



Star Petroleum Refining Public Company Limited



**Creating value
through Sustainability**



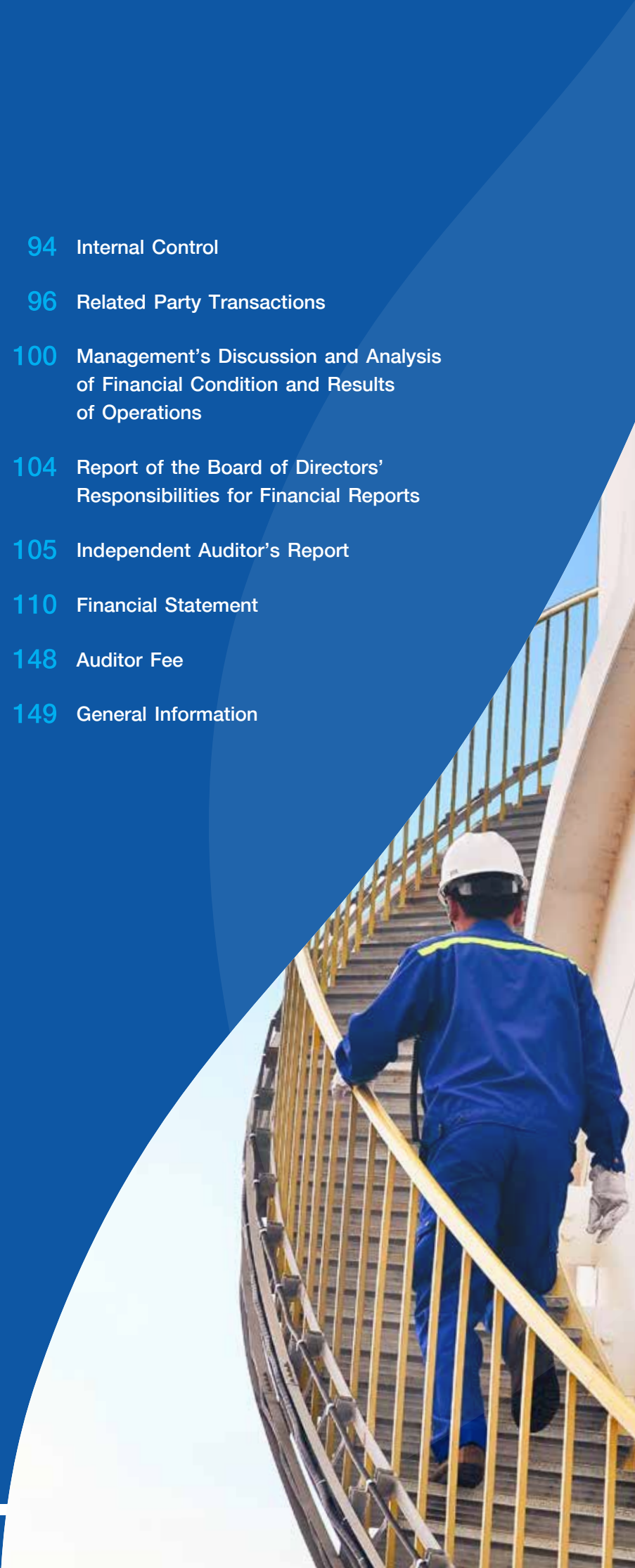
**ANNUAL REPORT
2018**



Star Petroleum Refining Public Company Limited

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Star Petroleum Refining Public Company Limited



OUR VISION

One Family...

Fueling the Future of Thailand

OUR MISSION

"We are a highly engaged Family, dedicated to providing sustained superior returns to our shareholders through industry leading safe and reliable operations, producing quality products that exceed customer expectations, in harmony with our communities and the environment."

CORE VALUES

Star Leader / Outstanding / Role model

Professional Integrity / Professionalism / Performance driven

Reliable Accountable / Ready / Trustworthy

Caring Responsible citizen / Compassion / Sincere

Message from the Chairman

In 2018, SPRC continued to differentiate itself through strong family values and a commitment to personal and process safety that is second to none. It is this commitment that allows SPRC to **“Set the Standard” in all aspects of the business. SPRC’s three key strategic intents are to “Set the Standard as Employer of Choice”, “Set the Standard in Operational Excellence”, and “Set the Standard in Shareholder Return”.** In addition, the Board of Directors, SPRC management and the SPRC Family are committed to the highest standards of business conduct, ethics, transparency, and corporate governance.

We are also proud of the care and concern the SPRC Family shows for the communities in which we belong via our Corporate Social Responsibility efforts. In 2018, SPRC supported over 1800 HIV/AIDs patients at the Rayong Camilian Social Center by installing solar panels to reduce electricity costs with clean renewable energy and initiate the “Pook-Pan” project of Tie Dye Clothing to create their career opportunity and generate income. This is just one example of many where the SPRC Family works hard to give back and contribute to the betterment of those that support us.

The global refining industry was challenged in the second half of 2018 due to fluctuating crude and product prices, resulting in lower margins and a write down of inventory of \$62 million in the fourth quarter. SPRC’s Gross Refining Margin was US\$5.67/barrel with Net earnings of US\$74 million for the year. Earnings per share were US\$0.016 (Baht 0.52). SPRC paid dividends to our shareholders in May and September this year of THB 0.6806/share and THB 0.5928/share, respectively.

SPRC achieved outstanding performance in Operational Excellence by following the “Formula for Success” and maximized financial returns given market conditions. The long running safety streak continues at more than five and a half years or over 18 million working hours without a Days Away from Work injury. Although reliability and utilization were slightly below our targets due to the CDU and VDU shutdown in August, they were still among the best in the industry. SPRC was able to utilize its Bottom Line Improvement Program (BLIP) to boost financial returns, through feedstock, process and product optimizations, as well as driving operational cost efficiency.

The Board of Directors takes great pride in SPRC’s Family culture and Core Values, which allowed SPRC to work through the year’s challenges efficiently, minimizing impacts to our business partners and maximizing margin realization, while also maintaining strong corporate governance, and a reputation for transparency, honesty and fairness. External verification is provided by the Thai Institute of Directors Association (IOD) with an “Excellent” CG Award and through certification by the Thailand Private Sector Collective Action Coalition Against Corruption (CAC) in recognition of strong Corporate Governance (CG) program

The Board has great confidence that SPRC’s One Family, Core Values, Formula for Success, and Strategic Intents will continue to provide long term performance that will keep SPRC in the very top tier of Asia Pacific refineries.

On behalf of the SPRC Board of Directors, executives and employees, I would like to thank SPRC’s investors for their belief in our company. I would also like to thank the SPRC Family, business partners and other stakeholders for their help in the past and future enabling SPRC’s sustained performance. I believe this continued performance is a strong indicator of SPRC’s ability to continue to “Set the Standard” and to achieve the Vision of **“One Family - Fueling the Future of Thailand”** for many years to come.



Mr. Andrew Benjamin Walz
Chairman of the Board of Directors



Greetings from Tim

In April of 2018, I had the pleasure of succeeding William Stone, as the CEO of SPRC. For the past 30 years I've worked in the petroleum industry around the world in different environments and cultures. Being given the opportunity to join the SPRC Family is truly the pinnacle of my career. It has been an incredible privilege to get to know and work with the SPRC Family, which includes our shareholders, employees, contractors, customers, vendors, government agencies, press and surrounding communities.

It is clear to me, as I am sure that it is to all of our stakeholders, that SPRC's **"ONE FAMILY"** culture differentiates us and creates the foundation for our sustained strong performance. Our culture is based on care and concern for each other, enabling us to build lasting collaborative relationships. It is the strength of these relationships which is core to our foundation allowing our Family members to achieve the highest levels of performance working together.

SPRC's 2018 Annual Report provides details of SPRC's operational and financial performance, corporate governance, investor relations, and progress towards our strategic intents. SPRC's strategic intents remain unchanged as they continued to serve us well:

- **Set the Standard in Asia Pacific for Shareholder Return,**
- **Set the Standard Globally for Operation Excellence, and**
- **Set the Standard in Thailand as Employer of Choice.**

We strive to achieve these strategic intents through our passionate commitment to personal safety such that everyone in our "One Family" goes home safely each day and stays safe at home as well. In 2018, the SPRC Family again had no days away from work injuries, completing over 18 million safe working-hours since 2013.

SPRC's "Formula for Success" starts with this strong passion for personal safety, and leverages it into exceptional process safety and reliability, which allows us to maximize utilization of our facilities. World class reliability and utilization empowers our SPRC Family to focus on maximizing Gross Refining Margin as they have the time and resources to fully optimize our processes at the lowest sustainable cost. The formula is simple, but it requires commitment, discipline and attention to detail. SPRC's ability to successfully implement the formula is the "secret" behind our ability to Set the Standard.

SPRC's operational reliability and utilization metrics were near the top in the Asia-Pacific region but didn't quite meet our own high expectations. They were hampered slightly due to a short, unplanned shutdown of our Crude and Vacuum Distillation Units in August. The SPRC Family - employees, contractors and customers - worked together to meet the challenges and minimize the impacts to our operations, customers and other stakeholders. The cause has been identified and design enhancements are planned for the upcoming Turnaround and Inspection (T&I).

In the second half of the year, the global refining business became challenging, due to fluctuating product margins and crude prices, which impacted our financial returns. To mitigate the lower margins, SPRC continued its Bottom Line Improvement Program to identify and implement initiatives to improve our returns, providing a \$0.34/bbl improvement over our 2017 performance.

During 2018, preparations for the 2019 “Event” became a primary focus area for the SPRC Family. The Event will be a Refinery wide Turnaround and Inspection (T&I). During this T&I we will inspect and maintain the facility to ensure that it runs safely and reliably for the next six year run. SPRC will also take the opportunity to complete projects to improve operational safety, reliability, flexibility and increase capacity. The Capacity Increase Project will increase capacity of the refinery from 165,000 to 175,000 bbl/day.

SPRC recognizes that to achieve a truly sustainable business, we must have balance between financial performance, stewardship of the environment, and social responsibility. Sustainable Development concepts are incorporated into all of our business plans, work practices, procedures and decision making. In the coming years, SPRC plans to continue to strengthen our Family’s awareness and commitment to the United Nations Sustainable Development Goals.

The SPRC Family knows that strong corporate governance is key to our success. That is why it is an element of our SPRC Core Values (Professionalism), and is therefore deeply embedded in our One Family culture. We recognize that a key element of our success with our stakeholders is our reputation for transparency, honesty and fair dealing. This value is firmly rooted in the integrity and behavior of our management and staff. We are proud to have received certification by the Thailand Private Sector Collective Action Coalition Against Corruption (CAC) in recognition of strong corporate governance program.

SPRC continues to focus on employee development as our people are SPRC’s most important asset. It is our Family members who will continue to differentiate SPRC as they are our future leaders. Today’s excellent performance will be sustained and improved upon by these future leaders, allowing us to “Set the Standard”, and to be in a position to provide the products that power the financial growth engine of Thailand for many years to come, achieving our vision of being:

**“One Family...
Fueling the Future of Thailand”**



Mr. Timothy Alan Potter

Director and Chief Executive Officer



Performance Review



SPRC's goal is to finish every day incident and injury free. Our incident and injury free culture is the basis for our target of everyone going home safely every day - and our extended target of ensuring our SPRC Family and their families stay safe at home as well. Incident and injury free is focused on both process and personal safety and reliability.

We strive to create and sustain not only a world class safe operating culture, but also uphold the highest environmental standards. We work to mitigate risks and improve our environmental performance. We conduct business and operations with a commitment to develop, maintain, and operate projects in exceeding the regulations. We also engage with stakeholders and communities to understand their perspectives.

Success at incident and injury free is the first component of our Formula for Success - safe and reliable operations, allowing high process facility utilization, opportunity to optimize our operations and drive sustainable operational and financial performance. This winning Formula meets the expectations of our many stakeholders, through safety for our Family, environmental performance ensuring minimal impact on our communities, and top financial performance for our shareholders.

The SPRC family continues to look for ways to enhance our incident and injury free performance, including through new initiatives such as Human Performance, expanding our Verification and Validation process, and continuous improvement of our EH&S and Asset Management Systems. Human

Performance is the way SPRC family, Culture, Equipment, Work Systems and Processes interact as a system. We dedicate our efforts to focus on proactively reducing human failure.

At the end of 2018, we recorded 18.1 million man-hours and 5.5 years since our last "days away from workcase (DAFW) and 2.3 million man-hours since our last recordable injury.

In 2018, SPRC had unplanned maintenance activities in the CDU, VDU and RFCCU which impacted our reliability, utilization, and financial performance. As we do for all incidents, both small and large, SPRC has determined the causes of these unplanned activities and made changes to our facilities and operational plans to ensure they do not repeat.





SPRC has the flexibility to run a wide range of crudes, and we constantly review and manage our crude selection to find the highest value crudes to produce high value products and maximize our margin. In 2018, we processed 37 crude types including 6 new crudes. We processed 160 thousand barrels per day of crude oil, or 97% of our crude capacity. In 2018, we produced and sold 67 million barrels of petroleum products.

SPRC's Bottom Line Improvement Program (BLIP) identifies and implements initiatives to improve our margins. We use Advance Optimization Studies and Innovation Quests and Product and Process Optimization to identify opportunities

in crude selection, product and process optimizations, slop management, oil loss and energy efficiency improvement. Over the years, BLIP has contributed margin improvement of US\$2.93/bbl, improving our marketing gross refining margin to US\$5.67/bbl.

SPRC utilizes Lean Sigma and continuous improvement methodology to identify initiatives through our People Efficiency and Waste Elimination (PEWE), which achieved cash operating cost reductions of US\$2.6 million in 2018.

The net income after tax for the year 2018 was US\$73.6 million.

Achievements and Awards



Environment & Safety



Corporate Governance

1



CSR-DIW Continuous Award 2018

granted by the Department of Industrial Works (DIW), Ministry of Industry, for 3rd Consecutive years, in recognition of SPRC who has shown continuous commitment to corporate social responsibility (CSR) continuous development

2



Green Industry Level 3:

Green System Awards from 2016 - 2019 granted by Ministry of Industry for systematic environmental management including follow-up, assessment and revision aimed to continuous development

3



ESG 100 (Environmental, Social and Governance),

SPRC was selected as one of 100 listed companies, that are most outstanding in terms of environmental, social and governance performance this year by Thaipat Institute.

4

CG Award "Excellent" scoring,

granted by Thai Institute of Directors Association (IOD), in collaboration with the Stock Exchange of Thailand (SET), to evaluate the good governance of Thai Listed Companies on: Rights of Shareholders, Equitable Treatment of Shareholders, Role of Stakeholders, Disclosure and Transparency, and The Board Responsibilities.



5

The Company was approved by the Thailand Private Sector Collective Action Coalition Against Corruption (CAC) to be the Certified Company.



Global Standard



Company Performance

6

ISO 9001:2015

(Quality Management)

ISO 14001:2015

(Environmental Management)

ISO/IEC17025:2005

(Competence of Testing and Calibration Laboratory)

ISO 45001:2018

(Occupational Health and Safety)



7

Bank of Thailand (BOT) has granted the “Qualified Company” status, in recognition of SPRC meet BOT’s requirements on having a clear foreign exchange risk management policy, as well as appropriate governance and internal control framework.

8



“Outstanding Company Performance Awards”

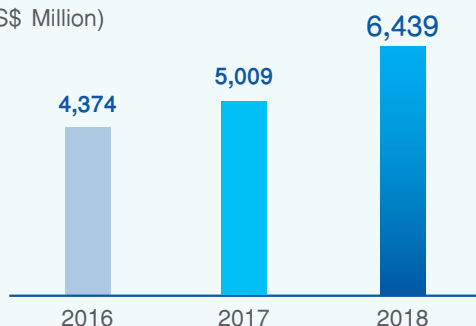
at the SET Awards 2018 category of SET market capitalization of over THB 30 bln. -THB 100 bln. , by the Stock Exchange of Thailand and money & Banking magazine.



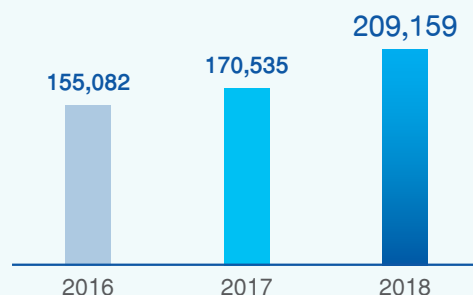
Financial Highlights

TOTAL REVENUE

(US\$ Million)



(Baht Million)

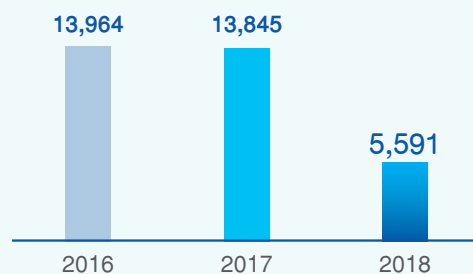


EBITDA ⁽¹⁾

(US\$ Million)

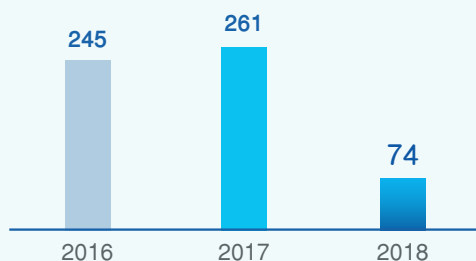


(Baht Million)

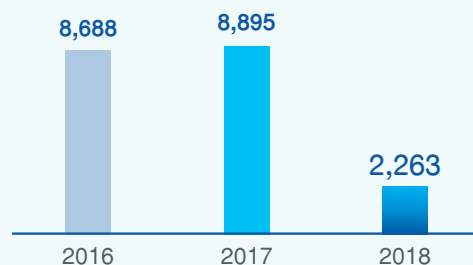


NET PROFIT / (LOSS)

(US\$ Million)



(Baht Million)



⁽¹⁾ EBITDA is Earnings before Interest, Taxes, Depreciation and Amortization.

Statement Of Financial Position (US\$ Million)	2016	2017	2018
Total Assets	1,672	1,821	1,687
Cash and cash equivalents	6	66	2
Current assets	652	810	781
Property, plant and equipment, net	1,005	937	880
Non-current assets	9	7	24
Total Liabilities	513	539	505
Current liabilities	397	513	481
Non-current liabilities	116	26	24
Total Shareholders' Equity	1,159	1,282	1,182

Statement Of Financial Position (Baht Million)	2016	2017	2018
Total Assets	60,188	59,797	55,010
Cash and cash equivalents	233	2,171	74
Current assets	23,474	26,593	25,447
Property, plant and equipment, net	36,170	30,791	28,698
Non-current assets	311	241	791
Total Liabilities	18,469	17,696	16,482
Current liabilities	14,291	16,848	15,704
Non-current liabilities	4,178	848	778
Total Shareholders' Equity	41,719	42,101	38,528

Key Financial Ratio	2016	2017	2018
Current ratio (time)	1.7	1.7	1.6
Net profit margin (%)	5.6	5.2	1.1
Return on assets (%)	14.6	15.0	4.2
Return on equity (%)	22.6	21.4	6.0
Net debt to equity (time)	0.4	0.4	0.4
Interest coverage (time)	108.5	133.2	165.6
Dividend payout (%)	110.1	53.0	233.3



For more information
Scan here

Overview of Business, Vision, Mission, and Strategy

SPRC is one of the most modern refineries in Thailand with a capability to process a wide range of crude oils and produce high quality Petroleum products. Our complex refinery is located in the Map Ta Phut Industrial Estate, Rayong, which provides easy access to multiple transportation links ensuring convenient and cost effective transportation for our refined products. Our refining capacity is 165,000 barrels per day of crude oil, which is approximately 13% of Thailand total refining capacity. We produce a wide range of high quality Petroleum products including liquefied petroleum gas ("LPG"), polymer grade propylene ("PGP"), chemical grade naphtha, premium and regular grades of gasoline, jet fuel, diesel, fuel oil, and asphalt. We place our Petroleum products primarily to Thai domestic market, mostly through our long term major customers, Chevron and PTT.

SPRC's Vision is:

"One Family..."

Fueling the Future of Thailand"

SPRC's Mission is:

"We are a highly engaged Family, dedicated to providing sustained superior returns to our shareholders through industry leading safe and reliable operations, producing quality products that exceed customer expectations, in harmony with our communities and the environment"

Strategy

SPRC has 3 Key Result Areas, which are Operational Excellence, People, and Stakeholders, to achieve our Mission and Vision. The strategic objectives of each Key Result Areas are defined as follows:

1. Operational Excellence: Set the Global Standard for Operational Excellence

SPRC has a strong One Family culture, where we care about each other like a family. This caring culture is the basis our belief in achieving incident and injury free operations. We work

together as One Family to protect our staff and contractors, the surrounding community, the environment, and to be our customers partner of choice. We are committed to both personal safety and process safety excellence. SPRC continues to set the standard through Human Performance (HP), to help improving our performance through recognizing potential errors, and putting procedures and practices in place to eliminate these errors, and reduce the chance of incidents or injuries in our workplace. We continuously look for ways to strengthen our performance to sustain our world leading safety and reliability performances.

2. People: Set the Standard in Thailand as the Employer of Choice

SPRC drives our organization through high efficiency work teams and an engaged family, to set the standard in Thailand as the Employer of Choice. We continue to strengthen our Knowledge Management program to create a learning organization and continue to develop world class leaders throughout our organization.

3. Stakeholders: Set the Standard in Asia Pacific for Shareholder Return

SPRC sets the standard for Shareholder Return through our Bottom Line Improvement Program (BLIP) which focuses on capturing increased margin and drives for improved financial performance. BLIP focus includes crude and feedstock optimization, process optimization, product optimization, cracker feed synergy, improved energy efficiency and oil loss, people efficiency and waste elimination. We strive to continuously improve efficiency and develop and implement new initiatives to continuously improve incremental margin. One way we do this is to sustain placement of our products in the higher value domestic market through being the Supplier of Choice.

Sustainable Development (SD) concepts are integrated throughout our business and operational policies, procedures and work instructions through the Refinery Management System. SPRC has 9 focus areas where we have assigned teams to help drive better performance.

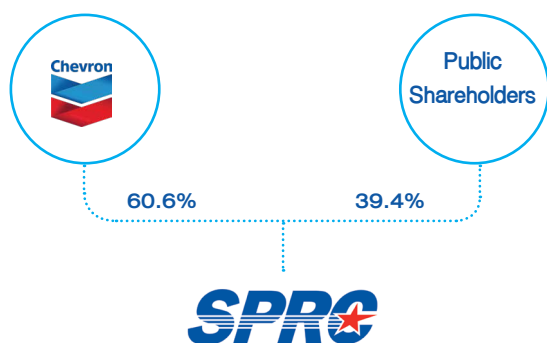
Key Accomplishments in 2018

Our key accomplishment in 2018 are:

- Achieved 18.1 million man-hours without a days away from work injury.
- Stayed competitive through Bottom Line Improvement Program (BLIP), margin captured \$2.93/bbl, and increase of \$0.34/bbl over 2017.
- Crude optimization with 37 types of crude processed during the year including 6 crudes new to SPRC.
- Increased diesel production capacity by 2% to serve domestic demand.
- Increased optimization to maximize synergy exchanges with PTTGC to capture benefit during strong diesel market.
- Received Environmental Impact Assessment approval for our Capacity Project and other projects in March, which allows us to execute a refining capacity expansion project to 175,000 barrels per day in 4Q 2019.
- Received an Outstanding Company Performance Awards at the SET Awards 2018.

Shareholding Structure

Chevron is our major shareholder, holding 60.6% of share in SPRC. The present shareholding structure is as shown below.



Our long standing relationship with our major shareholder, Chevron, provides SPRC global access to a wide range of competitively priced crudes and feedstocks, and petroleum products sales network. Chevron provides SPRC access to proprietary technologies, operational expertise and best practices from an industry leading international oil company, ensuring SPRC remains a top performer in safety and reliability, and stays competitive among Thai refineries.

Human Performance

Human Performance (HP) is one of the key focus areas that will help SPRC continually improve on our Incident and Injury Free journey. The HP program is primarily designed around the process of helping people become more effective in the workplace as well as becoming more aware of the potential to make errors. HP is then about understanding what changes can be made to improve people effectiveness and building in safeguards or tools to either minimize the chance of errors occurring or to reduce the consequences.

The HP program has looked at the following:

- Increasing the overall Staff Awareness of what HP is about and how it can impact their personal performance
- The upgrading our Critical Work Procedures through their review and then conversion into a consistent “smart” format
- The review of Job Competency Profiles and the associated training programs
- The incorporation of a more robust and consistent Shift Turnover Process
- The incorporation of the HP principles into the Incident Investigation and Reporting process

The following are highlights of the HP achievements for year 2018:

- Conducted HP workshops across the organization with the theme “Right Task, Right Way, Every Time”
- Extended the HP program to the Administration side of the company
- Use of technology to support Operator Driven Reliability (ODR)
- Competency recertified for Operations positions
- Application of rigorous audit program for critical Safe Work Practices in Operations

In 2019 we will shift much of the Operations focus to supporting the major shutdown of the refinery “The Event” in Q4. The HP program will continue to upgrade procedures, maintain consistency in shift turnovers and build competency across the organization. These activities, together with the inclusion of the HP principles in the incident investigation process will help ensure a safe a successful “Event” execution in 2019.

Nature of Business

SPRC is one of the leading petroleum product producers in Thailand and among the most efficient refineries in the Asia Pacific region. We own and operate a complex refinery with a capacity of 165,000 barrels per day of crude oil, which represents 13.4% of the refining capacity in Thailand.

Crude and Product

Our refinery is capable of processing a wide range of crude oil, which we typically source from the Middle East and the Far East. Our choice of feedstocks and product slate at any time depends on relative prices and yields. We decide on our product slate with input from our offtakers, based on our assessment of demand and projected prices for the various products that we can produce, typically around three months in advance of expected orders.

Our primary petroleum products from the distillation and conversion of crude oil are hydrocarbon fuels, which include LPG, premium and regular grades of gasoline, jet fuel, diesel, fuel oil and asphalt, as well as petrochemical feedstocks used in the petrochemical industry, which include PGP, LPG, chemical grade naphtha, mixed C4, reformat and sulfur.

Revenue structure

The following table sets forth the sales revenue and sales volumes of our various petroleum products for the periods indicated. Sales prices and revenue include excise taxes, oil fund, conservation fund and local taxes on fuels as required. These taxes are pass-through taxes that are sent on to the government.

Year Ended December 31,									
Sales Revenue (in millions of US\$)	2016			2017			2018		
	Sales Revenue	Volume (thousand barrels)	\$/bbl ⁽²⁾	Sales Revenue	Volume (thousand barrels)	\$/bbl ⁽²⁾	Sales Revenue	Volume (thousand barrels)	\$/bbl ⁽²⁾
Polymer Grade Propylene	98.5	1,620	60.81	99.2	1,414	70.21	122.1	1,490	81.99
Liquefied Petroleum Gas	107.9	2,931	36.81	128.7	2,703	47.63	137.0	2,718	50.42
Light Naphtha	108.9	2,607	41.78	131.6	2,487	52.91	181.8	2,804	64.84
Gasoline	1,420.0	16,336	86.92	1,556.1	15,382	101.16	1,868.8	16,277	114.81
Jet Fuel	234.1	4,537	51.59	286.3	4,131	69.30	466.7	5,181	90.09
Diesel	1,817.8	23,386	77.73	2,053.0	22,148	92.69	2,694.6	23,464	114.84
Fuel Oil	253.5	7,761	32.67	349.4	7,221	48.38	437.7	6,855	63.84
Asphalt	33.7	1,244	27.05	55.5	1,232	45.07	49.5	825	60.01
Mix C4	91.6	2,146	42.68	115.6	2,533	45.64	125.8	2,247	55.99
Crude	25.1	652	38.48	0.9	16	54.45	0.3	5	72.17
Other ⁽¹⁾	182.4	3,767	48.43	232.6	4,226	55.06	354.1	5,015	70.61
Total Revenue	4,373.5	66,987	65.29	5,008.9	63,492	78.89	6,438.6	66,880	96.27

⁽¹⁾ Includes sulfur, reformat and products sold pursuant to our cracker feed exchange with PTT Global Chemical

⁽²⁾ Includes excise tax, energy conservation promotion fund, oil fuel fund and local taxes

We sell a significant portion of our petroleum products primarily through the Offtake Agreement that we have entered into with Chevron and PTT and we sell our products both domestically and for export. From time to time, we also enter

into a variety of short-term product sales agreements on a spot or term basis for the remaining petroleum products that are produced in our refinery.

Our top 2 customers are Chevron and PTT. The following table sets forth the percentage of total revenue accounted for by Chevron and PTT, respectively, for the periods indicated.

Year Ended December 31,			
	2016	2017	2018
% of Total Revenue			
Chevron	55.8	57.5	52.4
PTT	32.5	31.3	35.0
Others	11.7	11.2	12.6
Total	100.0	100.0	100.0

The following table sets forth our sales revenue for our petroleum products that are sold domestically as compared to export for the periods indicated. The domestic market is typically higher value than the export market.

Year Ended December 31,						
	2016		2017		2018	
	Sales Revenue	% of Total Revenue	Sales Revenue	% of Total Revenue	Sales Revenue	% of Total Revenue
(in millions of US\$, except for percentages)						
Petroleum Products						
Domestic	4,036.4	92.3	4,354.8	86.9	5,728.7	89.0
Export	337.1	7.7	654.1	13.1	709.9	11.0
Total Revenue	4,373.5	100.0	5,008.9	100.0	6,438.6	100.0

The following table sets forth our sales revenue for each of our petroleum products and such revenue as a percentage of our total revenue for the periods indicated.

Year Ended December 31,						
Sales Revenue (in millions of US\$)	2016		2017		2018	
	Sales Revenue	% of Total Revenue	Sales Revenue	% of Total Revenue	Sales Revenue	% of Total Revenue
Polymer Grade Propylene	98.5	2.3	99.2	2.0	122.1	1.9
Liquefied Petroleum Gas ⁽¹⁾	107.9	2.5	128.7	2.6	137.0	2.1
Light Naphtha	108.9	2.5	131.6	2.6	181.8	2.8
Gasoline	1,420.0	32.5	1,556.1	31.1	1,868.8	29.0
Jet Fuel	234.1	5.3	286.3	5.7	466.7	7.2
Diesel	1,817.8	41.5	2,053.0	41.0	2,694.6	41.9
Fuel Oil	253.5	5.8	349.4	7.0	437.7	6.8
Asphalt	33.7	0.8	55.5	1.1	49.5	0.8
Mix C4	91.6	2.1	115.6	2.3	125.8	2.0
Crude	25.1	0.6	0.9	0.0	0.3	0.0
Others ⁽²⁾	182.4	4.2	232.6	4.6	354.1	5.5
Total Revenue	4,373.5	100.0	5,008.9	100.0	6,438.6	100.0

⁽¹⁾ Includes Government fuel subsidies

⁽²⁾ Includes sulfur, reformat and products sold pursuant to our cracker feed exchange with PTT Global Chemical

Product Pricing

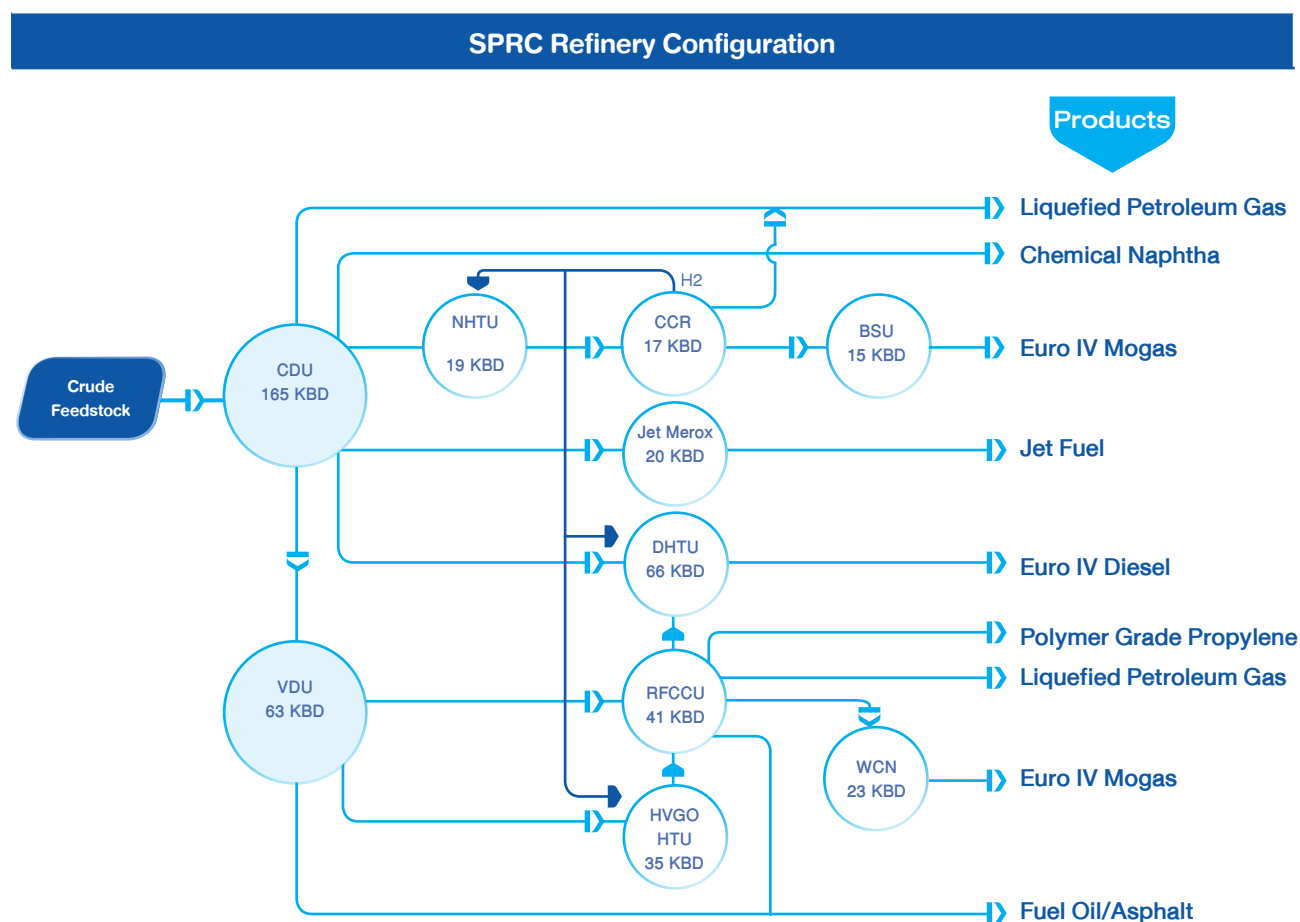
Most of the products sold through the offtake Agreement are benchmarked off the Mean of Platts Singapore, or MOPS. Thai domestic prices are adjusted from MOPS pricing with certain transportation, production, product quality, and market adjustments as appropriate.

Domestic sale prices of petroleum products sold outside of the Offtake Agreement are also market driven and are generally based on the monthly average of regional benchmark prices with certain adjustment for the applicable product in the month that they are sold. Our exports for petroleum products are also generally based on benchmark pricing, such as the price for the relevant product quoted on MOPS, plus or minus a premium or discount based on market conditions and negotiations with potential purchasers as well as differences in product quality and location.

The following diagram illustrates our refinery's configuration:

Production Facilities and Processes

Our production facilities are located in Rayong province, approximately 200 kilometers to the southeast of Bangkok. Our refinery is a cracking refinery as compared to a hydroskimming refinery. Hydroskimming refineries are relatively low complexity refineries that have a significant amount of fuel oil yield. Cracking refineries are able to upgrade a significant portion of fuel oil into higher value transportation fuels such as gasoline, jet and diesel, providing a much higher margin than hydroskimming refineries.



KBD = 1,000 barrels per day

Our refinery's main units comprise of the following (all capacity figures are given as of 31 December 2018):

- one Crude Distillation Unit ("CDU") that heats crude and then distills it, with a capacity of 165,000 barrels per day that uses crude oil as a primary feedstock and primarily produces LPG, naphtha, jet fuel, diesel and long residue;
- one Vacuum Distillation Unit ("VDU") that uses a vacuum to improve distillation of long residue from the CDU, with a capacity of 63,400 barrels per day, and primarily produces diesel, heavy and very heavy vacuum gas oil, fuel oil and asphalt.
- one Naphtha Hydrotreater Unit ("NHTU"), with a capacity of 18,900 barrels per day, which removes sulfur from heavy naphtha prior to feeding it to the continuous catalytic regeneration reformer;
- one Continuous Catalytic Regeneration Reformer ("CCR"), with a capacity of 17,400 barrels per day, which converts low-octane naphtha into high-octane reformate for production of various grades of unleaded gasoline;
- one Benzene Saturation Unit ("BSU") that reduces the benzene in reformate, with a capacity of 15,100 barrels per day;
- one Jet Merox Unit that treats jet streams from the CDU in order to produce jet fuel, with a capacity of 20,000 barrels per day;
- one Diesel Hydrotreater Unit ("DHTU") that treats streams from the CDU, VDU and RFCCU to produce diesel, with a capacity of 66,400 barrels per day;
- one Residue Fluidized Catalytic Cracker Unit ("RFCCU") that cracks petroleum hydrocarbons in order to convert heavy low value fractions of petroleum crude oils to more valuable and higher margin products, with a capacity of 40,800 barrels per day. The RFCCU operates in conjunction with one propane/propylene splitter that allows for the separation and production of polymer grade propylene (PGP), with a capacity of 6,400 barrels per day, as well as merox treating units designed to make LPG and gasoline products meet product specifications with a total capacity of 49,000 barrels per day;
- one Whole Cracked Naphtha Hydrotreater Unit ("WCN") that treats gasoline from the RFCCU, with a capacity of 22,600 barrels per day; and
- one Heavy Vacuum Gas Oil Hydrotreater Unit ("HVGO HTU") that removes sulfur and improves feed quality for the RFCCU, with a capacity of 34,700 barrels per day.

Overview of the Refinery Production Process

By heating crude oil to a certain temperature and sending it to the crude distillation unit, it is possible to separate crude oil into different fractions, each with its own boiling range. The crude distillation unit produces several streams that are utilized in the refinery to produce different petroleum products. The lighter boiling components rise up the crude distillation tower while the heavier boiling components fall to the bottom. As the lighter components pass through the crude distillation tower, the oil's temperature gradually drops and vapor is condensed. The distillation of oil vapors at different temperatures produces various petroleum products such as LPG, naphtha, jet fuel, and diesel. The heavier components are sent to the vacuum distillation unit which reduces the boiling point of the heavier components to facilitate the separation of diesel and heavy vacuum gas oil from residue. The residue from the vacuum distillation unit is used to produce fuel oil and asphalt. The heavy vacuum gas oil and very heavy vacuum gas oil are sent to the RFCCU.

The heavy vacuum gas oil from the vacuum distillation unit is fed to the heavy vacuum gas oil hydrotreater, which removes sulfur and improves feed quality for the RFCCU. The RFCCU converts streams from the vacuum distillation unit and the heavy vacuum gas oil hydrotreater unit that would otherwise be used to make lower value fuel oil into lighter, more valuable products such as LPG, gasoline and diesel by cracking, or breaking, large molecules into smaller molecules. Our RFCCU also upgrades a portion of the vacuum distillation unit residue and this allows our refinery to process lower cost, heavier crude oils. A dedicated distillation process is used to separate components into refinery fuel gas, PGP, LPG, gasoline, diesel, and a small amount of fuel oil. The gasoline from the RFCCU is treated in the whole cracked naphtha hydrotreater unit to meet Euro IV gasoline specifications.

Some of the lighter components from the crude distillation tower are sent to a series of towers called the light end recovery. The separated components consist of a refinery fuel gas, LPG, light naphtha and heavy naphtha. Light naphtha is sent to the gasoline-blending unit, or sold as chemical naphtha to petrochemical companies as ethylene cracker feedstock. Low octane heavy naphtha is routed to the naphtha hydrotreater to remove sulfur and then to the continuous catalyst regeneration reformer to boost its octane by changing the shape of the oil molecules to higher octane molecules. The reformed naphtha, or reformate, is sent to the benzene saturation unit which reduces benzene content in order to comply with Euro IV specifications. The product from the benzene saturation unit is used to blend different grades of unleaded gasoline.

The oil from one of the streams of the crude distillation unit is directed to the Jet Merox Unit to remove contaminants to produce jet fuel. Other streams from the crude distillation unit, the vacuum unit and the RFCCU are treated in the diesel hydrotreater unit to produce Euro IV diesel.

Feedstocks

Crude Oil Supply

The main feedstock used in our refinery production process is crude oil. We are capable of processing a wide range of crude oil, including crude oil from the Middle East, Far East and other regions. As our refinery has upgrading and conversion units, we are able to use a higher proportion of heavy sour crude from the Middle East, which has a higher sulfur content and is less costly than light sweet crude, to produce a product slate that matches customer demand. We use Chevron's global crude and feedstock procurement network, crude characterizations and proprietary linear program to optimize the quantity and type of crude oil and other feedstocks that serve as inputs in our refinery. This allows us to more precisely source, select and blend crude oil that enhances our gross refining margins while meeting customer demand. Our crude oil slate is determined after we decide on our product slate with input from our offtakers, based on our

assessment of customer demand and projected prices for the various products that we can produce, typically around 3 months in advance of product sales. We input pricing and product demand information into Chevron's proprietary linear software, which takes into account our production processes and constraints, to determine the optimal blend of crude oil to purchase.

We source and purchase crude oil primarily through Chevron and PTT and their affiliates on credit terms that are in line with market practice.

Other Refinery Feedstocks and Raw Materials

We also purchase long residues and other feedstocks for processing in our refinery. We purchase such principal feedstock for our refinery primarily from Chevron under feedstock supply agreements. We use hydrogen to remove sulfur from our petroleum products as part of the hydrotreating process. We have entered into agreements with outside suppliers to provide supplemental hydrogen to our refinery.

Intermediate Products Exchange

We have entered into a cracker feed exchange with GC where we supply heavy vacuum gas oil as supplemental feed to GC's hydrocracker, and GC supplies us with hydrocracker bottoms as a supplemental feed to the RFCCU. The objective of the exchange is to increase yields of higher value products at both our RFCCU and GC's hydrocracker. Our facilities are located near to those of GC's refinery, and the intermediate products exchange is accomplished through use of direct pipelines.

Catalysts

We use various types of catalysts in many of the major units in our refinery to facilitate reactions to improve product yields and product quality. Catalysts typically last from 2 to 5 years, depending on the type of catalyst used and the unit in which it is used. We evaluate and select catalysts based on

their performance and price and the needs of our refinery. We typically purchase catalysts on a spot basis, based on technical and commercial considerations at the time. However, our Residue Fluidized Catalytic Cracker Unit requires continuous catalyst make-up, and we typically enter into term contracts for this continuous supply.

Flows and Storage

Crude Oil

We primarily receive crude oil shipments through a single point mooring system, that we own jointly with GC, that permits us to receive shipments from very large crude carriers, or VLCCs, of up to 265,000 dwt capacity. VLCCs significantly reduce crude transportation costs from the Middle East and we also take advantage of co-loading VLCCs with GC in order to share these transportation costs. The co-loading also applies the Aframax size with other refineries to minimize freight cost when receiving crude in smaller shipment. We are also able to receive crude oil in smaller shipments through a pier in our marine terminal. This crude is delivered to storage tanks at the refinery through pipelines that connect directly to our refinery.

Product Distribution

The strategic location of our refinery in the Map Ta Phut Industrial Estate in Rayong provides us access to a convenient product delivery network that allows us to distribute our products in a cost effective manner via transmission pipelines, coastal vessels via our marine terminal, and trucks via our truck loading terminal, to Thailand's main demand clusters for petroleum products. In addition, several petrochemical companies that purchase products from our refinery are also located in the vicinity of the Map Ta Phut Industrial Estate. Our refinery is connected to the Thapline pipeline and our offtakers transport gasoline, jet fuel and diesel through it to distribution networks in the Bangkok area. We operate a booster pump, which is jointly owned with GC, to deliver products to the Thapline pipeline.

We also have a marine terminal with two piers to distribute products throughout Thailand. The main pier has five berths and is able to accommodate vessels of up to 80,000 dwt and is used for the distribution of petroleum products both domestically and to export markets as well as to receive domestic crude oil and other feedstocks. We also have a second pier that has two berths for the loading and distribution of LPG.

We also operate a truck loading terminal for our offtakers to facilitate the distribution of our petroleum products to the southeast and northeast of Thailand, within Rayong province and to the Indo-China export market, including Laos, Cambodia and Myanmar. Our truck loading terminal also contains an asphalt loading rack to distribute asphalt and we charge operating costs of the truck loading terminal to offtakers. We have installed a vapor recovery unit and bottom loading capabilities in our truck terminal to reduce VOC emissions at the terminal.

Storage

Our refinery has a total of 71 storage tanks and facilities to enable us to store feedstocks after delivery and before process, products before delivery and certain intermediate processing streams. We have an aggregate nominal crude oil storage capacity of approximately 4.9 million barrels, representing up to 29 days' supply of crude oil. Thai regulations require us to hold a legal reserve of crude oil equivalent to 6% of our annual sale of petroleum products domestically. Our product inventory increases and decreases from time to time reflecting timing of product deliveries and operational variations.

Competition

The refining industry in Thailand is highly competitive. As of 31 December 2018, there were 7 refineries in Thailand, with a combined refining capacity of 1,235 kbpd. We principally compete with 5 other domestic petroleum refineries in Thailand with a combined capacity of 1,097 kbpd, which are Thai Oil, Esso, Bangchak Petroleum, GC, and IRPC. PTT, which is Thailand's largest oil and Gas Company, holds significant interests in 3 of our principal competitors: Thai Oil, GC and IRPC.

The Oil Refining Industry

Current Oil Price Environment

In 2018, crude prices were volatile with Dubai crude price moving between US\$49.50/bbl and US\$84.41/bbl, with an average of US\$69.65/bbl, which was higher than 2017 average of US\$53.16/bbl. Average Dubai price for Q2/18 and Q3/18 were US\$72.12/bbl and US\$74.25/bbl respectively as a result from Venezuela's production decline due to deteriorating economy, Libya's National Oil had declared force majeure on exports from Zawiya oil terminal as production at Sharara

oilfield dropped and Iran's crude oil exports are expected to decline after the U.S. withdrew from the Iran's nuclear deal. In the fourth quarter 2018, average Dubai price decrease to US\$67.44/bbl because of global supply increased and investors worried about the impact on fuel demand from lower economic growth and trade disputes. The Organization of the Petroleum Exporting Countries (OPEC) and other large oil producers led by Russia agreed in December to cut their combined crude output by 1.2 million barrels per day from January 2019 in order to stem the fall in oil prices. The U.S. crude oil stocks have reached low record stock levels at 441 million barrels at the end of December 2018.

US\$/Bbl



Oil Industry Outlook

The International Monetary Fund (IMF) has projected world economic growth to expand by 3.7% in 2019. The advanced economies forecast for 2019 is 2.1% which lower from 2018 as the decline in advanced economy growth with the unwinding of the US fiscal stimulus and the fading of the favorable spillovers from US demand to trading partners is offset by a pickup in emerging market. World liquids demand growth largely unchanged at 1.3 mb/d in 2018 and 1.4 mb/d in 2019 as a weaker economy is largely offset by lower oil prices.

Asian refined products demand growth is expected to reduce modestly in 2019 amid slowing economic growth and rising trade tensions. Middle distillate demand growth will remain relatively strong amid the continual development of

aviation infrastructure in developing countries and relatively low airfares in a bid by airlines to retain market. Asian gasoline and naphtha demand growth is estimated to moderate further owing to weaker automobile car sales in China and more ample supply availability. Fuel oil demand growth is expected to remain relatively flat in first half 2019 before declining ahead of the IMO 0.5%S bunker fuel specification.

Excess of supply is expected to return the market balance in 2019 due to OPEC and non OPEC agreed to cut oil production 1.2 MMBPD starting in January 2019, along with declining Iranian output, should allow a modest recovery in prices.

Environmental Matters

Our operations are subject to various environmental laws and regulations, including the Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992), the Factory Act B.E. 2535 (1992) and Fuel Control Act B.E. 2542 (1999). In 1992, Thailand strengthened environmental laws and regulations in order to promote sustainable development and to better protect the natural environment. Environmental laws and regulations, among other matters, restrict the type, quantities and concentration of various substances that can be released into the environment. Our operations are also subject to laws and regulations relating to the generation, handling, storage and transportation of petroleum products, as well as the treatment of pollutants. These environmental laws and regulations, particularly those relating to waste management, air emissions and water discharged from our operations, affect our oil refining business. The primary governmental bodies which supervise the environmental aspect of our operations are the Office of Natural Resources and Environmental Policy and Planning under the Ministry of Natural Resources and Environment, the Pollution Control Department of the Ministry of Natural Resources and Environment, the Industrial Estate Authority of Thailand, the Industrial Works Department of the Ministry of Industry and the Department of Energy Business of the Ministry of Energy.

We have implemented various pollution control system and other environmental impact mitigation measures and monitoring program as required by applicable law, including applying advanced technologies to reduce emissions and conserve resources. Our refinery has implemented a high efficiency wastewater treatment system consisting of an oil and water separator that permits the recycling of oil, an induced air flotation unit that also improves oil and water separation,

an equalization unit that mixes and controls the volume and concentration of contaminant and bio treaters that remove contaminants prior to discharging water. Our refinery has implemented solid waste management system to ensure that all types of wastes generated from SPRC sites are properly classified, handled and safely disposed of in compliance with Thai legislation and International agreements. We also applied 3Rs (Reduce, Reuse and Recycle) in the solid waste management. SPRC waste management focus to reduce or minimize the amount of waste generated and disposal in landfill by incorporating 3Rs wastes where possible, disposing the remainder in a safe and environmentally responsible and acceptable manner.

In year 2018, the government has announced the Enhancement and Conservation of National Environmental Quality Act (number 2) B.E. 2561 and Ministry of Industry has announced exception of non-hazardous waste movement permit requisition B.E. 2561 and which currently we have already complied with this regulation.

We conduct regular reviews aimed at achieving compliance with our environmental policies. We believe we are in compliance in all material respects with environmental laws and regulations applicable to us.

SPRC believes in maintaining a good balance between environmental stewardship, financial performance, and social development. We have incorporated this fundamental Sustainable Development belief into the way we do business. Several key Focus Areas for us to continuously improve our performance include Green House Gases Emissions, Air Emissions, Oil Spill Prevention and Response, Water Management and Waste Management.

Risk Management and Risk Factors

Risk management is the one of important work processes in our refinery. Effective risk management minimizes the chance of the identified risk happening and the potential impact if it does occur, as well as providing valuable inputs to corporate decision making and strategic planning that improves business growth with sustainability.

SPRC has a robust work process to identify risk factors, develop risk assessments and mitigation plans to manage these risks. We attach great importance to identify risk factors from internal and external sources, which are aligned with our "Key Result Areas" KRA's), Operation Excellence, Stakeholders and People. We utilize a risk matrix to access which risks require mitigation plans.

The SPRC risk management process assesses risk throughout all areas of our business, including strategic risk, business risk, operational risk, financial risk, project risk, trading risk and compliance risk. All risk factors and mitigation actions are reviewed quarterly with the Risk Management Committee which consists of the Chief Executive officer, the deputy Chief Executive Officer-Operation, the Supply Planning Manager and the Chief Financial Officer. We also review our risk mitigation plans and progress on mitigation plans with the Audit Committee on a quarterly basis.

Strategic Risk

Refinery Competitive Position

SPRC uses Solomon Associates refinery benchmarking services to help SPRC develop aspirational targets to improve our operating efficiency and competitiveness. SPRC has demonstrated sustained performance meeting our aspirational targets in utilization, efficiency and reliability, which are the first steps in being competitive. To provide continuous improvement in financial returns, SPRC has a Bottom Line Improvement Program (BLIP) which addresses margin improvement, People Efficiency & Waste Elimination (PEWE) and oil loss control. We have effective work processes such as

Advanced Optimization Studies (AOS) and Innovation Quests (IQ) to help identify ideas to enhance refinery optimization.

SPRC shuts the entire refinery every five to six year for a major Turnaround and Inspection (T&I), which reduces downtime and increases major maintenance efficiency, improving our overall competitiveness. During our next T&I, scheduled in 2019, we will take the opportunity to implement projects to improve safety and reliability, reduce energy consumption, enhance flexibility for optimization of crude supply, and increase refinery capacity from 165,000 barrel/day to 175,000 barrel/day.

SPRC received a SET "Outstanding Company Performance Awards 2018" for the first time indicating excellent financial results, corporate governance and public disclosures.

Laws and regulations relating to the environment or product specification requirements

SPRC supplies products that meet or exceed customer requirements and expectations. We have a dedicated working team, the Crude to Customer Committee, to develop and implement effective work processes starting with crude buying and finishing with product delivery to the customers, to ensure we deliver the right products, on schedule. and fit to customers' needs.

SPRC is a member of the Federation of Thai Industry (FTI) where we work with other refineries to understand laws and regulations that may impact our business and advocate with the government as appropriate. This helps us develop mitigation plans to minimize potential risks from the regulations. Some of the laws and regulations SPRC reviewed in 2018, related to our business, include new global bunker fuel specifications from the IMO, EURO V fuels, LPG free market price, and future asphalt specifications. SPRC has developed mitigation plans and actions for each of these items, and has a process to ensure these actions are completed as planned.

Market Risk

Refinery margins are impacted by global drivers for crude and product prices in the market including supply and demand, much of which are outside of SPRC's control. SPRC has put a focus on those areas which we can control, to improve our performance relative to the market and improve our competitiveness. As stated above, SPRC sets aspirational targets for Operational Excellence through safe and reliable operations, allowing us to maximize utilization of our assets, and maximize profit through our Bottom Line Improvement Program (BLIP). We always set challenging targets to increase our realized margin over benchmark margins, whether in a low or high margin situation, which improves SPRC's competitiveness.

Operational Risk

A significant interruption in the operations

SPRC has a strong "One Family" culture, through which we commit to be incident and injury free in all our refinery's operation, which is the key driver for our excellent safety and reliability performance. SPRC's strategic intent is to Set the Standard globally for Operation Excellence. We seek to continuously improve our performance, using benchmarking from Solomon Associates to set our targets.

One of the methods SPRC is using to operate incident and injury free is to engage our family with "Human Performance" (HP) tools with the principle of the "Right Task, Right Way, Every Time". The Human Performance tool helps to identify and eliminate "error traps" from human mistakes, and support our family to perform tasks in procedure or skill based modes.

Process Safety Management (PSM) is another component of SPRC's Operational Excellence program. SPRC has embedded process safety concepts into our Refinery Management System that consists of Hydrocarbon Management, Asset Management, Administrative Management, and Environmental, Health and Safety Management. These management systems provide policies, procedures and work instructions for all areas of our business to ensure we operate incident and injury free.

SPRC also integrates Sustainable Development concepts with our "Key Result Areas" to ensure that our activities meet the expectations of all our stakeholders, including shareholders and the surrounding communities. SPRC received the CSR-DIW Continuous Award in 2018 for the 3rd Consecutive Year which was granted by the Department of Industrial Works (DIW), Ministry of Industry. The CSR-DIW Continuous Award recognizes SPRC's commitment to social responsibility, quality of life of employees, communities and the environment that must grow and develop together.

Financial Risk

SPRC has low debt/equity ratio and we have effective system to monitor including forecast cash flow. Moreover, our revenues, cost and expense are in US. dollar currency. These will help reducing our exposure to volatile interest rate and foreign exchange rate fluctuation.

Information on Securities and Shareholders

Our registered capital and paid-up capital

As of 31 December 2018, our registered and paid-up capital totaled Baht 30,004,442,705 consists of 4,335,902,125 ordinary shares with a par value of Baht 6.92 each

Shareholders

List of the top 10 major shareholders as of 28 August 2018

No.	List of the top 10 major shareholders	Number of shares	Shareholding percentage
1	CHEVRON SOUTH ASIA HOLDINGS PTE LIMITED ⁽¹⁾	2,625,888,656	60.56%
2	THAI NVDR CO., LTD.	353,055,482	8.14%
3	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	110,319,832	2.54%
4	STATE STREET EUROPE LIMITED	102,408,900	2.36%
5	THE BANK OF NEW YORK (NOMINEES) LIMITED	37,774,200	0.87%
6	N.C.B.TRUST LIMITED	18,862,836	0.44%
7	MR. MIN TIEANWORN	18,400,000	0.42%
8	GOVERNMENT PENSION FUND	17,074,800	0.39%
9	BNP PARIBAS SECURITIES SERVICES, LONDON BRANCH	16,184,000	0.37%
10	BANGKOK LIFE ASSURANCE PCL	15,738,000	0.36%

⁽¹⁾ Chevron South Asia Holdings Pte. Limited operates its business by holding shares in other petroleum refinery companies, i.e. investing in its subsidiaries and associated companies. As of the effective date hereof, Chevron Corporation, through its subsidiaries, holds 100 percent of shares in Chevron South Asia Holdings Pte. Limited

Share transfer restrictions

Our shares can be transferred without any restriction.

Dividend policy

The dividend payment policy of SPRC is to pay twice per year of at least 50 percent of net profits after legal reserve requirements. The payment is subject to actual and future cash flows, market conditions, capital requirements and other considerations as our board of directors may deem relevant.

The dividend declaration shall be made in US Dollar and converted to Thai Baht by using the average selling exchange rate of The Bank of Thailand for 7 Banking days before the notification date of the Board of Directors for consideration on the dividend payment.

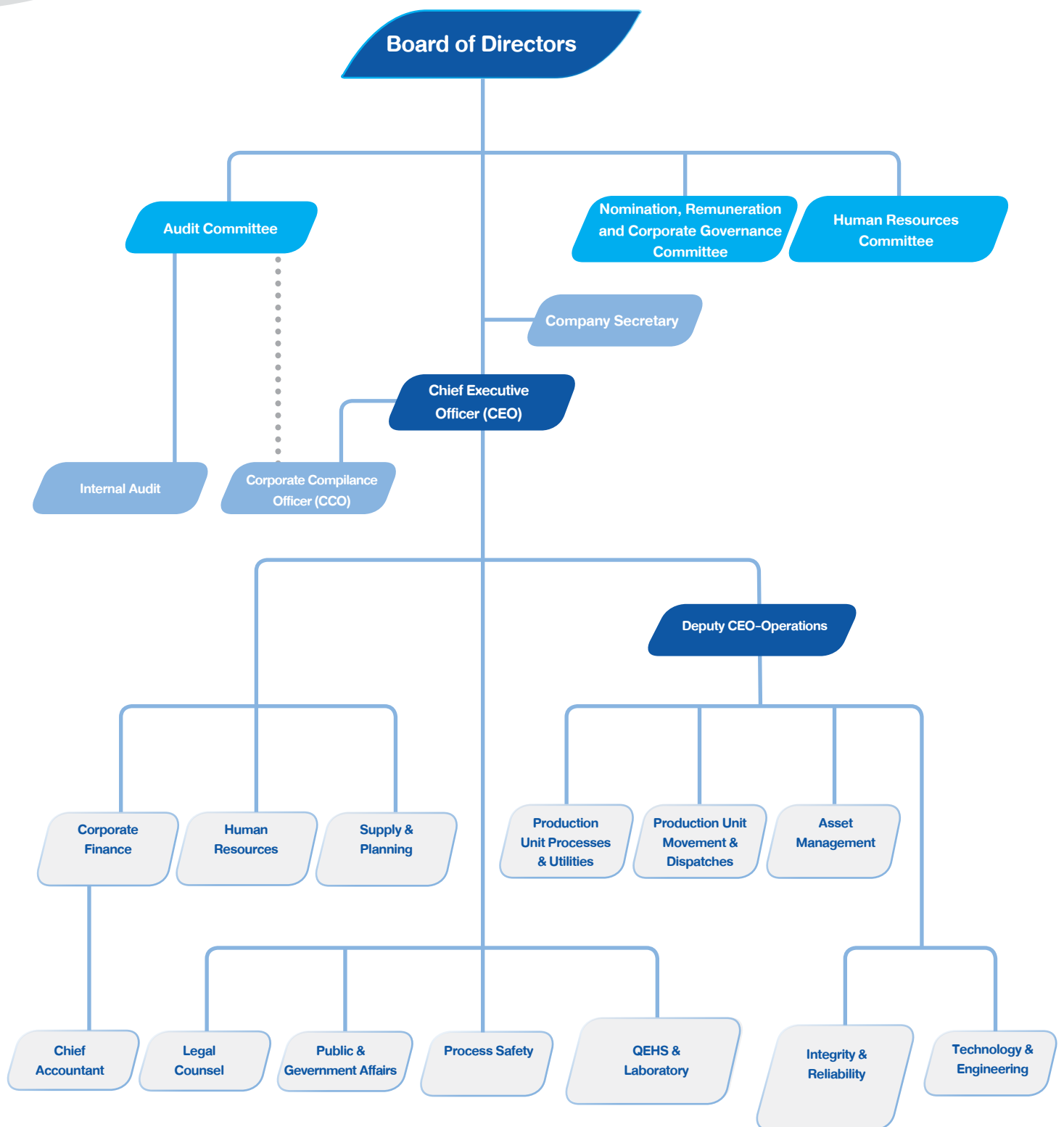
Our board of directors may recommend an annual dividend payment, subject to the approval of our shareholders at the shareholders' meeting. Our board of directors may also, by its resolution, decide to pay an interim dividend to our shareholders if the directors determine that it is justified by our profits. It is the policy of our board of directors to consider an interim dividend payment to shareholders every year.

Historical dividend payment information

Year	2015	2016	2017	First six months of 2018
Net earnings per share (US\$)	0.06	0.06	0.06	0.04
Dividend per share (US\$)	0.05735268	0.0335	0.0362	0.0177
Dividend payout ratio (%)	95.00	60.00	60.00	50.00

Year	2015	2016	2017	First six months of 2018
Net earnings per share (Baht)	1.99	2.00	2.05	1.13
Dividend per share (Baht)	1.97376772	1.1824	1.1427	0.5928
Dividend payout ratio same period (%)	99.18	59.12	55.74	52.46

Management Structure



Board of Directors

(as of 31 December 2018)



01

Mr. Andrew Benjamin Walz

Chairman of the Board of Directors

02

Ms. Kheng Ling Lok

Director / Human Resources Committee



03

Mr. Manoon Siriwan

Independent Director /

Audit Committee /

Nomination, Remuneration and

Corporate Governance Committee





04

Mr. Nicolas Michel Bossut

Director /
Nomination, Remuneration and
Corporate Governance Committee

05

Mr. Pliu Mangkornkanok

Independent Director /
Vice-Chairman of the Board of Directors /
Chairman of the Audit Committee /
Human Resources Committee



06

Mr. Robert Stair Guthrie

Independent Director /
Chairman of the Nomination, Remuneration and
Corporate Governance Committee /
Audit Committee

07

Mr. Timothy Alan Potter

Director /
Chairman of the Human Resources Committee /
Nomination, Remuneration and
Corporate Governance Committee /
Chief Executive Officer



Board of Directors

As of 31 December 2018, the Board of Directors comprises of 7 directors;

- 6 Non-executive directors (86% of total members), which 3 out of 6 Non-executive directors are independent directors (43% of total members)
- 1 Executive director, who is the CEO (14% of total members)

The election of directors followed the resolutions of the annual shareholders meetings, resolutions of the Board of Directors meetings, the laws and regulations, as well as the Company's Articles of Association. The number of directors is appropriate for the Company's business operations.

The Charter of the Board provides that the Board shall have diversity of perspectives and talents to ensure that an appropriate mix of skills, experience and expertise is maintained on the Board.

The Board aims to maintain a diversity of skill, experience, expertise and is committed to pursuing diversity in terms of gender, age and other distinction across the group for the perspectives and talents, resulting all aspects of consideration for decision making.

The Board and the Nomination, Remuneration and Corporate Governance Committee considered the Board composition and opined that the Board has an appropriate mix of skills, experience, and expertise such as the knowledge and understanding of refinery business and operations, petroleum business, related technology and engineering, strategy, marketing, finance, corporate governance, etc.

The Company has a policy of non-discrimination. Therefore, there is no discrimination against the directors based on gender, age or race. The directors shall possess qualifications according to the Public Limited Company Act, the Securities and Exchange Act, regulations of the Securities and Exchange Commission, regulations of the Capital Market Supervisory Board and the Company's Articles of Association. The directors shall have knowledge, skills, and expertise in fields related to the Company's business, or have experiences that are beneficial to the Company's business operations, be trustworthy, have leadership skills, vision, ethics, integrity and be able to perform director's duties with care and diligence. Additionally, the directors must not serve as a director of more than 3 listed companies in the Stock Exchange of Thailand.

A new director will receive an introduction to gain background on the Company's business, operation, culture, governance and corporate structure. Additionally, all directors are encouraged to attend director training and professional development courses.

Board Committees

The Board of Directors has established 3 committees; Audit Committee; Nomination, Remuneration and Corporate Governance Committee; and Human Resources Committee in order to support and provide recommendations to the Board of Directors in each aspect for effective operations of the Company's business.

Member of each committee as of 31 December 2018

Name	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Human Resources Committee
	(3 persons)	(4 persons)	(3 persons)
1 Mr. Andrew Benjamin Walz	-	-	-
2 Mr. Pliu Mangkornkanok ¹	Chairman	-	Member
3 Mr. Manoon Siriwan ¹	Member	Member	-
4 Mr. Robert Stair Guthrie ¹	Member	Chairman	-
5 Mr. Nicolas Michel Bossut	-	Member	-
6 Ms. Kheng Ling Lok	-	-	Member
7 Mr. Timothy Alan Potter ²	-	Member	Chairman

¹ Mr. Pliu Mangkornkanok, Mr. Manoon Siriwan and Mr. Robert Stair Guthrie are independent directors who are qualified and have qualifications in accordance to the requirements of the Securities and Exchange Commission, the Capital Market Supervisory Board and the Board of Directors' charter.

² Mr. Timothy Alan Potter was appointed to be a Company's director, a member of the Nomination, Remuneration and Corporate Governance Committee, and a member of the Human Resources Committee with effect on 6 April 2018 to replace Mr. William Lewis Stone, who resigned with effect on 6 April 2018.



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Audit Committee

- | | |
|-----------------------------|----------|
| 1. Mr. Pliu Mangkornkanok | Chairman |
| 2. Mr. Manoon Siriwan | Member |
| 3. Mr. Robert Stair Guthrie | Member |

Mr. Pliu has knowledge and experience to review the financial statements.

Nomination, Remuneration and Corporate Governance Committee

- | | |
|------------------------------|----------|
| 1. Mr. Robert Stair Guthrie | Chairman |
| 2. Mr. Manoon Siriwan | Member |
| 3. Mr. Nicolas Michel Bossut | Member |
| 4. Mr. Timothy Alan Potter | Member |



1

2

3

4

Human Resources Committee

- | | |
|----------------------------|----------|
| 1. Mr. Timothy Alan Potter | Chairman |
| 2. Mr. Pliu Mangkornkanok | Member |
| 3. Ms. Kheng Ling Lok | Member |



1

2

3



Mr. Andrew Benjamin Walz

Chairman of the Board of Directors

Age 51 years
Appointment date 13 August 2015
 5 April 2017 (re-elected)

Education

Bachelor Degree Civil Engineering
 Colorado State University, USA

Working experience in past 5 years

2016 - Present	President - International Products Chevron International Pte. Ltd., Singapore
2015 - Present	Chairman of the Board of Directors Star Petroleum Refining Public Company Limited, Thailand
2015 - Present	Director Chevron Trading Pte. Ltd., Singapore
2015 - Present	Director GS Caltex Corporation, South Korea
2015 - 2016	Vice President - Joint Ventures & Affiliates, International Products Chevron International Pte. Ltd., Singapore
2015 - 2016	Vice Chairman of the Board of Directors Singapore Refining Company Pte. Ltd., Singapore
2013 - 2015	Vice President - Product Supply & Trading Chevron USA, Inc., USA

Training records with IOD :

- Strategic Board Master Class (SBM 3/2018)

Current director position in other Thai listed company(s) : none

Other current positions

- President of International Products,
Chevron International Pte. Ltd., Singapore
- Director of Chevron Trading Pte. Ltd., Singapore
- Director of GS Caltex Corporation, South Korea

Number of Shares held in the Company : none

Relationship to other Directors or executives in the Company :
 none

Ms. Kheng Ling Lok

Director / Member of the Human Resources Committee

Age 55 years
Appointment date 10 November 2016
 5 April 2018 (re-elected)

Education

Bachelor Degree Chemical Engineering
 National University of Singapore, Singapore

Working experience in past 5 years

2016 - Present	Director Star Petroleum Refining Public Company Limited
2016 - Present	General Manager, Crude Supply & Trading Chevron USA, Inc. (Singapore Branch), Singapore
2008 - 2016	General Manager, Product Supply & Trading Chevron USA, Inc. (Singapore Branch), Singapore

Training records with IOD :

- Director Certificate program (DCP 232/2016)

Current director position in other Thai listed company(s) : none

Other current positions

- General Manager, Crude Supply & Trading,
Chevron USA, Inc. (Singapore Branch), Singapore
- Director of the Centre of Excellence International Trading,
Nanyang Technological University, Singapore

Number of Shares held in the Company : none

Relationship to other Directors or executives in the Company :
 none



Mr. Manoon Siriwan

Independent Director / Member of the Audit Committee /
Member of the Nomination, Remuneration and
Corporate Governance Committee

Age 72 years

Appointment date Mr. Manoon Siriwan has been an independent director of the Company since 28 May 2012, and the Company has been listed in the Stock Exchange of Thailand since 8 December 2015.
5 April 2018 (re-elected)

Education

Master Degree Political Science
Chulalongkorn University

Bachelor Degree Political Science
Chulalongkorn University

Working experience in past 5 years

2017 - Present	A member of the National Energy Reform Committee under the National Reform Plans and Procedures Act B.E. 2560
2014 - 2015	Deputy Chairman of the Energy Reform Committee National Reform Council of Thailand
2012 - Present	Independent Director Star Petroleum Refining Public Company Limited
2007 - 2015	President Business Management Company Limited

Training records with IOD :

- Director Accreditation Program (DAP 97/2012)
- Audit Committee Program (ACP 41/2012)
- Director Certification Program (DCP 219/2016)

Current director position in other Thai listed company(s) : none

Other current positions

- Advisor of the Energy Fund Administration Committee, Institute of the Energy Fund Administration

Number of Shares held in the Company : none

Relationship to other Directors or executives in the Company : none



Mr. Nicolas Michel Bossut

Director / Member of the Nomination, Remuneration and
Corporate Governance Committee

Age 44 years

Appointment date 11 August 2016
5 April 2017 (re-elected)

Education

Master Degree M.B.A. (Finance)
University of California, Berkeley,
Haas School of Business, USA

Bachelor Degree Political Science
University of California, Berkeley, USA

Working experience in past 5 years

2016 - Present	Director Star Petroleum Refining Public Company Limited
2016 - Present	Manager Opco Financing, Asia Pacific Chevron International Pte. Ltd., Singapore
2014 - 2016	General Manager, Finance and Planning, Technology Projects and Services Chevron USA, Inc., USA
2013	Finance Sponsor Chevron USA, Inc., USA
2010 - 2012	Administration and Finance Manager, Petroindependencia JV Chevron Venezuela, Venezuela

Training records with IOD :

- Director Accreditation Program (DAP 135/2017)

Current director position in other Thai listed company(s) : none

Other current positions

- Manager Opco Financing, Asia Pacific,
Chevron International Pte. Ltd., Singapore
- Assistant Treasurer, Chevron Asia Pacific Holdings Limited and other Chevron subsidiaries in the Asia Pacific region

Number of Shares held in the Company : none

Relationship to other Directors or executives in the Company : none



Mr. Pliu Mangkornkanok

Independent Director / Vice-Chairman of the Board of Directors / Chairman of the Audit Committee / Member of the Human Resources Committee

Age 70 years

Appointment date Mr. Pliu Mangkornkanok has been an independent director of the Company since 28 May 2012, and the Company has been listed in the Stock Exchange of Thailand since 8 December 2015. 26 April 2016 (re-elected)

Education

Master Degree Industrial Engineering, Stanford University, USA
Master Degree M.B.A. (Finance)
 University of California at Los Angeles, USA
Bachelor Degree Industrial Engineering, Chulalongkorn University

Working experience in past 5 years

2012 - Present Independent Director
 Star Petroleum Refining Public Company Limited
 2011 - Present Director, Chuchawal Royal-Haskoning Limited
 2010 - Present Director, Design 103 International Limited
 2010 - Present Chairman of the Board of Directors
 TISCO Financial Group Public Company Limited
 2009 - Present Chairman of the Board of Directors
 TISCO Bank Public Company Limited

Training records with IOD :

- Director Certification Program (DCP 11/2001)
- The Role of Chairman 2000 Program (RCP 3/2001)
- Audit Committee Program (ACP 43/2012)
- Anti-Corruption for Executive Program (ACEP 2/2012)
- Strategic Board Master (SBM 1/2017)
- Board Matters and Trends (BMT 6/2018)

Other Training

- Capital Market Academy (Batch 10)
- Thailand Energy Academy (Batch 5)

Current director position in other Thai listed company(s) :

- Chairman of the Board of Directors, TISCO Financial Group Public Company Limited
- Chairman of the Board of Directors, TISCO Bank Public Company Limited

Other current positions

- Director of Chuchawal-Royal Haskoning Limited
- Director of Design 103 International Limited
- Director of Sem Pringpuangkeo Foundation
- Vice Chairman of TISCO Foundation

Number of Shares held in the Company : none

Relationship to other Directors or executives in the Company : none



Mr. Robert Stair Guthrie

Independent Director / Chairman of the Nomination, Remuneration and Corporate Governance Committee / Member of the Audit Committee

Age 72 years

Appointment date Mr. Robert Stair Guthrie has been an independent director of the Company since 28 May 2012, and the Company has been listed in the Stock Exchange of Thailand since 8 December 2015. 5 April 2018 (re-elected)

Education

Bachelor Degree Civil Engineering
 University of Cape Town, South Africa

Working experience in past 5 years

2012 - Present Independent Director
 Star Petroleum Refining Public Company Limited
 2002 - 2012 Managing Director
 Lanta Land Development Co., Ltd.

Training records with IOD :

- Audit Committee Program (ACP 43/2013)
- Director Accreditation Program (DAP 101/2013)
- Director Certification Program (DCP 182/2013)
- Strategic Board Master (SBM 1/2017)

Other training

- Executive Management Program, The Aspen Institute, USA

Current director position in other Thai listed company(s) : none

Other current positions : none

Number of Shares held in the Company : none

Relationship to other Directors or executives in the Company : none



Mr. Timothy Alan Potter

Director / Chairman of the Human Resources Committee /
Member of the Nomination, Remuneration and Corporate
Governance Committee / Chief Executive Officer

Age 51 years

Appointment date Effect on 6 April 2018

Education

Bachelor Degree Materials Engineering
California Polytechnic State University,
San Luis Obispo, USA

Working experience in past 5 years

2018 - Present	Director and Chief Executive Officer, Star Petroleum Refining Public Company Limited
2016 - 2018	Manager of Refinery Operations, El Segundo Refinery Chevron Product Company, USA
2013 - 2016	Manufacturing and Supply Chain Manager, Americas Region, Chevron Oronite Chemical Company LLC, USA
2013 - 2016	Director, Additivos Mexicanos S.A. de C.V., Mexico Chevron Joint Venture, Mexico

Training records with IOD :

- Director Certificate Program (DCP 256/2018)

Current director position in other Thai listed company(s) : none

Other current positions : none

Number of Shares held in the Company : none

Relationship to other Directors or executives in the Company :
none



Mr. William Lewis Stone

(as of 5 April 2018)

Director / Chairman of the Human Resources Committee /
Member of the Nomination, Remuneration and Corporate
Governance Committee / Chief Executive Officer

Age 60 years

Appointment date 25 April 2008

25 April 2013 (re-elected)

26 April 2016 (re-elected)

(resigned with effect on 6 April 2018)

Education

Bachelor Degree Chemical Engineering
University of California, Santa Barbara, USA

Working experience in past 5 years

2014 - Present	Director GS Caltex Corporation, South Korea
2008 - 2018	Director and Chief Executive Officer Star Petroleum Refining Public Company Limited

Training records with IOD :

- Directors Accreditation Program (DAP 72/2008)
- Director Certificate Program (DCP 123/2009)
- Financial Statement for Director (FSD 2/2010)

Current director position in other Thai listed company(s) : none

Other current positions

- Director of GS Caltex Corporation, South Korea

Number of Shares held in the Company : 0.002% (80,000 shares)

Relationship to other Directors or executives in the Company :
none

Report of the Company's securities held by directors in 2018 (including spouse and minor children)
As of 31 December 2018

Name	Number of shares		Changing Number of Shares Increase (Decrease)
	As of 31 December 2017	As of 31 December 2018	
1 Mr. Andrew Benjamin Walz Spouse and minor children	- -	- -	- -
2 Mr. Pliu Mangkornkanok Spouse and minor children	- -	- -	- -
3 Mr. Manoon Siriwan Spouse and minor children	- -	- -	- -
4 Mr. Robert Stair Guthrie Spouse and minor children	- -	- -	- -
5 Mr. Nicolas Michel Bossut Spouse and minor children	- -	- -	- -
6 Ms. Kheng Ling Lok Spouse and minor children	- -	- -	- -
7 Mr. Timothy Alan Potter ¹ Spouse and minor children	- -	- -	- -
Director who resigned in 2018			
1 Mr. William Lewis Stone Spouse and minor children	80,000 -	80,000 ² -	- -

¹ Mr. Timothy Alan Potter was appointed to be a Company's director with effect on 6 April 2018.

² Information as of 5 April 2018 as Mr. William Lewis Stone resigned with effect on 6 April 2018.

Director's Remuneration

Under the Company's Articles of Association, the director's remuneration will be considered and approved by the Shareholders at the Annual General Meeting of Shareholders. The directors are entitled to remuneration from the Company in form of monthly fees, meeting allowances, rewards, bonuses or any other benefits in accordance with the Articles of Association, or as approved by a meeting of shareholders, which may be a fixed sum or subject to any conditions applicable from time to time.

In 2018, the NRCG considered the directors' remuneration package for year 2018 thoroughly, taking into account the appropriateness, work performance, company performance,

and comparing with other Thai refineries and other listed companies that are in the same industry. The majority of Thai refineries provide a bonus to their directors based on companies' performances. The NRCG Committee viewed that the directors' remuneration package should not include a bonus, however, it should be competitive and attractive to future qualified candidates in making a decision on joining the Board of Directors of the Company. In addition, as the Company has applied the same directors' remuneration package for the last 6 years (from 2012 - 2017), the NRCG Committee proposed to increase the monthly fee of approximately 20% for Chairman, Vice Chairman and directors in 2018, and maintain the same rate for board meeting and committee meeting allowances.

The 2018 director remuneration package, which was proposed to increase the monthly fee of approximately 20%, was described as below.

Position	Monthly Fee in 2017 (Baht/Month)	Monthly Fee in 2018 (Baht/Month)	Increased Amount (Baht/Month)
Chairman	150,000	180,000	30,000
Vice Chairman	140,000	170,000	30,000
Director	120,000	145,000	25,000

The Annual General Meeting of Shareholders in 2018 approved the director's remuneration for monthly fees and meeting allowances for Board of Directors meetings and committee meetings, without bonus as follow;

Compensation for the Board of Directors for 2018

Position	Monthly Fee (Baht/Month)	Meeting Allowance of Board of Directors Meeting (Only attending directors) (Baht/Meeting)
Chairman of the Board of Directors	180,000	25,000
Vice-Chairman of the Board of Directors	170,000	20,000
Director	145,000	20,000

Compensation for the Audit Committee for 2018

Position	Meeting Allowance of Committee Meeting (Only attending members) (Baht/Meeting)
Chairman of the committee	40,000
Member of the committee	30,000

Compensation for the Nomination, Remuneration and Corporate Governance Committee for 2018

Position	Meeting Allowance of Committee Meeting (Only attending members) (Baht/Meeting)
Chairman of the committee	40,000
Member of the committee	30,000

Compensation for the Human Resources Committee for 2018

Position	Meeting Allowance of Committee Meeting (Only attending members) (Baht/Meeting)
Chairman of the committee	40,000
Member of the committee	30,000

This total compensation was paid to the 8 directors which include the directors who held the directorship position for 12 months ending on 31 December 2018, the directors who completed their directorship term or resigned during the year, and the director who started their directorship during the year. The director compensation was made in accordance with the resolution of the 2018 Annual General Meeting of Shareholders. Total director compensation in 2018 was 15,045,000 baht, comprising of monthly fees in total of

12,900,000 baht and the meeting allowances for the Board of Directors meetings and sub-committee meetings in total of 2,145,000 baht. There were no bonuses, rewards, nor other benefits such as position cars or club memberships provided to directors. However, the directors can be reimbursed from the Company on the actual expenses for attending of the Company's meetings with original receipt incurred and in accordance with the reimbursement scheme as applied for all Company's staff.

The compensation that each director received in 2018

Name	Monthly fee for total 12 months	Total Meeting Allowances received in 2018				Grand total compensation each director received in 2018
		Board of Directors Meetings	Audit Committee Meetings	Nomination, Remuneration and Corporate Governance Committee Meetings	Human Resources Committee Meetings	
1 Mr. Andrew Benjamin Walz	2,160,000	125,000	-	-	-	2,285,000
2 Mr. Pliu Mangkornkanok	2,040,000	100,000	160,000	-	150,000	2,450,000
3 Mr. Manoon Siriwan	1,740,000	100,000	120,000	120,000	-	2,080,000
4 Mr. Robert Stair Guthrie	1,740,000	100,000	120,000	160,000	-	2,120,000
5 Mr. Nicolas Michel Bossut	1,740,000	100,000	-	120,000	-	1,960,000
6 Ms. Kheng Ling Lok	1,740,000	100,000	-	-	150,000	1,990,000
7 Mr. Timothy Alan Potter ¹	1,280,833	60,000	-	90,000	120,000	1,550,833
Director who resigned in 2018						
8 Mr. William Lewis Stone ²	459,167	40,000	-	30,000	80,000	609,167

¹ Mr. Timothy Alan Potter was appointed to be a Company's director with effect on 6 April 2018.

² Mr. William Lewis Stone resigned with effect on 6 April 2018.

Mr. Andrew Benjamin Walz, Mr. Nicolas Michel Bossut, Ms. Kheng Ling Lok, Mr. Timothy Alan Potter and Mr. William Lewis Stone are directors nominated by Chevron. They have declined to receive director compensation, both monthly fees and meeting allowance fees. Total declined fees were 8,395,000 baht, comprising of the monthly fee of 7,380,000 baht and the meeting allowance fee of 1,015,000 baht. This director compensation is not covered under the Personnel Secondment Agreement made between the Company and Chevron.

Company Secretary

The Board of Directors has authorization and is responsible for appointment of the Company Secretary. At the Board of Directors meeting No. 4/2013, on 27 November 2013, the Board of Directors reviewed the qualifications of, and appointed, Ms. Nattawan Khumwiwat, who has skills, knowledge, experiences, and graduated in law, to act in the position of Company Secretary.

The Company Secretary has roles and responsibilities to ensure compliance with, and advise the Board of Directors and management on, relevant laws and regulations, and guidelines to practice for good corporate governance. The Company Secretary is responsible for organizing meetings of the Board of Directors and meetings of the shareholders, as well as following and monitoring the Company's actions and implementation in compliance with resolutions made at the meetings. The Company Secretary shall be responsible and manage the registration and record of Company's

directors, notice of the Board and shareholders meetings, minutes of the Board and shareholders meetings, safely store the company's material documents, and retain the conflict of interest declaration forms made by directors and management. The Company Secretary shall also perform other general company secretary's works and have other roles and responsibilities as provided by the Capital Market Supervisory Board.

The Company Secretary additionally takes responsibilities on the secretarial tasks of the Audit Committee and the Nomination, Remuneration and Corporate Governance Committee.

Corporate Compliance Officer

The Board of Directors established the Business Conduct Policy in 2010 and appoints the Corporate Compliance Officer to have primary oversight responsibility to ensure the Company operates the business in accordance with guidelines and policies provided in the Business Conduct Policy. Ms. Nattawan Khumwiwat has been appointed to take the role of the Corporate Compliance Officer since 1 July 2015.

The Corporate Compliance Officer is responsible for implementation and monitoring the compliance program consistent with the Business Conduct Policy, communication policies and practices, reporting to the Board of Directors and Audit Committee on related matters, handling investigations on reports of suspected conduct violating the policy, and recommend disciplinary action(s) against personnel whose conduct is not in line with the principles provided in

the Business Conduct Policy. All reports of suspected violations of policy, and sources of those reports, are treated confidentially.

The Corporate Compliance Officer reports quarterly to the Audit Committee on the implementation program and compliance to the Anti-Corruption Policy and Business Conduct Policy.



Ms. Nattawan Khumwiwat

Corporate Legal Counsel, Company Secretary and Corporate Compliance Officer

Age 38 years

Education

Master Degree: LL.M., International Business Law
American University,
Washington College of Law, USA

Master Degree: LL.M., Business Law (English Program)
Chulalongkorn University

Bachelor Degree: Laws
Thammasart University

Barrister at Law: The Thai Bar Association

Working experience in past 5 years

2015 - Present Corporate Compliance Officer
2013 - Present Corporate Legal Counsel and Company Secretary
2009 - 2013 Legal Counsel

Training Courses related to Company Secretary and Compliance organized by the Thai Institutes of Directors

- Company Secretary Program (CSP 39/2011)
- Board Reporting Program (BRP 5/2011)
- Effective minute taking (EMT 22/2012)
- Anti-Corruption: The Practice Guide (ACPG 28/2016)
- Enhancing Good Corporate Governance based on CGR Scorecard in 2018
- Corporate Governance for Executives (CGE 12/2018)

Internal Auditor

The Audit Committee has authorization and is responsible for appointment of the Internal Auditor. At the Audit Committee meeting no. 4/2012, on 20 June 2012, the Audit Committee reviewed the qualifications of, and appointed, Ms. Sukhumal Tonpitak as the Company's Internal Auditor.

The roles and responsibilities of Internal Auditor are to provide independent and reasonable assurance to ensure the effectiveness of risk management, internal control and good corporate governance. This also includes examine on fraud and Anti-Corruption. The Internal Auditor follows the Professional Standard guideline and applies innovative approaches for internal audit process.

At the Audit Committee Meeting No. 4/2018 on 1 November 2018, the Audit Committee reviewed the Charter of the Internal Auditor and no change was required from the review.



Ms. Sukhumal Tonpitak

Internal Auditor

Age 49 years

Education

Master Degree: MBA
Maryville University of St. Louis,
Missouri, USA

Bachelor Degree: Accounting
Assumption University

Working experience in past 5 years

2009 - Present Internal Auditor

Training Courses related to Audit works

- Quality Assurance of Internal Audit work
- IT Audit for Non-IT Auditor
- Working paper for Anti-Corruption - CAC
- Framework of Internal Control COSO
- Asian Confederation of Institutes of Internal Auditors Conference 2018

Leadership Team

There are a total of 14 executives in the SPRC Leadership Team. The Chief Executive Officer (CEO) is the highest executive. The CEO must not hold this position in any other company and is elected by the Board of Directors.

Chief Executive Officer

The Board of Directors has authorization and is responsible for appointment or removal of the Company's Chief Executive Officer. The Chief Executive Officer is responsible for managing the Company's business as assigned by the Board of Directors.

The Chief Executive Officer is authorized to oversee the Company's day-to-day business and operation, take any actions and make any decisions under the scope of his or her authority, including execution of agreements and obligations that are necessary or beneficial to the Company.

The Chief Executive Officer has the authority to execute transactions in the name of the Company, with a limit not exceeding Baht 200 million. Transactions with a value greater than Baht 200 million are subject to the Board's approval.

However, due to the nature of Company's business and normal Company's business transaction, the Chief Executive Officer has the authority to execute transactions and obligations exceeding Baht 200 million with a term not exceeding 12 months that are related to the current and future purchase, sale, and exchange of crude oil, raw materials, intermediate products, and finished products.

For related party transactions, the Chief Executive Officer has the authority to execute related party transactions in the name of the Company, with a limit not exceeding Baht 10 million. The related party transactions with a value greater than Baht 10 million are subject to the Audit Committee's review and the Board's approval. For the related party

transactions with regard to the current and future purchase, sale, and exchange of crude oil, raw materials, intermediate products, and finished products, the Chief Executive Officer has the authority to execute such related party transactions if the term does not exceed 12 months. Additionally, the Chief Executive Officer has the authority to approve overruns of approved Company's operating expense and capital expenditure budgets, which the overrun shall not exceed 10 percent of the Board approved budget.

The Board of Directors Meeting No. 4A/2017 on 11 December 2017 acknowledged the resignation from the Chief Executive Officer, effect on 6 April 2018, made by Mr. William Lewis Stone. The appointment of new Chief Executive Officer had been reviewed and considered by the Human Resources Committee. The Human Resources Committee reviewed Mr. Timothy Alan Potter's qualifications, knowledges, skills and experiences, and made recommendation to the Board of Directors that he has good qualifications served as the Company's CEO as he has extensive knowledges, skills and experiences in refinery business and operations in management level for many years. The Board of Directors Meeting No. 4A/2017 on 11 December 2017 approved Mr. Timothy Alan Potter to be the Chief Executive Officer in replacement of Mr. William Lewis Stone, effect on 6 April 2018.

Leadership Team

There are 14 executives on the SPRC Leadership Team. The Leadership Team is responsible for executing the strategies, objectives and business plans approved by the Board of Directors, and managing the day to day activities at SPRC. Members of the Leadership Team all bring significant industry and company specific experience and knowledge to SPRC providing the required skills and competencies to lead SPRC to "Set the Standard" in the refining industry.

Leadership Team as of 31 December 2018 are:

Name	Position
1. Mr. Timothy Alan Potter	Director and Chief Executive Officer
2. Mr. Steven Lewis Gibson	Deputy Chief Executive Officer - Operations
3. Mr. Wichai Chunhasomboon	Chief Financial Officer
4. Mr. Sakchai Thamsuruk	Manager of Supply & Planning
5. Mr. Chirasak Mhasuconda	Manager of Human Resources
6. Mr. Pongkorn Chochuwong	Manager of Asset Management
7. Mr. Narong Triyotee	Manager of Production Unit - Processes & Utilities
8. Mr. Paul Andrew Rushworth	Manager of Production Unit - Movement & Dispatches
9. Mr. Roger Albert Frederick Bartlett	Manager of Integrity & Reliability
10. Mr. Akasit Rumpagaporn	Manager of Technology & Engineering
11. Ms. Nattawan Khumwiwat	Corporate Legal Counsel, Company Secretary and Corporate Compliance Officer
12. Ms. Pornthip Viraphand	Manager of Public & Government Affairs
13. Mr. Krisda Chaikul	Manager of Process Safety
14. Ms. Angkana Panyaopart	Manager of QEHS & Laboratory

Remarks: Leadership Team No.1-14 is according to the definition of management as defined by the Capital Market Supervisory Board



Mr. Timothy Alan Potter

Director / Chairman of the Human Resources Committee /
Member of the Nomination, Remuneration and Corporate
Governance Committee / Chief Executive Officer

Age 51 years

Appointment date Effect on 6 April 2018

Education

- Bachelor of Engineer in Materials Engineering
California Polytechnic State University, San Luis Obispo, USA

Working experience in past 5 years

2018 - Present	Director and Chief Executive Officer, Star Petroleum Refining Public Company Limited
2016 - 2018	Manager of Refinery Operations, El Segundo Refinery Chevron Product Company, USA
2013 - 2016	Manufacturing and Supply Chain Manager, Americas Region, Chevron Oronite Chemical Company LLC, USA
2013 - 2016	Director, Additivos Mexicanos S.A. de C.V., Mexico Chevron Joint Venture, Mexico

Training records with IOD :

- Director Certificate Program (DCP 256/2018)

Current director position in other Thai listed company(s) : none

Other current positions : none

Shareholdings as of 31 December 2018 : none

Relationship to other Directors or executives in the Company :
none



Mr. Steven Lewis Gibson

Deputy Chief Executive Officer - Operations

Age 55 years

Appointment date 17 June 2013

Education

- Bachelor of Engineer in Chemical Engineering
University of Sydney, Australia

Working experience in past 5 years

2013 - Present	Deputy Chief Executive Officer - Operations, Star Petroleum Refining Public Company Limited
2009 - 2013	Manager of Asset Management, Star Petroleum Refining Public Company Limited

Shareholdings as of 31 December 2018 : 0.001 %

Relationship to other Directors or executives in the Company :
none



Mr. Wichai Chunhasomboon

Chief Financial Officer

Age 61 years

Appointment date 21 April 2009

Education

- Master of Business Administration in Accounting
Thammasat University
- Bachelor of Business Administration in Accounting
Bangkok University

Working experience in past 5 years

2009 - Present Chief Financial Officer,
Star Petroleum Refining Public Company Limited

Shareholdings as of 31 December 2018 : none

Relationship to other Directors or executives in the Company :
none



Mr. Sakchai Thamsuruk

Manager of Supply & Planning

Age 51 years

Appointment date 1 March 2009

Education

- Bachelor of Science in Chemistry
King Mongkut's University of Technology Thonburi

Working experience in past 5 years

2009 - Present Manager of Supply & Planning,
Star Petroleum Refining Public Company Limited

Shareholdings as of 31 December 2018 : 0.008 %

Relationship to other Directors or executives in the Company :
none



Mr. Chirasak Mhasuconda

Manager of Human Resources

Age 56 years

Appointment date 15 March 2011

Education

- Master of Public Administration
National Institute of Development Administration (NIDA)
- Bachelor of Law
Ramkhamhaeng University

Working experience in past 5 years

2011 - Present Manager of Human Resources,
Star Petroleum Refining Public Company Limited

Shareholdings as of 31 December 2018 : 0.006 %

Relationship to other Directors or executives in the Company :
none



Mr. Pongkorn Chochuwong

Manager of Asset Management

Age 49 years

Appointment date 1 June 2014

Education

- Bachelor of Science in Chemistry
Chiang Mai University

Working experience in past 5 years

2014 - Present Manager of Asset Management,
Star Petroleum Refining Public Company Limited

2009 - 2014 Manager of Production Unit - Processes & Utilities,
Star Petroleum Refining Public Company Limited

Shareholdings as of 31 December 2018 : 0.008 %

Relationship to other Directors or executives in the Company :
none



Mr. Narong Triyotee

Manager of Production Unit - Processes & Utilities

Age 48 years

Appointment date 1 June 2014

Education

- Bachelor of Engineer in Chemical Engineering
Curtin University of Technology, Perth, Australia

Working experience in past 5 years

2014 - Present	Manager of Production Unit - Processes & Utilities, Star Petroleum Refining Public Company Limited
2009 - 2014	Manager of Production Unit - Movement & Dispatches, Star Petroleum Refining Public Company Limited

Shareholdings as of 31 December 2018 : 0.012 %

Relationship to other Directors or executives in the Company :
none



Mr. Paul Andrew Rushworth

Manager of Production Unit-Movement & Dispatches

Age 49 years

Appointment date 1 June 2014

Education

- Master of Business Administration in Technology Management
Jointly the Association of Professional Engineers Scientists and
Managers Australia (APESMA) and Deakin University, Australia
- Master of Engineer in Engineering Design
Loughborough University of Technology, UK
- Bachelor of Engineer in Mechanical Engineering
Manchester Polytechnic, UK

Working experience in past 5 years

2014 - Present	Manager of Production Unit - Movement & Dispatches, Star Petroleum Refining Public Company Limited
2012 - 2014	Event Project Manager, Star Petroleum Refining Public Company Limited

Shareholdings as of 31 December 2018 : 0.006 %

Relationship to other Directors or executives in the Company :
none



Mr. Roger Albert Frederick Bartlett

Manager of Integrity & Reliability

Age 70 years

Appointment date 1 February 2009

Education

- Doctorate in Environmental Fracture of Steels
Manchester Institute of Science and Technology, UK
- Master of Science in Metallurgy
Manchester Institute of Science and Technology, UK
- Bachelor of Science in Metallurgy
Manchester Institute of Science and Technology, UK

Working experience in past 5 years

2009 - Present Manager of Integrity & Reliability,
Star Petroleum Refining Public Company Limited

Shareholdings as of 31 December 2018 : 0.006 %

Relationship to other Directors or executives in the Company :
none



Mr. Akasit Rumpagaporn

Manager of Technology & Engineering

Age 49 years

Appointment date 1 May 2015

Education

- Master of Science in Computer Engineering Management
Assumption University
- Bachelor of Science in Chemical Engineering
Chulalongkorn University

Working experience in past 5 years

2015 - Present Manager of Technology & Engineering,
Star Petroleum Refining Public Company Limited

2011 - 2015 Planning Manager,
Star Petroleum Refining Public Company Limited

Shareholdings as of 31 December 2018 : 0.005 %

Relationship to other Directors or executives in the Company :
none



Ms. Nattawan Khumwiwat

Corporate Legal Counsel, Company Secretary
and Corporate Compliance Officer

Age 38 years

Appointment date 27 November 2013

Education

- Master of Law International Business Law
American University, Washington College of Law, USA
- Master of Law Business Law (English Program)
Chulalongkorn University
- Bachelor of Laws
Thammasart University
- Barrister at Law
The Thai Bar Association

Working experience in past 5 years

2015 - Present Corporate Compliance Officer
2013 - Present Corporate Legal Counsel and
Company Secretary
2009 - 2013 Legal Counsel

Shareholdings as of 31 December 2018 : 0.005 %

Relationship to other Directors or executives in the Company :
none



Ms. Pornthip Viraphand

Manager of Public & Government Affairs

Age 53 years

Appointment date 1 June 2014

Education

- Master of Public Administration
Burapha University
- Bachelor of Business Administration
Rajamangala University of Technology Krungthep

Working experience in past 5 years

2014 - Present Manager of Public & Government Affairs,
Star Petroleum Refining Public Company Limited
2008 - 2014 Manager of Procurement and Logistics,
Star Petroleum Refining Public Company Limited

Shareholdings as of 31 December 2018 : 0.004 %

Relationship to other Directors or executives in the Company :
none



Mr. Krisda Chaikul

Manager of Process Safety

Age 57 years

Appointment date 1 July 2014

Education

- Master of Science in Industry and Technology with Specialization in Safety
College of Engineering and Engineering Technology,
Northern Illinois University, USA
- Bachelor of Science in Occupational Health and Safety
Mahidol University

Working experience in past 5 years

2014 - Present Manager of Process Safety,
Star Petroleum Refining Public Company Limited

2009 - 2014 Manager of QEHS & Laboratory,
Star Petroleum Refining Public Company Limited

Shareholdings as of 31 December 2018 : 0.005 %

Relationship to other Directors or executives in the Company :
none



Ms. Angkana Panyaopart

Manager of QEHS & Laboratory

Age 49 years

Appointment date 1 July 2014

Education

- Master of Engineer in Industrial Management Engineering
King Mongkut's University of Technology North Bangkok
- Bachelor of Science in Computer Science
Ramkhamhaeng University

Working experience in past 5 years

2014 - Present Manager of QEHS & Laboratory,
Star Petroleum Refining Public Company Limited

2012 - 2014 Event Project Business Manager,
Star Petroleum Refining Public Company Limited

Shareholdings as of 31 December 2018 : 0.005 %

Relationship to other Directors or executives in the Company :
none

Leadership Team's Remuneration

Total remuneration for Leadership Team includes basic salary, bonus, provident fund, welfare and benefit expense. In 2018, total remuneration for executives was Baht 179.2 million.

These totals include management manpower costs paid to Chevron under the Personnel Secondment Agreement. Leadership Team also receive other benefits and compensation as described below for all employees.

The total compensation for 14 leadership team according to the definition of management as defined by the Capital Market Supervisory Board in 2018

Compensation	Number of executives	Amount (Baht)
Salary	14	166,999,625
Bonus	13	4,830,802
Provident Fund	9	4,359,281
Retirement Benefit	12	3,056,197
Total		179,245,905

Report of the Company's securities held by Leadership Team according to the definition of management as defined by the Capital Market Supervisory Board (including spouse and minor children) As of 31 December 2018

Name	Number of Shares		Changing Number of Shares Increase (Decrease)
	As of 31 December 2017	As of 31 December 2018	
1 Mr. Timothy Alan Potter	-	-	-
Spouse and minor children	-	-	-
2 Mr. William Lewis Stone	80,000	80,000	-
Spouse and minor children	-	-	-
(Data as of 5 April 2018)			
3 Mr. Steven Lewis Gibson	35,000	35,000	-
Spouse and minor children	-	-	-
4 Mr. Wichai Chunhasomboon	-	-	-
Spouse and minor children	-	-	-
5 Mr. Sakchai Thamsuruk	267,100	267,100	-
Spouse and minor children	78,500	78,500	-
6 Mr. Chirasak Mhasuconda	267,100	267,100	-
Spouse and minor children	-	-	-
7 Mr. Pongkorn Chochuwong	347,300	347,300	-
Spouse and minor children	-	-	-
8 Mr. Narong Triyotee	347,300	347,300	-
Spouse and minor children	167,600	167,600	-
9 Mr. Paul Andrew Rushworth	267,100	267,100	-
Spouse and minor children	-	-	-
10 Mr. Roger Albert Frederick Bartlett	267,100	267,100	-
Spouse and minor children	-	-	-
11 Mr. Akasit Rumpagaporn	205,500	205,500	-
Spouse and minor children	-	-	-
12 Ms. Nattawan Khumwiwat	205,500	205,500	-
Spouse and minor children	-	-	-
13 Ms. Pornthip Viraphand	167,600	167,600	-
Spouse and minor children	-	-	-
14 Mr. Krisda Chaikul	205,500	205,500	-
Spouse and minor children	-	-	-
15 Ms. Angkana Panyaopart	225,500	225,500	-
Spouse and minor children	-	-	-

Human Resources

SPRC has a strategic objective on people management which is to Set the Standard as Employer of Choice in Thailand, which is key in allowing us to meet our other strategic objectives in Operational Excellence and Shareholder Return. Our vision is for happy and healthy employees with positions that fit their skills and competencies as part of a high performance organization; continually developing employee competency to prepare for career growth within the organization; employees that are proud of their contributions to SPRC's success; and to be part of our One Family.

Our Human Resources Management System, strategy and action plans are all directed at achieving this vision, to attract, motivate, engage and retain employees in a happy working environment. In 2018, SPRC has the People strategy with the following key activities:-

- **Achieve the Best Employer Award among Thai companies by 2020 :**

Continue to drive sustained high employee engagement and satisfaction to achieve employer of choice and seek an opportunity to create and implement happy workplace/happy family by demographic.

- **Strengthen learning organization throughout knowledge management:**

Continue to drive Knowledge Management (KM) throughout our operational areas and implement a new KM system to retain SPRC's knowledge, and also promote Best Practice sharing throughout the organization.

- **Develop World-Class leaders:**

Create the program to "Be a Better leader", to acquire management tools and knowledge for learning; share

and practice among the Leadership Team; and then cascade the program to our management team. We also assign high potential people to learn and develop with our major shareholder.

- **Strengthen SPRC pride and image through CSR & Sports events:**

Enhance our CSR program throughout the communities in Rayong and nearby rural areas. Continue to support the sporting events in Rayong that strengthens SPRC image, and makes our staff proud to work at SPRC.

We provide training and development opportunities with challenging assignments to allow our employees to achieve their career goals. Our salary, incentive, and benefits program is designed to provide a fair and competitive compensation package to attract and retain talent.

We are confident that our strategies, management systems, action plans, training and development and compensation packages, along with our [One Family Culture](#) and [Core Values "Star, Professional, Reliable and Caring"](#) attract, motivate and retain employees to achieve our strategies and the long term sustainable success of SPRC.

Number of Employees

The company has 496 total employees as of 31 December 2018. The number of employees includes direct hires and secondees from Chevron.

Department	Number of Employees
Production Unit - Processes and Utilities	129
Production Unit - Movement and Dispatches	95
Asset Management	55
Technology and Engineering	41
QEHS & Laboratory	36
Corporate Finance	25
Integrity & Reliability	26
Others	89
Total	496

Employee Compensation

SPRC recognizes that our employees and management are the most important resource for achieving the strategic goals of the company. Our Company's One Family culture cares for and respects all of our employees and management. It is the Company's policy to attract and retain high performance employees and encourage them to excel in the organization through attractive remuneration and benefits that fairly and equitably reward our employees for their contributions to SPRC's success, and that are competitive with other companies in Thailand's petrochemical industry.

In 2018, total compensation, including salary, bonus, overtime pay, provident fund, welfare and benefit paid to the employees and executives was Baht 1,261.7 million. Annual merit increases for each employee are determined based on the individual's annual performance result and market competitiveness.

Other Compensation and Benefits

The Company provides benefits to the employees including Housing Allowance, Housing and Automobile Interest Subsidy, Annual Holidays, Maternity Leave, Paternity

Leave and Compassionate Leave, Life Insurance and Disability, Medical Coverage. We provide a Flexible Benefit program that allows individual employees to make selections of benefits to fit with their life style and family's needs.

The Company provides an employee retirement package which complies with Thai Labor Law. We recognize employees with "Top Up with Gold" at their retirement. The Company has recorded retirement benefits of Baht 32.7 million in the year 2018.

Provident Fund

The Company provides a provident fund, registered as a juristic person under the Provident Fund Act, B.E. 2530 (1987) for the Company's employees. Participating employees pay a contribution of 3 to 15 percent of the monthly wage to the fund, and the Company contributes 3 to 15 percent of the employee's wage, depending on the employee's years of service. Provident Fund contributions by the Company were Baht 60.1 million in the year 2018.

Employee Stock Ownership Plan

In 2015, as part of SPRC's Initial Public Offering (IPO), the Company executed an Employee Stock Ownership Plan (ESOP) with the approval of the Board of Director for management (not including certain management secondees) and employees to purchase ordinary shares totaling 35,728,800 shares. This was to promote management and employee's ownership and encourage employee pride as well as engagement in SPRC.

Management and employees were allowed to sell up to 100% of their shares after 3 years which ended on the 8th December 2018.

Training & Development

The goal of our Training and Development program is to develop and improve the quality and efficiency of our employees by ensuring that they have the right skills, values, roles and behavior. Highly skilled and engaged employees contribute to the achievement of superior business results for SPRC.



Our employee's skill and competencies are developed through training and work experiences in a wide range of assignments. We utilize a training needs analysis to provide education and skills customized to our business environment. Some examples of training programs provided in 2018 include:

1. Leadership Development Programs "Be a Better Leader" to develop leadership skills fit to SPRC
2. Knowledge Management (KM) to encourage employees to keep their own experiences from both functional and general knowledge areas in the KM system for sharing with others
3. Special assignments both locally and overseas
4. Mentoring and regular appraisals with line managers
5. Joint Venture Chevron Technical University (JVCTU): A set of engineering and technical courses provided to young engineers of joint venture Chevron refineries by experienced Chevron engineers from around the world.
6. Mandatory training in QEHS and Business Conduct
7. On-the-job learning provided by different assignments over a career.
8. Energy Advance Optimization Study
9. Cyber Security Training

In 2018, the Company provided 165 functional courses and 55 courses in general skill. Employees received training averaging about 7 days per person or 2.9% of working hours. The expenses regarding to the trainings was approximate 14 million baht.



All training activities are evaluated, and feedback is continually reviewed to ensure that our development is fit for purpose. This helps us develop competent and committed employees who are fully prepared to meet future business needs.



Labor disputes

The Company does not have labor union and has no material labor disputes in the past 3 years.

Corporate Governance

The Board of Directors has established the Company's Business Conduct Policy as the guideline on how to conduct our business. The Business Conduct Policy provides guidelines for the operation of SPRC's business, recognizing the importance of honest, fair, and transparent business operations, as well as ensuring operations are in compliance with all applicable laws, rules, and regulations.

The Business Conduct Policy is regularly reviewed by Management and the Board of Directors. The Board of Directors, Management, and all staff are required to comply with the Business Conduct Policy at all times. All new staff are trained on the Business Conduct Policy when they start working at the Company.

The Company conducted 10 sessions throughout the year to introduce the Business Conduct Policy to all 39 new staffs who joined the Company in 2018. (See detail of Business Conduct Policy at www.sprc.co.th)

The Board of Directors has also established the Corporate Governance Policy, which sets out policies and guidelines that are consistent with the corporate governance principles prescribed by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The Corporate Governance Policy is set out to ensure the Company conducts business ethically and treats all stakeholders responsibly, equitably, and with transparency for the goal of long term sustainability. The Corporate Governance Policy applies to the Board of Directors, Management, and all staff.

The Corporate Governance Policy is composed of:

- The rights of the shareholders
- Equitable treatment for shareholders
- Roles of stakeholders
- Disclosure and transparency
- Responsibilities of the Board of Directors

The Rights of the Shareholders

The Company recognizes the rights of all shareholders, which include the right to independently buy, sell, or transfer shares, and the right to attend and vote in shareholders

meetings. All shareholders meetings of the Company are conducted in consideration for the rights of shareholders. In 2018, the Company had one shareholders meeting. The Company held the 2018 Annual General Meeting of Shareholders (AGM) on 5 April 2018, during which the shareholders voted on the appointment of directors, remuneration of directors, appointment and remuneration for auditors, and declaration of dividend payment.

The Company arranged the Annual General Meeting of Shareholders in accordance with the requirements in the Company's Articles of Association, the applicable laws concerning shareholder meetings, and the best practices according to the corporate governance guidelines.



To allow shareholders to vote knowledgeably and effectively, the Company sent the notices of shareholders meetings and supporting information to the shareholders a reasonable time in advance. With the notice, the Company additionally provided proxy form, proxy's required document, Proxy's process and meeting venue's location and map. The Company prepared the notice of shareholders meetings in both Thai and English languages.

The Company posted the notice of shareholders meetings and all information on Company's website since 3 March 2018 and sent to all shareholders via registered mail on 15 March 2018. Additionally, the Company published the notice of shareholders meetings in both Thai and English language newspapers for 3 consecutive days at least 3 days prior to the meeting.

The Company also provided a channel for shareholders to send questions regarding agenda items at the meetings to the Company via e-mail (CompanySecretary@sprc.co.th) prior to the meetings.

The notice of shareholders meetings contains details on;

- Date, time, venue and map of the meeting
 - » To encourage the shareholders to attend the shareholders meetings, the Company selected appropriate dates, time and convenient venues for the meetings. It is the Company's policy to organize the shareholders meeting at a venue which meets our high safety standards, has multiple transportation options, e.g. close to BTS or MRT station and available parking areas, and a proper sized meeting room.
- the meeting procedure specifying details on required documents to verify the shareholders and proxies, independent directors who the shareholder can proxy to, vote requirements and counting procedures:
 - » If a shareholder cannot attend the meeting, the Company allows the shareholder to appoint an independent director or any person as a proxy to attend the meeting on their behalf, by submitting a proxy Form B sent with the notice to the shareholders meeting by the Company.
 - » To ensure the shareholders are able to prepare all required documents for the proxy, the Company explains the process and required document for the proxy in the notice. The Company does not require unnecessary documents nor provide complicated process for the proxy., There is no requirement for government officials to certify documents.
 - » The shareholders can register to attend the meeting 2 hours before the meeting. The Company uses a barcode system for convenience and to speed up the registration process.
- agenda items to be considered by the shareholders, with an explanation and reason for each agenda item or each resolution sought, as well as the opinion of the Board of Directors, including:
 - » with respect to the appointment of directors, nomination procedure, type of proposed director, background and suitability of the nominated persons, including education, experience, other titles held, attendance record for Board meetings (in case of reappointment of an existing director) and conflict of interests, if any;

- » with respect to the consideration of remuneration for directors, components and amount of remuneration proposed to be approved by the shareholders;
- » with respect to appointment of the auditor and determination of their remuneration, name and auditing office of the proposed auditor, the proposed remuneration, the years for which the auditor has performed their duty for the Company in the event of reappointment of an existing auditor, and independency of the auditor; and
- » with respect to the payment of dividend, the Company's dividend policy, Company's performance, proposed dividend amount, and an explanation to support the decision regarding the proposed dividend.

At the shareholder meetings, the Company had a legal advisor from Baker & McKenzie Ltd. to monitor the registration and the vote counting. The Chairman asked two volunteers from shareholders to witness the vote counting. The Chairman assigned the Company Secretary to inform the voting and counting procedure to the shareholders prior to considering each item. The Company used a ballot system for the voting. For election of directors, the Company requires a ballot for each individual on an individual basis. The voting result was announced for each individual director.

The Chairman provided opportunities for all shareholders to ask questions, and give opinions and suggestions. The Board of Directors, the CEO and senior leadership attended the meetings to answer questions and listen to the opinions and suggestions of shareholders. When the meetings ended, the Company prepared accurate and complete minutes of the meetings, including questions and responses during the meetings.

The Company published the voting results with scores of approve, disapprove and abstain of all resolutions on the Company's website on the same day, after finish the meeting, and published the meeting minutes within 14 days from the date of the meeting.

For preparation of the 2019 AGM, the Company has provided the opportunity to the shareholders to propose qualified candidates for election as directors and suggest items for consideration at the shareholder meeting. The Company has notified and posted the details on timeline and criteria on its corporate website since 24 September 2018.

Equitable Treatment for Shareholders

The Board of Directors has set a policy that the Company must conduct business with transparency. The Company shall treat all shareholders fairly and equally. The Company respects minority shareholders' rights and provides equal opportunity to all shareholders, such as equal rights on voting, the opportunity to propose agenda items for consideration at shareholders meeting, opportunity to propose qualified candidates for director election, and the opportunity to access company information or receive communication from the company.

Since 24 September 2018, the Board has announced criteria for shareholders to propose agenda items for discussion and to nominate qualified director candidates for election at the annual general meeting of shareholders in 2019.

Shareholders who wish to propose an agenda item and/or nominate director candidates must possess qualifications according to the criteria as follows:

- Be a shareholder or a group of shareholders of the Company;
- Hold minimum shares of not less than 1 percent of the total paid up shares of the Company (or not less than 43,359,022 shares); and
- Hold those shares continuously for at least one year prior to the date of proposing agenda items or nominating director candidates.

The shareholders must submit documents to the Company with required information according to the details posted on the Company's website.

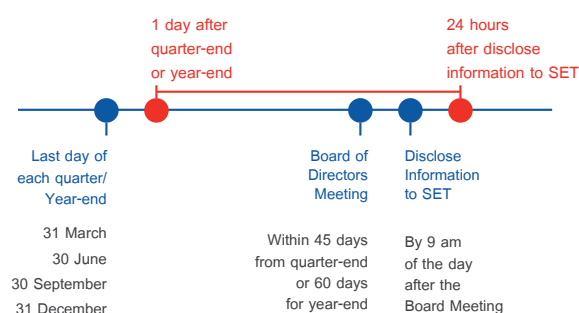
To ensure equal access to Company's information, the Board of Director has established a Public Disclosure Policy to ensure communications to all shareholders are accurate, adequate, timely and equally accessible in accordance with the principles of good corporate governance as well as regulations of the SET and SEC.

- The Board of Directors appointed the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) as authorized persons to disclose SPRC's material information to the SET and to the public, and be authorized spokespersons to provide SPRC's information to the media, analysts and investors.
- The CEO may delegate other management to disclose or speak on his/her behalf, but any comments must be limited to that delegate's area of expertise.

- The Company should not publicly disclose material information until it has notified the SET and received an acknowledgment that the information has been released to the SET.
- After disclosure to the SET, the information disclosed should be promptly posted on the Company's website (www.sprc.co.th) as a public forum for presenting information in compliance with this policy.

The Board of Directors has established an Insider Trading Policy to prevent improper use of material non-public information by directors, executives, and employees who have access to such material non-public information through their duties and roles within the Company. Improper use includes insider trading whether for their own or others' benefit. The practice regarding material non-public information is as follows:

- Directors, executives, employees, auditors, contractors or consultants of the Company who are aware of SPRC's material and non-public information, directly or indirectly shall not:
 - » engage in transactions of any kind of SPRC's securities whether for their own account or for the account of another;
 - » recommend that another person engage in transaction of SPRC's securities (known as "tipping");
 - » assist anyone in engaging in transactions of SPRC's securities; or
 - » disclose material and non-public information to anyone who does not have a legitimate business reason for receiving such information.
- All directors, executives, and employees who have access and are involved with financial reporting, as well as spouses and minor children of such persons, are prohibited from trading the Company's securities for a period starting one day after the quarter-end or year-end and ending one day (24 hours) after disclosure or publication of the quarterly or annual financial statements to the SET.



- If any director, executive or employee, or their spouse or minor children gain access to any undisclosed information that may affect the price of securities of the Company, those persons shall not trade the securities until a period of 24 hours following disclosure of such information to the public.
- Directors and executives shall notify the Chairman of the Board of Directors, or the Company Secretary, at least one day in advance before trading the Company's securities.
- If the company's directors and executives elect to trade in the Company's securities, the Company encourages them to make long-term investments. Directors and executives shall not engage in speculative or short-term trading of the Company's securities.
- Upon first being appointed as directors or executives of the Company, the directors and top-level executives shall report the holding of the Company's securities by them to the Office of the SEC (form 59-1) within 30 days from the date they first take office, and report any changes upon buying, selling, transferring, or accepting the Company's securities (form 59-2) within three business days from the date of any such change.
- The Audit Committee shall monitor the compliance with such measures, ensuring that any changes in securities holding are reported at the meeting of the Audit Committee each time any such changes occur.
- The number of shares held directly or indirectly at the beginning of the year (1 January), at the end of the year (31 December), and any trading during the year by the directors and executives shall be disclosed in the annual report.

In addition, the Business Conduct Policy requires that the Company's directors, executives, and employees refrain from having any conflict, potential conflict or perceived conflict, between personal interest and the interest of the Company, or the duties of the directors, executives, and employees toward the Company. Conflicts of interest may arise when such persons take any action or have any personal interest that adversely affects the Company's interest, reputation, good relations with others, as well as actions that affect their decisions when performing their respective duties. The practice regarding conflicts of interest is as follows:

- Directors, executives, and employees of the Company have duties in reporting their interests upon being appointed or joining the Company, and shall report on any changes to those interests.
- The Company discloses a clear shareholding structure to ensure confidence of the shareholders in the Company's shareholding structure.
- In meetings of the Board of Directors, if any director has a conflict of interest in the matter being considered, that director shall not take part in the consideration and decision regarding that matter, by refraining from participating in that portion of the meeting and voting, in order to ensure fairness and transparency in the decision of the Board of Directors and to protect the best interests of all shareholders.
- For consideration on related party transactions (RPT), the Audit Committee will review the transaction to ensure that it is executed on the arm's length basis and for the best benefits of the Company. Additionally, the Internal Auditor and the External Auditor will review the RPT executed in each quarter and report to the Audit Committee at the Audit Committee meeting on the quarterly basis.

Roles of Stakeholders

The Company takes into account the benefits of all stakeholders. The Company's Corporate Governance Policy provides that the Company shall value the rights of stakeholders, build relationships and promote cooperation between the Company and all stakeholders in order to balance benefits and create sustainability of our business.

The Company's stakeholders include shareholders, investors, analysts, employees, customers, business partners, contractors, creditors, business competitors, communities and government agencies. The Company has put in place policies and practice guidelines with respect to the treatment of stakeholders, as follows:

Shareholders, Investors and Analysts

The Company regards shareholders as the owners of the Company. Directors, executives, and employees, therefore, have the duty to operate its business in accordance with good corporate governance principles for the best and sustainable interest of all shareholders.

The Company respects the rights of shareholders and treats shareholders on the basis of fairness and equality, e.g. right to attend the shareholders meeting, right to propose agenda items and director candidates, right to ask questions regarding agenda items both prior to the meeting and during the meeting, arranging the meeting at a place convenient for transportation, encourage shareholders to attend the shareholders meeting, facilitate the shareholders who cannot attend the shareholders meeting by enclosing a proxy into the notice of meeting, disclosure of the Company's information with equal opportunity to access, and establish the Insider Trading Policy to prevent the improper use of non-disclosure information for personal benefit.

In addition, the Company arranged various activities to build good relationships with shareholders, investors and analysts, e.g. company visits, roadshows, analyst meetings, Opportunity Days and Thailand Focus.

In 2018, the Company organized 3 groups for shareholders to visit the Company's refinery at Rayong Province, on 4, 11 and 18 June, approximate 90-100 persons for each group.



Employees

The Company believes that its employees are its most important resource and key for the Company's success. The Company commits to take care, develop and create the best quality of life for our employees.

Human Rights:

The Company respects human rights and values diversity. The Company treats all employees equally according to international standards of the United Nations Universal Declaration of Human Rights, and does not discriminate based on race, religion, color, origin, age, gender, disability, soldier status or political beliefs.

The Company has policy on no discrimination to employee with HIV infection/AIDS (AIDS Policy). The Company is not discriminate against employees on ground of health as long as medical fit for available and be able to perform appropriate work. For new recruitment, HIV/AIDS screening as part of the assessment of fitness to work is not required. HIV infection is not a cause of termination of employment. The Company arranged a communication session on this Company's policy and invited the guest speaker to share knowledge and understanding on HIV/AIDS to employees.

Human Rights in SPRC, Human Rights in our Society (Know more about HIV – Preventive is your choices)

Background: According to our Business Conduct, SPRC affirms our long-standing support for universal human rights. Additionally, SPRC treat our SPRC family (employees, communities and suppliers) with dignity, respect and promotes diversity in our workplace. So, we would like to share the knowledge of learning your Rights and how to treat people in our society on the Right way especially people who living with HIV.

Agenda:

09.00 – 09.05	Opening Session
09.05 – 09.20	Human Rights
09.20 – 09.35	AIDS/HIV Pause-Check
09.35 – 10.15	Knowledge of AIDS/HIV, Risk and Current situation
10.15 – 10.25	Break
10.25 – 11.30	Attitude and Perception to AIDS/HIV – กิจกรรมเลือกบ้าน

KNOW YOUR RIGHTS And, treat others the RIGHT WAY

**Date: 24 October 2018
Time: 9.00 – 11.30
Room: R-106**

Guest Speaker:
Camillian Social Center Rayong

Target Audience:
All SPRC Staff and Volunteers
for Camillian Project



Corporate Culture:

The Company cultivates “One Family” to continuously improve our working environment. All staff work together, and support and care for each other like family members.



We have a Recognition Program to encourage appreciation of employees' contributions to the Company's business and culture, which improves employees' and contractors' pride, improves morale, and encourages continued good contributions and performance. In 2018, we had 249 recognitions under this Program.

In addition, the Company organized various activities to fasten relationship among Management, staff and contractors.



New Year Staff Party



Day 1 Celebration



Family Day



Merit for Event Project



Valentine's Day



Internal Football Match



Sport Charity

Safety:

The safety of all employees, contractors, business partners, and other stakeholders is always Company's top value. The Company expects everyone to "Go Home Safely Every Day". New employees and contractors receive full day safety training, scheduled on every Monday and Thursday, on their first day starting work at the Company. In 2018, we conducted 74 classes with approximate 4,000 participants.

We have "Safety Moments" that we share and discuss on safety awareness before starting all meetings. Everyone working at the Company, including contractors has "Stop Work Authority", where they can stop doing any activity that they are involved with, or request that others stop any activity if it looks unsafe. The Company has set up working teams with responsibility to implement various programs and activities to encourage safety awareness of all stakeholders both during work and at home.



The new employee and contractors who work with the Company less than 6 months (Short Service Employee program) can be recognized by the red hard hat, which ensures that other, more experienced workers will take good care of them to ensure they work safely.

The Company organized IIF Week to promote and raise awareness on safety, occupational health, and environmental care. Staff, Contractors, local government, media and communities joined this event.

The Company realized that incidents or injuries more likely occur outside the office and during off-working hours. Therefore, we set Off the Job Safety team to promote and raise awareness on safety 24 hours through a variety of activities, especially on safety driving.



Remuneration and Benefits:

The Company has put in place appropriate remuneration policies for employees at all levels.

- **For the short term:** the remuneration package, including bonuses are made in according to the Company's financial and non-financial performance, as set out in Key Performance Indicator (KPI);

i.e. recordable injury case, process utilization and availability, Energy efficiency, operating expenses. In order to engage, encourage and cooperate for KPI achievement, the staff will be communicated and updated on the KPI status on quarterly basis.

The Company has developed a Flexible Benefits program that allows the employees to match their benefits package with their individual needs, such as medical and dental expense for himself/herself and for his/her family members, child's tuition fee, insurance premiums, etc.

The Company considers a special bonus in each year by taking into account the Company's performance and benchmarking with remuneration packages of other Thai companies in the same business.

- **For the Long term:** the Company has a target to ensure competitive total remuneration. In each year, the Company evaluate and assess remuneration surveys and benchmarking with other lead petrochemical and refinery companies in Thailand who participate in the survey in order to consider the adjustment of salary ratio increase.

Performance charters are developed and actual performance reviewed with all employees on a continuing basis. Training plans, career goals, and potential career opportunities are developed as well to ensure continued career growth for all employees.

ESOP program for Management and staff was implemented for 3 years (8 December 2015 to 8 December 2018)

Furthermore, the Company provides a provident fund, registered as a juristic person under the Provident Fund Act, B.E. 2530 (1987) for the Company's employees. Participating employees pay a contribution of 3 to 15 percent of the monthly wage to the fund, and the Company contributes 3 to 15 percent of the employee's wage, depending on the employee's years of service.

Knowledge and Competency Development

The Company fully encourages and supports employees to improve their skill, knowledge and competency. The Company supports internal and external training, including overseas, in both functional skills and general soft skills, together with on the job training and coaching program by the supervisor or experienced colleague.

The Company promotes development of personnel through training, first-hand experience and on the job training that matches each of the employee's needs in order to improve work efficiency and the opportunity to progress in one's career. The Company additionally supports various programs and activities that support employees to have happier lives both at home and at the workplace.

Health:

The Company has a medical clinic with a doctor and nurses on duty every day. The Company provides an annual Health check program to all employees

The Company has Mindful Club, Star Volunteer Club, Music Club and 16 sport clubs that management, employees and contractors can join, supporting a healthy life style, and building relationships through club activities that meet their interests. The Company supports the Company's sportsmen joining Refinery Games and Complex Games annually.

Additionally, the Company provides Employee Assistance Program that employees can consult any issue with a psychologist from outsource.

The Company promotes happiness in life and work through Happy Workplace Program. The working team is comprised of staff from every department. They had initiated activities to meet employee's expectation, to boost up the employees' happiness and to create happy working environment. In 2018, we organized "Happy Money and Happy Body" and invited speakers to share the knowledge on "Happy Money Happy Retirement" to encourage the employee to have saving plan for their retirements.



Environment and Employee's CSR participation:



The Company is committed to operate its business in compliance with the environmental standard ISO 14001. All employees were communicated to, and understand the Company's Environment, Health and Safety Policy. The Company engages employees to participate voluntarily in the various Corporate Social Responsibility (CSR) activities. CSR activities related to the environment include tree planting, coral planting, aquatic release, building check dams, beach cleaning, waste bank, etc. (See detail in "Sustainability Report")

Energy:

The Company established the Energy Policy as follows;

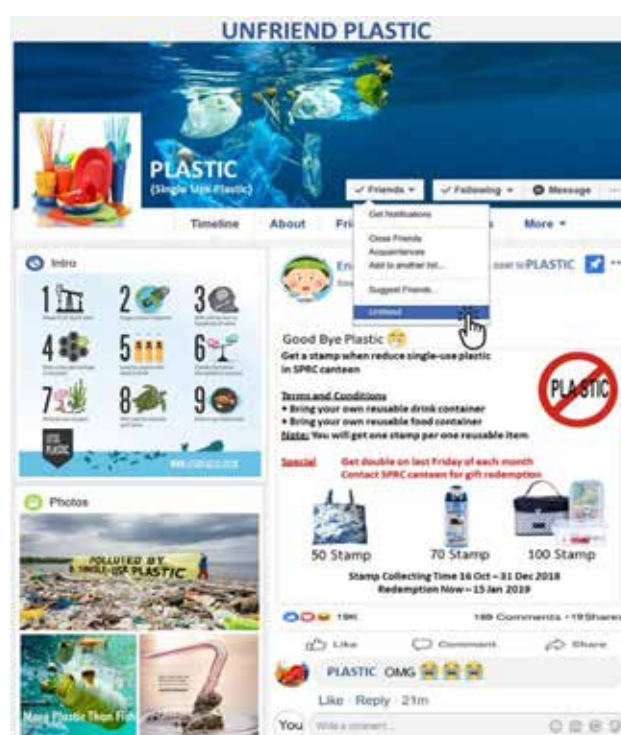
- To promote the compliance with regard to the applicable laws and regulations as well as state policies in connection with energy conservation and management
- To determine an appropriate guideline for energy conservation and management in considering the view of technology, economics and practices
- To provide guideline for effective resource allocation to support the execution of energy conservation and management program
- To encourage a continual and sustainable development and improvement of program and/or campaign in relation with energy conservation and management
- To establish objectives and plans to support the Energy Conservation Policy and communicate to staff. Conduct energy monitoring and report the Energy Management working team.
- To routinely review energy conservation policy, objectives and management plans, making corrective actions where required
- To implement continual improvement and sustainable development in energy management.

The Company set up the Energy Management Team to be responsible for implementation of energy management according to the Energy Conservation Policy, develop and coordinate energy efficiency improvements, monitor performance of energy management systems and report to top management. The Energy Management Working group is comprised of staff from every department to coordinate and conduct the proper energy conservation activities and training for each department. Management routinely reviews the action and implementation plan to ensure achievement of the Energy roadmap. The Company develops an annual energy report, which is inspected and certified by the authorized person and submits the report to the Director-General according the criteria and procedures announced in the Government Gazette by the Minister of the Ministry of Energy.

- Energy saving project contest "One department, at least one ENERGY SAVING ACTIVITY" by engage all staff to join.



- Campaign for reduce using of one-time plastic bag / plastic cup



Customers

It is the Company's policy to build and maintain our customer base by developing, producing, and selling quality products through a safe, efficient and reliable production and distribution process, and to meet or exceed customers' expectations. The Company continuously improves its safety and reliability practices in operations and all business processes to ensure the Company always has available quality products for customers as commitment.

Crude to Customer Project is the cross functional working team jointly sets the target and manages the whole supply chain, starting from crude selection and ending with products distribution and sale to our customers, to ensure the products meet supply commitments of product quality and on-time delivery.

The Company has qualified laboratory with ISO/IEC17025 standard of quality laboratory system for testing the products to ensure quality products for customers as commitment

The Company has a Customer Index as one of the Company's KPI's. The Company conducts customer satisfaction surveys on a quarterly basis. The Crude to Customer committee and working team is responsible to evaluate survey results and customers' feedback, set up the action plans and monitor plan execution to ensure customer satisfaction by meeting or exceeding their expectations. The Company reports the customer satisfaction survey results, customers' feedback and action plans to the Board of Directors on a quarterly basis.

Business Partners and Contractors

It is the Company's policy to treat all our business partners fairly and transparently. The Company conducts business by entering into contracts and agreements that are fair to all parties, complies to the terms and conditions of the agreements, refrains from demanding from or accepting improper benefits, and maintains confidentiality of our business partners' confidential information.

The Company does not do business with any company that violates labor laws, environmental laws, human rights, intellectual property laws, or trade restriction laws.

The Company has put in place a fair and transparent procurement process with clear segregation of duty and authorization to prevent conflict of interests. Our business partners must be qualified to be on our Approved Vendor List (AVL) to ensure reliable and high quality provision of services

and supplies. To qualify for the AVL, the vendors and suppliers must meet the following criteria;

- To ensure they have good safety management, they must demonstrate a successful safety performance, and have policies on safety, safety training, and safe workplace environment.
- To ensure they can supply materials and provide services that meet the Company's requirements, they must have skill, capability, knowledge, resources, experience, and a good reputation.
- To ensure they can be our sustained business partner, they must demonstrate a good financial status, such as good cash flow, reasonable debt, etc.

The Company builds relationships with our business partners that benefit all involved which we believe creates the best performance for both the Company and its partners. The Company extends our safety culture and encourages our business partner to have safety awareness and apply best practices, e.g.

- Organizing the Safety 24 Hours workshops to exchange knowledge and experiences about safety both at working and at home.
- Organizing Tool Box Talks every Tuesday morning for the Company's Management and supervisors to meet and discuss with the contractors about a safe workplace.
- Organizing the Ship Owners Workshop to build relationships and communicate the Company's policy on safety.

The Company communicated the Company's Anti-Corruption Policy to all business partners which also available on Company's website. The Company established the whistle blowing channel (See detail in item "Whistle Blowing Channel") for business partners and contractors who suspect violations of the law and Company Policies, non-transparent behaviors, or unfair treatment at or by the Company. Additionally, we had Business Conduct Re-enforcement sessions with business partner to sharing policy and best practices on good corporate governance.

Creditors

The Company strictly adheres and complies with the contractual and financial obligations as provided in credit agreements. The Company maintains good financial discipline and management to ensure repayment will be made on time.

In the event that one of the terms cannot be fulfilled, the Company works with integrity and transparently with its creditors to resolve any issues that may come up.

Business Competitors

The Company has a policy to treat business competitors ethically and fairly, not violate competition law, not fraudulently infringe on their business, or improperly seek confidential information of any business competitors, and not discredit business competitors' image and reputation.

The Company cooperates with other refineries and industry groups and exchanges information appropriately, such as sharing best practice on safety operation and technology, building safety culture, cooperation on emergency response, and liaise with the government sectors to ensure compliance with related regulations.

Communities

The Company has in place safety standards and production process controls, as well as operational best practices and advanced technologies to ensure the safety of all our stakeholders, that we meet or exceed all safety and environmental regulations, and to ensure reliable and safe operations to have minimal impact on the environment and community around us.

As part of our commitment to Sustainable Development, the Company supports the communities' better quality of life. To show our responsibility and caring to the communities, the Company's management and staff jointly organize various activities in 4 key areas;

- education and youth,
- quality of life,
- environment, and
- community relationship.

The Company additionally engages communities to provide recommendation and feedback with regard to the impact from the Company's operation in order for the Company to improve for sustainable development. (See detail in "Sustainability Report")

Government Agencies

The Company conducts business with strict compliance with all related laws and regulations. The Company regularly assesses compliance, including monitoring and updating changes in related laws and regulations. All staff have the responsibility to understand governing law related to their duties. During the execution of their work activities, all staff must comply with all related laws and regulations.

The Company maintains transparent relations with government agencies. To build relationships, the Company cooperates and supports government activities and projects, as long as such support is appropriate and does not conflict with the Company's Anti-Corruption Policy. (See detail in item "Anti-Corruption Policy")

In 2018, the Company organized a workshop for Management and staff who routinely and occasionally dealing with government officers for Company's business. The workshop's objective is to get alignment across the company on cooperation and building relationship with officers under the ground of accuracy and transparency.



Anti-Corruption Policy

As provided in the Company's Business Conduct Policy, the Company is committed to conducting its business ethically and in compliance with all applicable laws and regulations, including the U.S. Foreign Corrupt Practices Act (FCPA) and other laws that prohibit corruption to obtain an improper business advantage.

Anti-Corruption Policy

The Board of Directors has established an Anti-Corruption Policy to ensure that the directors, management and all staff will conduct business transparently to prevent and act against corruption. The Anti-Corruption Policy applies to all Company personnel, including directors, management, employees, as well as the Company's representatives, agents, contractors and other intermediaries or associates, who act on behalf of the Company. They are prohibited from engaging in acts of corruption such as paying bribes, accepting bribes, or other forms of undue or improper influence from all sectors, both government and private, where the Company does business. (Please find details in www.sprc.co.th)

Furthermore, the Company encourages all of our business partners, vendors, suppliers and contractors to implement anti-corruption policies and practices in line with our Anti-Corruption Policy and conduct the business ethically and in a manner that counters corruption.

Roles and Responsibilities

- The Board of Directors has delegated responsibility to the Audit Committee for overseeing and monitoring SPRC's internal controls and practices to ensure the effectiveness of this Anti-Corruption Policy.
- All management are responsible for assessing corruption risk exposure in their responsible areas, reviewing mitigation measures and ensuring adequacy of internal control processes to prevent corruption.
- All supervisors are responsible for monitoring and ensuring their staff are aware of and understand this policy, and follow the policies, procedures and internal controls to ensure SPRC maintains a corruption free business.

- The Corporate Compliance Officer (CCO) is responsible to implement adequate training and compliance programs for anti-corruption, handling any queries regarding this Policy and maintaining the records of sensitive transactions as required by applicable law and the US Foreign Corrupt Practice Act (FCPA).
- The Internal Auditor is responsible to review internal controls to ensure they are effective in countering corruption.

Procedure

The Company's Business Conduct Policy and Anti-Corruption Policy are introduced to all new employees at orientation sessions. The Company always communicates its policies to all staff to ensure they realize the Company has zero tolerance for corruption. The Company is committed to implementing and enforcing effective systems to counter corruption as well as to cultivate and promote ethical and responsible business values in our organizational culture.

All expenditures related to all Government Officials are considered as "sensitive transactions". All sensitive transactions must obtain advance approval from the CCO and must be supported by appropriate documents and receipts. No accounts may be recorded or not recorded to conceal improper payments. False, misleading, incomplete, inaccurate, or artificial entries in the Company's books, records or accounts are prohibited.

The Company provides guideline on expenditures regarding to gifts, meals, travel, lodging or entertainment for any government official as follows;

1. No expenditure of gifts, meals, travel, lodging or entertainment for any Government Official may be made for the purpose of improperly influencing any official action or to procure any improper advantage.
2. Upon advance approval from the CCO, SPRC may make payments on gifts, meals, travel, lodging or entertainment for any Government Official to secure performance of routine government actions by a Government Official (e.g. documents or administrative process), provided that such payment

- a) is confirmed to be legal under all applicable laws,
 - b) is not made to a Government Official who holds decision making capability for approval, and
 - c) neither influences nor impacts the decision making that will be made by the Government Official.
3. Payments on gifts, meals, travel, lodging or entertainment for any Government Official may be made based on following justification;
- a) Meals & Entertainment that
 - Conform to normal amenities
 - Are not Extravagant
 - Conform to customary practices, and
 - Are not improper or inappropriate entertainment e.g. adult entertainment at massage parlor, karaoke with hostess
 - b) Gifts or anything of value that
 - Conforms to normal amenities
 - No cash or other monetary instruments
 - Modest value
 - Be given publicly whenever possible
 - c) Transportation & travelling expenses, that are
 - Actual and reasonable travel expenses
 - No per-diem allowance
 - No unusual travel related activities e.g. recreational side trip
 - Not extended to relatives, friends or associates of officer
 - d) Hotel & Accommodations that are
 - Limited to reasonable business necessity
 - Not extended to relatives, friends or associates of officer
4. The following types of payments shall NOT be made:
- a) Expenditures for family members or guests accompanying the Government Official.
 - b) Expenditures for additional days of travel to tourist destinations or visits to family or friends.

Furthermore, to maintain the highest ethical integrity, the Company's personnel are prohibited to request, and not allowed to accept, gifts and entertainment from our business partners, vendors, suppliers, contractors, and agents which may interfere or appear to interfere with personnel's ability to perform their duties and responsibilities in an ethical manner. However, only for special occasions and through approval of the supervisor, the Company's personnel may accept gifts and entertainment of modest value. Cash or any other monetary gifts are strictly prohibited.

In addition to internal communications, the Company has communicated its Anti-Corruption Policy to the Company's business partners, not only to declare the Company's commitment to conduct the business transparency without corruption, but also to encourage and support our business partners to do business without corruption. The Company uses this collaboration to build a corruption free business community.

- Communication on the Company's Anti-Corruption Policy to 10 companies at the Eastern Procurement Network workshop.



- The Company arranged "Cheer for Corruption Free" on the International Anti-Corruption Day, 9 December 2018, to promote anti-corruption. The Cheer for Corruption Free is a contest for spirit show in concept of anti-corruption. The objective of this activity is to engage and encourage people in all ages, genders, students and all kind of careers to participate and enjoy with the anti-corruption performances, i.e. sign, dance, comedy show, pantomime, traditional show, etc. which the participates for this contest are age 9 years old to 70 years old.



- The Company communicated Anti-Corruption Policy to all business partners. For 2019 New Year greeting season, the Company communicated to all vendors, contractors, and customers on a No Gift Policy with practice guidelines as follows:

- » SPRC expressed a desire not to request and accept gifts or any favors of any value from our Business Partners;
- » Business Entertainment is considered inappropriate unless SPRC shares in the cost of these events;
- » Any form of cash or cash equivalence is strictly prohibited;
- » In case any gifts cannot be refused or are unable to be returned, the gifts will be donated.



In 2018, the Company donated all received New Year gifts to Camillian Social Center, Rayong Province, the organization where provides assistance for people living with HIV/AIDS.



Protection of Employees who act in good faith

The Company undertakes that the Company will protect our employees who refuse to pay bribes or other forms of undue or improper influence in good faith. The Company will ensure they are not liable to any penalty or other adverse consequence, even if such refusal may result in the Company losing business.

Whistle-Blowing

The Company has set up multiple whistle-blowing communication channels for anyone to report if they discover or suspect bribes or violation of the Anti-Corruption Policy or Business Conduct Policy by others. They can report to the Board of Directors, the Audit Committee or the Corporate Compliance Officer:

a) By E-Mail

To the Board of Directors at:
CompanySecretary@sprc.co.th,

To the Audit Committee at:
AuditCommittee@sprc.co.th, or

To the CCO at:
CorporateCompliance@sprc.co.th

b) By sending the letter to the following address:

Attention to:
Corporate Compliance Officer

Star Petroleum Refining Public Company Limited
No. 1 I-3B Road, Map Ta Phut,
Amphur Muang Rayong, Rayong Province, 21150

The whistleblower is not required to disclose their name. If the whistleblower provides their name, SPRC undertakes that SPRC shall not disclose the whistleblower's name or any information that can be used to identify the whistleblower and shall keep such information as confidential. All reports will be taken seriously and no one will be discriminated against in any form as a result of reporting a violation or potential violation in good faith.

The Corporate Compliance Officer is responsible to ensure a proper investigation is held on any complaints and report any findings, and report results and corrective actions to the Audit Committee and the Board of Directors. If the whistleblower discloses his or her name, the Company will also respond on the investigation result to the whistleblower.

In 2018, the Company did not receive any complaints of corruption related to the Company's business.

Certified company by the Thailand Private Sector Collective Action Coalition Against Corruption (CAC)

To reinforce the Company's commitment to conduct business with transparency, the Company has joined the CAC since April 2016. In order to comply with the CAC's self-assessment, the Company has set up a team to be responsible on implementation and report the progress to the Audit Committee on quarterly basis. After completion of the self-assessment, the Internal Auditor reviews to ensure the Company's policy and implementation are in compliance with CAC's requirements and reviewed with the Audit Committee for their approval. The CAC Council reviewed and approved the Company as a certified member in November 2017. This certification recognizes that the Company has policies and practices against corruption conforming with the CAC's principles.

Disclosure and transparency

The Board of Directors oversees disclosure of information and its transparency to ensure that both financial and non-financial information relating to the Company's business and performance is disclosed in an accurate, complete, adequate and timely manner. In addition, the information must reflect the Company's operational performance and its true financial status while strictly

complying with the laws, rules and regulations relating to information disclosure of both the SEC and the SET.

Aside from disclosing information as required by the SET and the SEC, the Company also communicates with shareholders, investors, analysts, fund managers and bankers both domestically and abroad through various channels. The Investor Relations Division has developed and established yearly investor relations plan and ensures efficient communication process and channels to communicate information including the Company's vision, mission statements, strategies, financial and operational performance by ensuring that those information complying with SEC and SET regulations while the Public Affairs Department disseminates corporate information to media through local and international press releases when there were an important business activities.

In 2018, the Company disclosed the Company's information through various channels including quarterly presentations, local and international roadshows, news releases, conference calls, IR website, annual reports and other channels including announcements through the SET and the SEC.

The Company ensures shareholders, investors, analysts, fund managers, bankers and employees received information through analyst meetings and opportunity day on quarterly basis, roadshows and conference calls. The Company also participated in activities organized by SET such as Thailand Focus and opportunity day. Furthermore those mentioned, interested investors can arrange company visits to meet with Company's management to obtain the Company's information and understand the Company's operations.



In 2018, the Company organized various activities to disclose information to international and local investors, institutional investors, retail investors, analysts, fund manager and press as follows:

Activity	Number (times)
International Roadshow	4
Local Roadshow	1
Analyst Meeting	4
Opportunity Day (organized by the SET)	4
Company Visit	3
Conference Call	8
Answering Inquiries by E-mail / telephone	Approx. 2-5 times/day
Shareholders' Company Site Visit	3
Presentation of information to investors	9
Press Release on the Company's performance	4
Joint Activities with SET	1

The Company's information and news are also made available and equally accessible to all stakeholders on the Company's website at www.sprc.co.th. Investors and interested parties may contact or make inquiries to the Company's Investor relations division at Tel. +66 (0) 38 699 887 or Fax. +66 (0) 38 699 999 ext. 7887 or send email to ir@sprc.co.th.

In addition, the Company provides a central point of investor contact as follow:-

- » Mr. Wichai Chunhasomboon, Chief Financial Officer
- » Mrs. Suttanuch Kittipongvises, Investor Relations Manager

Responsibilities of the Board of Directors

The Company's Board of Directors consists of directors who possess knowledge, ability, and experience in a variety of fields; can leverage their experience, knowledge, and ability to effectively develop and determine the direction, policy, and strategy of the Company with honesty, transparency, and care for the best interests of the Company and its shareholders; and monitor to ensure the Management operates business in accordance with the strategic plan and budget determined, and rules and regulations of the relevant authority and government agencies, as well as the resolutions of the shareholders meeting. The Board of Directors has also put in place an internal control process that is appropriate and consistent with good corporate governance principles.

Composition of the Board of Directors

Pursuant to the Company's Articles of Association, the Board of Directors shall consist of at least five directors. The Board of Directors shall elect one director as the chairman, and may elect another director as the vice chairman or other positions as deemed appropriate. No less than one-half of the number of directors shall reside in Thailand.

The Charter of the Board of Directors, approved by the shareholders, requires that the Board of Directors consist of seven to nine directors who possess knowledge and experience in a variety of fields. At least three of the Company's Board of Directors shall be independent directors. The directors shall possess qualifications, and shall not possess any prohibited characteristics, as specified by law.

The Board of Directors shall evaluate the composition of the board every year to determine whether the board consists of directors with knowledge and experience in different fields, to ensure that the board members can suitably work together to determine the Company's vision, mission, strategy and policies as well as monitor the Company's business and operations.

As of 31 December 2018, the Board of director comprises 7 directors.

	Executive Director	Non-Executive Director	Independent Director
1. Mr. Andrew Benjamin Walz	-	✓	-
2. Mr. Pliu Mangkornkanok	-	✓	✓
3. Mr. Manoon Siriwan	-	✓	✓
4. Mr. Robert Stair Guthrie	-	✓	✓
5. Mr. Nicolas Michel Bossut	-	✓	-
6. Ms. Kheng Ling Lok	-	✓	-
7. Mr. Timothy Alan Potter ¹	✓	-	-

¹ Mr. Timothy Alan Potter was elected to be a Company's director and Chief Executive Officer in replacement of Mr. William Lewis Stone, effect 6 April 2018

Appointment and removal of directors

Appointment, removal, or termination from office of the directors shall be in accordance with the Company's Articles of Association, as follows:

- The shareholders meeting shall elect the Company's directors in accordance with the following rules and methods:
 - a shareholder shall be entitled to one vote per share held by them;
 - each shareholder may cast votes to elect one or more directors, but the votes are indivisible; and
 - the person who receives the highest vote, and other persons with the next highest number of votes, shall be elected as directors in accordance with the number of directors required, and if more than one person receives equal votes, the chairman of the shareholders meeting shall have the casting vote.
- At each annual general meeting, one-third of the directors, or, if their number is not a multiple of three, then the number nearest to one-third, must retire from office. The directors to retire during the first and second years following the registration of the Company shall be drawn by lots. In every subsequent year, the directors who have been in office the longest shall retire. A retiring director is eligible for re-election.

- A director may resign from office by submitting a letter of resignation to the Company, effective from the date on which the Company receives the letter or any date specified in the resignation letter. The Board of Directors may appoint a new director to replace a resigning director, but any person so appointed shall retain office only for as long as the resigning director was entitled to retain the same.
- A shareholders meeting may remove any director before the expiration of his or her period of office, upon a resolution of the meeting passed by not less than three-fourths of the shareholders attending the meeting and eligible to vote, holding not less than 50 percent of the total shares held by the shareholders attending the meeting and eligible to vote.

Directors who retired at the 2018 Annual General Meeting, held on 5 April 2018 were Mr. Manoon Siriwan, Ms. Kheng Ling Lok and Mr. Robert Stair Guthrie. They were re-elected by the the 2018 Annual General Meeting of Shareholders to hold a directorship for another term.

The Board of Directors Meeting No. 4A/2018, held on 11 December 2018, elected Mr. Timothy Alan Potter to be the Company's director and Chief Executive Officer in replacement of Mr. William Lewis Stone who resigned, effect 6 April 2018. Mr. Timothy takes the remaining directorship term of Mr. William.

The Directors who will retire at the 2019 Annual General Meeting of Shareholders are Mr. Pliu Mangkornkanok and Mr. Timothy Alan Potter.

Nomination of directors

The Board of Directors has established procedures for nomination of directors by the Nomination, Remuneration and Corporate Governance Committee to ensure compliance with good corporate governance guidelines of the SET for listed companies. The Nomination, Remuneration and Corporate Governance Committee has the duty to review policies and the process for nominating new directors, and determine necessary and desirable qualifications of new directors. Additionally, the Company looks for qualified candidates from the list of Chartered Directors of the Thai Institute of Directors (IOD).

Persons nominated as directors shall possess the following qualifications:

- (1) Be fully qualified and not be prohibited from being a director according to:
 - The Public Limited Company Act
 - The Securities and Exchange Act
 - Regulations of the Securities and Exchange Commission
 - Regulations of the Capital Market Supervisory Board
 - The Company's Articles of Association
- (2) Have knowledge, skills, and expertise in fields related to the Company's business or have experiences that are beneficial to the Company's business operations.
- (3) Be trustworthy, have leadership skills, vision, ethics, integrity and be able to perform director's duties with care and diligence.
- (4) Not serve as a director of more than 3 listed companies in the Stock Exchange of Thailand.

Nomination of independent directors

Persons nominated as independent directors shall possess the following qualifications:

1. The independent director should not hold more than 3 consecutive terms directorship. (3 years for each term)
2. An independent director must not hold shares exceeding 1 percent of the total shares with voting rights of the Company, the parent company, the subsidiaries, the associate companies, major shareholders, or controlling persons of the Company. That percentage shall include shares held by related persons of the independent director.

3. An independent director shall not be, or have been, an executive director, employee, staff member, or consultant who receives a regular salary, or a controlling person of the Company, the parent company, the subsidiaries, the associate companies, the same-level subsidiaries, major shareholders, or controlling persons of the Company, unless the director has not held such a position for at least 2 years before the date of submission of the application to the Office of the SEC. Such a prohibition does not include cases of an independent director holding a position as a government officer or consultant of a government agency that is a major shareholder or controlling person of the Company.
4. An independent director shall not be related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of a child of another director, executive, major shareholder, controlling person to be nominated as an executive director, or controlling person of the Company or the subsidiaries.
5. An independent director shall not have, or have had, a business relationship with the Company, the parent company, the subsidiaries, the associate companies, major shareholders, or controlling persons of the Company in a manner that may prevent free judgment, and shall not be, or have been, a significant shareholder or controlling person of a person related to the business of the Company, the parent company, the subsidiaries, the associate companies, major shareholders, or controlling persons of the Company, unless that relationship ended at least two years before the date of submission of the application to the Office of the SEC.

The above business relationship includes execution of trade transactions in the ordinary course of the business; leasing or letting immovable property; transactions related to assets or service, or provision or acceptance of financial assistance by way of borrowing or lending, guarantee, charges, and security assets, and other similar circumstances causing indebtedness of the Company or a party to the other party of 3 percent of the net tangible assets of the Company, or Baht 20 million and above, whichever is lower. Calculation of such indebtedness shall be in accordance with the method for calculating

related-party transactions under the notification of the Capital Market Supervisory Board concerning rules for related-party transactions, mutatis mutandis. However, such indebtedness shall include the indebtedness arising during the period of one year before the relationship with that person was established.

6. An independent director shall not be, or have been, an auditor of the Company, the parent company, the subsidiaries, the associate companies, major shareholders, or controlling persons of the Company, and shall not be a significant shareholder, controlling person of, or a partner in, the auditing office in which the auditor of the Company, the parent company, the subsidiaries, the associate companies, major shareholders, or controlling persons of the Company works, unless the director has not held such a position for at least two years before the date of submission of the application to the Office of the SEC.
7. An independent director shall not be, or have been, a provider of any professional service, including legal advisory or financial advisory service, receiving more than Baht 2 million of service charges per year from the Company, the parent company, the subsidiaries, the associate companies, major shareholders, or controlling persons of the Company, and shall not be a significant shareholder, controlling person, or a partner of the service provider, unless the director has not held such a position for at least two years before the date of submission of the application to the Office of the SEC.
8. An independent director shall not be a director appointed as the agent of the directors of the Company, major shareholders, or shareholders related to a major shareholder.
9. An independent director shall not operate a business of the same nature, with and in competition with the business of the Company, or the subsidiaries, and shall not be a significant partner in a partnership, or be an executive director, employee, staff member, or consultant who receives a regular salary, or hold shares exceeding 1 percent of the total shares with voting rights, of another company operating a business of the same nature, with and in competition with the business of the Company or the subsidiaries.

10. An independent director shall not possess any other characteristics that prevents him or her from freely giving an opinion regarding the Company's operation.

The Board of Directors and the NRCG Committee discussed the succession plan of the independent directors and consider having one additional independent director. The Board of Directors provided preferred qualification that the qualified candidate should be female with the background and experiences in finance or accounting.

In Q3-Q4/2018, the NRCG Committee searched for qualified candidates for consider and review. The NRCG Committee plan to propose the qualified candidates to the Board of Director for consideration and endorsement at the Board of Directors Meeting No. 1/2019 for further election by the shareholder Annual General Meeting of Shareholders.

Scope of authority, duties, and responsibilities of the Company's Board of Directors

The Company's Board of Directors has a number of duties and responsibilities as set out in the Public Limited Company Act, Securities and Exchange Act, rules and guidelines of the SET, the Company's Articles of Association, and the Charter of the Board of Directors.

It is the primary responsibility of the Board of Directors to manage the Company's business within the scope of the law, the Company's objectives, Articles of Association, and resolutions of the shareholders meeting. The Board of Directors shall perform its duty using its best efforts to add value to the business in the long run, and manage the business carefully and prudently with transparency, and prevent any occurrence of conflict of interest. The Board of Directors shall determine the standard practice for the operation of the Company's business and ensure the adequacy of the Company's internal control and risk management systems.

The Charter of the Board of Directors sets out the authority and duties of the Board of Directors, and clearly separates the authority and duties of the directors, independent directors, and Management. The key responsibilities of the Board include:

- Reviewing, evaluating, approving and modeling vision, mission, culture, core values and commitment to maximize financial, operational, health, safety and environmental performance;
- Reviewing, evaluating and approving the business plan and budget each year;
- Reviewing, evaluating and approving strategies

with guidance to implement objectives and goals of the Company;

- Monitoring business performance and reviewing the implementation of strategies;
- Enhancing and protecting the Company's reputation and corporate integrity;
- Reviewing, evaluating, and approving the policies, standards of corporate governance and legal and regulatory compliance; such as the Business Conduct Policy, Corporate Governance Policy, Anti-Corruption Policy, Insider Trading Policy, Risk Management Policy and Dividend Policy; as well as follow up and monitor the internal control and practice to be compliance with such policies;
- Reviewing, evaluating and approving overall direction and financial, operational, health, safety and environmental objectives and goals each year;
- Reviewing and approving full year and interim financial reports;
- Reviewing and approving the payment of any interim dividends;
- Reviewing, evaluating and approving the charters of the Board's committees;
- Reviewing and approving the appointment of a new director to replace a vacancy due to resignation;
- Reviewing and approving terms of appointment, including the remuneration package of the CEO, based on the recommendation of the Human Resources Committee;
- Reviewing, evaluating and approving the termination of the CEO's appointment;
- Providing input to the CEO's annual performance review with the Chairman;
- Monitoring the progress of major capital projects and business acquisitions or divestitures, and reviewing returns from these investments;
- The Board of Directors has authorization on capital expenditure up to Baht 1.5 billion. Any capital expenditure that exceeds Baht 1.5 billion shall be proposed for shareholders' approval.
- Reviewing and approving such authority to execute transactions or obligations which do not fall within the scope of authorities delegated to the CEO;

» The CEO has the authority to execute transactions in the name of the Company, with a limit of not exceeding Baht 200 million. Transactions with a value greater than Baht 200 million are subject to the Board's approval.

» However, due to the nature of Company's business and normal Company's business transaction, the CEO has the authority to execute transactions and obligations with a term not exceeding 12 months (regardless of the amount of these transactions) that are related to the current and future purchase, sale, and exchange of crude oil, raw materials, intermediate products, and finished products.

» For related party transactions, the CEO has the authority to execute related party transactions in the name of the Company, with a limit of not exceeding Baht 10 million. Related party transactions with a value greater than Baht 10 million are subject to the Audit Committee's review and the Board's approval. For related party transactions with regard to the current and future purchase, sale, and exchange of crude oil, raw materials, intermediate products, and finished products, the CEO has the authority to execute such related party transactions with a term not exceeding 12 months (regardless the amount of those transactions).

Authorized Directors

The authorized directors of the Company are any two of Mr. Andrew Benjamin Walz, Mr. Nicolas Michel Bossut, Mr. Timothy Alan Potter, and Ms. Kheng Ling Lok, to jointly sign and affix the Company's seal.

Roles of Chairman of the Board of Directors

Mr. Andrew Benjamin Walz was elected by the Board of Directors to be a Chairman of the Board. The Charter of the Board of Directors provides the roles of the Chairman of the Board as follows;

- Facilitate and ensure the Board of Directors perform and carry out its activities efficiently and effectively in compliance with the good corporate governance and the Company's Business Conduct;

- Oversee and ensure the Board of Directors completely perform and carry out its activities as set out in the Company's Charter of the Board of Directors;
- Oversee and ensure the Board of Directors receive correct and appropriate information for consideration at the Board of Director's meeting;
- Approve the agenda for each Board of Director's meeting in consultation with the CEO and the Company Secretary;
- Approve the minutes for each Board of Director's meeting, recorded by the Company Secretary;
- Allocate sufficient time for each agenda item, support the directors to exercise prudent discretion, allows directors to ask questions and express opinions freely, and conclude to resolve the meetings' resolutions;
- Act as chairman of shareholders' meetings and ensure each shareholders' meeting will be effectively proceeded and compliance with all related laws and regulations;

In addition, the Board of Directors elected Mr. Pliu Mangkornkanok to be a Vice Chairman of the Board of directors. The Vice Chairman has responsibility to support the Board Chairman and fulfill the Chairman's responsibilities in case of the absence of the Chairman or the Chairman is unable to play the chairman role during a meeting of the Board or a meeting of shareholders.

Board of Directors meetings

The Company's Articles of Association require that the Board of Directors holds at least one meeting every three months, and may hold additional meetings to consider urgent matters.

The directors shall regularly attend Board of Directors meetings to acknowledge and take part in the decisions regarding the operation of the Company's business. The Company Secretary has the duty to determine in advance the meeting schedule every year. In Q3, the Company Secretary will notify each director of the meeting schedule for the following year, so that each director is aware of the meeting schedule in advance, and is able to attend the meeting. Each quarterly meeting will be held during a period of after 30 - 40 days after the end of quarter, except for the year-end, the meeting will be held during a period of after 40 - 60 days after the end of calendar year. Each meeting takes approximately 4 hours. Each director shall participate the meeting in person. The quorum for the Board meeting requires the presence in person of at least one-half of all directors

on the Board. A director who unable to be present at the meeting can participate the Board meeting via teleconference on video conference, but he/she will not be counted towards the quorum nor vote on resolutions.

The Chairman, the Chief Executive Officer, and the Company Secretary together consider and approve the meeting agenda. At each meeting, a clear agenda is set, and sufficient supporting documents sent to the directors, both in hard copy and electronic form, approximately 8 - 10 days in advance, to allow sufficient time for the Board of Directors to study the matters before the meeting.

To consider each matter, the Chairman of the Board of Directors, who acts as the chairman of the meeting, allocates sufficient time for each agenda item, and allows directors to ask questions and express opinions freely. Resolutions of the Board of Directors require a majority vote of the directors. Each director has one vote. In the event of equal votes, the Chairman of the meeting has the casting vote.

If any director has a conflict of interest in the matter being considered, the interested person shall not take part in the consideration and decision on that matter, for transparency and the best interest of the Company.

The Company's executives attend the Board of Directors meeting in order to directly provide beneficial information and acknowledge policies from the Board of Directors, to ensure efficient implementation. The executives report implementation results in the following Board of Directors meeting.

Upon conclusion of the meeting, the Company Secretary prepares the minutes of the meeting, containing important matters considered, resolution, as well as the opinions expressed in the meeting, proposes the draft minutes to the directors for their preliminary review, proposes the minutes in the next Board of Directors meeting for Board's approval, and certification by the Chairman of the Board of Directors. Minutes approved by the meeting and certified by the Chairman of the Board of Directors are systematically kept, with the documents supporting each agenda item in the meeting, both in hard copy and electronic form, for convenience of retrieval and reference.

Attendance of the Board of Directors Meetings and Committee Meetings in 2018

Name of Directors	Board of Directors	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Human Resources Committee
	Total Meetings in 2018			
	5 Meeting	4 Meetings	4 Meetings	5 Meetings
1 Mr. Andrew Benjamin Walz	5/5	-	-	-
2 Mr. Pliu Mangkornkanok	5/5	4/4	-	5/5
3 Mr. Manoon Siriwan	5/5	4/4	4/4	-
4 Mr. Robert Stair Guthrie	5/5	4/4	4/4	-
5 Mr. Nicolas Michel Bossut	5/5	-	4/4	-
6 Ms. Kheng Ling Lok	5/5	-	-	5/5
7 Mr. Timothy Alan Potter ¹	3/3	-	3/3	3/3
Director who resigned in 2018				
1 Mr. William Lewis Stone ²	2/2	-	1/1	2/2

¹ Mr. Timothy Alan Potter was elected to be the Company's Director, effect on 6 April 2018.

² Mr. William Lewis Stone resigned from the Company's Director, effect on 6 April 2018.

The Company Secretary is responsible to develop meeting schedule and inform the directors of the meeting schedule for the whole year in advance. In 2018, meetings of the Board of Directors were held 5 times, including 4 regular quarterly meetings, and 1 special meeting. All directors fully attended all Board of directors meetings.

Attendance of the Board of Directors Meetings in 2018

Name of Directors	No.1 (13 Feb)	No.2 (5 Apr)	No.3 (10 May)	No.4 (14-15 Aug)	No.5 (2 Nov)	Total	Percentage
1 Mr. Andrew Benjamin Walz	✓	✓	✓	✓	✓	5/5	100%
2 Mr. Pliu Mangkornkanok	✓	✓	✓	✓	✓	5/5	100%
3 Mr. Manoon Siriwan	✓	✓	✓	✓	✓	5/5	100%
4 Mr. Robert Stair Guthrie	✓	✓	✓	✓	✓	5/5	100%
5 Mr. Nicolas Michel Bossut	✓	✓	✓	✓	✓	5/5	100%
6 Ms. Kheng Ling Lok	✓	✓	✓	✓	✓	5/5	100%
7 Mr. Timothy Alan Potter ¹	n/a	n/a	✓	✓	✓	3/3	100%
Director who resigned in 2018							
1 Mr. William Lewis Stone ²	✓	✓	n/a	n/a	n/a	2/2	100%
The attendance of all directors							100%

¹ Mr. Timothy Alan Potter was elected to be the Company's Director, effect on 6 April 2018.

² Mr. William Lewis Stone resigned from the Company's Director, effect on 6 April 2018.

Audit Committee

Scope of authority, duties, and responsibilities of the Audit Committee

- To ensure that the Company's financial statements are accurate and adequately disclosed.
- To ensure that the Company implements internal controls and internal audit systems that are appropriate and effective, and to consider the independence of the internal audit unit and give consent regarding the appointment, transfer, and termination of employment of the internal auditor.
- To ensure that the Company complies with the law governing securities and exchange, regulations of the SET, and the laws applicable to the Company's business.
- To consider selecting, nominating, and appointing an independent person to act as an auditor of the Company, and propose the remuneration of the auditor, and attend meetings with the auditor and internal auditor without the management's presence at least once a quarter.
- To consider related-party transactions or transactions with likely conflict of interest, and ensure that they are in accordance with the laws and regulations of the SET, in order to ensure that such transactions are reasonable and in the best interest of the Company. The opinions of the Audit Committee will be proposed to the Board of Directors or the shareholders, as the case may be, to ensure that the proposed transactions are executed on a commercial arm's length basis and always take into consideration, on balance, the best interest of Company.
- To prepare the report of the Audit Committee and disclose the same in the Company's annual report. The report is certified by the Chairman of the Audit Committee, and contains at least the following:
 - » opinion regarding the accuracy, completeness, and reliability of the Company's financial report;
 - » opinion regarding the adequacy of the Company's internal control system;
 - » opinion regarding compliance with the law governing securities and exchange, regulations of the SET, and the laws applicable to the Company's business;
 - » opinion regarding the suitability of the auditor;
 - » opinion regarding transactions with likely conflict of interest;

- » number of Audit Committee meetings held and attended by each audit committee member;
 - » overall opinion or observation of the Audit Committee from compliance with the charter; and
 - » other details to be noted by shareholders and general investors as deemed appropriate by the Audit Committee in accordance with the scope of duty and responsibility assigned by the Board of Directors.
- To take any other actions as assigned by the Board of Directors, subject to the consent of the Audit Committee.

Nomination of the Audit Committee

The Audit Committee members must be the Company's independent directors, with all qualifications required under the law governing securities and exchange, the notifications of the Capital Market Supervisory Board, and the notifications, regulations, and rules of the SET. The rules under the notifications of the Capital Market Supervisory Board and the SET require that the Audit Committee consist of at least three members, who possess sufficient knowledge and experience to act as audit committee members. At least one audit committee member possesses sufficient knowledge and experience in accounting to be able to inspect the credibility of the Company's financial statements. Each member of the Audit Committee maintains his or her qualifications as an Audit committee member and title as director, which can be summarized as follows:

1. The member must be an independent director of the Company.
2. The member must be nominated by the Board of Directors.
3. The member must possess the qualifications specified in the notification of the Stock Exchange of Thailand concerning qualifications and scope of work of audit committees.
4. The member must not be a director assigned by the Board of Directors to make decisions on the operation of the business of the Company, the parent company, the subsidiaries, the associate companies, major shareholders, or controlling persons of the Company.
5. The member is not a director of the parent company, the subsidiaries, and the same-level subsidiaries that are listed companies.

Attendance of the Audit Committee Meetings in 2018

Name of Directors	No.1 (12 Feb)	No.2 (9 May)	No.3 (14 Aug)	No.4 (1 Nov)	Total
1 Mr. Pliu Mangkornkanok	✓	✓	✓	✓	4/4
2 Mr. Manoon Siriwan	✓	✓	✓	✓	4/4
3 Mr. Robert Stair Guthrie	✓	✓	✓	✓	4/4

Nomination, Remuneration and Corporate Governance Committee

Scope of authority, duties, and responsibilities of the Nomination, Remuneration and Corporate Governance Committee

- Assisting the Board of Directors with respect to the structure of the Board of Directors; the nomination, election, and re-election of directors; consideration for performance of the Board of Directors and each director; as well as the succession plan for the Board of Directors.
- Assisting the Board of Directors with respect to the nomination process for directors, determining the terms of appointment.
- Providing consultancy service to assist the Board of Directors in evaluating the performance and nomination of directors.
- The Nomination, Remuneration and Corporate Governance Committee shall ensure that the Board of Directors possesses the appropriate mix of skills,

experience, expertise, and variety, and shall implement an appropriate process with respect to succession, appointment, performance, and other matters related to the Board of Directors.

- Reviewing and overseeing the process for evaluation of the performance of the Board, its standing committees and individual directors.
- Assisting the Board of Directors to consider a fair and reasonable remuneration structure for the Board of Directors and other committees.
- Reviewing the adequacy of the Company's practices with respect to corporate governance, and provide advice and recommendations to the Board to ensure the Company's policies, practices, and standards of corporate governance are consistent with SET's best practice guidelines for listed companies, international best practices and recommendations made by related institutions.
- Monitoring and overseeing the performance of the Board and Management to ensure their compliance with the Company's Corporate Governance policy.

Attendance of the Nomination, Remuneration and Corporate Governance Committee Meetings in 2018

Name of Directors	No.1 (13 Feb)	No.2 (9 May)	No.3 (14 Aug)	No. 4 (2 Nov)	Total
1 Mr. Robert Stair Guthrie	✓	✓	✓	✓	4/4
2 Mr. Manoon Siriwan	✓	✓	✓	✓	4/4
3 Mr. Nicolas Michel Bossut	✓	✓	✓	✓	4/4
4 Mr. Timothy Alan Potter ¹	n/a	✓	✓	✓	3/3
Director who resigned in 2018					
1 Mr. William Lewis Stone ²	✓	n/a	n/a	n/a	1/1

¹ Mr. Timothy Alan Potter was elected to be the Company's Director, member of the Nomination, Remuneration and Corporate Governance Committee, member of the Human Resources Committee and Chief Executive Officer, effect on 6 April 2018.

² Mr. William Lewis Stone resigned from the Company's Director, member of the Nomination, Remuneration and Corporate Governance Committee, member of the Human Resources Committee and Chief Executive Officer, effect on 6 April 2018.

Human Resources Committee

Scope of authority, duties, and responsibilities of the Human Resources Committee

- The primary role of the Human Resources Committee is to provide the Board of Directors with assistance regarding the strategic plan for management and development of the Company's human resources, and the Company's remuneration system for staff.
- The Human Resources Committee has the duties assigned by the Board of Directors, including approving the plan on payment of annual remuneration and incentives.

- The Human Resources Committee considers ways to develop human resources management and personnel development strategies, in order to enhance the operation of the Company's business, and improve operations, as well as to increase shareholder value in the long run.
- The Human Resources Committee ensures that the remuneration system is appropriately managed, and a clear and reasonable process is in place, in order to enhance the Company's human resources management strategy.
- The Human Resources Committee is responsible for provide the advice on the appointment of senior leaders, and review a succession planning of the CEO and senior leadership team.

Attendance of the Human Resources Committee Meetings in 2018

Name of Directors	No.1 (13 Feb)	No.2 (12 Mar)	No.3 (10 May)	No.4 (15 Aug)	No.5 (1 Nov)	Total
1 Mr. Timothy Alan Potter ¹	n/a	n/a	✓	✓	✓	3/3
2 Mr. Pliu Mangkornkanok	✓	✓	✓	✓	✓	5/5
3 Ms. Kheng Ling Lok	✓	✓	✓	✓	✓	5/5
Director who resigned in 2018						
1 Mr. William Lewis Stone ²	✓	✓	n/a	n/a	n/a	2/2

¹ Mr. Timothy Alan Potter was elected to be the Company's Director, member of the Nomination, Remuneration and Corporate Governance Committee, member of the Human Resources Committee and Chief Executive Officer, effect on 6 April 2018.

² Mr. William Lewis Stone resigned from the Company's Director, member of the Nomination, Remuneration and Corporate Governance Committee, member of the Human Resources Committee and Chief Executive Officer, effect on 6 April 2018

Training for directors

In 2018, the Company had 1 new director, Mr. Timothy Alan Potter. He received an introduction and overview of the Company's structure and business, the Company's performance in operation, supply and financial including performance benchmarking with the peers in Thailand and international industry, Company's culture, Business Conduct Policy, and policies regarding to the good governance. He also attended the Director Certificate Program organized by the Thai Institution of Directors (IOD).

Additionally, the Company encourages the directors to improve themselves in the area of director roles and corporate governance by attending a training or seminar regarding to the roles and responsibilities of directors organized by the IOD. The Nomination, Remuneration and Corporate Governance Committee is responsible to monitor and ensure the directors attend the training.

Board of Directors Self-Assessment

Criteria

The Board of Directors assessed its 2018 performance. The self-assessment form consists of 50 questions covering 6 areas:

- **Board structure and qualifications:** to evaluate the appropriate composition of the board on diversity of skills and experiences as well as diversity to effectively support the Board's activities and Company's business
- **Roles, duties and responsibilities of the board:** to evaluate the effectiveness and contribution of the Board of Directors to achieve the goals of the Company
- **Duties of directors:** to evaluate the neutrality and independence of directors performing their roles

- **The board meeting:** to evaluate the effectiveness and environment of the meetings, and the quality of information provided for board consideration at the meetings
- **Relationship with management:** to evaluate the trust relationship between directors and management, including working to support each other on their roles
- **Director's self-improvement and training:** to evaluate the Directors' understanding of their roles, and responsibilities, and the company's nature of business.

Process

- The Company Secretary is responsible to review the self-assessment form and apply it to be consistent with the roles and responsibilities of the Board of Directors as provided in the Charter of the Board of Directors.
- All directors shall complete the self-assessment and send to the Company Secretary to consolidate the result.
- The Company Secretary shares the Board of Directors' assessment result with the Nomination, Remuneration and Corporate Governance Committee to review and discuss.
- The Chairman of the Nomination, Remuneration and Corporate Governance Committee shares the Board of Directors' assessment result with the Board of Directors and provides recommendations for effective performance and compliance with corporate governance.

Assessment Result

All 7 directors completed the self-assessment for the Board of Directors. The overall result of the 2018 Board of Directors' self-assessment indicates 98.57%.

Audit Committee Self-Assessment

Criteria

The Audit Committee assessed its 2018 performance. The self-assessment form consists of 30 questions covering 3 areas:

- **Committee structure and qualifications:** to evaluate the appropriate composition of the committee on diversity of skills and experiences to support committee to perform its roles, as well as the demonstration on integrity, credibility and trustworthiness
- **Committee meeting:** to evaluate the effectiveness and environment of the meetings, and the quality of information provided for committee consideration at the meetings
- **Roles, duties and responsibilities of the Committee:** to evaluate the effectiveness and contribution of the committee members to carry out all responsibilities as outlined in the Audit Committee Charter in the following areas;
 - » Financial Reports
 - » Internal Control and legal compliance
 - » Risk Management
 - » External Audit
 - » Internal Audit

Process

- The Committee Secretary is responsible to review the self-assessment form and apply it to be consistent with the roles and responsibilities of the Audit Committee as provided in the Charter of the Audit Committee.
- All committee members shall complete the self-assessment and send to the Committee Secretary to consolidate the result.
- The Committee Secretary shares the Audit Committee's assessment result with the Audit Committee to review and discuss for effectiveness improvement.
- The Chairman of the Audit Committee shares the Audit Committee assessment result with the Board of Directors for the Board to discuss and provide recommendation (if any) to the Audit Committee.

Assessment Result

All 3 members of the Audit Committee completed the self-assessment for the Audit Committee. The overall result of the 2018 Audit Committee self-assessment indicates 99.17%.

Nomination, Remuneration and Corporate Governance, Committee Self-Assessment

Criteria

The Nomination, Remuneration and Corporate Governance (NRCG) Committee has assessed its 2018 performance. The self-assessment form consists of 20 questions covering 3 areas:

- **Committee structure and qualifications:** to evaluate the appropriate composition of the committee on diversity of skills and experiences to support committee to perform its roles
- **Committee meeting:** to evaluate the effectiveness and environment of the meetings, and the quality of information provided for committee consideration at the meetings
- **Roles, duties and responsibilities of the Committee:** to evaluate the effectiveness and contribution of the committee members to carry out all responsibilities as outlined in the NRCG Charter in the following areas;
 - » Review the Board's composition and Board's performance
 - » Review the director candidate's qualification
 - » Review the director remuneration
 - » Monitor and ensure the company's practices are compliance with the good corporate governance

Process

- The Committee Secretary is responsible to review the self-assessment form and apply it to be consistent with the roles and responsibilities of the NRCG Committee as provided in the Charter of the NRCG Committee.
- All committee members shall complete the self-assessment and send to the Committee Secretary to consolidate the result.
- The Committee Secretary shares the NRCG Committee's assessment result with the NRCG Committee to review and discuss for effectiveness improvement.
- The Chairman of the NRCG Committee shares the NRCG Committee assessment result with the Board of Directors for the Board to discuss and provide recommendation (if any) to the NRCG Committee.

Assessment Result

All 4 members of the NRCG Committee completed the self-assessment for the NRCG Committee. The overall result of the 2018 NRCG Committee self-assessment indicates 99.69%.

Human Resources Committee Self Assessment

Criteria

The Human Resources Committee assessed its 2018 performance. The self-assessment form consists of 13 questions covering 3 areas:

- **Committee structure and qualifications:** to evaluate the appropriate composition of the committee on diversity of skills and experiences to support committee to perform its roles
- **Committee meeting:** to evaluate the effectiveness and environment of the meetings, and the quality of information provided for committee consideration at the meetings
- **Roles, duties and responsibilities of the Committee:** to evaluate the effectiveness and contribution of the committee members to carry out all responsibilities as outlined in the Human Resources Committee Charter in the following areas;
 - » Review the qualifications and appointments of senior executives
 - » Review the human resources plan
 - » Review the remuneration system for employees

Process

- The Committee Secretary is responsible to review the self-assessment form and apply it to be consistent with the roles and responsibilities of the Human Resources Committee as provided in the Charter of the Human Resources Committee.
- All committee members shall complete the self-assessment and send to the Committee Secretary to consolidate the result.
- The Committee Secretary shares the Human Resources Committee's assessment result with the Human Resources Committee to review and discuss for effectiveness improvement.
- The Chairman of the Human Resources Committee shares the Human Resources Committee assessment result with the Board of Directors for the Board to discuss and provide recommendation (if any) to the Human Resources Committee.

Assessment Result

All 3 members of the Human Resources Committee completed the self-assessment for the Human Resources Committee. The overall result of the 2018 Human Resources Committee self-assessment indicates 95.51%.

Individual Director Self-Assessment

Criteria

Each director assessed himself/herself as a director for his/her 2018 performance. The individual director self-assessment form consists of 30 questions on 3 areas:

- understanding on the Board's role and constructively performing his director role
- understanding on the Company's business, strategy and policy
- independence and relationship with other directors and management

Process

- The Company Secretary is responsible to review the self-assessment form and apply it to be consistent with the roles and responsibilities of the Board of Directors as provided in the Charter of the Board of Directors.
- All directors shall complete the self-assessment and send to the Company Secretary to consolidate the result.
- The Company Secretary shares the individual director assessment result with the Nomination, Remuneration and Corporate Governance Committee to review and discuss.
- The Chairman of the Nomination, Remuneration and Corporate Governance Committee shares the individual director assessment result with the Board of Directors and provides recommendation for effective performance and compliance with corporate governance.

Assessment Result

All 7 directors completed the individual director self-assessment. The overall result of the 2018 individual director self-assessment indicates 96.79%.

CEO Assessment

Criteria

The Chairman of the Board of Director and the directors assessed and discussed the CEO's achievement of business results and strategies, as well as evaluated the CEO's performance through the assessment, consisting of 50 questions in 8 areas:

- Leadership
- Strategy and Execution
- Financial Planning and Performance
- Relationship with the Board
- External Relations
- Human Resources and Management relationship
- Succession
- Skills and Attitudes

Process

- The Company Secretary is responsible to review the assessment form and apply it to be consistent with the roles and responsibilities of the CEO as delegated by the Board of Directors.
- All directors (except the director who holds the CEO position) shall complete the assessment and send back to the Company Secretary to consolidate the result.
- The Company Secretary shares the CEO assessment result with the Chairman of the Board of Directors for consideration.
- The Chairman of the Board of Directors discuss the evaluation and assessment with the Board of Directors.

Assessment Result

6 directors completed the CEO assessment. The results of the assessment were shared with the CEO and are confidential.

In summary, in 2018 the Company performed all practices in compliance with the good corporate governance as recommended by the Security Exchange of Thailand, except;

- Arrange the Board of Directors meeting more than 6 times a year
 - » With the type and size of Company's business, the Board considers Board meetings once a quarter as appropriate. However, if there is an urgent matter, the Board can be called for a special meeting.
 - » In 2018, meetings of the Board of Directors were held 5 times, including 4 regular quarterly meetings, and 1 special meeting.
- The quorum of the Board of Directors for the voting at the Board of Directors meeting shall be the presence in person of at least two-thirds of all directors on the board.
 - » The Company's Article of Association provides that the quorum of the Board meeting requires the presence in person of at least one-half of all directors on the board. With the Board's size, the Board of Directors considered the current practice is appropriate.
 - » The Company's Board of Directors comprises 7 directors. All 7 directors fully attended all Board of Directors meetings in 2018.
- Chairman of the Board is an independent director.
 - » The Chairman of the Board is elected by the Board of Directors. The Board of Directors elected Mr. Andrew Benjamin Walz, a non-executive director, to be a Chairman of the Board and elected Mr. Pliu Mangkornkanok, an independent director, to be a Vice Chairman of the Board.
- The Nomination and Remuneration Committee shall comprise of independent directors more than 50%.
 - » There are 4 members in the Company's Nomination, Remuneration and Corporate Governance Committee and 2 out of 4 directors are independent directors.
- The Board of Directors shall comprise of independent directors more than 50%.
 - » There are 7 directors in the Board and 3 out of 7 directors are independent directors.

Audit Committee Report

To Our Shareholders,

I am pleased to present our annual Audit Committee Report for the year ended 31 December 2018. This report provides a summary of how the Audit Committee has met its responsibilities under the Audit Committee Charter.

Committee Membership

The Audit Committee is comprised of 3 independent directors, Mr. Pliu Mangkornkanok as the chairman of the committee, Mr. Manoon Siriwan and Mr. Robert Stair Guthrie are committee members. The committee members have varied experiences and expertise in financial, business and industry to enable them to fulfil their duties. Mr. Pliu Mangkornkanok qualifies as a person with appropriate financial background and experience which meets the requirement of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

Committee Responsibilities

The key responsibilities of the Audit Committee are to monitor the integrity of SPRC's financial statements; the effectiveness of risk management; the adequacy and efficiency of internal control systems; the compliance with good corporate governance, applicable laws and regulations; monitoring the qualifications, expertise, and independence of both the internal and external auditors; and assessing the internal and external auditors' performance.

The committee's role and responsibilities are set out in the Audit Committee Charter. It is reviewed annually by the Board of Directors. In 2018, the Audit Committee had 4 meetings. The participants of each meeting were three Audit Committee members, Chief Executive Officer, SPRC Management, internal auditor and external auditor. In each meeting, the Audit Committee reviewed and discussed a variety of topics as summarized below as well as had private sessions with the internal auditor and external auditor without members of management to ensure that they are getting proper co-operation on the audited activities.

- 1. Review the Company's Financial Reports:** The Audit Committee is responsible for monitoring the accuracy and integrity of the financial reports. For 2018, the Audit Committee reviewed the interim financial statements and financial statement of the year ended 31 December. Having reviewed and discussed, the Audit Committee recommended to the Board of Directors to approve the audited financial statements for further approval at the Annual General Meeting of Shareholders.

The Audit Committee also monitored the changes of accounting standards to ensure the Company's compliance with applicable accounting standards. The Company's financial reports were prepared in compliance with Thai Financial Reporting Standards (TFRS) and the requirements of the SEC.

- 2. Review the Company's Risk Management:** The Audit Committee oversaw and reviewed the efficiency of the risk management. The Company established the Risk Management Committee at management level to oversee and monitor the risk mitigation plan. The Risk Management Committee assessed and identified key risk areas, developed and monitored the execution plan to mitigate the risks. The risk assessments focus on strategic risk, business risk, operational risk, financial risk, trading risk and project risk. The Management updated the mitigation plan and reported the progress of risk management to the Audit Committee on quarterly basis.
- 3. Review the Company's Internal Control:** The Audit Committee regularly reviewed and monitored the Company's internal control systems. The Audit Committee assessed the sufficiency of internal control systems based on the COSO's (The Committee of Sponsoring Organization of the Treadway Commission) framework, which is described in detail in the Internal Control Section of this Annual Report. In addition, the Company complied with the Sarbanes-Oxley Act, the US law regarding internal controls over financial reporting. The Audit Committee is satisfied with the control mechanisms that have been adopted by the Company to monitor and apply to its business. The Audit Committee viewed that the Company's internal control systems were appropriate and effective.
- 4. Review the Company's Corporate Governance:** The Audit Committee monitored the Company's practice in compliance with the Company's Business Conduct, which the Corporate Compliance Officer (CCO) is responsible to develop, promote and ensure the Company's practices are compliance with the laws, regulations and best practices. The CCO reported to the Audit Committee on the quarterly basis on the compliance of the Anti-Corruption Policy and the Foreign Corrupt Practice Act (FCPA), the US law relating to the anti-corruption.

5. Review the Company's Related Party Transactions:

The Audit Committee reviewed related party transactions for endorsement to the Board, to ensure they are in accordance with the requirements. That is, within usual course of business, the terms are fair and no more favorable than non-related parties, and in the interests of the Company, including to ensure the related party transactions were executed in compliance with contract terms and conditions. In 2018, the Company participated in related party transactions as disclosed in the Related Party Transactions section in this Annual Report.

6. Review of Internal Auditing: The Audit Committee annually reviews the Internal Audit Charter which describes roles and responsibilities of the internal audit function. The internal audit function is independent and provides assurance on governance, risk and internal control systems.

The Audit Committee reviewed and approved the risk-based internal audit's plan and Key Performance Indicators (KPI). In 2018, the Internal Auditor conducted the audits of 9 business processes and achieved all KPIs as planned. The Audit Committee regularly reviewed the audit reports and monitored the audit findings and audit recommendation made to Management. The Audit Committee reviewed the performance of the Internal Auditor with the Chief Executive Officer on a yearly basis and are satisfied that the internal audit function was performed independently, effectively and met objectives.

7. Review of External Auditor performance: Pricewaterhouse Coopers ABAS Ltd (PwC) is the independent external auditor, as approved at 2018 Annual General Meeting of Shareholders. PwC reported to the Audit Committee on the scope and result of the interim quarterly financial reports and year ended 31 December 2018 financial statements. PwC performed their tasks professionally, within regulatory requirements and best practices designed to ensure their independence. The Audit Committee held private meetings with PwC quarterly to discuss any areas of concern regarding Management's interaction with them. The Audit Committee is satisfied with the independence of the external auditor. In 2018, PwC did not provide any non-audit services to SPRC.

8. Appointment of 2018 External Auditor: The Audit Committee is responsible for ensuring that the external auditor is suitably qualified and independent. The Audit Committee reviewed their performance and was satisfied with Pricewaterhouse Coopers ABAS Ltd.'s work, expertise, experience and its independence. Therefore, the Audit Committee recommended

the re-appointment of Pricewaterhouse Coopers ABAS Ltd. as external auditor for year 2018 with its audit fees for the Board's endorsement and the further approval by the Shareholders at the 2018 Annual General Meeting of Shareholders.

9. Audit Committee Self-Assessment: The Audit Committee annually assesses its own effectiveness on the topics of a) committee structure and qualifications, b) committee meeting, c) roles and responsibilities on financial reports, internal control, risk management, governance, internal audits and external audits. The self-assessment result was 99.17%. This excellent result of the self-assessment confirmed that the Audit Committee members perform their duties adequately in regard to the quality of governance, risk management and internal control systems. The Audit Committee continues to operate effectively according to the charter of Audit Committee, and in line with good practices identified and as delegated by the Board of Directors.

In 2018, the Audit Committee performed its duties and responsibilities according to the Audit Committee's Charter as approved by the Board with competence, experience, and independence for the equitable benefit of shareholders and in compliance with the Securities and Exchange Act and rules and regulations of the Stock Exchange of Thailand. As a result of its work, the Audit Committee are able to provide assurance on the effectiveness of SPRC's governance, risk management and internal control management. We are satisfied with the continuous monitoring and follow up of recommendations of management agreed actions. The Audit Committee opinion is that the SPRC financial report of year 2018 is accurate, reliable and complies with the generally accepted accounting principles.

For and on behalf of the Audit Committee

Mr. Pliu Mangkornkanok
Chairman of the Audit Committee

Nomination, Remuneration and Corporate Governance Committee Report

To the Shareholders

The Nomination, Remuneration and Corporate Governance (NRCG) Committee comprises 4 directors: Mr. Robert Stair Guthrie (Independent Director) as the Chairman, Mr. Manoon Siriwan (Independent Director), Mr. Nicolas Michel Bossut (non-executive director) and Mr. Timothy Alan Potter (executive director and CEO). The Committee has performed its duties as assigned by the Board of Directors with prudence and independence.

In 2018, the NRCG Committee held 4 meetings on various matters in accordance with the duties mandated by the Board of Directors specified in the NRCG Committee Charter. Below is a summary of key activities undertaken in 2018:

1. The NRCG Committee reviewed the criteria for shareholders to propose qualified candidate(s) for a directorship and to propose agenda items for consideration at the 2019 Annual General Meeting of Shareholders. The criteria have been published on the Company's website.
2. The NRCG Committee reviewed director candidates' qualifications and nominated candidates for director positions to fill vacancies resulting from those that had completed their terms or had resigned. Such nominations were proposed to the Board of Directors for consideration and the Board proposed them to the shareholder's meeting for approval. The NRCG Committee (excluding members with conflict of interests) diligently reviewed the candidates by considering their qualifications, expertise and experience that would make them suitable for the Company's business.
3. In December 2017, Mr. William Lewis Stone submitted a resignation letter resigning as the Company's director and as Chief Executive Officer with effect on 6 April 2018. The NRCG Committee reviewed and recommended to elect Mr. Timothy Alan Potter to be the Company's director filling the vacant position. Respectively, the Board of Directors Meeting No. 4A/2017 held on 11 December 2017 passed the resolution to elect Mr. Timothy Alan Potter to be the Company's director with effect from 6 April 2018.
4. The NRCG Committee considered the Board composition and opined that the Board has an appropriate mix of skills, experience, and expertise such as the knowledge and understanding of refinery business and operations, petroleum business, related technology and engineering, strategy, marketing, finance, corporate governance, etc.

Mr. Manoon Siriwan, Mr. Robert Stair Guthrie and Ms. Kheng Ling Lok completed their directorship term in 2018. The NRCG Committee reviewed and considered that Mr. Manoon Siriwan, Mr. Robert Stair Guthrie and Ms. Kheng Ling Lok have knowledge, expertise and experience in relation to and that will benefit the Company's business, and they are capable of developing Company strategy and driving the Company to achieve the Company's goals. The NRCG Committee, therefore, recommended re-election of Mr. Manoon Siriwan, Mr. Robert Stair Guthrie and Ms. Kheng Ling Lok. They were re-elected to be the Company's directors at the 2018 Annual General Meeting of Shareholders.

5. The NRCG Committee discussed the succession plan of the independent directors and made recommendation to the Board for consideration of having one additional independent director. After the Board's endorsement, the NRCG Committee set the qualifications, searched for qualified candidates, considered and proposed the qualified candidates to the Board of Director for further processes.
6. The NRCG Committee reviewed and recommended remuneration packages and compensation structures for the Board of Directors and its committees by reviewing the responsibilities and liabilities of the directors of a listed company; reviewing the director remuneration survey results of Thai listed companies; and considering the Company's director remuneration package by benchmarking with other Thai listed companies and companies in the same industry. The NRCG Committee proposed to increase the monthly fee by approximately 20% for Chairman, Vice Chairman and directors in 2018, maintain the same rate for board meeting and committee meeting allowances, and no bonuses. The 2018 Annual General Meeting of Shareholders approved the remuneration packages for the Board of Directors and its committees as the NRCG Committee's proposal.

Although many companies set out bonus for the directors, the NRCG Committee considered that the directors should not get the bonus relative to the company's performance. The NRCG Committee has disclosed the compensation that each director received in 2018 in this annual report for transparency.

7. The NRCG Committee monitored and encouraged directors to participate in training and seminars related to director's roles and good corporate governance, to develop knowledge and ability in performing their duties as directors and to support the Company to conduct the business with good corporate governance.

8. The NRCG Committee reviewed the performance of the Board of Directors, individual directors and NRCG Committee through self-assessments.
9. The NRCG Committee reviewed the Corporate Governance assessment result which ranked the Company Excellent (5 stars) for the 2nd consecutive year. The NRCG Committee reviewed and identified opportunities for improvement to meet the best practices.

In the discharge of duties and responsibilities specified in the NRCG Committee Charter, the NRCG Committee is confident that it has performed duties with prudence, transparency, and in the best interests of the Company and shareholders.

On behalf of the Nomination, Remuneration and Corporate Governance Committee



Robert Stair Guthrie

**Chairman of the Nomination, Remuneration
and Corporate Governance Committee**

Human Resources Committee Report

To the Shareholders,

The Board of Directors of Star Petroleum Refining Public Company Limited (SPRC) has appointed the Human Resources Committee, which is comprised of 2 non-executive Directors, who are appointed by the Board of Directors, and the CEO. The SPRC Human Resources Manager has been appointed to be the Committee Secretary.

At the start of 2018, the committee members were: Mr. William Lewis Stone, CEO, as the Chairman, Ms. Kheng Ling Lok (non-executive director), and Mr. Pliu Mangkornkanok (independent director). Mr. William Lewis Stone, who resigned as a director, was replaced by Mr. Timothy Alan Potter, new CEO and Director at the 5 April 2018 Board of Directors meeting. The Committee will meet as required but will typically meet at least 4 times a year.

The committee assists the Board in relation to SPRC's human resources strategy, workforce development, and salary & bonus program including approving SPRC's annual remuneration program and aspects of its incentive programs to support SPRC's business objectives of superior performance and long-term growth in shareholder value. Also, the committee reviews the appointment of SPRC's senior leadership positions, succession planning for the senior leadership team, and the SPRC Human Resources Master Plan.

In 2018, the Committee held 5 meetings on various matters in accordance with their duties. Below is a summary of key activities undertaken in 2018:

- 1. Remuneration program:** The committee reviewed the management and performance of the Total Remuneration program and annual merit increase. The program is benchmarked against leading Oil & Gas companies in Thailand and other selected markets to ensure that we maintain a competitive remuneration package, to be seen as a leader in Map Ta Phut, and that will attract, retain and motivate a talented workforce. The committee approved a special bonus for our staff to recognize the significant achievements and excellent business performance of SPRC, which were made possible by SPRC family members in 2017.
- 2. Human Resources Strategy** The Committee reviewed the 2017 lookback on People Strategy and action plans and endorsed the Master Plan of 2018 People Strategy to Set the standard in Thailand as the Employer of Choice by 2020 to drive and enhance SPRC pride, Highly-Engaged family, and to be the best place to work. The committee also reviewed SPRC's diversity policy and diversity strategies to ensure that SPRC complied with Human Right direction.

The 2018 specific strategic objective were:

- Achieve the Best Employer Award among Thai companies by 2020
- Strengthen learning organization throughout knowledge management
- Develop World-Class leaders to be a Better Leaders
- Strengthen SPRC pride and image through sustain CSR & Sports events

3. Succession Planning and talent management program:

The Committee has reviewed the succession planning for senior leadership team members. The Committee also reviewed and endorsed the appointment of a Senior Leadership Position to enhance leadership capabilities and to support continual business growth.

- 4. Effective Organization:** The committee reviewed and endorsed the action plan that was set to continue to enhance the high engagement of the SPRC family and endorse to participation of the employee engagement survey 2018 that to utilize the result to combine with the best employer survey result for further improvement plan. The committee also reviewed the Event Project Organization that appointed high talent people to enhance their capabilities and further develop for future growth.

For the year 2018, the Human Resources Committee is confident that SPRC's strong Culture and Core Values and Human Resources management program will continue to support SPRC's pursuit of Operational Excellence and future growth of SPRC. Our goal is to be the Best Place to work and the Employer of Choice, all of which provides the best benefits for our shareholders.

On behalf of the Human Resources Committee



Mr. Timothy Alan Potter

Chairman of the Human Resources Committee

Sustainable Development and Corporate Social Responsibility

SPRC has continued to develop our sustainability performance program that its principles have been embedded in our business processes. We have been operating its business on good corporate governance, and business conduct policies to ensure that we interact fairly and transparently with all of our stakeholders, manage our business ethically and without corruption, and have respect for human right. We strongly believe that our collaborative and conscientious approach to run the business with consideration, and with balance between economic, social and environmental performance will move SPRC steadily forward on the path of sustainable growth alongside our society.



Corporate Social Responsibility (CSR)

SPRC recognizes the importance of positive community engagement and environmental responsibility. We believe in carrying out our business in a socially responsible and sustainable way and embrace the concepts of corporate social responsibility and sustainable growth. We also embed the Sufficiency Economy in our business aspect as well as



in encouraging self-sustaining communities and societies. SPRC therefore implements its corporate social responsibility under 4 key areas; education and youth, quality of life, environment, and relationships. Our staff also initiates and participates in CSR theme “Do Good Look Great with Nong Star”. In 2018, SPRC continued to carry out a wide variety of socially-responsible activities dedicated to improving the quality of life of community and society.



Please see the details in the Sustainability Report 2018, in accordance with Global Reporting Initiative (GRI).



Internal Control

The internal control framework is intended to ensure correct, reliable, comply with regulation and timely of reporting and management information. The aim of SPRC internal control framework is to assure that operations are effective and endorses good corporate governance and risk management practices.

Each year, management and internal auditor undertake a formal evaluation of the adequacy and effectiveness of the control system by using the Evaluation Form for Adequacy of Internal Control System developed by the Securities and Exchange Commission ("SEC") as guidance. At the Board of Directors Meeting no. 4/2018, held on November 1st, 2018, the directors including the independent members reviewed the Assessment form and acknowledged that the internal control system is appropriately designed and operating effectively.

SPRC's internal control system aligns with the conceptual framework of COSO (The Committee of Sponsoring Organizations of the Treadway Commission), which is based on 5 key components that jointly facilitate good internal control. The COSO framework provides for three categories of objectives which are operations objectives, reporting objectives and compliance objectives.

The 5 components are described as follows:

1. Control Environment: SPRC by the Board of Directors and management establish the tone at the top regarding the importance of internal control on the following:

- The Board of Directors has approved the Business Conduct Policy, Corporate Governance Policy and Anti-Corruption Policy to support the functioning of the system of internal control. The Chief Compliance Officer (CCO) is responsible to conduct the communication program of those policy to be understood at all levels of the organization.
- The Board of Directors has established a written Board's charter that clarifies the Board's responsibilities. The board of directors defines, maintains and periodically evaluates the skills and expertise of the members. The Board of directors consists of independent directors who are knowledgeable, capable, and independent from management in evaluating and decision making.
- The Board of Directors delegated the power of attorney to the Chief Executive Officer (CEO) to perform day to day operations. Management by CEO delegated his authority through the Manual Delegated of Authorities (MODA) to assign responsibilities and segregation of duties at the various levels of organization.

- SPRC has established Human Resources Management system, strategy and action plans to attract, motivate, engage and retain employees in a happy working environment. SPRC has also established the people management system to ensure that competency and training needs is properly carried out and reviewed for all classes of employees.
- SPRC has policy to attract, retain high performance employees and encourage them to excel in the organization through attractive remuneration and benefits that fairly and equitably reward employees. Performance appraisals and evaluation of performance indicators are used to evaluate employee performance.

2. Risk Assessment: The Board of Directors approved the Risk Management policy and SPRC has established Risk Management Committee at the management level to overseeing the risk management system and program on the following:

- SPRC established risk management system which included the identification and assessment of risks relating to objectives.
- SPRC identifies and analyzes key risk areas to the achievement of its objectives and determine how the risk are managed. The key risk areas are strategic risk, business risk, operational risk, financial risk, project risk, trading risk and compliance risk. SPRC conducted the strategic risk workshop to identify the key risk and develop a set of actions to be aligned with the risk tolerances and risk appetite.
- SPRC considers the possibility of fraud occurrences such as fraudulent financial reporting, loss of assets, corruption, management override of internal controls, material misstatements of financial statements, and misappropriation of assets.
- SPRC also assesses the changes in external factors that may affect its business operations, internal controls and financial reporting and identifies and assesses changes that could significantly impact the system of internal control.

3. Control Activities: SPRC applies control activities through policies and procedures to ensure the achievement of objectives. Control activities are performed at all level of SPRC, at various stages within business processes and over the technology environment. The Control activities include:

- SPRC sets internal control procedures covers all processes such as financial transactions, purchasing and supplier selection process and approval process of investing project and disbursement process. The Manual of Delegation Authority was set up to identify the authority level of management. The segregation of duties is built into the selection and development of the control activities.
- SPRC establishes control activities over relevant Technology Infrastructure, Security management process, Development and Maintenance process to support the achievement of objectives. The user access review is reviewed twice yearly for control monitoring and ensure that effective control was performed.
- SPRC has in place the mechanism to review and monitor related party transactions and report to audit committee quarterly.
- SPRC required to comply with US laws – Sarbanes Oxley Act (SOX) section 404. The SOX testing continues to be performed in two rounds of testing each year to ensure processes and subprocesses are performed in accordance with SPRC's policies and procedures and achieved the objectives.

4. Information and Communication: Information is necessary to carry out internal control responsibilities to support the achievement of its objectives. Communication is the process of providing, sharing, and obtaining necessary information. SPRC obtains the quality of information and communication to support the functioning of the internal control as detailed below:

- SPRC develops the communication policy as a guideline framework to ensure the quality information is communicated clearly and effectively.
- SPRC provides sufficient material information to support the consideration of the Board of Directors. The notice of meeting and the sufficient materials documents of meeting are be supplied to the Board of Directors not less than 7 days prior to the meeting.
- Internal communication is disseminated throughout the organization with clear message from management. The internal communication channel such as quarterly staff presentation, e-mail communication, bulletin board. New employees received the relevant information through on-boarding program which include SPRC vision and mission, acceptable work behaviors, employment regulations, learn about key company policies.

- Information to external parties is communicated regular on SPRC's website (www.sprc.co.th), which contains news and yearly financial statement. Quarterly interim financial reports are published externally on opportunity day and analysis meeting attended by the investor. The Annual Report is made available to shareholders and the general public, both as printed version and on SPRC's website.
- The board and management establishes a whistle-blower program for employees to communicate concerns, instances of perceived misconduct, matters relating to financial reporting, or other significant matters that may impact internal control.
- SPRC provides special communication channel or secure channels to individuals in the company and external stakeholders for safely reporting information via e-mail to CompanySecretary@sprc.co.th, and/or AuditCommittee@sprc.co.th, and/or CorporateCompliance@sprc.co.th.

5. Monitoring Activities: SPRC establishes ongoing evaluations to ascertain whether each of the five components of internal control is present and functions effectively by the following:

- SPRC has internal auditor to provide an objective perspective on key elements of the internal control to ascertain the internal control are present and functioning. Internal audit reports are distributed to management and the Audit Committee.
- Management and internal auditor establishes a practice to review the status of corrective actions taken to verify that reported deficiencies are remediated in a timely manner. Internal auditor report the status of the actions to Audit Committee on quarterly basis.
- The external auditors continuously examine the level of internal control over financial reporting. They review the quarter interim report and more detailed examination of the yearend financial reporting.

In year 2018, Internal audit assess the adequacy of internal controls for process-level of 9 business processes include financial report and reconciliation process, payroll/benefit & Employee management, maintenance process, Project management, and Information Technology- SAP application. The outputs of the audits include action plans and programs for improvement. Findings are report to the Management and to the Audit Committee. There were no significant deficiencies and material weaknesses findings in the internal controls or any issues related to conflict of interest or fraudulent activities.

Related Party Transactions

SPRC has entered into related party transactions with its major shareholder, Chevron and affiliates. Related party transactions include purchases of crude and feedstock, sales of products, and for services for technological and operational expertise.

Justification for Related Party Transactions

All related party transactions are carefully considered to ensure that the terms are appropriate, and payments made in accordance with the policies and procedures. Internal Auditor performs a review and obtains appropriate evidence of related party transactions and reports to the Audit Committee on quarterly basis. The Audit Committee reviewed the terms of all relevant related party transactions and is satisfied that the transactions have been entered into in the ordinary and usual course of business, on normal commercial terms, and on the arm's length basis, or on terms that would have been similar to the transactions entered into with other non-related party transactions and is for the best benefits of SPRC.

Approval for Future Related Party Transactions

The Board of Directors delegated the authority to the Chief Executive Officer (CEO) to execute related party transactions in the name of the Company, with a

limit of not exceeding Baht 10 million, and/or for related party transactions with regard to the current and future purchase, sale, and exchange of crude oil, raw materials, intermediate products, and finished products, with a term not exceeding 12 months (regardless of the amount of those transactions). All related party transactions are reported to the Audit Committee on quarterly basis.

The Board of Directors is responsible for taking the decision to approve Related Party Transactions that are above the authority delegated to the Chief Executive Officer (CEO). The Audit Committee reviews the future RPT to ensure the transactions are fair and reasonable, on normal commercial terms and usual course of business. The Audit Committee endorses the future RPT to the Board of Directors for approval.

In a meeting of the Board of Directors, if any director has a conflict of interest in the matter being considered, that director shall not take part in the consideration and decision regarding that matter, by refraining from participating in that portion of the meeting and voting, in order to ensure fairness and transparency in the decision of the Board of Directors and to protect the best interests of all shareholders.

A list of all transactions types which are carried out between SPRC and Chevron and its affiliates for year end December 31, 2018 as follows:

1. Revenue – sale of products

Connected Party/Relationship	Natural of Transactions	Amount of Y2018 (US\$ Million)
Chevron Thailand Limited (CTL): Affiliate of Chevron which directly or indirectly hold 100% of shares (Mr. Andrew Benjamin Walz is an executive of CTL. As the President of International Products, Asia Pacific, Chevron International Pte., Ltd., he has management oversight of CTL.) (Mr. Timothy A Potter (Director and CEO), His spouse is a Chevron employee and employed by CTL. She holds the position of Project Manager – Customer Value Proposition focused on enhancing the customer and retailer experience as a working member of the project team and not as a manager or decision maker of CTL.)	Sales of Products (Purchase and Sale Agreement)	3,284.7
	Purchase, Sale and Storage Products Agreement (Fixed Reserve)	<0.1
	Account Receivable	141.8
Chevron U.S.A. Inc. (Singapore Branch): Affiliate of Chevron which directly or indirectly hold 100% of shares (Ms. Kheng Ling Lok is an executive of Chevron U.S.A.Inc. (Singapore Branch) As the General Manager, Crude Supply and Trading, Asia Pacific, Chevron U.S.A. Inc. (Singapore Branch), she has management oversight of Chevron U.S.A. Inc. (Singapore Branch)	Sales of Products (Purchase and Sale Agreement)	85.1
	Account Receivable	4.8
Chevron Singapore Pte Ltd.: Affiliate of Chevron which directly or indirectly hold 100% of shares	Sales of Products (Purchase and Sale Agreement)	2.1

2. Payment – Purchase of crude and feedstock

Connected Party/Relationship	Natural of Transactions	Amount of Y2018 (US\$ Million)
Chevron U.S.A. Inc. (Singapore Branch): Affiliate of Chevron which directly or indirectly hold 100% of shares (Ms. Kheng Ling Lok is an executive of Chevron U.S.A.Inc. (Singapore Branch) As the General Manager, Crude Supply and Trading, Asia Pacific, Chevron U.S.A. Inc. (Singapore Branch), she has management oversight of Chevron U.S.A. Inc. (Singapore Branch))	Purchase of Crude and Feedstock (Feedstock Supply Agreement)	2,623.5
	Account Payable	148.5
Chevron Singapore Pte Ltd.: Affiliate of Chevron which directly or indirectly hold 100% of shares	Purchase of LSWR (Feedstock Supply Agreement)	127.7
Chevron Block B8/32 (Thailand) Ltd.: Affiliate of Chevron which directly or indirectly hold 100% of shares	Purchase of Crude and Feedstock (Feedstock Supply Agreement)	10.6
	Account Payable	1.5
Chevron Offshore (Thailand) Ltd.: Affiliate of Chevron which directly or indirectly hold 100% of shares	Purchase of Crude and Feedstock (Feedstock Supply Agreement)	82.6
	Account Payable	10.4
Chevron (Thailand) Exploration and Production Ltd.: Affiliate of Chevron which directly or indirectly hold 100% of shares	Purchase of Crude and Feedstock (Feedstock Supply Agreement)	244.6
	Account Payable	19.6
Chevron Asia Pacific Shipping Pte: Affiliate of Chevron which directly or indirectly hold 100% of shares	Purchase of Crude and Feedstock (Feedstock Supply Agreement)	10.9
	Account Payable	0.75
Chevron Pattani Ltd.: Affiliate of Chevron which directly or indirectly hold 100% of shares	Purchase of Crude and Feedstock (Feedstock Supply Agreement)	16.9
	Account Payable	2.3
Chevron Thailand Limited (CTL): Affiliate of Chevron which directly or indirectly hold 100% of shares (Mr. Andrew Benjamin Walz is an executive of CTL. As the President of International Products, Asia Pacific, Chevron International Pte., Ltd., he has management oversight of CTL.) (Mr. Timothy A Potter (Director and CEO), His spouse is a Chevron employee and is employed by CTL. She holds the position of Project Manager - Customer Value Proposition focused on enhancing the customer and retailer experience as a working member of the project team and not as a manager or decision maker of CTL.)	Purchase of Lube Oil (Purchase Order)	0.1

3. Payment – Technical Services and Other Services

Connected Party/Relationship	Natural of Transactions	Amount of Y2018 (US\$ Million)
Chevron Asia Pacific Shipping Pte: Affiliate of Chevron which directly or indirectly hold 100% of shares	Marine Services Transportation Agreement	0.7
Chevron Oversea Services Corporation (COSC): Affiliate of Chevron which directly or indirectly hold 100% of shares	Technical Service Agreement	1.2
	Technical Service License Agreement	1.6
	Secondment Agreement Personnel	1.5
	Account Payable	0.2

4. Non- Payment Services

Connected Party/Relationship	Nature of Transactions	Amount of Y2018 (US\$ Million)
Chevron Research and Technology Company: Affiliate of Chevron which directly or indirectly hold 100% of shares	HVGO License Agreement	-
Chevron Lummus Global LLC: Affiliate of Chevron which directly or indirectly hold 50% of shares	DHTU License Agreement	-
Caltex Service Corporation: Affiliate of Chevron which directly or indirectly hold 100% of shares	VDU License Agreement	-
Chevron South Asia Holding Pte Ltd.: Affiliate of Chevron which directly or indirectly hold 100% of shares	Support Agreement	-

Management's Discussion and Analysis of Financial Condition and Results of Operations

Results

	(US\$ Million)			(Baht Million)		
	2018	2017	+/(−)	2018	2017	+/(−)
Total Revenue	6,439	5,009	1,430	209,159	170,535	38,624
EBITDA	177	406	(230)	5,591	13,845	(8,254)
EBIT	93	324	(231)	2,854	11,017	(8,163)
Exchange gain	24	44	(19)	793	1,509	(716)
Net income	74	261	(188)	2,263	8,895	(6,632)
Net income (US\$/Baht per share)	0.02	0.06	(0.04)	0.52	2.05	(1.53)
Accounting refining margin (US\$ per barrel) ⁽¹⁾	4.73	8.52	(3.79)	4.73	8.52	(3.79)
Market gross refining margin (US\$ per barrel) ⁽²⁾	5.67	7.34	(1.67)	5.67	7.34	(1.67)

⁽¹⁾ margin includes inventory gain/loss based on weighted average inventory cost and loss from write down of inventory to net realizable value at the end of period

⁽²⁾ margin is calculated based on current replacement cost

In 2018 crude intake was 159.6 thousand barrels per day or 96.8% of the refining capacity, increased 7.2 thousand barrels per day from 2017. Lower crude intake in last year was resulted from the maintenance activity of CDU in Jun and RFCCU in Oct. Total sale revenue also increased from US\$5,009 million (Baht 170,535 million) in 2017 to US\$6,439 million (Baht 209,159 million) in 2018 as a result of the increase in product price and sales volume. Despite the higher selling price and sales volume in 2018, SPRC's EBITDA, EBIT and net income in 2018 were below last year. In 2018, EBITDA EBIT and net income decrease 56%, 71% and 72% respectively from 2017. The decrease in oil price during Q4/18 resulted to a significant stock loss in 2018 and lower accounting gross refining margin. The stock loss in 2018 also included a loss from inventory write down to net realizable value of US\$62 million while there was stock gain in 2017 due to the rise in oil price during the year. Excluding stock gain or loss, SPRC market refining margin in 2018 was US\$5.67/bbl which was also down from US\$7.34/bbl in 2017 due to the unfavorable market especially on gasoline price.

Crude prices were volatile with Dubai crude price moving between US\$49.50/bbl and US\$84.41/bbl, with an average of US\$69.65/bbl, which was higher than 2017 average of US\$53.16/bbl. Crude price were impacted by Venezuela's production decline due to deteriorating economy, production at Sharara oilfield dropped and Iran's crude oil exports are expected to decline after the U.S. withdrew from the Iran's nuclear deal. In Q4/18, average Dubai price decrease to US\$67.44/bbl because of global supply increase and investors worried about the impact on fuel demand from lower economic growth and trade disputes. OPEC and other large oil producers led by Russia agreed in December to cut their combined crude output by 1.2 million barrels per day from January 2019 in order to stem the fall in oil prices.

Petroleum product prices also moved, following crude prices. The average gasoline crack in 2018 was US\$10.50/bbl which was lower than 2017 average of US\$14.86/bbl. Gasoline market trended downward mainly influenced by ample global supply. Gasoline becoming a byproduct as increasing refinery capacity gain benefit from middle distillate. Overall, inventories were about 13 percent higher than a year ago. Naphtha crack over Dubai overall decreased from 2017, impacted by high regional refinery crude runs and processing of lighter crudes that increased light distillates production. The depressed gasoline market also kept the regional naphtha market under pressure.

Jet and Diesel crack spreads over Dubai was stronger than previous year. Middle distillate cracks were supported by higher aviation demand from strong tourism growth from China, India, South Korea and Australia and winter heating demand. Diesel margins improved on robust demand, lower-than-average inventories and tighter supplies ahead of upcoming winter demand. Fuel oil spread over Dubai in 2018 of minus US\$2.62/bbl, was slightly lower than 2017, supported by tightening global supplies of the residual fuel. Market was concerned on lower Iranian fuel oil exports and the loss of heavy crude amidst declining Venezuelan heavy crude supply.

Sources: Reuters, IHS, Platts

Analysis of financial position

	(US\$ Million)			(Baht Million)		
	2018	2017	+/(−)	2018	2017	+/(−)
Total Assets	1,687	1,821	(134)	55,011	59,797	(4,786)
Total Liabilities	505	539	(33)	16,482	17,696	(1,214)
Total Shareholders' Equity	1,182	1,282	(100)	38,529	42,101	(3,572)

Assets

Total assets as of 31 Dec 2018 decreased by US\$134 million (Baht 4,786 million) from 31 Dec 2017.

Total current assets decreased US\$93 million (Baht 3,243 million) due to a decrease in cash & cash equivalent of US\$64 million (Baht 2,097 million), a decrease in inventory of US\$41 million (Baht 1,424 million) from lower inventory price reflecting from the declining oil price comparing to Dec 2017, but partially offset by a slight increase in trade and other account receivable of US\$12 million (Baht 287 million) from higher sales volume in Dec 18 comparing to sales volume in Dec 17 which partly offset by lower average selling price.

Non-current assets were lower year-over-year mainly from a decrease in property, plant and equipment of US\$57 million (Baht 2,093 million) as depreciation expenses for 2018 more than offset the additional capital investment in refinery reliability and efficiency projects. The decrease was partially offset by an increase in prepaid income tax for year 2018 of US\$19 million (Baht 622 million) which was paid in Aug 18 based on the taxable income of 1H/18. Such amount would be refunded from the Revenue department because of taxable loss in 2H/18.

Liabilities

Total liabilities as of 31 Dec 2018 decreased US\$33 million (Baht 1,214 million) from 31 Dec 2017. The decreases are mainly from a decrease in long term borrowing of US\$72 million (Baht 2,354 million) for final payment of its obligation, a decrease in income tax payable of US\$38 million (Baht 1,236 million). Because of the taxable loss in 2H/18, there is no corporate income tax for payment.

The decrease was partially offset by an increase in trade and other account payables of US\$67 million (Baht 2,101 million) from timing of crude oil purchase and payment and an increase in excise tax payable of US\$13 million (Baht 419 million) due to higher sale volume.

Shareholders' Equity

Shareholders' equity as of 31 Dec 2018 decreased US\$100 million (Baht 3,572 million) from 31 Dec 2017 resulted from the net profit in 2018 minus dividend payment for 2H/2017 profit and 1H/2018 profit.

Cash flow Statement

	(US\$ Million)		(Baht Million)	
	2018	2017	2018	2017
Net cash generated from operating activities	204	321	6,483	10,860
Net cash used in investing activities	(25)	(15)	(804)	(503)
Net cash used in financing activities	(243)	(245)	(7,811)	(8,413)
Net increase (decrease) in cash and cash equivalents	(64)	61	(2,132)	1,944
Cash and cash equivalents at the beginning of the period	66	6	2,171	233
Adjustments from foreign exchange translation	1	(1)	35	(6)
Cash and cash equivalents at the end of the period	2	66	74	2,171

SPRC cash and cash equivalents was down from US\$66 million (Baht 2,171 million) at 31 Dec 2017 to US\$2 million (Baht 73 million) at 31 Dec 2018.

Net cash generated from operating activities was US\$204 million (Baht 6,483 million) primarily due to 2018 net profit of US\$74 million (Baht 2,263 million) and added back non-cash items of US\$85 million (Baht 2,748 million), cash generated from operating liabilities of US\$75 million (Baht 2,426 million) mainly from an increase in trade and other payables of US\$64 million (Baht 2,095 million) due to timing of crude oil purchase and payment, and an increase in other current liabilities of US\$10 million (Baht 331 million) from the higher excise tax payable resulting from higher sale volume. This was partially offset by cash used in operating assets of US\$29 million (Baht 954 million), mainly from an increase in inventory value (excluding write down of inventory to net realizable value which is non-cash item) of US\$22 million (Baht 711 million) and an increase in trade receivable of US\$9 million (Baht 290 million) due to higher sales volume.

Net cash used in investing activities of US\$25 million (Baht 804 million), primarily on projects spending to increase refinery reliability and efficiency.

Net cash used in financing activities of US\$243 million (Baht 7,811 million) mainly from dividends paid of US\$172 million (Baht 5,521 million) for 2H/ 2017 and 1H/2018 net profit and repayment for long term borrowing of US\$72 million (Baht 2,289 million).

Financial Ratios

		Year Ended December 31		
		2018	2017	2016
Current Ratio	(Time)	1.6	1.7	1.7
Net Profit Margin ⁽¹⁾	(%)	1.1	5.2	5.6
Return on Equity	(%)	6.0	21.4	22.6
Return on Total Assets	(%)	4.2	15.0	14.6
Net Debt to Equity ratio	(Time)	0.4	0.4	0.4
Interest Coverage ratio ⁽²⁾	(Time)	165.6	133.2	108.5
Dividend Payout Ratio ⁽³⁾	(%)	233.3	53.0	110.1

⁽¹⁾ Total revenue excluded gain from non-operating income such as gain from exchange rate

⁽²⁾ Cash flow from operation after deduct interest income / expense and income tax paid

⁽³⁾ Dividend equivalents to dividend paid to shareholders in the cash flow statement

Analysis of Financial Ratios

Liquidity Ratio

In the past 3 years, the average current ratio was over one as a result of current assets being higher than current liabilities. As of 31 December, 2018 current ratio slightly decrease with prior year due to a decrease in current assets from cash & cash equivalent of US\$64 million (Baht 2,097 million), a decrease in inventory of US\$41 million (Baht 1,424 million), but partially offset by a slightly increase in trade and other account receivable of US\$12 million (Baht 287 million). There were combined with a decrease in current liabilities from a decrease in long term borrowing of US\$72 million (Baht 2,354 million) and a decrease in income tax payable of US\$38 million (Baht 1,236 million), but partially offset by an increase in trade and other account payables of US\$67 million (Baht 2,101 million), an increase in excise tax payable of US\$13 million (Baht 419 million).

Profitability and Efficiency Ratio

Net profit margin and return on equity decreased from 2017 to 2018 due to decrease in crude oil price during end year 2018 resulted to a significant stock loss in 2018 and lower accounting gross refining margin. The stock loss in 2018 also included a loss from inventory write down to net realizable value.

Leverage Ratio

The debt to equity ratio equivalents at 0.4 in the past 3 years (2015-2018).

In 2018, the interest coverage ratio increased from previous year mainly from a decrease of interest paid and cash from operating activities, while an increase income tax paid in 2018.

Report of the Board of Directors’ Responsibilities for Financial Reports

The Board of Directors of SPRC is responsible for the fair presentation and integrity of the financial statements which comprise the Statement of Financial Position as at 31 December 2018, and the related Statement of Comprehensive Income, Statements of Changes in Shareholders’ Equity, and Statement of Cash Flows. The financial statements have been prepared in conformity with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Security and Exchange Act B.E. 2535.

The Board has reviewed the effective internal control system over the accounts, financial statements and reports of SPRC and is of the opinion that the system has been designed to provide reasonable assurance that assets are safeguarded; transactions have been recorded fairly and

accurately in the accounting records in accordance with the established procedures and accounting policies; that fraud is prevented and would be detected. There is no other material gain or loss contingencies, claims or assessments, violation or possible violation of laws or regulations required to be accrued or disclosed.

The Company’s external auditor has audited and provided an opinion on the Company’s financial statements. Their audit was made in accordance with Thai Financial Reporting Standards.

The Audit Committee of the Board of Directors meets quarterly with the internal and external auditors to discuss the Company’s internal controls, auditing and financial reporting matters. The Board has been provided reasonable assurance that the financial statements of SPRC have been prepared in accordance with the generally accepted accounting principles.



Mr. Andrew Benjamin Walz
Chairman of the Board of Directors

Independent Auditor's Report

To the Shareholders and the Board of Directors of Star Petroleum Refining Public Company Limited

My opinion

In my opinion, the financial statements of Star Petroleum Refining Public Company Limited ("the Company") present fairly, in all material respects, the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

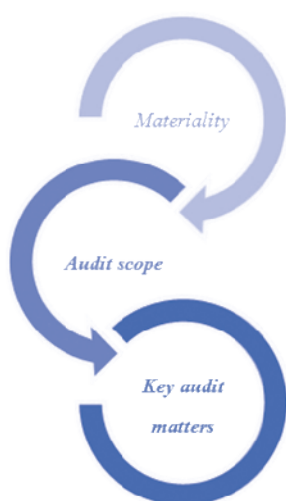
The Company's financial statements comprise:

- the statement of financial position as at 31 December 2018;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My audit approach - overview



Materiality

The overall materiality: USD 12.0 million which represents 5% of Company's three-year average profit before tax.

The overall materiality is determined from profit before tax in USD which is the Company's functional currency as described in the accounting policy in Note 2.3 (a).

Audit scope

I conducted a full scope audit work of the Company which is engaged in the operation of a petroleum refinery in Thailand.

Key audit matters

I identified the following key audit matters:

- Revenue recognition
- Related party transactions

Materiality

The scope of my audit was influenced by my application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on my professional judgement, I determined certain quantitative thresholds for overall materiality for the financial statements as set out in the table below. These, together with qualitative considerations, helped me to determine the scope of my audit and the nature, timing and extent of my audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall materiality	USD 12.0 million (2017: USD 16.0 million)
How I determined it	5% of three-year average profit before tax (2017: 5% of average profit before tax)
Rationale for the materiality benchmark applied	I chose average profit before tax as the critical measure because, in my view, it is the measure against which the performance of the Company is most commonly assessed. The 5% benchmark is a generally accepted auditing practice and there were no significant unusual elements that merited adjustments to this benchmark.

I agreed with the audit committee that I would report to them misstatements identified during my audit.

How I tailored my audit scope

I tailored the scope of my audit in order to perform sufficient work to enable me to provide an opinion on the financial statements, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How my audit addressed the key audit matter
<p>Revenue recognition</p> <p>In 2018, the Company recognised USD 6,438.6 million in revenue under purchase and sale agreement and amendment to agreement as described in Note 24 and short-term product sale agreements, most was generated under the purchase and sale agreement with two customers.</p> <p>The revenue is determined based on the contractual price and volume of petroleum products delivered. The sale price is calculated based on market price with premium or discount adjusted by a number of factors following the individual agreement for each product. The volume sold is measured using the metre at the refinery when the petroleum products are delivered to customers via pipeline, truck, and vessel.</p> <p>I identified the accuracy of the revenue as an area of focus for my audit work because the amount is material, and due to various factors applied to the selling prices per agreements. This required a detailed understanding of the contractual arrangements to ensure that the terms of agreements were correctly applied to determine the amount of revenue, and the source data for the price factors and price adjustment used in the invoice and volumes measured were complete and accurate.</p>	<p>I tested the design and operating effectiveness of key controls for the recognition of revenue, particularly focussing on controls over the invoicing process. I determined that the testing of these controls provided me with audit evidence that revenue had been recorded appropriately and in the correct period, and the amounts billed to customers were accurate.</p> <p>I sample tested the revenue recognised against amounts invoiced to customers and the subsequent cash receipts from those customers. I obtained and read the purchase and sale agreement including amendment to agreement and checked it against customer invoices to ensure that the price factors and adjustment were applied in the invoices accurately and completely.</p> <p>I also selected a sample of shipment documents before and after year end to test to the revenue recorded to ensure that the revenue is recognised in the correct period.</p> <p>In addition, I sent debtor confirmations to the customers to confirm the amount due to the Company at the end of the year.</p> <p>I found no material issues arising from my work.</p>
<p>Related party transactions</p> <p>The Company has a number of contracts with related parties, the main ones being the purchase and sale agreement covered above and a feedstock supply agreement as described in Note 24.</p> <p>The purchase and sale agreement is with two main customers, one related party and one third party. The feedstock supply agreement is with the related parties. The Company also has a feedstock supply agreement with a third party which gives the third party the right to supply crude oil to the Company under the agreement terms. Management has developed processes to evaluate and determine how to optimise crude oil and feedstock purchases.</p> <p>I focussed on this area because of the material amount of related party transactions. I have to ensure that the related party transactions are transparent and carried out in the normal course of business.</p>	<p>I performed the following procedures in order to obtain evidence for management's assessment of related party transactions and related disclosures:</p> <ul style="list-style-type: none"> obtained an understanding of the process established by management to identify the appropriate related party disclosure considerations. This process involves control procedures to support the assessments of related party transactions, including the approval process for significant related party transactions made enquiries to management to identify whether related party transactions outside the normal course of business had taken place, and verified that related party transactions disclosed in the financial statements were complete. <p>I found no material issues arising from my work. I am satisfied that the related party transactions were transparent and were carried out in the normal course of business.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibility for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.



Pongthavee Ratanakoses

Certified Public Accountant (Thailand) No. 7795

Bangkok

21 February 2019

Statement of Financial Position

As at 31 December 2018

		Unit: US Dollar		Unit: Baht	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
Notes					
Assets					
Current assets					
Cash and cash equivalents	7	2,265,001	66,105,024	73,872,173	2,171,364,539
Trade and other receivables	8	384,994,819	373,463,345	12,540,564,155	12,253,109,894
Inventories	9	393,073,740	433,657,194	12,820,021,400	14,244,424,607
Other current assets	10	2,682,573	2,922,937	86,972,665	95,857,171
Total current assets		783,016,133	876,148,500	25,521,430,393	28,764,756,211
Non-current assets					
Prepaid income tax		19,062,691	-	621,725,844	-
Property, plant and equipment	11	879,910,537	937,410,515	28,698,106,196	30,791,310,647
Intangible assets	12	4,430,323	5,261,575	144,494,097	172,828,016
Other non-current assets		762,887	2,077,405	24,881,413	68,237,005
Total non-current assets		904,166,438	944,749,495	29,489,207,550	31,032,375,668
Total assets		1,687,182,571	1,820,897,995	55,010,637,943	59,797,131,879

The notes to the financial statements are an integral part of these financial statements.

Statement of Financial Position

As at 31 December 2018

	Notes	Unit: US Dollar		Unit: Baht	
		31 December	31 December	31 December	31 December
		2018	2017	2018	2017
Liabilities and equity					
Current liabilities					
Trade and other payables	13	371,781,683	305,211,946	12,125,585,227	10,024,800,658
Current portion of long-term borrowings	14	-	71,666,667	-	2,354,049,334
Excise tax payable		105,439,904	91,952,129	3,438,901,369	3,020,369,990
Value added tax payable		4,031,429	6,014,651	131,484,242	197,564,458
Current income tax payable		-	37,627,231	-	1,235,949,183
Other current liabilities		253,617	466,993	8,271,678	15,339,393
Total current liabilities		481,506,633	512,939,617	15,704,242,516	16,848,073,016
Non-current liabilities					
Deferred tax liabilities	15	13,781,497	16,701,981	449,480,756	548,613,312
Employee benefit obligations	16	10,068,804	9,117,222	328,392,022	299,475,230
Total non-current liabilities		23,850,301	25,819,203	777,872,778	848,088,542
Total liabilities		505,356,934	538,758,820	16,482,115,294	17,696,161,558
Equity					
Share capital					
Authorised share capital	17				
Ordinary shares 4,335,902,125 shares at par value of Baht 6.92 each		864,713,808	864,713,808	30,004,442,705	30,004,442,705
Issued and paid-up share capital					
Ordinary shares 4,335,902,125 shares paid-up at Baht 6.92 each		864,713,808	864,713,808	30,004,442,705	30,004,442,705
Premium on share capital		31,917,416	31,917,416	977,711,111	977,711,111
Retained earnings					
Appropriated - legal reserve	18	87,865,911	87,865,911	3,000,444,271	3,000,444,271
Unappropriated		197,328,502	297,642,040	9,510,511,694	12,768,595,291
Other components of equity		-	-	(4,964,587,132)	(4,650,223,057)
Total equity		1,181,825,637	1,282,139,175	38,528,522,649	42,100,970,321
Total liabilities and equity		1,687,182,571	1,820,897,995	55,010,637,943	59,797,131,879

The notes to the financial statements are an integral part of these financial statements.

Statement of Comprehensive Income

For the year ended 31 December 2018

	Notes	Unit: US Dollar		Unit: Baht	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
Sales	6	6,406,324,650	4,982,207,389	208,106,715,436	169,620,144,334
Liquefied Petroleum Gas and fuel subsidies		32,240,435	26,673,359	1,052,593,070	915,251,109
Total revenue		6,438,565,085	5,008,880,748	209,159,308,506	170,535,395,443
Cost of sales	20	(6,342,332,927)	(4,702,879,084)	(206,187,534,545)	(160,130,678,732)
Gross profit		96,232,158	306,001,664	2,971,773,961	10,404,716,711
Other income	21	2,608,662	1,368,951	84,284,282	46,868,001
Gain on exchange rate		24,479,407	43,813,406	793,315,251	1,508,986,244
Profit before expenses		123,320,227	351,184,021	3,849,373,494	11,960,570,956
Administrative expenses	20	(29,202,726)	(27,647,959)	(946,711,802)	(942,690,824)
Other expenses		(1,516,293)	(25,522)	(48,851,670)	(880,984)
Finance costs		(1,540,354)	(2,698,581)	(49,954,062)	(92,314,630)
Profit before income tax		91,060,854	320,811,959	2,803,855,960	10,924,684,518
Income tax	22	(17,436,213)	(59,557,859)	(540,601,791)	(2,029,338,575)
Profit for the year		73,624,641	261,254,100	2,263,254,169	8,895,345,943
Other comprehensive income:					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Currency translation differences		-	-	(314,364,075)	(3,714,999,002)
Other comprehensive income for the year		-	-	(314,364,075)	(3,714,999,002)
Total comprehensive income for the year		73,624,641	261,254,100	1,948,890,094	5,180,346,941
Earnings per share	23				
Basic earnings per share		0.02	0.06	0.52	2.05

The notes to the financial statements are an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2018

		Unit: US Dollar				
	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total equity
				Appropriated legal reserve	Unappropriated	
Beginning balance 1 January 2017		864,713,808	31,917,416	87,865,911	174,742,546	1,159,239,681
Dividends	19	-	-	-	(138,354,606)	(138,354,606)
Total comprehensive income for the year		-	-	-	261,254,100	261,254,100
Ending balance 31 December 2017		864,713,808	31,917,416	87,865,911	297,642,040	1,282,139,175
Beginning balance 1 January 2018		864,713,808	31,917,416	87,865,911	297,642,040	1,282,139,175
Dividends	19	-	-	-	(173,938,179)	(173,938,179)
Total comprehensive income for the year		-	-	-	73,624,641	73,624,641
Ending balance 31 December 2018		864,713,808	31,917,416	87,865,911	197,328,502	1,181,825,637

The notes to the financial statements are an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2018

Unit: Baht							
	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity	
				Appropriated legal reserve	Unappropriated	Exchange differences on translation	Total equity
Beginning balance 1 January 2017		30,004,442,705	977,711,111	3,000,444,271	8,671,792,230	(935,224,055)	41,719,166,262
Dividends	19	-	-	-	(4,798,542,882)	-	(4,798,542,882)
Total comprehensive income for the year		-	-	-	8,895,345,943	(3,714,999,002)	5,180,346,941
Ending balance 31 December 2017		30,004,442,705	977,711,111	3,000,444,271	12,768,595,291	(4,650,223,057)	42,100,970,321
Beginning balance 1 January 2018		30,004,442,705	977,711,111	3,000,444,271	12,768,595,291	(4,650,223,057)	42,100,970,321
Dividends	19	-	-	-	(5,521,337,766)	-	(5,521,337,766)
Total comprehensive income for the year		-	-	-	2,263,254,169	(314,364,075)	1,948,890,094
Ending balance 31 December 2018		30,004,442,705	977,711,111	3,000,444,271	9,510,511,694	(4,964,587,132)	38,528,522,649

The notes to the financial statements are an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2018

		Unit: US Dollar		Unit: Baht	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Notes				
Cash flows from operating activities					
Profit before income tax		91,060,854	320,811,959	2,803,855,960	10,924,684,518
Adjustments for:					
Finance income	21	(653,569)	(469,240)	(20,966,366)	(16,169,987)
Finance costs		1,540,354	2,698,581	49,954,062	92,314,630
Depreciation	11, 20	82,656,874	81,353,244	2,684,742,868	2,774,624,890
Amortisation		1,603,386	1,563,344	51,985,454	53,276,840
Loss from disposal of fixed assets		1,404,682	25,238	44,700,603	870,984
Gain from foreign exchange rate		(7,011,692)	(15,378,362)	(227,830,215)	(524,414,457)
Loss on obsolete materials and supplies	9	258,066	953,153	8,243,813	32,109,627
Write down of inventory to net realisable value	9	62,212,228	-	2,047,765,830	-
Retirement benefit expenses		891,010	914,595	28,879,649	31,178,821
Change in operating assets and liabilities					
Trade and other receivables		(8,936,842)	(49,863,808)	(290,383,924)	(1,700,395,757)
Inventories		(21,886,838)	(107,509,066)	(711,166,853)	(3,666,145,153)
Other current and non-current assets		1,450,584	(246,436)	47,133,667	(8,403,650)
Trade and other payables		64,473,398	75,385,099	2,094,927,669	2,570,692,200
Other current and non-current liabilities		10,194,952	66,250,340	331,263,563	2,259,189,588
Cash generated from operations		279,257,447	376,488,641	8,943,105,780	12,823,413,094
Interest received		658,481	464,732	21,127,718	16,023,190
Interest paid		(1,689,870)	(2,829,921)	(54,865,234)	(97,514,956)
Income tax paid		(74,490,280)	(53,332,989)	(2,426,829,221)	(1,881,839,727)
Net cash generated from operating activities		203,735,778	320,790,463	6,482,539,043	10,860,081,601

The notes to the financial statements are an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2018

	Note	Unit: US Dollar		Unit: Baht	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
Cash flows from investing activities					
Purchases of equipment and intangible asset		(24,760,347)	(14,751,637)	(804,535,493)	(503,042,611)
Proceeds from disposal of equipment		16,745	284	560,281	10,000
Net cash used in investing activities		(24,743,602)	(14,751,353)	(803,975,212)	(503,032,611)
Cash flows from financing activities					
Repayment of long-term borrowings		(71,666,667)	(106,666,667)	(2,289,332,732)	(3,614,476,750)
Dividends paid to shareholders		(171,797,950)	(138,354,606)	(5,521,337,766)	(4,798,542,882)
Net cash used in financing activities		(243,464,617)	(245,021,273)	(7,810,670,498)	(8,413,019,632)
Net (decrease) increase in cash and cash equivalents		(64,472,441)	61,017,837	(2,132,106,667)	1,944,029,358
Cash and cash equivalents at the beginning of year		66,105,024	6,469,214	2,171,364,539	232,907,490
Adjustment from foreign exchange translation		632,418	(1,382,027)	34,614,301	(5,572,309)
Cash and cash equivalents at the ending of year	7	2,265,001	66,105,024	73,872,173	2,171,364,539
Non-cash item					
Acquisitions of equipment and intangible asset which have not been paid		3,848,413	1,373,660	125,515,209	45,120,888

The notes to the financial statements are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2018

1 General information

Star Petroleum Refining Public Company Limited (“the Company”) is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

No.1, I-3B Road, Tambol Map Ta Phut (Subdistrict), Amphur Muang Rayong (District), Rayong Province 21150.

The Company was registered on 20 November 1992 to engage in the construction and operation of a petroleum refinery in the Rayong Province of Thailand. On 7 June 2012, the Company registered as a public company with the Department of Business Development, Ministry of Commerce and has changed its name to Star Petroleum Refining Public Company Limited then onward.

The Company was listed on the Stock Exchange of Thailand on 8 December 2015.

These financial statements were authorised for issue by the Board of Directors on 21 February 2019.

2 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except for certain accounts as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Company financial statements are disclosed in Note 4.

An English version of the Company financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New financial reporting standards, revised accounting standards, revised financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018

The Company has applied the revised financial reporting standards effective for annual periods beginning on or after 1 January 2018, which are relevant to the Company. The application has no material impact to the Company.

2 Accounting policies (Cont'd)

2.2 New financial reporting standards, revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New financial reporting standards which have been announced but not yet effective

2.2.2.1 TFRS 15 Revenue from contracts with customers is effective for annual periods beginning on or after 1 January 2019. The Company has not yet adopted this standard.

TFRS 15 Revenue from contracts with customers

TFRS 15 provides the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TFRIC 13 (revised 2017)	Customer loyalty programmes
TFRIC 15 (revised 2017)	Agreements for the construction of real estate
TFRIC 18 (revised 2017)	Transfers of assets from customers
TSIC 31 (revised 2017)	Revenue - barter transactions involving advertising services

The new standard is based on the principle that

- revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards
- an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa
- There are new specific rules on licenses, warranties, non-refundable upfront fees and consignment arrangements
- As with any new standard, there are also increased disclosures.

2 Accounting policies (Cont'd)

2.2 New financial reporting standards, revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New financial reporting standards which have been announced but not yet effective (Cont'd)

2.2.2.1 TFRS 15 Revenue from contracts with customers is effective for annual periods beginning on or after 1 January 2019. The Company has not yet adopted this standard. (Cont'd)

The Company will implement this financial reporting standard by electing to apply the modified retrospective transition approach with retained earnings as at 1 January 2019.

Under this financial reporting standard, revenue from contracts with customers is recognised when the Company satisfies a performance obligation by transferring the petroleum products which includes LPG, gasoline, jet fuel, diesel, fuel oil, asphalt and other products to customers via vessel, truck, or pipeline. The transfer of the petroleum products by the Company usually coincides with title passing to the customer and the customer taking physical possession. The Company principally satisfies its performance obligation at a point in time.

Revenue from service represents storage service of petroleum products, which the performance obligation is satisfied over time and the amount is not significant.

The accounting for revenue under this financial reporting standard does not represent a substantive change from the Company's current practice as the accounting policy disclosed in Note 2.15.

2.2.2.2 New financial reporting standard is effective for annual periods beginning on or after 1 January 2019 and are relevant to the Company. The Company has not yet adopted this standard.

TFRIC 22 Foreign Currency Transactions and Advance Consideration

The TFRIC 22 interpretation provides guidance for determining the exchange rate to be used on the initial recognition of a related asset, expense or income where an entity pays or receives an advance consideration in a foreign currency. The interpretation requires an entity to use the exchange rate at the date on which an entity recognises the non-monetary assets, such as prepayments and advances, or non-monetary liability, such as deferred income arising from the advance consideration. If there are multiple advance payments or receipts of payments, the exchange rate is to be used on the date when each non-monetary asset or liability is recognised.

2.2.2.3 The financial reporting standards relating to financial instruments are effective for annual periods beginning on or after 1 January 2020. The Company has not yet adopted those standards.

The financial reporting standards relating to financial instruments consist of the following standards:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

The above new standards will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

2 Accounting policies (Cont'd)

2.2 New financial reporting standards, revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New financial reporting standards which have been announced but not yet effective (Cont'd)

2.2.2.3 The financial reporting standards relating to financial instruments are effective for annual periods beginning on or after 1 January 2020. The Company has not yet adopted those standards. (Cont'd)

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
 - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
 - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
 - Financial liabilities are classified and measured at amortised cost unless they are required to be measured at fair value through profit or loss. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
 - Derivatives are classified and measured at fair value through profit or loss.
- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.

The Company's management is currently assessing the impact of initial adoption of these standards.

2 Accounting policies (Cont'd)

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Company's management has determined that US Dollar is the Company's functional currency. However, the Company is required to present its financial statements in Thai Baht ("the presentation currency") to comply with the regulation of the Department of Business Development, the Company financial statements are presented by translating from US Dollar to Thai Baht using the method described in Note 2.3 (c).

(b) Transactions and balances

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

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in the other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in the profit and loss.

(c) Translation to presentation currency

The results and financial position that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities in statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses in statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

2.4 Cash and cash equivalents

In the Company statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, and other short-term highly liquid investments with maturities of three months or less from the date of acquisition.

2.5 Trade receivables

Trade accounts receivable are recognised initially at original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expenses.

2 Accounting policies (Cont'd)

2.6 Inventories

Inventories are stated at the lower of cost or net realisable value, cost being determined on the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts, allowances or rebates. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads, but exclude borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.7 Property, plant and equipment

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation. Costs include directly attributable expenses in acquiring such asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on plant and equipment is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

Buildings	20 - 50 years
Refinery plant and machinery	5 - 33 years
Furniture, fixtures and equipment	5 - 25 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains or losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised within the statement of comprehensive income.

2.8 Intangible asset - Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs those are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use or sell;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Computer software development costs are recognised as assets and amortised over their estimated useful lives, which does not exceed 10 years.

2.9 Impairment of assets

Property, plant and equipment, intangible assets and other non-financial assets are reviewed for impairment losses 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 assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Leases - where the Company is a lessee

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to income statement over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2 Accounting policies (Cont'd)

2.11 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred.

Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

Borrowing Costs

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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

2.12 Current and deferred income taxes

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 reporting period in the countries where the Company operates and generates taxable income. 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.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income 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 income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from employee benefit obligation and allowance for stock obsolescence and accumulated depreciation, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred 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 income 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 Accounting policies (Cont'd)

2.13 Accounting for employee benefit

2.13.1 Defined contribution plan - provident fund

The Company operates a provident fund that is a defined contribution plan. The assets are held in a separate fund which is managed by an external fund manager in accordance with the Provident Fund Act B.E. 2530. The provident fund is funded by payments from employees and by the Company. Contributions to the provident fund are charged to the statement of comprehensive income in the year to which they relate.

2.13.2 Defined benefit plan - retirement benefit

The Company provides for post-employment benefits, payable to employees under the Thai Labour Law. The liability in respect of employee benefits is the present value of the defined benefit obligation which is calculated by an independent actuary using the projected unit credit cost method in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using interest rates which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and others. Actuarial gains or losses will be recognised in the statement of comprehensive income in the period to which they are related. The costs associated with providing these benefits are charged to the statement of comprehensive income so as to spread the cost over the employment period during which the entitlement to benefits is earned.

2.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

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 interest expense.

2.15 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of petroleum products and service in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, return, rebates and discounts. Revenue from the sale of petroleum products is recognised when the significant risks and rewards of ownership have been transferred to the buyer, which is generally at the time of ship loading, truck loading, or on the products entering the pipeline (meter reading).

Other income and interest received are recognised as income on the accrual basis unless collectability is in doubt.

2.16 Government Grants

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

Government grants relating to the compensation of costs are deferred and recognised in profit or loss over the period necessary to match them with the costs they are intended to compensate.

Government grant amount is separately presented from revenue from sales.

2 Accounting policies (Cont'd)

2.17 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 is responsible for allocating resources and assessing performance of the operating segments.

2.18 Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. The interim dividend is approved by the Company's Board of Directors.

3 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

3.1 Financial risk factors

3.1.1 Foreign exchange risk

The Company does not enter into any foreign currency forward contracts to cover the exchange risk because a substantial portion of our revenues, costs and expenses are directly linked to, or denominated in US dollars. The Company is exposed to fluctuations in the value of the Baht on account of employee-related and other costs denominated in Baht. An appreciation of the Baht against the US dollar causes, among other things, their Baht denominated costs to increase in US dollars, which has a negative effect on US dollar-denominated results of operations. Also, an increase in volatility in the value of the Baht against the US dollar may also increase the cost that the Company incurs in converting the Baht that the Company receives as proceeds from the sale of their petroleum products into US dollars required to pay for crude oil and imported feedstock.

3.1.2 Interest rate risk

The Company is exposed to interest rate risk in relation to its current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. The Company does not enter into any financial instruments. However, the Company has insignificant impact from interest rate risk.

3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.3 Credit risk

The Company has no significant credit risk because the Company sells majority of its total sales to its related companies who have reputable and strong financial position. Apart from sales of products to the related companies, sales are made to other customers with an appropriate credit history. Financial transactions are limited to high credit quality financial institutions.

3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, and the availability of funding through an adequate amount of committed credit facilities.

3.2 Accounting for derivative financial instruments and hedging activities

The Company has no derivative financial instruments.

4 Critical accounting estimates and assumptions

Estimates, assumptions, and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The result of accounting estimates will not necessarily equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follow:

Asset retirement obligations

It is recognised that the Company may incur asset retirement obligations for the dismantling and site restoration costs of its manufacturing facilities. The timing and amount of cash flows is difficult to estimate as the Company has no intention to decommission the sites in the near future. Accordingly and consistent with industry practice, no provision is recorded for asset retirement obligations as the amount cannot be measured with sufficient reliability due to the significant uncertainties involved.

5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders.

6 Segment information

The Company produces petroleum products in Thailand for both domestic and export markets, utilising the same assets. The Company has one reportable segment which is the refinery. The chief operating decision maker reviews the internal management report which reported the performance of the Company as a whole in order to assess performance and allocate resources. The chief operating decision maker assesses the performance of the reportable segment based on a measure of revenue, cost of goods sold, gross margin and earnings before interest income and expense, tax, depreciation and amortisation which are the same information as these financial statements.

The Company derived 52% of its revenue (2017: 57%) from sales to its related parties. Refer to Note 27 for the amount of revenue from related parties.

Geographical information

Revenues are presented by the entity's country of domicile and foreign countries which the entity derives revenues as shown in table below.

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Sales:				
- Local Sales	5,696,435,560	4,328,137,714	185,011,720,623	147,485,978,171
- Export Sales	709,889,090	654,069,675	23,094,994,813	22,134,166,163
Total Sales	<u>6,406,324,650</u>	<u>4,982,207,389</u>	<u>208,106,715,436</u>	<u>169,620,144,334</u>

The Company only operated in Thailand, therefore geographical information of non-current asset has not been presented.

7 Cash and cash equivalents

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Cash on hands	1,533	1,522	50,000	50,000
Deposits held at call with banks	2,263,468	66,103,502	73,822,173	2,171,314,539
	<u>2,265,001</u>	<u>66,105,024</u>	<u>73,872,173</u>	<u>2,171,364,539</u>

During 2018, the interest rates of cash at bank ranged between 0.25% and 1.20% per annum (2017: 0.25% and 1.41% per annum).

8 Trade and other receivables

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Trade receivables				
- related parties	146,592,251	199,740,891	4,779,496,703	6,554,761,872
- third parties	220,256,713	163,178,612	7,169,253,223	5,352,025,306
	<u>366,848,964</u>	<u>362,919,503</u>	<u>11,948,749,926</u>	<u>11,906,787,178</u>
Other receivables				
- related parties	6,760	14,213	220,392	462,124
- Liquefied Petroleum Gas (LPG) subsidy	13,842,709	9,019,924	451,477,193	296,279,266
- fuel subsidy	2,555,321	472,844	83,341,294	15,531,600
- third parties	1,741,065	1,036,861	56,775,350	34,049,726
	<u>18,145,855</u>	<u>10,543,842</u>	<u>591,814,229</u>	<u>346,322,716</u>
Trade and other receivables	<u>384,994,819</u>	<u>373,463,345</u>	<u>12,540,564,155</u>	<u>12,253,109,894</u>

Outstanding trade receivables can be analysed as follows:

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Up to 3 months	366,817,195	362,919,503	11,947,724,278	11,906,787,178
3 - 6 months	31,769	-	1,025,648	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total trade receivables	<u>366,848,964</u>	<u>362,919,503</u>	<u>11,948,749,926</u>	<u>11,906,787,178</u>
<u>Less</u> provision for impairment of trade receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>366,848,964</u>	<u>362,919,503</u>	<u>11,948,749,926</u>	<u>11,906,787,178</u>

Liquefied Petroleum Gas (LPG) subsidy and fuel subsidy are the liabilities of Thai government to the Company set by the Ministry of Energy through the Oil Fuel Fund.

As at 31 December 2018 and 2017, LPG subsidy and fuel subsidy were outstanding subsidies that the Company was compensated for the difference between the Government's controlled price and the market reference price.

9 Inventories

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Crude oil (net with allowance)	191,426,389	140,377,468	6,243,333,381	4,611,006,780
Petroleum products (net with allowance)	96,369,996	116,956,559	3,143,088,147	3,841,695,486
Materials and supplies (net with allowance)	21,208,488	22,049,135	691,710,580	724,252,358
	309,004,873	279,383,162	10,078,132,108	9,176,954,624
Crude oil in transit (net with allowance)	84,068,867	154,274,032	2,741,889,292	5,067,469,983
Inventories, net	393,073,740	433,657,194	12,820,021,400	14,244,424,607

According to the Ministry of Energy, the Company is required to maintain a minimum oil reserve of 6% of total finished products produced for domestic sales (2017: 6%) and maintain a minimum finished products reserve of 7% of total imported finished products (2017: 7%). The reserve fluctuates upon production plan and volume produced. As at 31 December 2018, the above inventories include USD 164,892,180 or Baht 5,377,925,461 of crude oil and finished products set aside as minimum reserve (2017: USD 164,829,074 or Baht 5,414,173,555).

During 2018, USD 62,212,228 or Baht 2,047,765,830 was debited to the statement of comprehensive income with respect to write down of inventory to net realizable value (2017: nil).

During 2018, USD 258,066 or Baht 8,243,813 was debited to the statement of comprehensive income with respect to loss on obsolete materials and supplies (2017: USD 953,153 or Baht 32,109,627).

10 Other current assets

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Advance to suppliers	797,277	983,653	25,703,618	32,157,125
Others	1,885,296	1,939,284	61,269,047	63,700,046
Other current assets	2,682,573	2,922,937	86,972,665	95,857,171

11 Property, plant and equipment

	Unit: US Dollar					
	Land	Buildings	Refinery plant & machinery	Furniture, fixtures and equipment	Construction in progress	Total
At 1 January 2017						
Cost	73,442,578	54,358,098	1,973,685,330	73,838,545	13,658,789	2,188,983,340
Less Accumulated depreciation	-	(22,455,959)	(1,100,191,659)	(61,666,916)	-	(1,184,314,534)
Net book amount	73,442,578	31,902,139	873,493,671	12,171,629	13,658,789	1,004,668,806
Year ended 31 December 2017						
Opening net book amount	73,442,578	31,902,139	873,493,671	12,171,629	13,658,789	1,004,668,806
Assets transferred from construction in progress	-	986,311	16,819,472	2,500,722	(20,306,505)	-
Additions	-	-	-	-	14,120,474	14,120,474
Disposals - Cost	-	(54,839)	(141,706)	(1,846,894)	-	(2,043,439)
Disposals - Depreciation	-	43,415	133,229	1,841,274	-	2,017,918
Depreciation charge	-	(1,442,665)	(78,223,198)	(1,687,381)	-	(81,353,244)
Closing net book amount	73,442,578	31,434,361	812,081,468	12,979,350	7,472,758	937,410,515
At 31 December 2017						
Cost	73,442,578	55,289,570	1,990,363,096	74,492,373	7,472,758	2,201,060,375
Less Accumulated depreciation	-	(23,855,209)	(1,178,281,628)	(61,513,023)	-	(1,263,649,860)
Net book amount	73,442,578	31,434,361	812,081,468	12,979,350	7,472,758	937,410,515

	Unit: US Dollar					
	Land	Buildings	Refinery plant & machinery	Furniture, fixtures and equipment	Construction in progress	Total
At 1 January 2018						
Cost	73,442,578	55,289,570	1,990,363,096	74,492,373	7,472,758	2,201,060,375
Less Accumulated depreciation	-	(23,855,209)	(1,178,281,628)	(61,513,023)	-	(1,263,649,860)
Net book amount	73,442,578	31,434,361	812,081,468	12,979,350	7,472,758	937,410,515
Year ended 31 December 2018						
Opening net book amount	73,442,578	31,434,361	812,081,468	12,979,350	7,472,758	937,410,515
Assets transferred from construction in progress	-	1,425,382	770,337	462,972	(2,658,691)	-
Additions	-	-	-	-	26,578,323	26,578,323
Disposals - Cost	-	(40,310)	(5,239,106)	(2,637,953)	-	(7,917,369)
Disposals - Depreciation	-	16,124	3,963,899	2,515,919	-	6,495,942
Depreciation charge	-	(1,556,933)	(79,214,734)	(1,885,207)	-	(82,656,874)
Closing net book amount	73,442,578	31,278,624	732,361,864	11,435,081	31,392,390	879,910,537
At 31 December 2018						
Cost	73,442,578	56,674,642	1,985,894,327	72,317,392	31,392,390	2,219,721,329
Less Accumulated depreciation	-	(25,396,018)	(1,253,532,463)	(60,882,311)	-	(1,339,810,792)
Net book amount	73,442,578	31,278,624	732,361,864	11,435,081	31,392,390	879,910,537

As at 31 December 2018, certain fully depreciated items of machinery and equipment are still in use, their original costs are approximately US Dollar 50.39 million (2017: US Dollar 47.48 million).

11 Property, plant and equipment (Cont'd)

	Unit: Baht					
	Land	Buildings	Refinery plant & machinery	Furniture, fixtures and equipment	Construction in progress	Total
At 1 January 2017						
Cost	2,644,116,407	1,957,027,440	71,057,606,077	2,658,372,189	491,750,516	78,808,872,629
Less Accumulated depreciation	-	(808,470,664)	(39,609,650,175)	(2,220,163,102)	-	(42,638,283,941)
Net book amount	2,644,116,407	1,148,556,776	31,447,955,902	438,209,087	491,750,516	36,170,588,688
Year ended 31 December 2017						
Opening net book amount	2,644,116,407	1,148,556,776	31,447,955,902	438,209,087	491,750,516	36,170,588,688
Assets transferred from construction in progress	-	32,657,949	563,210,277	83,082,435	(678,950,661)	-
Additions	-	-	-	-	481,519,507	481,519,507
Disposals - Cost	-	(1,934,764)	(4,990,751)	(61,685,090)	-	(68,610,605)
Disposals - Depreciation	-	1,531,688	4,698,689	61,499,020	-	67,729,397
Depreciation charge	-	(49,198,083)	(2,667,925,084)	(57,501,723)	-	(2,774,624,890)
Exchange differences on translation	(231,733,366)	(99,082,826)	(2,668,346,646)	(37,268,427)	(48,860,185)	(3,085,291,450)
Closing net book amount	2,412,383,041	1,032,530,740	26,674,602,387	426,335,302	245,459,177	30,791,310,647
At 31 December 2017						
Cost	2,412,383,041	1,816,107,531	65,377,854,713	2,446,865,907	245,459,177	72,298,670,369
Less Accumulated depreciation	-	(783,576,791)	(38,703,252,326)	(2,020,530,605)	-	(41,507,359,722)
Net book amount	2,412,383,041	1,032,530,740	26,674,602,387	426,335,302	245,459,177	30,791,310,647

	Unit: Baht				
	Land	Buildings	Refinery plant & machinery	Furniture, fixtures and equipment	Construction in progress
At 1 January 2018					
Cost	2,412,383,041	1,816,107,531	65,377,854,713	2,446,865,907	245,459,177
Less Accumulated depreciation	-	(783,576,791)	(38,703,252,326)	(2,020,530,605)	-
Net book amount	2,412,383,041	1,032,530,740	26,674,602,387	426,335,302	245,459,177
Year ended 31 December 2018					
Opening net book amount	2,412,383,041	1,032,530,740	26,674,602,387	426,335,302	245,459,177
Assets transferred from construction in progress	-	45,878,479	25,133,643	15,125,429	(86,137,551)
Additions	-	-	-	-	863,606,847
Disposals - Cost	-	(1,329,812)	(166,133,107)	(86,715,067)	-
Disposals - Depreciation	-	531,926	125,696,016	82,689,160	-
Depreciation charge	-	(50,587,854)	(2,572,957,856)	(61,197,158)	-
Exchange differences on translation	(17,068,055)	(6,877,422)	(200,505,370)	(3,284,793)	928,094
Closing net book amount	2,395,314,986	1,020,146,057	23,885,835,713	372,952,873	1,023,856,567
At 31 December 2018					
Cost	2,395,314,986	1,848,432,114	64,769,546,257	2,358,617,277	1,023,856,567
Less Accumulated depreciation	-	(828,286,057)	(40,883,710,544)	(1,985,664,404)	-
Net book amount	2,395,314,986	1,020,146,057	23,885,835,713	372,952,873	1,023,856,567

As at 31 December 2018, certain fully depreciated items of machinery and equipment are still in use, their original costs are approximately Baht 1,643.36 million (2017: Baht 1,559.60 million).

12 Intangible asset

	Unit: US Dollar	Unit: Baht
At 1 January 2017		
Cost	11,201,501	403,282,029
<u>Less</u> Accumulated amortisation	<u>(5,927,808)</u>	<u>(213,415,913)</u>
Net book amount	<u>5,273,693</u>	<u>189,866,116</u>
Year ended 31 December 2017		
Opening net book amount	5,273,693	189,866,116
Additions	1,425,128	47,292,022
<u>Less</u> Amortisation charge	<u>(1,437,246)</u>	<u>(48,976,244)</u>
Exchange differences on translation	-	(15,353,878)
Closing net book amount	<u>5,261,575</u>	<u>172,828,016</u>
At 31 December 2017		
Cost	12,626,629	414,749,423
<u>Less</u> Accumulated amortisation	<u>(7,365,054)</u>	<u>(241,921,407)</u>
Net book amount	<u>5,261,575</u>	<u>172,828,016</u>
Year ended 31 December 2018		
Opening net book amount	5,261,575	172,828,016
Additions	656,775	21,049,990
<u>Less</u> Amortisation charge	<u>(1,488,027)</u>	<u>(48,244,668)</u>
Exchange differences on translation	-	(1,139,241)
Closing net book amount	<u>4,430,323</u>	<u>144,494,097</u>
At 31 December 2018		
Cost	13,283,404	433,235,565
<u>Less</u> Accumulated amortisation	<u>(8,853,081)</u>	<u>(288,741,468)</u>
Net book amount	<u>4,430,323</u>	<u>144,494,097</u>

13 Trade and other payables

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Trade payables				
- related parties	219,204,738	198,037,471	7,149,318,689	6,504,976,408
- third parties	<u>117,628,894</u>	<u>81,188,971</u>	<u>3,836,442,867</u>	<u>2,666,830,379</u>
	<u>336,833,632</u>	<u>279,226,442</u>	<u>10,985,761,556</u>	<u>9,171,806,787</u>
Other payables				
- related parties	1,052,815	1,591,036	34,337,349	52,261,074
- third parties	<u>33,895,236</u>	<u>24,394,468</u>	<u>1,105,486,322</u>	<u>800,732,797</u>
	<u>34,948,051</u>	<u>25,985,504</u>	<u>1,139,823,671</u>	<u>852,993,871</u>
Trade and other payables	<u>371,781,683</u>	<u>305,211,946</u>	<u>12,125,585,227</u>	<u>10,024,800,658</u>

14 Borrowings

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Current				
Borrowings from financial institutions	-	71,666,667	-	2,354,049,334
Movements in borrowings are analysed as follows:				
For the year ended 31 December 2018			Unit: US Dollar	Unit: Baht
Opening amount as at 1 January 2018			71,666,667	2,354,049,334
Repayment of borrowings			(71,666,667)	(2,289,332,732)
Exchange differences on translation			-	(64,716,602)
Closing amount as at 31 December 2018			-	-

15 Deferred income taxes

The analysis of deferred tax assets (liabilities) is as follows:

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	-	-	-	-
Deferred tax assets to be recovered after more than 12 months	3,251,965	3,010,036	106,062,204	98,871,257
Total deferred tax assets	3,251,965	3,010,036	106,062,204	98,871,257
Deferred tax liabilities:				
Deferred tax liabilities to be recovered within 12 months	(348,619)	(346,153)	(11,370,149)	(11,370,149)
Deferred tax liabilities to be recovered after more than 12 months	(16,684,843)	(19,365,864)	(544,172,811)	(636,114,420)
Total deferred tax liabilities	(17,033,462)	(19,712,017)	(555,542,960)	(647,484,569)
Deferred tax liabilities, net	(13,781,497)	(16,701,981)	(449,480,756)	(548,613,312)

The movement in the deferred tax assets (liabilities) account is as follows:

	Unit: US Dollar		Unit: Baht	
	2018	2017	2018	2017
At 1 January	(16,701,981)	(36,916,941)	(548,613,312)	(1,329,102,185)
Charged to profit or loss (Note 22)	645,174	926,205	21,072,456	31,027,990
Exchange differences on translation	2,275,310	19,288,755	78,060,100	749,460,883
At 31 December	(13,781,497)	(16,701,981)	(449,480,756)	(548,613,312)

15 Deferred income taxes (Cont'd)

The movement in deferred tax assets and liabilities during the year is as follows:

Unit: US Dollar			
	Retirement benefit obligation	Loss on obsolete materials and supplies	Total
Deferred tax assets			
At 1 January 2017	1,491,113	995,961	2,487,074
Charged to profit or loss	332,331	190,631	522,962
At 31 December 2017	1,823,444	1,186,592	3,010,036
At 1 January 2018	1,823,444	1,186,592	3,010,036
Charged to profit or loss	190,316	51,613	241,929
At 31 December 2018	2,013,760	1,238,205	3,251,965

Unit: Baht			
	Retirement benefit obligation	Loss on obsolete materials and supplies	Total
Deferred tax assets			
At 1 January 2017	53,683,836	35,857,087	89,540,923
Charged to profit or loss	11,367,826	6,421,925	17,789,751
Exchange differences on translation	(5,156,616)	(3,302,801)	(8,459,417)
At 31 December 2017	59,895,046	38,976,211	98,871,257
At 1 January 2018	59,895,046	38,976,211	98,871,257
Charged to profit or loss	6,167,348	1,648,763	7,816,111
Exchange differences on translation	(383,990)	(241,174)	(625,164)
At 31 December 2018	65,678,404	40,383,800	106,062,204

15 Deferred income taxes (Cont'd)

The movement in deferred tax assets and liabilities during the year is as follows: (Cont'd)

Unit: US Dollar			
	Tax effect of currency translation on tax base	Depreciation	Total
Deferred tax liabilities			
At 1 January 2017	(38,665,155)	(738,860)	(39,404,015)
Charged to profit or loss	19,288,755	403,243	19,691,998
At 31 December 2017	(19,376,400)	(335,617)	(19,712,017)
At 1 January 2018	(19,376,400)	(335,617)	(19,712,017)
Charged to profit or loss	2,275,310	403,245	2,678,555
At 31 December 2018	(17,101,090)	67,628	(17,033,462)

Unit: Baht			
	Tax effect of currency translation on tax base	Depreciation	Total
Deferred tax liabilities			
At 1 January 2017	(1,392,042,229)	(26,600,879)	(1,418,643,108)
Charged to profit or loss	755,581,751	13,238,239	768,819,990
Exchange differences on translation	-	2,338,549	2,338,549
At 31 December 2017	(636,460,478)	(11,024,091)	(647,484,569)
At 1 January 2018	(636,460,478)	(11,024,091)	(647,484,569)
Charged to profit or loss	78,711,869	13,256,345	91,968,214
Exchange differences on translation	-	(26,605)	(26,605)
At 31 December 2018	(557,748,609)	2,205,649	(555,542,960)

16 Employee benefit obligations

Net liabilities recognised in the statement of financial position are determined as follows:

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Present value of unfunded obligation	10,068,804	9,117,222	328,392,022	299,475,230

The movement in the defined benefit obligation over the year is as follows:

	Unit: US Dollar		Unit: Baht	
	2018	2017	2018	2017
At 1 January	9,117,222	7,455,571	299,475,230	268,419,182
Current service cost	660,651	712,640	21,440,722	24,292,820
Interest cost	230,359	198,402	7,476,070	6,763,228
	891,010	911,042	28,916,792	31,056,048
Effect from change of foreign exchange rate	60,572	750,609	-	-
At 31 December	10,068,804	9,117,222	328,392,022	299,475,230

Major Actuarial Assumptions

The Company's financial assumptions

For the year ended 31 December:

	% per annum	
	2018	2017
Discount rate	2.5	2.5
Salary growth rate	5.0	5.0

The Company's demographic assumptions

- Mortality assumption: The mortality rate is from the Thailand Mortality Ordinary 2017 (TMO17) issued by the Office of the Insurance Commission. The TMO17 contains the results of the most recent mortality investigation of policy holders of life insurance companies in Thailand. It is reasonable to assume that these rates would reflect of the mortality rate of the population in Thailand.
- Turnover rate assumption

For the year ended 31 December:

Age	% per annum	
	2018	2017
Below 21	1.00	1.00
21 - 24	1.00	1.00
25 - 30	1.00	1.00
31 - 34	3.00	3.00
35 - 40	3.00	3.00
41 - 44	2.00	2.00
45 - 50	2.00	2.00
Above 50	0.00	0.00

The turnover rate above reflects the rate at which employees voluntarily resign from service. It does not include death, disability, and early retirement. The calculation for the employee benefits is based on these assumptions.

16 Employee benefit obligations (Cont'd)

Major Actuarial Assumptions (Cont'd)

Sensitivity analysis for each significant assumption disclosed:

	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2018	2017	2018	2017	2018	2017
Discount rate	1.00%	1.00%	Decrease by 9.95%	Decrease by 10.60%	Increase by 11.57%	Increase by 12.40%
Salary growth rate	1.00%	1.00%	Increase by 10.22%	Increase by 10.91%	Decrease by 8.96%	Decrease by 9.51%
Turnover rate	1.00%	1.00%	Decrease by 10.41%	Decrease by 11.09%	Increase by 3.70%	Increase by 4.22%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit cost method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 16 years. (2017: 17 years)

Expected maturity analysis of undiscounted retirement benefits:

	Unit: US Dollar			
	Within 1 year	Over 1 year to 5 years	Over 5 years	Total
At 31 December 2018				
Retirement benefits	156,326	1,782,509	30,144,939	32,083,774

	Unit: Baht			
	Within 1 year	Over 1 year to 5 years	Over 5 years	Total
At 31 December 2018				
Retirement benefits	5,098,544	58,136,162	983,171,146	1,046,405,852

On 13 December 2018, The National Legislative Assembly has passed an amendment bill to the Labour Protection Law, giving the employee who retired and have more than or equal to 20 years of service will receive compensation not less than 400 day's pay. The bill will become law after being published in the Royal Gazette. The Company estimated approximately USD 3.4 million additional expense to be recognised in income statement once the bill becomes effective.

17 Share capital

	Number of shares	Ordinary shares US Dollar	Ordinary shares Baht
At 1 January 2017	4,335,902,125	864,713,808	30,004,442,705
Issue of shares	-	-	-
At 31 December 2017	4,335,902,125	864,713,808	30,004,442,705
Issue of shares	-	-	-
At 31 December 2018	4,335,902,125	864,713,808	30,004,442,705

The total number of authorised ordinary shares with a par value of Baht 6.92 per share (2017: Baht 6.92 per share) is 4,335,902,125 shares (2017: 4,335,902,125 shares). The number of issued and paid-up ordinary shares is 4,335,902,125 shares (2017: 4,335,902,125 shares).

18 Legal reserve

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable. Currently, the Company has set aside legal reserved at 10% of registered capital.

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Balance at the beginning of year	87,865,911	87,865,911	3,000,444,271	3,000,444,271
Appropriation during the year	-	-	-	-
Balance at the end of year	87,865,911	87,865,911	3,000,444,271	3,000,444,271

19 Dividend paid

At the Board of Director Meeting No. 3 held on 14 August 2018, the Board approved a resolution to declare interim dividend payment from the net profit of 1 January 2018 to 30 June 2018 in the amount of USD 76.78 million or an equivalent of Baht 0.5928 per share, totalling Baht 2,570.32 million. The dividend was paid to the shareholders on 13 September 2018.

At the Annual General Meeting of Shareholders for 2018 held on 5 April 2018, the shareholders made the resolution to approve dividend payment from net profit of 1 January 2017 to 31 December 2017 in the amount of USD 156.75 million or Baht 4,954.64 million which is equivalent to Baht 1.1427 per share. After deduction of the interim dividend payment for the first half of 2017 performance at Baht 0.4621 per share paid on 8 September 2017, the remaining dividend is at Baht 0.6806 per share, totalling approximately USD 97.16 million or Baht 2,951.01 million. Such dividend was paid to the shareholders on 3 May 2018.

At the Board of Director Meeting No. 3 held on 11 August 2017, the Board approved a resolution to declare interim dividend payment from the net profit of 1 January 2017 to 30 June 2017 in the amount of USD 59.60 million or an equivalent of Baht 0.4621 per share, totalling Baht 2,003.62 million. The dividend was paid on 8 September 2017.

At the Annual General Meeting of Shareholders for 2017 held on 5 April 2017, the shareholders made the resolution to approve dividend payment from unappropriated retained earnings after legal reserve allocation of the net profit of 1 January 2016 to 31 December 2016 in the amount of USD 145.09 million or Baht 5,126.77 million which is equivalent to Baht 1.1824 per share. After deduction of the interim dividend payment for the first half of 2016 performance at Baht 0.5378 per share paid on 9 September 2016, the remaining dividend to be paid is at Baht 0.6446 per share, totalling approximately USD 78.76 million or Baht 2,794.92 million. Such dividend was paid on 3 May 2017.

20 Expenses by nature

The following expenditure items, classified by nature, have been charged in arriving at profit for the year:

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Changes in inventories of finished goods	20,860,302	(35,597,383)	677,811,729	(1,213,899,229)
Raw materials and consumables used	6,176,161,300	4,610,441,562	200,787,098,919	156,977,978,837
Staff costs	38,812,179	35,285,035	1,261,120,256	1,203,247,917
Repair and maintenance expenditure on property, plant and equipment	51,441,612	37,481,241	1,671,487,121	1,278,140,301
Depreciation on property, plant and equipment (Note 11)	82,656,874	81,353,244	2,684,742,868	2,774,624,890
Amortisation on intangible asset (Note 12)	1,488,027	1,437,246	48,244,668	48,976,244
Operating lease rental	115,359	126,098	3,740,786	4,300,596
Total cost of sales and administrative expenses	<u>6,371,535,653</u>	<u>4,730,527,043</u>	<u>207,134,246,347</u>	<u>161,073,369,556</u>

Depreciation, amortisation, and operating lease rental related to production assets:

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Recognised as cost of sales	75,283,860	74,308,448	2,445,059,046	2,534,357,276
Recognised as administration expenses	8,976,400	8,608,140	291,669,276	293,544,454
	<u>84,260,260</u>	<u>82,916,588</u>	<u>2,736,728,322</u>	<u>2,827,901,730</u>

21 Other income

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Finance income	653,569	469,240	20,966,366	16,169,987
Others	1,955,093	899,711	63,317,916	30,698,014
	<u>2,608,662</u>	<u>1,368,951</u>	<u>84,284,282</u>	<u>46,868,001</u>

22 Income tax expenses

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Current tax	18,084,654	60,572,932	561,780,878	2,063,402,784
Deferred tax (Note 15)	(645,174)	(926,205)	(21,072,456)	(31,027,990)
Prior year tax adjustment	(3,267)	(88,868)	(106,631)	(3,036,219)
	<u>17,436,213</u>	<u>59,557,859</u>	<u>540,601,791</u>	<u>2,029,338,575</u>

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Profit before tax	91,060,854	320,811,959	2,803,855,960	10,924,684,518
Tax calculated at a tax rate of 20% (2017: 20%)	18,212,171	64,162,392	591,657,361	2,188,545,257
Expenses more deductible for tax purposes	(459,054)	(402,787)	(14,915,990)	(13,735,344)
Expenses not deductible for tax purposes	38,771	18,736	1,259,789	638,904
Tax effect from translation of tax base	(352,408)	(4,131,614)	(11,450,748)	(140,891,350)
Prior year tax adjustment	(3,267)	(88,868)	(106,631)	(3,036,219)
Exchange differences on translation	-	-	(25,841,990)	(2,182,673)
Tax charge	<u>17,436,213</u>	<u>59,557,859</u>	<u>540,601,791</u>	<u>2,029,338,575</u>

23 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Profit attributable to shareholders	73,624,641	261,254,100	2,263,254,169	8,895,345,943
Weighted average number of ordinary shares in issue (Shares)	4,335,902,125	4,335,902,125	4,335,902,125	4,335,902,125
Basic earnings per share	0.02	0.06	0.52	2.05

24 Significant contractual agreements

The significant contractual agreements can be summarised as follows:

Land Lease Agreement

On 20 November 1992, the Company entered into a lease agreement for certain parcels of land with the IEAT. The agreement is for a period of thirty years beginning 20 November 1992. The Company's total fee, including interests from the date of the lease to the date of payment, was approximately Baht 302 million.

Joint Operation Agreement

On 1 December 1993, the Company entered into a joint operation agreement with the IEAT whereby the Company is committed to pay an annual fee of approximately Baht 2.5 million in return for joint operation and maintenance of roads and utilities for the refinery.

Natural Gas Sales Contract - Cogeneration

On 18 October 1996, the Company entered into a natural gas sales contract with PTT Public Company Limited ("PTT") whereby the Company is committed to purchase natural gas based on the term stipulated in the agreement to be supplied for an electricity generating system called "Cogeneration". The agreement expires twelve years from the date commercial use of gas commenced on 17 March 1997.

On 25 December 2002, the contract was amended to reflect the new pricing calculation by using Thailand Producer Price Index to replace Thailand Wholesales Price Index.

On 19 December 2008, the Company entered into a new natural gas contract with PTT with effective from 17 March 2009 and expires on 16 March 2019.

Natural Gas Sales Contract - Petroleum Product Manufacturing Process

On 22 September 1999, the Company entered into a natural gas sales contract with PTT Public Company Limited ("PTT") whereby the Company is committed to purchase natural gas based on the terms stipulated in the agreement to be supplied for its Petroleum product manufacturing process. The agreement has been renewed after its expiration on 31 December 2003. The renewed agreement expires four years from the date commercial use of gas commenced on 1 January 2004.

On 19 December 2008, the Company entered into a new natural gas contract with PTT with effective from 1 January 2009 and expires on 31 December 2018.

Feedstock Supply Agreement

On 5 June 2012, the Company entered into a new feedstock supply agreement with Chevron U.S.A. Inc. whereby the Company is committed to purchase feedstock from Chevron U.S.A. Inc. which is based on the term stipulated in the agreement effective upon the first day of trading of the Company shares on the SET which is on 8 December 2015.

24 Significant contractual agreements (Cont'd)

The significant contractual agreements can be summarised as follows: (Cont'd)

Feedstock Supply Agreement (Cont'd)

On 5 June 2012, the Company entered into a new feedstock supply agreement with PTT Public Company Limited whereby PTT Public Company Limited will be granted certain rights to offer a supply crude oil to the Company which is based on the term stipulated in the agreement effective upon the first day of trading of the Company shares on the SET which is on 8 December 2015.

Purchase and Sale Agreement

On 10 August 1993, the Company entered into a purchase and sale agreement with PTT Public Company Limited ("PTT") and Chevron (Thailand) Limited ("CTL"). According to this agreement, the Company has committed to sell a portion of the refined petroleum products it produces to PTT and CTL starting on the date commercial operations commenced, 1 July 1996, based on the terms of the agreement.

On 5 June 2012, the agreement was amended which is effective upon the first day of trading of the Company shares on the SET which is on 8 December 2015.

On 15 March 2016, the agreement was amended on its duration, price and dispute mechanism.

On 29 December 2017, the agreement was amended on its duration, minimum offtake volumes, price and type and qualities of products which become effective on 1 January 2018.

On 1 December 2018, the agreement was amended to add one of PTT's affiliate as a buyer and to adjust minimum offtake volumes and price adjustment.

25 Contingent liabilities and bank guarantees

As at 31 December 2018 and 2017, the Company has bank guarantees issued on the Company's behalf relating to land use in Map Ta Phut Industrial Estate, electricity, value-added tax and others amounting to USD 3.13 million or Baht 102.09 million and USD 3.11 million or Baht 102.09 million, respectively.

26 Commitments

As at 31 December 2018 and 2017, the Company had commitment as follows:

- a) Purchase of machinery, equipment and installations in progress of approximately USD 63.78 million or Baht 2,080.02 million (2017: USD 13.89 million or Baht 456.28 million)
- b) Purchase of raw materials and utilities which include crude oil, hydrogen, natural gas and back-up electricity of approximately USD 557.63 million or Baht 18,186.99 million (2017: USD 659.11 million or Baht 21,650.04 million)
- c) Operating land lease commitment of approximately USD 1.14 million or Baht 37.19 million (2017: USD 1.35 million or Baht 44.33 million)

27 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and affiliates are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The major shareholder of the Company is Chevron South Asia Holding Pte., Ltd. registered in Singapore, which owns 60.56% of the Company's shares. The remaining 39.44% of the shares are widely held. The ultimate parent company is Chevron Corporation registered in the United States of America.

Related parties	Relationship	Main transactions relating to the Company
Chevron South Asia Holding Pte Ltd.	Major shareholder	Holding the Company's shares
Affiliates	Related parties of the ultimate parent company	Supplying of crude oil and raw materials to the Company and purchasing of products from the Company

The following transactions were carried out with related parties:

i) Sales of goods and services

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Sales of goods with affiliates:				
- Chevron (Thailand) Limited	3,284,735,010	2,691,653,184	106,723,779,037	91,713,907,471
- Other affiliates	87,191,187	187,257,359	2,864,392,663	6,284,167,192
	<u>3,371,926,197</u>	<u>2,878,910,543</u>	<u>109,588,171,700</u>	<u>97,998,074,663</u>
Sales of services with affiliates:	<u>106,439</u>	<u>28,400</u>	<u>3,404,208</u>	<u>1,001,948</u>

The above transactions were carried out on commercial terms and conditions which is reference from market prices.

ii) Purchases of goods and services

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Purchases of goods with affiliates:	<u>3,116,887,352</u>	<u>2,683,747,140</u>	<u>101,233,677,894</u>	<u>91,378,450,812</u>
Purchases of services with affiliates:	<u>5,122,726</u>	<u>5,417,538</u>	<u>166,695,590</u>	<u>184,903,507</u>

The above transactions were carried out on commercial terms and conditions which is reference from market prices.

27 Related party transactions (Cont'd)

The following transactions were carried out with related parties: (Cont'd)

iii) Management remuneration

Key management includes directors (executives and non-executive). The compensations paid or payable to management for employment services are as follows:

	Unit: US Dollar		Unit: Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
- Salaries and other short-term employee benefits	5,649,003	5,253,016	182,844,707	180,191,080
- Retirement benefits	94,092	39,770	3,056,197	1,355,158
	<u>5,743,095</u>	<u>5,292,786</u>	<u>185,900,904</u>	<u>181,546,238</u>

Auditor Fee

Auditor Fee

In 2018, the shareholders approved the appointment of PricewaterhouseCoopers ABAS Ltd. to serve as auditor for the Company.

The company made total audit payments of Baht 3,201,310, including out of pocket expenses as follows:

Description	Amount (Baht)
Audit fee	2,955,000
Out of pocket expenses	246,310
Total	3,201,310

General Information

Name

Star Petroleum Refining Public Company Limited

Initial

SPRC

Business

Founded in 1992, SPRC is one of the leading petroleum product producers and oil refiner in Thailand and the Asia Pacific region.

SPRC owns and operates a complex refinery with a capacity, as of 31 December 2018, of 165,000 barrels per day of crude oil, which represents 13.4% of the refining capacity in Thailand.

SPRC strategically located in Map Ta Phut, Thailand's premier petrochemicals hub and our key products consist of LPG, premium and regular grade of gasoline, jet fuel, diesel and fuel oil.

Our unique configuration and flexibility in production enables us to produce more gasoline compared to other Thai refineries.

Registration number

0107555000155

Address

No.1, I-3B Road, Map Ta Phut,
Muang Rayong, Rayong 21150
Tel: +66 (0) 38 699 000
Fax: +66 (0) 38 699 999

Website

www.sprc.co.th

Listing Date

On 8 December 2015

Capital As of 31 December 2018

Registered Capital

Baht 30,004,442,705
Comprising 4,335,902,125 fully paid-up
common shares of Baht 6.92 per share

Number of Employees

496 persons (as of 31 December 2018)

Secondary Market

The Stock Exchange of Thailand (SET)

Investor Relations

Telephone number: +66 (0) 38 699 887

Website: <http://investor.sprc.co.th>

Email: ir@sprc.co.th

Reference

Securities Registrar

Thailand Securities Depository Co., Ltd.

93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand

Tel: +66 (0) 2 009 9000,

+66 (0) 2 009 9999 (SET Contact Center)

Fax: +66 (0) 2 009 9991

Website: www.set.or.th/tsd

E-mail: SETContactCenter@set.or.th

External Auditor

PricewaterhouseCoopers ABAS Ltd.

15th Floor Bangkok City Tower,

179/74-80 South Sathorn Road, Bangkok 10120, Thailand

Tel: +66 (0) 2 844 1000

Fax: +66 (0) 2 286 5050

Other Services (Loss of Share Certificate, Change of Particulars in Securities Register, and Other Services)

Counter Service

The Stock Exchange of Thailand Building, 1st Floor,
93 Ratchadapisek Road, Dindaeng, Bangkok 10400, Thailand
Tel : +66 (0) 2 009 9999 (SET Contact Center)

or

Office of Registration Services Thailand Securities Depository Company Limited (TSD)

The Stock Exchange of Thailand Building,
93 Ratchadapisek Road, Dindaeng, Bangkok 10400, Thailand
Tel: +66 (0) 2 009 9000,
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Fax: +66 (0) 2 009 9991

Investors can obtain more information about the Company from the Company's Annual Registration Statement (Form 56-1) available at www.sec.or.th or www.sprc.co.th



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