

SHELL PROPERTY ASIA LIMITED

DIRECTORS' REPORT

AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2010

CONTENTS

| | |
|------------------------------|---|
| DIRECTORS' REPORT | 1 |
| INDEPENDENT AUDITORS' REPORT | 3 |
| PROFIT AND LOSS ACCOUNT | 4 |
| BALANCE SHEET | 5 |
| NOTES TO THE ACCOUNTS | 6 |

FRIDAY



L3VWCXZN

L17

30/09/2011

70

COMPANIES HOUSE

SHELL PROPERTY ASIA LIMITED

DIRECTOR'S REPORT

The Directors present their report and audited accounts for the year ended 31 December 2010

The Directors' report and audited accounts of the Company have been prepared in accordance with the Companies Act 2006

Shell Property Asia Limited (also referred to as the "Company") is one of the entities within the "Shell Group". In this context the term "Shell Group" and "Companies of the Shell Group" or "Group companies" means companies in which Royal Dutch Shell plc, either directly or indirectly, has control either through a majority of the voting rights or the right to exercise a controlling influence or to obtain the majority of the benefits and be exposed to the majority of the risks. Companies in which Group companies have significant influence but not control are classified as "Associated companies". Royal Dutch Shell plc, a company incorporated in the United Kingdom, is known as the "Parent Company" of the Shell Group. In this Report "Shell", "Shell Group" and "Royal Dutch Shell" are sometimes used for convenience where references are made to Royal Dutch Shell and its subsidiaries in general. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of Shell Property Asia Limited is to hold land in Asia and, in particular, in Japan. Its only holding of land is in Kashima, Japan, acquired in December 2000. Management have decided to dispose of this land in the near future.

The Company's loss for the financial year increased from JPY 3,049,672 in 2009 to JPY 4,071,801 in 2010. This was principally due to land related expenditure during the year of JPY 6,755,500 (2009: JPY 5,957,800).

The Directors consider that the year end financial position of the company was satisfactory.

Dividends

The Directors recommend that no dividend be paid for the year ended 31 December 2010 (2009: Nil).

Future outlook

As mentioned earlier, Management have decided to dispose of the only land held by the Company and currently deliberations are on in this regard. After the sale of the land, the Company is expected to be made dormant and eventually be liquidated in the future. As a result, the going concern assumption is not valid. The Directors believe that the balances held will be realised at their reported carrying values in the normal course of business with the exception of the land which will be realised in line with that disclosed in the narrative to Note 5 of the accounts and so the accounts continue to be prepared under the historical cost convention.

DIRECTORS

The Directors of the Company, who served throughout the year and to the date of this report were

Shell Corporate Director Limited

K J Hawkins

Appointed 30 September 2010

POST BALANCE SHEET EVENTS

Refer to note 10 "Post balance sheet events"

SHELL PROPERTY ASIA LIMITED

DIRECTOR'S REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the Company's accounts in accordance with applicable law and regulations

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have elected to prepare the Company's accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those accounts, the Directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business. As at the date of signing the Statutory Accounts the Shell Group entity rationalization program which will ultimately result in the disposal of the Company's land was underway. After the sale of the land, the Company is expected to be made dormant and eventually be liquidated in the future. As a result, the going concern assumption is no longer valid, however the Directors believe that the balances held will be realised at their reported carrying value in the normal course of business and so the accounts continue to be prepared under historical cost convention.

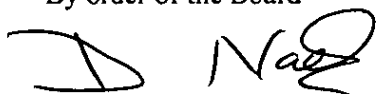
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

All Directors in office at the date of approval of the Directors' report confirm that so far as each of the Directors is aware, there is no relevant audit information (meaning information needed by the Company's auditors in connection with preparing their report) that has not been disclosed to the Company's auditors. Each of the Directors believes that he or she has taken all steps that ought to have been taken to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report has been prepared taking advantage of the small companies exemption in accordance with Section 415A of the Companies Act 2006.

By order of the Board



Dawn Noel
Authorised signatory for
Shell Corporate Secretary Limited
Company Secretary
30 SEPT. 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF SHELL PROPERTY ASIA LIMITED

We have audited the accounts of Shell Property Asia Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 1 and 2, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the accounts.

Opinion on financial statements

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the Company accounts are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all of the information and explanations we require for our audit.



Gillian McCort (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
30 September 2011

SHELL PROPERTY ASIA LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2010

| Discontinued operations | Note | 2010 JPY | 2009 JPY |
|---------------------------------------------------------------------|-------------|---------------------------|---------------------------|
| Administrative expenses | | <u>(6,755,500)</u> | <u>(5,957,800)</u> |
| LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION | | (6,755,500) | (5,957,800) |
| Interest receivable and similar income | 2 | <u>159,075</u> | <u>846,122</u> |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | 3 | (6,596,425) | (5,111,678) |
| Tax on loss on ordinary activities | 4 | <u>2,524,624</u> | <u>2,062,006</u> |
| LOSS FOR THE FINANCIAL YEAR | | <u>(4,071,801)</u> | <u>(3,049,672)</u> |

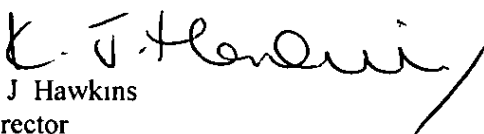
The reported loss on ordinary activities and the loss for the year are presented on a historical cost basis

There were no recognised gains and losses other than the loss for the current year and the prior year and accordingly a statement of total recognised gains and losses has not been presented

SHELL PROPERTY ASIA LIMITED
REGISTERED IN ENGLAND AND WALES: 4099896
BALANCE SHEET
As at 31 December 2010

| | Note | 2010 JPY | 2009 JPY |
|-----------------------------------------------------------|------|----------------------|----------------------|
| FIXED ASSETS | | | |
| Tangible assets | 5 | 812,296,020 | 812,296,020 |
| CURRENT ASSETS | | | |
| Debtors | 6 | 210,656,651 | 219,846,252 |
| | | <u>210,656,651</u> | <u>219,846,252</u> |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 7 | (840,000) | (5,957,800) |
| NET CURRENT ASSETS | | <u>209,816,651</u> | <u>213,888,452</u> |
| NET ASSETS | | <u>1,022,112,671</u> | <u>1,026,184,472</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 8 | 1,431,589,653 | 1,431,589,653 |
| Profit and loss account | 9 | (409,476,982) | (405,405,181) |
| TOTAL SHAREHOLDER'S FUNDS | 9 | <u>1,022,112,671</u> | <u>1,026,184,472</u> |

The accounts on pages 4 to 10 were approved by the Board of Directors on ~~30~~ September 2011 and were signed on its behalf by


K J Hawkins
Director

SHELL PROPERTY ASIA LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 2010

1 Accounting policies

a) Accounting convention and compliance with Accounting Standards

As at the date of signing of the statutory accounts, the Shell Group entity rationalization program which will ultimately result in the disposal of the Company's land was underway. After the sale of the land, the Company is expected to be made dormant and eventually be liquidated in the future. As a result, the going concern assumption is no longer valid. However, given that all of the assets and liabilities are expected to be realized at their book values with the exception of the land which will be realised in line with that disclosed in the narrative to Note 5 of the accounts, the accounts continue to be prepared under the historical cost convention.

The accounting policies have been consistently applied. There have been no changes in accounting policies in 2010.

b) Group accounts

The immediate parent company is Shell Petroleum Company Limited.

The ultimate parent company and controlling party is Royal Dutch Shell plc, which is incorporated in the UK.

Royal Dutch Shell plc is the parent undertaking of the largest and smallest group of undertakings to consolidate these accounts at 31 December 2010. The consolidated accounts of Royal Dutch Shell plc are available from:

Royal Dutch Shell plc
Tel +31 888 800 844
email order@shell.com

c) Tax

Corporation tax

The Company records a tax charge or credit in the profit and loss account calculated at the tax rate prevailing in the year for tax payable to HM Revenue and Customs, or for group relief to surrender to or to be received from other Group undertakings, and for which payment may be requested.

d) Foreign currency translation

Income and expense items denominated in foreign currencies are translated into Japanese Yen ("JPY") at the rate ruling on their transaction date.

Monetary assets and liabilities recorded in foreign currencies have been expressed Japanese Yen at the rates of exchange ruling at the year end. Differences on translation are included in the profit and loss account. Non-monetary assets and liabilities that have been measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. No subsequent translations are made once this has occurred.

As at 31 December 2010 the rate of exchange to Great British Pounds ("GBP") was JPY 125.88 GBP 1 (2009 JPY 148.95 GBP 1).

SHELL PROPERTY ASIA LIMITED
NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2010

1 Accounting policies (continued)

e) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. A review for the potential impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of a fixed asset may not be recoverable. Such impairment reviews are performed in accordance with FRS 11. Any impairments are recorded in the profit and loss account.

If, after an impairment loss has been recognised, the recoverable amount of a fixed asset increases because of a change in economic conditions or in the expected use of the asset, the resulting reversal of the impairment loss is recognised in the current year to the extent that it increases the carrying amount of the fixed asset up to the amount it would have been had the original impairment not occurred.

Depreciation and impairment are not normally charged on assets under construction or on freehold land. In the case of these assets, an impairment review would only be undertaken if, and only if, there was a change in circumstances indicating that the carrying amount of the asset may not be recoverable.

f) Cash flow statement

In accordance with the exemption allowed by paragraph 5(a) of FRS 1, a cash flow statement for the Company has not been provided.

g) Related party disclosures

In accordance with the exemption allowed by paragraph 3(c) of FRS 8, no disclosure is made of transactions with other member companies of the Shell Group or investees of the Group qualifying as related parties.

2 Interest receivable and similar income

| | 2010 | 2009 |
|--------------------------------|-------------|-------------|
| | JPY | JPY |
| Profit on currency translation | 159,075 | 846,122 |

3 Loss on ordinary activities before taxation

| | 2010 | 2009 |
|----------------------|-----------------|-----------------|
| | USD '000 | USD '000 |
| Currency translation | | |
| Financing | 159,075 | 846,122 |

SHELL PROPERTY ASIA LIMITED
NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2010

3 Loss on ordinary activities before taxation (continued)

Audit fees of GBP 7,900 (2009 GBP 7,902) were paid by a fellow subsidiary undertaking on behalf of the Company, in respect of audit work performed in the UK. No fees were paid to the auditor in respect of any other work (2009 nil)

The Company had no employees during 2010 (2009 none)

The Directors did not receive any emoluments (2009 nil) in respect of services to the Company

4 Tax on loss on ordinary activities

The credit for the year of JPY 2,524,624 (2009 JPY 2,062,006) is made up as follows

| | 2010 JPY | 2009 JPY |
|---------------------------------------------------------------|---------------------|---------------------|
| UK corporation tax at the standard rate of 28 0% (2009 28 0%) | (1,635,494) | (1,269,730) |
| Adjustment in respect of prior years | (889,130) | (792,276) |
| Total current tax credit | <u>(2,524,624)</u> | <u>(2,062,006)</u> |

The tax assessed for the year differs from the standard effective rate of corporation tax in the UK for the year ended 31 December 2010 of 28 0% (2009 28 0%). The differences are explained below

| | 2010 JPY | 2009 JPY |
|----------------------------------------------------------------------------------------------|---------------------|---------------------|
| Loss on ordinary activities before taxation | <u>6,596,425</u> | <u>5,111,678</u> |
| Tax on loss on ordinary activities at standard UK corporation tax rate of 28 0% (2009 28 0%) | (1,846,999) | (1,431,270) |
| Effects of | | |
| Expenses not deductible | 127,371 | - |
| Tax on imputed interest | 84,134 | 161,540 |
| Adjustments to tax charge in respect of prior years | (889,130) | (792,276) |
| Current tax credit for the year | <u>(2,524,624)</u> | <u>(2,062,006)</u> |

The corporation tax rate for non-upstream companies was 28 0% for current tax in the year to 31 December 2010

SHELL PROPERTY ASIA LIMITED
NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2010

4 Tax on loss on ordinary activities (continued)

Factors affecting current and future tax charges

During the year, there was a change in the UK main corporation tax rate from 28% to 27%. The change was substantively enacted on 20 July 2010 and was effective from 1 April 2011.

Further reductions to the UK corporation tax rate were announced in the March 2011 Budget, including a further reduction to the UK main corporation tax rate of 26% which became effective on 1 April 2011. Further changes, which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 23% by 1 April 2014. These changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

5 Tangible assets

| | Freehold land JPY |
|------------------------------------------------|----------------------------------|
| Cost | |
| Balance at 1 January 2010 and 31 December 2010 | 1,161,802,400 |
| Amounts Provided | |
| Balance at 1 January 2010 and 31 December 2010 | (349,506,380) |
| Net book amount | |
| At 31 December 2010 | 812,296,020 |
| At 31 December 2009 | 812,296,020 |

After the earthquake/tsunami in Japan in March 2011, the above land was valued by external valuers, Jones Lang LaSalle at JPY764.22 million. Also, it was found that additional costs of JPY479 million would have to be incurred to restore the land into a saleable condition. Management decided that it would offer a discount equal to the restoration costs to the buyer for undertaking the repairs. Hence, the estimated realizable value of the above land as at the date of signing the accounts is JPY285.22 million.

6 Debtors

| | 2010 Within 1 Year JPY | 2009 Within 1 Year JPY |
|-----------------------------------|-------------------------------------------|-------------------------------------------|
| Amount owed by Parent undertaking | 208,052,454 | 218,646,478 |
| Tax receivable | 2,604,197 | 1,199,774 |
| | <u>210,656,651</u> | <u>219,846,252</u> |

SHELL PROPERTY ASIA LIMITED
NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2010

7 Creditors: amounts falling due within one year

| | 2010 JPY | 2009 JPY |
|----------------------------------------------|---------------------|---------------------|
| Amount owed to Fellow subsidiary undertaking | - | 5,957,800 |
| Other creditors | 840,000 | - |
| | <u>840,000</u> | <u>5,957,800</u> |

8 Called up share capital

| | 2010 JPY | 2009 JPY |
|--------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Authorised 8,000,000 (2009 8,000,000) ordinary shares of £1(JPY 178 949) each | <u>1,431,589,653</u> | <u>1,431,589,653</u> |
| Allotted and fully paid 8,000,000 (2009 8,000,000) ordinary shares of £1(JPY 178 949) each | <u>1,431,589,653</u> | <u>1,431,589,653</u> |

9 Reconciliation of movements in reserves and shareholder's funds

| | Profit and loss account JPY | Share capital JPY | Shareholder's funds JPY |
|---------------------|--------------------------------------------|----------------------------------|----------------------------------------|
| At 1 January 2009 | (402,355,509) | 1,431,589,653 | 1,029,234,144 |
| Loss for the year | <u>(3,049,672)</u> | <u>-</u> | <u>(3,049,672)</u> |
| At 1 January 2010 | (405,405,181) | 1,431,589,653 | 1,026,184,472 |
| Loss for the year | <u>(4,071,801)</u> | <u>-</u> | <u>(4,071,801)</u> |
| At 31 December 2010 | <u>(409,476,982)</u> | <u>1,431,589,653</u> | <u>1,022,112,671</u> |

10 Post balance sheet events

After the earthquake/tsunami in Japan in March 2011, the Company's land was valued by external valuers, Jones Lang LaSalle at JPY764 22 million. Also, it was found that additional costs of JPY479 million would have to be incurred to restore the land into a saleable condition. Management decided that it would offer a discount equal to the restoration costs to the buyer for undertaking the repairs. As at the date of signing the accounts the estimated realizable value of the above land amounts to JPY285 22 million.