 12486 GRN 146968 – 146996, Port Dickson	212,544	Crude Tank Farm	16 years	31.08.2000	1,216			1,216
22	Freehold	Lot 834 GRN 70791, Port Dickson	348,481	Crude Tank Farm	17 years	31.08.2000	1,705			1,705
23	Freehold	Lot 6674 GM 2774, Port Dickson	115,173	For Pipeline to Jetty	23 years	01.01.1991	495			495
24	Freehold	Lot 1323 GM 1167, Port Dickson	178,596	For Pipeline to Jetty	23 years	01.01.1991	768			768
25	Freehold	Lot 6671 GM 2771, Port Dickson	91,737	For Pipeline to Jetty	23 years	01.01.1991	394			394
26	Freehold	Lot 6672 GM 868, Kg Gelam, Port Dickson	59,383	For Pipeline to Jetty	23 years	01.01.1991	312			312
27	Freehold	Lot 192 GM 1398, Kg Gelam, Port Dickson	148,104	For Pipeline to Jetty	24 years	01.01.1991	443			443
28	Freehold	Lot 247 GM 1241, Port Dickson	120,334	For Pipeline to Jetty	24 years	01.01.1991	332			332
29	Freehold	Lot 191 GM 1505, Kg Gelam, Port Dickson	134,491	For Pipeline to Jetty	25 years	01.01.1991	2,159			2,159
30	Freehold	Lot 190 GM 1289, Kg Gelam, Port Dickson	131,769	For Pipeline to Jetty	25 years	01.01.1991	475			475
31	Freehold	Lot 909 GRN 69309, Port Dickson	86,766	For Pipeline to Jetty	21 years	01.01.1991	364			364
32	Freehold	Lot 178 – 180 Grant 1087–1089, Port Dickson	448,668	For Pipeline to Jetty	21 years	01.01.1991	1,815			1,815
33	Freehold	Lot 1300 GM 867, Kg Gelam, Port Dickson	88,481	For Pipeline to Jetty	22 years	01.01.1991	337			337

No	Tenure	Address	Land area (square feet)	Description	Age of properties/ buildings	Date of last valuation	Land NBV RM'000	Land Improvement NBV RM'000	Building NBV RM'000	Net book value RM'000
34	Freehold	PT 1369, PT 1370, PT 10747, PT 1371 HSD 35655, 35656, 35658, 35657, Port Dickson	153,810	LPG Vessel	26 years	01.01.1991	492			492
35	Freehold	Lot 3948 GM 2619, Port Dickson	1,259	Refinery Buffer Zone	16 years	30.04.2001	86			86
36	Freehold	Lot 3949 GM 2620, Port Dickson	1,259	Refinery Buffer Zone	16 years	30.04.2001	86			86
37	Freehold	Lot 3950 GM 2621, Port Dickson	1,259	Refinery Buffer Zone	16 years	30.04.2001	86			86
38	Freehold	Lot 3951 GM 2622, Port Dickson	1,259	Refinery Buffer Zone	16 years	30.04.2001	86			86
39	Freehold	Lot 3974 GM 2632, Port Dickson	1,259	Refinery Buffer Zone	16 years	30.04.2001	86			86
40	Freehold	Lot 3975 GM 2633, Port Dickson	1,259	Refinery Buffer Zone	16 years	30.04.2001	86			86
41	Freehold	Lot 3976 GM 2634, Port Dickson	1,259	Refinery Buffer Zone	16 years	30.04.2001	86			86
42	Freehold	Lot 3977 GM 2635, Port Dickson	1,259	Refinery Buffer Zone	16 years	30.04.2001	86			86
43	Freehold	Lot 4961 GM 475, Port Dickson	5,769	Refinery Buffer Zone	16 years	30.04.2001	210			210
44	Freehold	Lot 4962 GM 476, Port Dickson	4,058	Refinery Buffer Zone	16 years	30.04.2001	148			148
45	Freehold	Lot 4963 GM 477, Port Dickson	6,060	Refinery Buffer Zone	16 years	30.04.2001	221			221
46	Freehold	Lot 4964 GM 478, Port Dickson	463	Refinery Buffer Zone	16 years	30.04.2001	181			181
47	Freehold	Lot 4965 GM 479, Port Dickson	4,736	Refinery Buffer Zone	16 years	30.04.2001	173			173
48	Freehold	Lot 4966 GM 480, Port Dickson	5,726	Refinery Buffer Zone	16 years	30.04.2001	209			209
49	Freehold	Lot 4967 GM 481, Port Dickson	3,326	Refinery Buffer Zone	16 years	30.04.2001	121			121
50	Freehold	Lot 4968 GM 482, Port Dickson	151	Refinery Buffer Zone	16 years	30.04.2001	5			5
51	Freehold	Lot 5402 GM 345, Port Dickson	1,066	Refinery Buffer Zone	16 years	30.04.2001	44			44
52	Freehold	Lot 5403 GM 346, Port Dickson	4,026	Refinery Buffer Zone	16 years	30.04.2001	166			166
53	Freehold	Lot 5404 GM 347, Port Dickson	4,176	Refinery Buffer Zone	16 years	30.04.2001	172			172
54	Freehold	Lot 5405 GM 348, Port Dickson	4,176	Refinery Buffer Zone	16 years	30.04.2001	172			172
55	Freehold	Lot 5406 GM 349, Port Dickson	4,176	Refinery Buffer Zone	16 years	30.04.2001	172			172
56	Freehold	Lot 5407 GM 350, Port Dickson	4,176	Refinery Buffer Zone	16 years	30.04.2001	172			172
57	Freehold	Lot 10533 GM 1653, Kg Gelam, Port Dickson	2,002	Refinery Buffer Zone	19 years	31.08.2000	20			20
58	Freehold	Lot 9196 – 9214 GM 1770 – 1788 & PT4540 HSM 1655, Kg Gelam, Port Dickson	40,236	Refinery Buffer Zone	19 years	31.08.2000	398			398

Company Properties (continued)

As At 31 December 2013

No	Tenure	Address	Land area (square feet)	Description	Age of properties/ buildings	Date of last valuation	Land NBV RM'000	Land Improvement NBV RM'000	Building NBV RM'000	Net book value RM'000
59	Freehold	Lot 12104 GM 2859, Kg Gelam, Port Dickson	6,135	Refinery Buffer Zone	19 years	31.08.2000	61			61
60	Freehold	PT 1369, PT 1370, PT 10747, PT 1371 HSD 35655, 35656, 35658, 35657, Port Dickson	97,738	Reserved Land	24 years	01.01.1991	313			313
61	Freehold	PT 1369, PT 1370, PT 10747, PT 1371 HSD 35655, 35656, 35658, 35657, Port Dickson	86,858	Reserved Land	25 years	01.01.1991	278			278
62	Freehold	PT 1369, PT 1370, PT 10747, PT 1371 HSD 35655, 35656, 35658, 35657, Port Dickson	78,952	Reserved Land	25 years	01.01.1991	253			253
63	Freehold	PT 1369, PT 1370, PT 10747, PT 1371 HSD 35655, 35656, 35658, 35657, Port Dickson	148,626	Reserved Land	26 years	01.01.1991	475			475
64	Freehold	PT 1369, PT 1370, PT 10747, PT 1371 HSD 35655, 35656, 35658, 35657, Port Dickson	99,360	Reserved Land	26 years	01.01.1991	318			318
65	Freehold	PT 1369, PT 1370, PT 10747, PT 1371 HSD 35655, 35656, 35658, 35657, Port Dickson	216,449	Reserved Land	26 years	01.01.1991	688			688
66	Freehold	PT 1369, PT 1370, PT 10747, PT 1371 HSD 35655, 35656, 35658, 35657, Port Dickson	104,805	Reserved Land	26 years	01.01.1991	336			336
67	Freehold	Lot 580 GM 1274, Port Dickson	107,539	Reserved Land	20 years	03.09.1991	556			556
68	Freehold	Lot 581 GM 1275, Port Dickson	98,010	Reserved Land	20 years	03.09.1991	38			38
69	Freehold	Lot 1312 – 1314 GM 1600 – 1602, Lot 1317 – 1318 GM 1605 – 1606, Lot 764 GRN 65945 Port Dickson	47,866	Reserved Land	48 years	01.01.1991	397			397
70	Freehold	Lot 256 GM 1276, Port Dickson	62,614	Reserved Land	5 years	28.03.2008	–			–
71	Freehold	Lot 9060 GM2720 P.Dickson	17,739	Reserved Land	49 years	01.01.1991	–			–
72	Leasehold	PT 9451 HM 29075 Mukim Port Dickson	2,822,688	Jetty Land	20 years	10.04.2004	1,866		8,566	10,432
			15,172,283				**52,463**	**2,497**	**55,031**	**109,991**

Analysis of Shareholdings

As at 28 April 2014

Size of Holdings	No. of Holders Malaysian	No. of Holders Foreign	No. of Shares Malaysian	No. of Shares Foreign	% Malaysian	% Foreign
1 – 99	762	5	6,430	9	0.00	0.00
100 – 1,000	2,936	142	2,181,513	119,425	0.73	0.04
1,001 – 10,000	3,074	517	11,208,661	2,190,511	3.74	0.73
10,001 – 100,000	423	133	11,041,518	3,474,847	3.68	1.16
100,001 – 14,999,999(*)	43	20	40,894,400	7,375,786	13.63	2.46
15,000,000 and above(**)	2	1	68,506,900	153,000,000	22.84	51.00
Total	**7,240**	**818**	**133,839,422**	**166,160,578**	**44.61**	**55.39**

	No. of Holders	No. of Shares	%
Grand Total	**8,058**	**300,000,000**	**100.00**

*Remark: *Less than 5% of Issued Shares*
***5% and above of Issued Shares*

Authorised Capital : RM300,000,000.00

Issued and Paid-up Capital : RM300,000,000.00

Class of Shares : Ordinary share of RM1.00 each

Voting right : One vote per ordinary share held

List of Top 30 Shareholders

Total no. of shareholders : 30

Total shareholdings : 264,221,565

Total percentage : 88.07%

Analysis of Shareholdings (continued)

As at 28 April 2014

List of Top 30 Shareholders

No.	Account No.	Name	Investor ID	Shareholdings	%
1.	207-001-024831513	Citigroup Nominees (Asing) Sdn Bhd for Shell Overseas Holdings Limited	263875D	153,000,000	51.00
2.	207-001-051417319	Citigroup Nominees (Tempatan) Sdn Bhd for Employees Provident Fund Board	267011M	48,650,300	16.22
3.	262-001-050187954	Amanahraya Trustees Berhad for Skim Amanah Saham Bumiputra	766894T	19,856,600	6.62
4.	262-001-050188010	Amanahraya Trustees Berhad for Amanah Saham Wawasan 2020	766894T	11,036,500	3.68
5.	257-001-037151271	Valuecap Sdn Bhd	595989V	10,389,000	3.47
6.	260-001-043765304	Kumpulan Wang Persaraan (DiPerbadankan)	KWAPACT 6622007	4,489,800	1.50
7.	206-001-050915404	HSBC Nominees (Asing) Sdn Bhd CACEIS BK FR for HMG Globetrotter	4381U	2,375,000	0.79
8.	262-001-050188127	Amanahraya Trustees Berhad for Amanah Saham Malaysia	766894T	2,356,400	0.79
9.	087-001-002671394	Employees Provident Fund Board	EPFACT1991	1,500,000	0.50
10.	262-001-050187418	Amanahraya Trustees Berhad as 1Malaysia	766894T	1,270,900	0.42
11.	098-001-055880991	Wong Siew Fah	581130-10-6646 5679976	1,200,000	0.40
12.	207-001-047749916	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C-Nr)	263875D	1,199,591	0.40
13.	205-001-024068207	Malaysia Nominees (Tempatan) Sendirian Berhad Lee Foundation, States of Malaya (00-00197-000)	6193K	790,000	0.26
14.	078-011-054033048	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	227430A	789,300	0.26
15.	051-001-052167756	Public Invest Nominees (Tempatan) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	168757X	578,800	0.19
16.	065-001-043565290	CIMSEC Nominees (Asing) Sdn Bhd Exempt AN for CIMB Securities (Singapore) Pte Ltd (Retail Clients)	265422M	479,000	0.16

No.	Account No.	Name	Investor ID	Shareholdings	%
17.	065-003-044224251	Heng Lee and Company Sdn. Berhad	750W	450,000	0.15
18.	076-001-050557016	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Inbamanay A/P M J Arumanayagam (8061712)	42234H	413,700	0.14
19.	209-001-021330287	Cartaban Nominees (Asing) Sdn Bhd GIC Private Limited for Government of Singapore (C)	263367W	369,900	0.12
20.	068-001-035466291	Heng Lee and Company Sdn. Berhad	750W	350,000	0.12
21.	028-001-032536401	Kam Loong Mining Sdn Bhd	9969D	331,000	0.11
22.	066-001-044630473	HLIB Nominees (Asing) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	270263P	309,700	0.10
23.	076-001-055843858	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for John Devaraj Solomon (8103033)	42234H	296,200	0.10
24.	098-001-055097604	Maybank Securities Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Rice Properties (Pte) Ltd	284592K	274,803	0.09
25.	087-023-003278223	New Tong Fong Plywood Sdn Bhd	016628V	260,000	0.09
26.	073-001-034106880	Bank Simpanan Nasional	BSNACT1461974	251,600	0.08
27.	068-001-042066514	Ban Hin Lee Realty Sdn. Bhd.	76445P	250,000	0.08
28.	207-001-034438135	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	263875D	246,300	0.08
29.	207-001-042795344	Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	263875D	233,300	0.08
30.	098-001-052187846	Maybank Securities Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Chow Kwok Chi	284592K	223,871	0.07
Total				**264,221,565**	**88.07**

Analysis of Shareholdings (continued)

As at 28 April 2014

Substantial Shareholders Holdings (5% and above)

No.	Account No.	Name	Investor ID	Shareholdings	%
1.	207-001-024831513	Citigroup Nominees (Asing) Sdn Bhd Shell Overseas Holdings Limited	263875D	153,000,000	51.00
2.	207-001-051417319	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	267011M	48,650,300	16.22
3.	262-001-050187954	Amanahraya Trustees Berhad Skim Amanah Saham Bumiputera	766894T	19,856,600	6.62
Total				**221,506,900**	**73.84**

Holders with Holdings of 5% and Above

Stock code : 4324

Total no of holder : 3

Total holdings : 221,506,900

Total percentage : 73.84

Proxy Form

Original only

Please see notes below

Shell Refining Company
(Federation of Malaya) Berhad (3926-U)
Incorporated in Malaysia

No. of Shares held

To: Board of Directors

I/We ______________________________ NRIC No./Co. No.: ______________________________ of

____

____

being Member/Members of Shell Refining Company (Federation of Malaya) Berhad, hereby appoint ____________

______________________________ NRIC no.: ______________________________

OR failing him, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Fifty Fifth Annual General Meeting of the Company to be held at Grand Selangor Ballroom, Dorsett Grand Subang, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Monday, 30 June 2014 at 11.00 a.m. and at any adjournment thereof.

Signature of Member or Common Seal ______________________________

Signature of Witness ______________________________

Name of Witness in Full ______________________________

Address of Witness ______________________________

Date ______________________________ day of ______________________________2014.

My/our proxy is to vote on the following resolutions under Agenda 2 – 5 as indicated by an "X" in the appropriate spaces below. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote and abstain as he/she thinks fit.

No.	Resolution	For	Against
1.	To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2013 and the Reports of the Directors and Auditors thereon.	N/A	N/A
2.	To re-elect the following Directors who are retiring in accordance with Articles 81(2) and 81(9) of the Company's Articles of Association and being eligible, offer themselves for re-election:- a. Datuk Yvonne Chia **Ordinary Resolution 1** b. Arnel Lamco Santos **Ordinary Resolution 2** c. Amir Hamzah Bin Abu Bakar **Ordinary Resolution 3**		
3.	To re-elect the following Directors who are retiring in accordance with Articles 81(3) of the Company's Articles of Association and being eligible, offer themselves for re-election:- a. Dato' Saw Choo Boon **Ordinary Resolution 4** b. Lau Nai Pek **Ordinary Resolution 5**		
4.	To re-appoint Messrs PricewaterhouseCoopers as auditors and to authorise the Directors to fix the auditors' remuneration. **Ordinary Resolution 6**		
5.	**Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** "THAT subject to the Companies Act, 1965, the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Renewal of the Existing Shareholders' Mandate for the Company to enter into and give effect to the category of the recurrent arrangements or transactions of a revenue or trading nature from time to time with the Related Parties, as specified in Section 2.2 of the Circular to Shareholders dated 6 June 2014 provided that such transactions are: i. recurrent transactions of a revenue or trading nature; ii. necessary for the Company's day-to-day operations; iii. carried out in the ordinary course of business, on arm's length basis and normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and iv. not to the detriment of minority shareholders', (the "Proposed Shareholders' Mandate") THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until: i. the conclusion of the next Annual General Meeting of the Company following the Annual General Meeting at which such mandate was passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the general meeting; ii. the expiration of the period within which the next Annual General Meeting is required to be held pursuant to Section 143(1) of the Companies Act, 1965, but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965; or iii. revoked or varied by resolution passed by the shareholders in a general meeting; whichever is the earlier. AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate." **Ordinary Resolution 7**		

Notes Relating to Proxy:

1. Pursuant to Article 72 of the Company's Articles of Association, a Member of the Company who is entitled to attend and vote at the meeting may appoint **ONLY ONE (1)** proxy to attend, vote and speak instead of the Member at the meeting.

2. A proxy need not be a Member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy.

3. The instrument appointing a proxy shall be in writing and signed by the appointor or by his attorney who is authorised in writing. In the case of a corporation, the instrument appointing a proxy or proxies must be made under seal or signed by an officer or an attorney duly authorised.

4. The signature to the instrument appointing a proxy or proxies executed outside Malaysia must be attested by a solicitor, notary public, consul or magistrate.

5. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or notarised must be deposited at the registered office of the Company, Company Secretary's office, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting.

6. Only an **original** proxy form deposited at the registered office of the Company will entitle the proxy holder to attend and vote at the meeting. Photocopies of proxy form will **not** be accepted for the purposes of the meeting. Additional original proxy forms are available to Members upon request in writing to the Company.

7. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

8. Any nomination of a Director must be made in accordance with the Articles of Association of the Company.

9. The Date of Record of Depositors for the purpose of determining Members' entitlement to attend, vote and speak at the Meeting is 24 June 2014.

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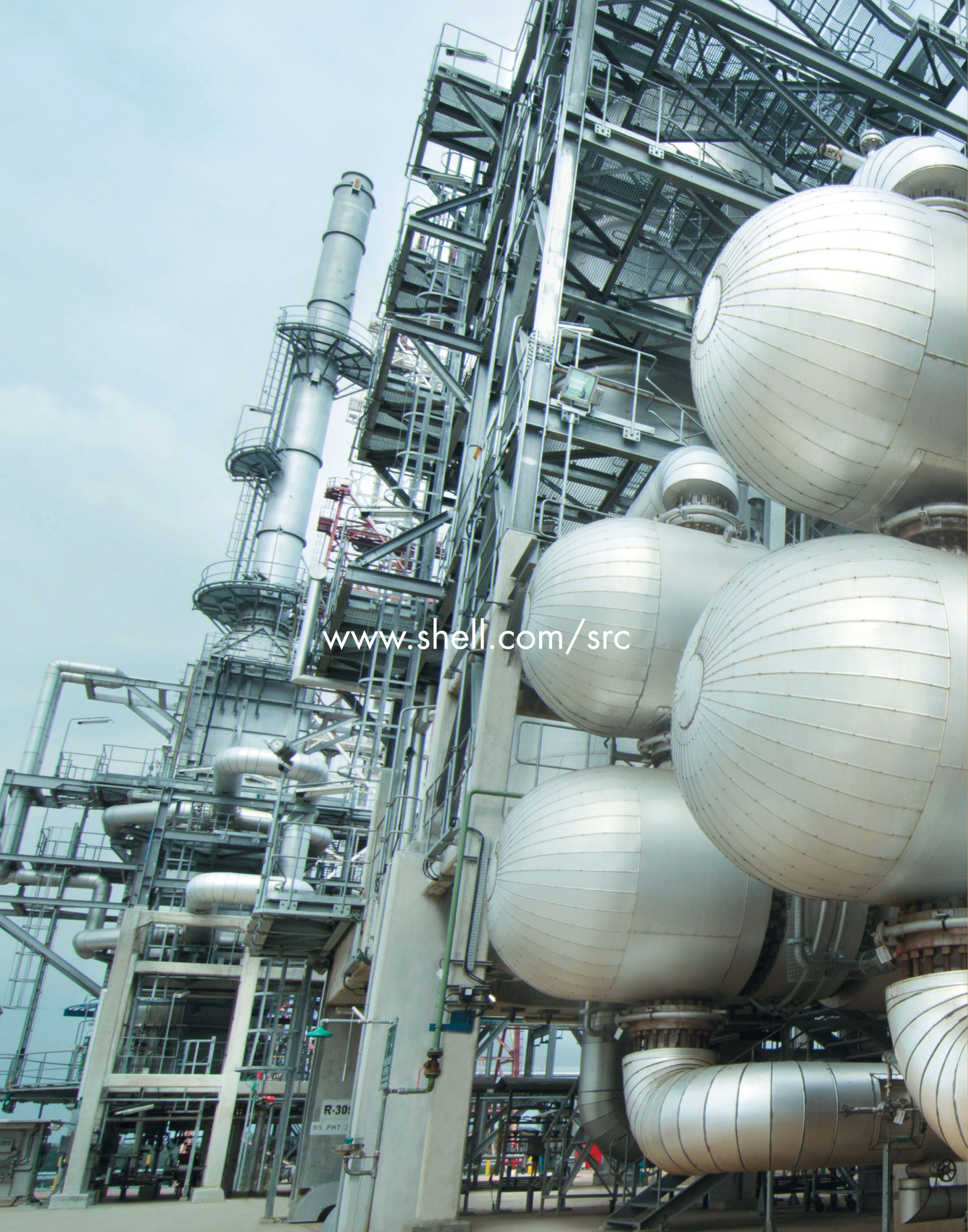
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