

One Caring Family Energizing Our Future

56-1 One Report 2023

Star Petroleum Refining Public Company Limited



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Part 1 Business Overview and Performance Review

1. Structure and Company Performance

1.1 Policy and Business Overview

SPRC is one of leading petroleum product producers in Thailand and among the most efficient refineries in the Asia Pacific region, located in Map Ta Phut Industrial Estate, Rayong. We operate a complex refinery with a capacity of 175,000 barrels per day of crude oil. Our products include 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 in Thai domestic market, mostly through Chevron, PTTOR and chemical products to petrochemical companies in Map Ta Phut Industrial Estate.

1.1.1 Vision, Mission, and Strategy

Our **Vision** is:

“One Caring Family, Energizing Our Future”

Our **Mission** is:

“To energize our future, we will:

- Invest in our people enhancing SPRC’s caring family culture and performance delivery
- Deliver safe, reliable, and sustainable operations
- Strengthen our competitiveness through smart & timely investments
- Meet or exceed our stakeholder expectations

SPRC intends to accomplish the Mission through the focus in four strategic Key Result Areas:

Organizational Capability, Reliability and Efficiency, Investment & Growth Opportunities and Workforce Culture.

The specific strategic objective on each of the Key Result Area are as follows:

1. **Organizational Capability:** Create competitive advantage through robust transition and organizational capability development plans.
2. **Reliability and Efficiency:** World leading asset reliability and availability with optimum cost
3. **Investment & Growth Opportunities:** Maintain competitiveness for long term viability through the energy transition while enhancing the return to shareholder
4. **Workforce culture:** One passionate and caring family with that is responsive and dependable

At SPRC, we believe that nothing is more important than operating safely and reliably. We have a strong foundation of personal safety. Our first and foremost commitment is to the safety of our employees and contractors and to the safety of the surrounding community and environment. We work together as One Family with deep care and concern for all our employees, contractors, and stakeholders. Our operational excellence and process safety ensure minimal downtime and operational reliability. Being a top performer in operational and mechanical availability and utilization enables us to focus on continuous margin improvement generating high margins and returns to shareholders.

SPRC is stepping toward ensuring business sustainability with stronger emphasis on SPRC strategic planning and more deliberately shaping our future direction. We focus on business strategies that enhance our competitiveness through a more diversified portfolio of products and shift yield to more high value products, which in turn creates and sustains good returns to our shareholders.

1.1.2 Development and Significant Changes

Our key accomplishments and activities in 2023 include:

- Achieved over 10 years with 36.3 Million man-hours without days away from work injury.
- There were a planned DHTU shutdown for catalyst replacement to prepare for EURO V compliance in Q3/23. The shutdown was successfully completed with effective supply chain management to minimized impact.
- Continued crude and process optimization by staying in step with demand and economics.
- Captured high Bottom Line Improvement Program (BLIP) benefit from good crude, process and product optimization at US\$0.96/bbl in 2023.
- Continued to maintain cost control in operating expense and sustained competitive debt position and financial ratio.
- For growth opportunities: The Company continues to work on several other exciting opportunities to create value for our Shareholders and will keep the investment community informed when appropriate in order to ensure confidence in our endeavors to achieve our vision of being “One caring family, Energizing our future”. We also considers to implement low capital quick return project during 2025 Turnaround and Inspection. In addition, we continue to evaluate other business opportunities across the value chain including energy transition and sustainability.

Significant event

Fuel Business Investment

- On 31st January 2023, the Extraordinary General Meeting of Shareholders No.1/2023 resolved to approve the Fuel Business Investment Transaction as well as other relevant matters which comprises:
 - 1) the acquisition of 100% of the total shares in **Star Fuels Marketing Limited (“SFL”)** by the Company from Chevron Asia Pacific Holdings Limited (“**CAPHL**”), CT Nominee Holdings (I) LLC (“**CTN1**”), and CT Nominee Holdings (II) LLC (“**CTN2**”). SFL is a company incorporated in Thailand which will acquire the fuel business currently operated by Chevron (Thailand) Limited (“**CTL**”) and related assets from CTL;
 - 2) the acquisition of 2,877,500 ordinary shares and 5,528,430 preference shares, representing 9.91% of total shares in Thai Petroleum Pipeline Company Limited (“**Thappline**”) (“**Thappline Shares**”) by the Company from CAPHL. Thappline is engaged in fuel transportation business through pipelines; and
 - 3) the investment through equity and debt financing in two new private limited companies (**Star Fuels Holding Co., Ltd. (“SFHC”)** and **Star Fuels Land Co., Ltd. (“SFLC”)**) which are incorporated under Thai law and Star Fuels Land Co., Ltd. (“**SFLC**”) will acquire 19 plots of land used in the operation of the fuel business of SFL from Star Holdings Company Limited (“**SHC**”).
- SPRC and two other business partners have established two new companies and registered them with the Department of Business Development, Ministry of Commerce with the details as follows:
 - 1) Star Fuels Holding Co., Ltd. (“**SFHC**”): the establishment of which was registered on 4th September 2023 with a registered capital of Baht 10,200,000. The Company holds 49 percent of the total shares in SFHC while two other business partners who are not connected persons of the Company collectively hold 51 percent of the total shares of SFHC. The main objective of SFHC is to invest in other juristic persons; and
 - 2) Star Fuels Land Co., Ltd. (“**SFLC**”): the establishment of which was registered on 6th September 2023 with a registered capital of Baht 20,000,000. The Company holds 49 percent of the total shares in SFLC while SFHC holds 51 percent of the total shares of SFLC. The main objective of SFLC is to invest in land for use in the operation of the fuel business and rent out the properties.

The establishment of two new companies above is a part of the implementation plan of the fuel business investment transaction, which has been approved by the Extraordinary General Meeting of Shareholders of the Company No. 1/2023 held on 31st January 2023.

The Company assessed and classified both companies as investment in subsidiary due to a call option agreement that the company has the substantive right to exercise the power to control SFHC and has the right to appoint or remove the committee members responsible for directing SFLC's relevant activities.

- The Company effectively finalized the investment transaction with Chevron Asia Pacific Holdings Limited, wherein it obtained the shares and strategic assets associated with the Fuel Business on 3rd January 2024.

Our key accomplishments and activities in 2022 include:

The Company performance in 2022 was significantly recovered with the net profit of US\$ 222 million, supported by a greater crack spread of main products as a result of strong demand from the relaxation of travel restrictions and the Ukraine-Russia conflict, which impacted tight oil supply and caused a rise in oil prices. The Company also captured Bottom Line Improvement Program (BLIP) benefit from good crude, process and product optimization at US\$3.88/bbl. Through all these situations, SPRC family continued to remain incident, injury and infection free, maintain cost control in operating expense and sustained competitive debt position and financial ratio while sustaining high operational availability of 98.5% with target top quartile performance in availability and utilization among over 90 refineries in the Asia Pacific and India Ocean region.

Oil spill incident

On 25 January 2022, an oil spill incident occurred at the Single Point Mooring (SPM) operated by SPRC. The combined response efforts of the Company and Government agency, which focused on minimizing impact to the shoreline and sensitive areas, are complete. The refinery operations have continued normally.

As the Company has paid for the compensation to the impacted parties during 2022 together with the negotiations have taken place regarding certain lawsuits, the Company assesses the provision captures the merit and financial exposure to this claim. As at 31 December 2023, the Company already received partial compensation from the insurance company and the Company is in process of settlement with the insurer for the potential claim amount.

Our key accomplishments and activities in 2021 include:

The spread of Covid-19 continued to cause disruption to businesses, the economy in Thailand and around the globe. As the country strived to cope with the uncertainties of this crisis, the result in the travel restriction and the change in consumer behaviors further impacted oil consumption. The Company continued to closely monitor the COVID-19 situation and optimized crude throughput as well as continued process and product optimization by maximizing gasoline and diesel productions to capture domestic demand and margin while minimizing jet fuel production to maximize value in tough environment.

In order to maintain our competitive position, the Company remained incident, injury and infection free, sustained high operational availability of 98.8% and successfully captured the benefit from Bottom Line Improvement Program (BLIP) of US\$1.10/bbl, derived by good crude, and process and product optimization. For financial performance, the company continued to find more potential opportunities and initiated carry over sustainable saving items amounting US\$35M from inventory management, cost control and process optimization.

Significant event

During 25 September – 8 October 2021, there was the minor maintenance on the Resid Fluidized Catalytic Cracking Unit (RFCCU) for 13 days while all other process facilities continued to operate. The operational issues were resolved and there was no supply disruption to our customers.

1.1.3 The spending of the fund from capital raising align with its purpose

(1) The spending of the fund from the offering of bond or debt instrument

N/A

(2) The law related to the debt instrument

N/A

1.1.4 Obligations made by the company in the registration statement, securities offering and / or the condition

N/A

1.1.5 General Information and Reference

Name

Star Petroleum Refining Public Company Limited

Initial

SPRC

Business

Star Petroleum Refining Public Company Limited or 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 of 175,000 barrels per day of crude oil. 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.

On 3 January 2024, SPRC completed the acquisition of the fuels retail and marketing business (from Chevron Asia Pacific Holdings Limited) and registered under the name Star Fuels Marketing Limited (SFL). SFL is a wholly owned subsidiary of SPRC and the exclusive licensee of Caltex fuels in Thailand. SFL has been transferred the fuels retail and marketing business from Chevron (Thailand) Limited (CTL), which was established in 1948, and now serves retail customers under the Caltex brand through a network of approximately 450 service stations throughout Thailand. SFL's commercial and industrial unit supplies over 200 wholesalers in commercial, industrial, automobile, and marine sectors. SFL distributes a wide range of fuels, including premium and regular diesel, gasohol, unleaded gasoline, commercial and industrial fuels, and jet fuel.

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

Trading commencement on 8 December 2015

Capital As of 31 December 2023

Registered Capital

Baht 30,004,442,705

Comprising 4,335,902,125 fully paid-up common shares of Baht 6.92 per share

1.2 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 operate a complex refinery with a capacity of 175,000 barrels per day of crude oil.

1.2.1 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.

Sale Revenue (in millions of US\$)	Year Ended December 31,			Year Ended December 31,			Year Ended December 31,		
	2021			2022			2023		
	Sales Revenue	Volume (thousand barrels)	\$/bbl ⁽²⁾	Sales Revenue	Volume (thousand barrels)	\$/bbl ⁽²⁾	Sales Revenue	Volume (thousand barrels)	\$/bbl ⁽²⁾
PGP	133.3	1,612	82.70	111.9	1,393	80.35	80.2	1,215	65.98
LPG	132.2	2,353	56.17	159.9	2,496	64.08	115.4	2,230	51.74
Light Naphtha	226.4	3,277	69.08	291.9	3,514	83.07	234.4	3,399	68.98
Gasoline	1,789.9	15,450	115.86	2,304.8	15,726	146.56	1,979.0	15,383	128.65
Jet Fuel	91.3	1,194	76.40	488.2	4,079	119.70	683.7	6,941	98.50
Diesel	2,300.6	21,748	105.78	3,559.4	24,823	143.39	2,615.0	22,156	118.03
Fuel Oil	145.4	2,623	55.44	251.2	3,654	68.76	200.1	3,248	61.60
Asphalt	50.9	700	72.65	86.4	1,037	83.28	104.4	1,325	78.82
Mix C4	162.6	2,785	58.39	201.6	2,798	72.06	150.0	2,508	59.82
Crude	1.6	23	69.37	190.3	1,693	112.38	226.4	2,519	89.87
Other ⁽¹⁾	315.8	4,204	75.11	450.8	4,601	97.98	427.4	5,362	79.71
Total Revenue	5,350.0	55,971	95.59	8,096.6	65,815	123.02	6,816.1	66,285	102.83

(1) Includes sulfur, reformate 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 (PTT&PTTOR) 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 two customers are Chevron and PTT (PTT&PTTOR). The following table sets forth the percentage of total revenue accounted for by Chevron and PTT (PTT&PTTOR), respectively, for the periods indicated.

	Year Ended December 31,		
	2021	2022	2023
	% of Total Revenue		
Chevron	43.2	41.5	42.4
PTT&PTTOR	40.7	45.6	45.6
Others	16.1	12.9	12.0
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,					
	2021		2022		2023	
	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 ...	4,779.5	89.3%	7,393.0	91.3%	6,111.5	89.7%
Export.....	570.5	10.7%	703.6	8.7%	704.6	10.3%
Total revenue..	5,350.0	100.0%	8,096.6	100.0%	6,816.1	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.

Sale Revenue (in millions of US\$)	Year Ended December 31,					
	2021		2022		2023	
	Sales Revenue	% of Total Revenue	Sales Revenue	% of Total Revenue	Sales Revenue	% of Total Revenue
Polymer Grade Propylene	133.3	2.5%	111.9	1.4%	80.2	1.2%
Liquefied Petroleum Gas ⁽¹⁾	132.2	2.5%	159.9	2.0%	115.4	1.7%
Light Naphtha	226.4	4.2%	291.9	3.6%	234.4	3.4%
Gasoline.....	1,789.9	33.5%	2,304.8	28.5%	1,972.9	29.0%
Jet Fuel	91.3	1.7%	488.2	6.0%	683.7	10.0%
Diesel	2,300.6	43.0%	3,559.4	44.0%	2,615.0	38.4%
Fuel Oil.....	145.4	2.7%	251.2	3.1%	200.1	2.9%
Asphalt.....	50.9	1.0%	86.4	1.1%	104.4	1.5%
Mix C4.....	162.6	3.0%	201.6	2.5%	150.0	2.2%
Crude	1.6	0.0%	190.3	2.4%	226.4	3.3%
Others ⁽²⁾	315.8	5.9%	450.8	5.6%	427.4	6.3%
Total Revenue	5,350.0	100.0%	8,096.6	100.0%	6,810.0	100.0%

(1) Includes Government fuel subsidies

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

1.2.2 Products and Services

(1) Type of Products, Services and Innovation

SPRC is one of the leading petroleum product producers in Thailand and among the most efficient refineries in the Asia Pacific region. We operated a complex refinery with a capacity of 175,000 barrels per day of crude oil.

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.

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.

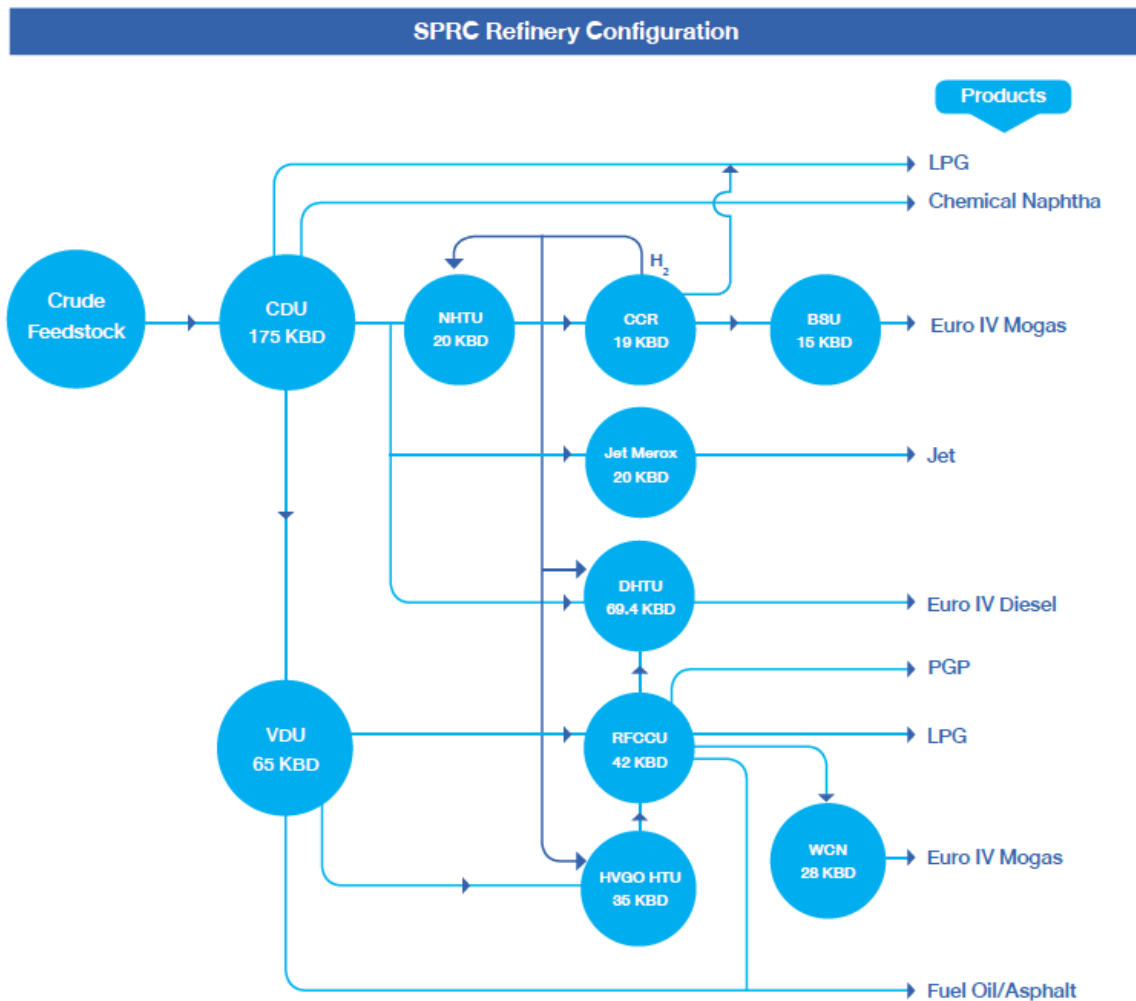
Domestic sale prices of petroleum products sold outside of the Offtake Agreement are also market driven and are generally based on the monthly average of regional benchmark prices with certain adjustment for the applicable product in the month that they are sold. Our exports for petroleum products are 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.

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.

Star Petroleum Refining PCL

The following diagram illustrates our refinery's configuration:



Our refinery's main units comprise of the following (all capacity figures are given as of 31 December 2023):

- One Crude Distillation Unit ("CDU") that heats crude and then distills it, with a capacity of 175,000 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 65,000 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 20,000 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 19,000 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 Mercox 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 69,400 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 42,000 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 28,000 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 35,00 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 up 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 V 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 V 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 V diesel.

SPRC has successfully produced on-spec Euro 5 product since Q4 2023 and supplied Euro 5 product since 1st January 2024.

(2) Market and Competition

(a) Significant Marketing Characteristics

Marketing Strategy

1. The Company's focus is to place our petroleum products primarily in the Thai domestic market for highest return., This is achieved mainly through Chevron, PTT and PTTOR under the offtake Agreement. The Company continues to support Thailand's domestic demand, especially Jet A1 and diesel from the aviation demand recovery post COVID. In addition, the Company continued to supply the CLMV market. In 2023, The company has a proportion of domestic sales at 89.6% and export sales including CLMV at 10.4%
2. The company focuses on producing and selling Gasoline, a product that Thailand is currently short. Our unique configuration and flexibility in production of our refinery enables us to produce more gasoline compared to other Thai refineries.
3. The company focuses on readiness for EU5 production and meet the government timeline on 1 Jan 2024 implementation at the Refinery.

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.

Sale Revenue (in millions of US\$)	Year Ended December 31,			Year Ended December 31,			Year Ended December 31,		
	2021			2022			2023		
	Sales Revenue	Volume (thousand barrels)	\$/bbl ⁽²⁾	Sales Revenue	Volume (thousand barrels)	\$/bbl ⁽²⁾	Sales Revenue	Volume (thousand barrels)	\$/bbl ⁽²⁾
PGP	133.3	1,612	82.70	111.9	1,393	80.35	80.2	1,215	65.98
LPG	132.2	2,353	56.17	159.9	2,496	64.08	115.4	2,230	51.74
Light Naphtha	226.4	3,277	69.08	291.9	3,514	83.07	234.4	3,399	68.98
Gasoline	1,789.9	15,450	115.86	2,304.8	15,726	146.56	1,979.0	15,383	128.65
Jet Fuel	91.3	1,194	76.40	488.2	4,079	119.70	683.7	6,941	98.50
Diesel	2,300.6	21,748	105.78	3,559.4	24,823	143.39	2,615.0	22,156	118.03
Fuel Oil	145.4	2,623	55.44	251.2	3,654	68.76	200.1	3,248	61.60
Asphalt	50.9	700	72.65	86.4	1,037	83.28	104.4	1,325	78.82
Mix C4	162.6	2,785	58.39	201.6	2,798	72.06	150.0	2,508	59.82
Crude	1.6	23	69.37	190.3	1,693	112.38	226.4	2,519	89.87
Other ⁽¹⁾	315.8	4,204	75.11	450.8	4,601	97.98	427.4	5,362	79.71
Total Revenue	5,350.0	55,971	95.59	8,096.6	65,815	123.02	6,816.1	66,285	102.83

(1) Includes sulfur, reformate 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

Situation of Marketing and Competition

The refining industry in Thailand is highly competitive. Currently, there are other 5 refineries in Thailand which are Thai Oil Public Company Limited, Bangchak Sriracha Public Company Limited, Bangchak Corporation Public Company Limited, PTT Global Chemical Public Company, and IRPC Public Company Limited with the nation's overall refining capacity of approximately 1,242,000 barrels per day in 2023. PTT, which is Thailand's largest oil and Gas Company, holds significant interests in 3 of our principal competitors: Thai Oil Public Company Limited, PTT Global Chemical Public Company, and IRPC Public Company Limited.

The company focuses on enhancing the refining efficiency, controlling the quality, and reducing production costs to be at a competitive level in the domestic and export market. The Company is also

looking for opportunities to improve the capability of our assets to maximize returns. The company's competitive advantage is due to :

1. Our refinery is a modern complex refinery with high energy efficiency. We use the technology developed by experts for production to increase the distillation process flexibility.
2. The company has continuously developed and improved the production process to enhance the efficiency of production and maximize the return.
3. 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.
 - a. **Pipeline** 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 increase the pressure of a booster pump, which is jointly owned with PTT Global Chemical Public Company from 850 Cubic meter per hour to 1,200 Cubic meter per hour which increases the capability to deliver products to the Thapline pipeline to meet customer needs.
 - b. **Marine terminal** We have a marine terminal with 2 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.
 - c. **Truck loading terminal** We 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.
4. We have entered into a cracker feed exchange with PTTGC where we supply heavy vacuum gas oil as supplemental feed to PTTGC's hydrocracker, and PTTGC 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 PTTGC's hydrocracker. Our facilities are located near to those of PTTGC's refinery, and the intermediate products exchange is accomplished through use of direct pipelines.
5. The Company has implemented the Crude to Customer Project which is across functional working team that jointly sets the target and manages the whole supply chain. Starting from crude selection and ending with products distribution and sale to our customers, this team ensures the products meet our supply commitments of product quality and on-time delivery. The Company has a Customer Index as one of the Company's KPI's. The Company conducts customer satisfaction surveys on a quarterly basis then evaluate survey results and customers' feedback to develop 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.

6. This year SPRC announced the Board of Director approval for acquisition of CTL's fuel business which will make SPRC an integrated refining and fuel marketing business with tremendous opportunities ahead to increase value for SPRC's shareholders and customers.

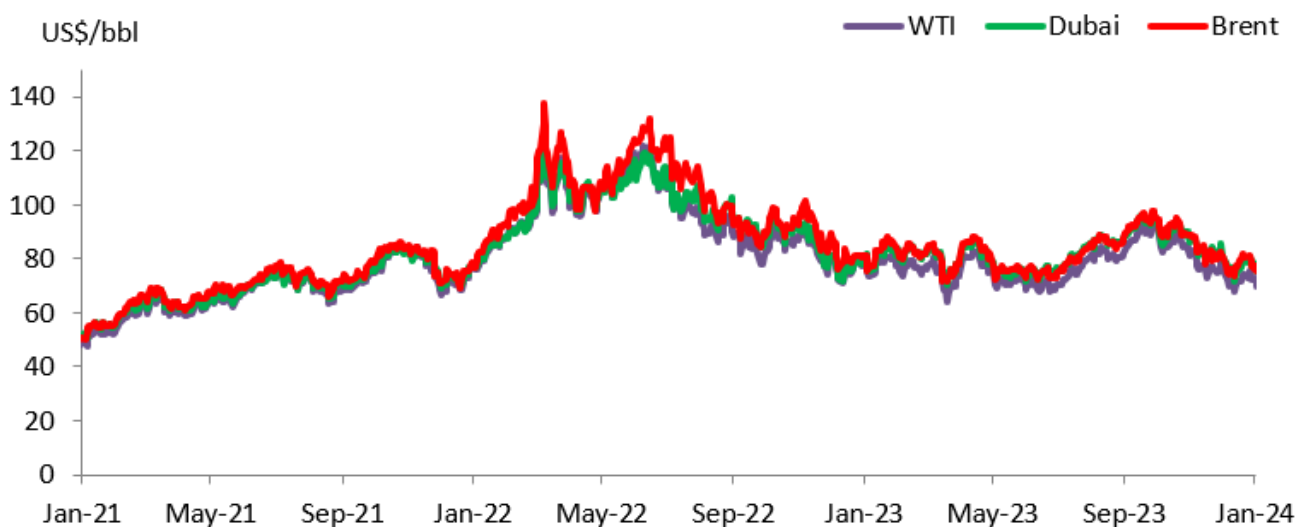
(b) Competition

The refining industry in Thailand is highly competitive. There are six refineries in Thailand and we principally compete with four other domestic petroleum refineries in Thailand, which are Thai Oil, PTTGC, IRPC and Bangchak Petroleum which successfully acquired Esso in September 2023. PTT, which is Thailand's largest oil and Gas Company, holds significant interests in three of our principal competitors: Thai Oil, PTTGC and IRPC.

The Oil Refining Industry

Current Oil Price Environment

In 2023, crude prices have been volatile with Dubai crude price moving between US\$ 70.29 /bbl and US\$96.77/bbl. The average Dubai price in 2023 of US\$ 82.09/bbl was lower than 2022 average of US\$96.38/bbl, as the failure of Silicon Valley Bank SIVB.O and Signature Bank SBNY.O triggered concerns about risks to other banks resulting from the U.S. Federal Reserve's sharp interest rate hikes over 2022. Price also pressure by the concern about the risk of recession and its impact on demand, in Q2/23 has been on clear display through a dramatic slump in refinery margins across the major regions. Weak economic data from China, the world's biggest crude oil importer, also increased fears of faltering demand. The dramatic military clashes between Israeli and Hamas help to limit the price declined. In addition, crude price was supported by production cuts made by the OPEC+ member countries.



Oil Industry Outlook

The International Monetary Fund (IMF) has projected global growth rate at 2.9 percent in 2024, well below the historical (2000–2019) average of 3.8 percent. In addition, there are concerns over deflationary pressure in mainland China. Global inflation is forecast to decline steadily to 5.8 percent in 2024, due to tighter monetary policy aided by lower international commodity prices. Core inflation is generally projected to decline more gradually, and inflation is not expected to return to target until 2025 in most cases.

In 2023 global oil demand was strength as more travel in mainland China after reopening the country. For 2024 there is no China reopening impact same as 2023, but oil demand is still heading toward normalization. The global oil demand project to be lower from 2.0 million b/d in 2023 to 1.6 million b/d in 2024.

Expect Asia demand growth decelerates in 2024 but still be a sizable 1 mmb/d and account for two-thirds of global demand growth. Leading by jet demand growth rising by 320 kb/d y-o-y as recovery in international air travel. Follow by gasoline rise by 180 kb/d y-o-y in 2024 as China's demand will see a last leg of growth here before peaking and expect meaningful recovery in Pakistan, Bangladesh, and Sri Lanka's driving activities. Growth in naphtha demand will also get some support from the expected petrochemical margins improve during 2H 2024. Meanwhile, demand for fuels such as diesel and fuel oil will only see marginal growth. This is because rising fuel substitution in power generation and heavy industries will offset the increasing demand from the transport sector.

(3) Supply of Crude and Feedstocks

Crude Oil Supply

The main feedstock used in our refinery production process is crude oil. We can process 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 upgraded our facilities to be highly flexible of processing different type of crude both light or heavy, sweet or sour including but not limit to the contaminated crude i.e. high Mercury crude, high Chloride crude, acidity crude which allows SPRC to capture the crude optimization benefit, 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 off takers, based on our assessment of customer demand and projected prices for the various products that we can produce, typically around three 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 PTTGC where we supply heavy vacuum gas oil as supplemental feed to PTTGC's hydrocracker, and PTTGC 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 PTTGC's hydrocracker. Our facilities are located near to those of PTTGC'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 two to six 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 PTTGC, 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 PTTGC 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 off takers 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 PTTGC, 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 off takers 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 off takers. 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 74 storage tanks and facilities to enable us to store feedstock after delivery and before processing, 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. In 2022 Thai regulations required us to hold a legal reserve of crude oil equivalent to 4% of our annual sale of petroleum products domestically and later increased to 5% in 2023. For 2024, Thai regulations announced on 26 Nov 23 to increase legal reserve of crude oil from 5% to 6% effective on 1st March 2024 onwards (finished product remain unchanged at 1%).

(4) Operating Asset

The Company's Major Assets

As of 31 December 2023, the company's property, plant and equipment, which the company has the right of ownership, and its net book value after accumulated depreciation as presented in the company's financial statement are as follows:

Major assets	Book value		Obligation
	US\$ million	Baht Million	
Land	73	2,519	No
Buildings	59	2,028	No
Refinery plant & machinery	2,092	71,928	No
Furniture, fixtures and equipment	74	2,532	No
Right of use assets	25	880	No
Construction in progress	15	507	No
Total cost	2,338	80,394	
<u>Less</u> Accumulated depreciation	(1,720)	(59,153)	
Net book amount after accumulated depreciation	618	21,241	

Land

The company's refinery is located on its own land of approximately 1,200 rai in Map Ta Phut Industrial Estate. The company also leases certain parcels of land of approximately 109 rai for the operation relating to the refinery such as the company's product piers.

Refinery Plant and Machinery

The company has the right of ownership in the refinery plant and all machineries used in the company's refinery operation.

Detail of Insurance

The company's significant insurance policies include a "property all risks" policy, which includes coverage of material damage, machinery breakdown and business interruption for the refinery as well as the joint ownership interest in the single point mooring system. The company also carries third-party liability, marine cargo insurance and limited business interruption insurance. The company, insurance broker and shareholders review the company's insurance coverage periodically and the terms and conditions of the insurance policies are in accordance with industry norms and maintained at adequate levels.

All of the above insurance policies are subject to deductibles and are renewed annually. Some of the insurance coverage does not extend to war or acts of terrorism, among other exclusions.

Intangible Assets

As of 31 December 2023, the company's intangible assets and its net book value after accumulated amortization as presented in the company's financial statement are as follows:

Intangible assets	Book value	
	US\$ million	Baht Million
Computer Programs	17	579
Work in progress	2	64
Total cost	19	643
<u>Less</u> Accumulated amortization	(15)	(506)
Net book amount after accumulated amortization	4	137

Right for Use of Land in Map Ta Phut Industrial Estate and Long Term Lease

Agreement for Use of Land for industrial purpose in Map Ta Phut Industrial Estate

The Company entered into an agreement with IEAT for the use of land for a period of 30 years from 20 November 2022 to 19 November 2052. Currently, it is approximately 34.5 rai which is used for the company's marine terminal and approximately 5 rai which is used for the product pipelines.

Star Petroleum Refining PCL

In addition, the Company has 2 agreements for land usage for other operations relating to IEAT

- The land for approximately 15 rai for a period from 20 November 2022 to 19 November 2052 which is used for the piperack and product pipelines, and
- Executed in 2019, the land for approximately 2.5 rai for a period from 1 January 2019 to 31 December 2021 which is used for the construction of anticorrosion system for the underground crude pipeline. The agreement has been extended to 31 December 2024.

Long Term Lease

The company entered into a land lease agreement with IEAT dated 19 June 2007 for the refinery operation and power generation with an area of approximately 52 rai in IEAT area for a period of 30 years from 6 July 1995 to 5 July 2025

Investment Policy in Subsidiaries and Associated Companies

As of 31 December 2023 the company has financial investment in equity shares of subsidiaries using the cost method under separate financial statements, amount to US\$0.4 millions or 14 million Baht (2022 : none)

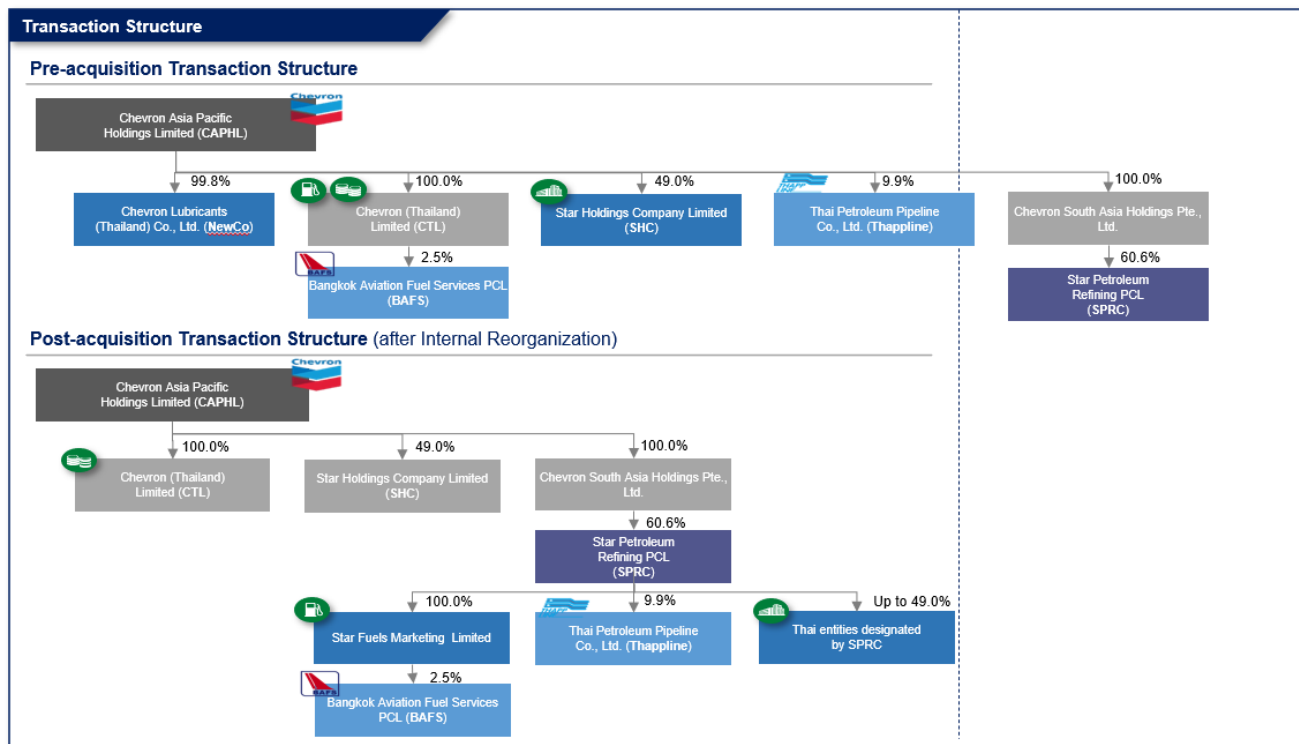
(5) Ongoing Projects

N/A

1.3 Shareholding Structure

1.3.1 Shareholding Structure

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



Note: The post-acquisition on 3 January 2024.

1.3.2 Persons who may have conflict of interests in Subsidiaries and Associated Companies holding more than 10% of total common shares

N/A

1.3.3 Relationship with Major Shareholder

Chevron is one of world's leading oil and gas groups with over a century of experience worldwide. The long-standing relationship with Chevron and its connection bring SPRC the competitive advantage through providing competitively priced crude and feedstock supply, petroleum products sale agreements and access to proprietary technologies and systems.

1.3.4 Shareholders

(1) List of major shareholders

(a) List of top 10 major shareholders

List of the top 10 major shareholders as of 22 August 2023

No.	List of the top 10 major shareholders	Number of shares	Shareholding Percentage
1	CHEVRON SOUTH ASIA HOLDINGS PTE LTD	2,625,888,656	60.56%
2	Thai NVDR Company Limited	290,257,075	6.69%
3	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	110,988,270	2.56%
4	NORTRUST NOMINEES LIMITED-NTD SEC LENDING THAILAND CL AC	82,284,100	1.90%
5	STATE STREET EUROPE LIMITED	57,449,227	1.32%
6	THE BANK OF NEW YORK MELLON	55,410,456	1.28%
7	SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	41,212,251	0.95%
8	THE BANK OF NEW YORK (NOMINEES) LIMITED	30,906,300	0.71%
9	KRUNGSRI LONG TERM EQUITY FUNDS (LTF)	21,516,000	0.50%
10	STATE STREET BANK AND TRUST COMPANY	20,180,100	0.47%

(b) Major Shareholder with Significant Influence over Company's Policies or Operations

N/A

(2) List of major shareholders for subsidiaries of main business (in case of Holding Company)

N/A

(3) Major Shareholders' Agreement with Effect to Security Offering and Issuance or Management Power of the Company

N/A

1.4 Registered Capital and Paid-Up Capital

1.4.1 Registered Capital, Paid-Up Capital and Number of shares

As of 31 December 2023, the Company's 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. The Company is listed on the Stock Exchange of Thailand.

1.4.2 Other types of shares with different rights or conditions

N/A

1.4.3 Indicate number of shares and shares reserved for conversion in case of there are convertible shares or securities as a Underlying Asset for investment unit issuance of mutual fund for foreign investors and Non - Voting Depository Receipt (NVDR)

N/A

1.5 Other security issuance

1.5.1 Convertible securities (if any)

N/A

1.5.2 Bond (if any)

N/A

1.6 Dividend Policy

The dividend payment policy of SPRC is to pay twice per year of at least 50 percent of net profits (excluding stock gain (loss)) 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	2020	2021	2022	First six months of 2023
Net earnings per share (US\$)	(0.04)	0.03	0.05	(0.01)
Dividend per share (US\$)	N/A	0.0054 ¹	0.03 ²	N/A
Dividend payout ratio same period (%)	N/A	16	60	N/A

Year	2020	2021	2022	First six months of 2023
Net earnings per share (Baht)	(1.38)	1.09	1.77	(0.20)
Dividend per share (Baht)	N/A	0.1785 ¹	1.11 ²	N/A
Dividend payout ratio same period (%)	N/A	16	63	N/A

¹ The Company paid the total annual dividend payment in 2021 Baht 0.1785 per share from Company's unappropriated retained earnings as of 31 December 2021.

² The Company paid the total annual dividend payment in 2022 Baht 0.11 per share from 2022 Company's performance.

2. Risk Management

2.1 Risk management policy and Mitigation plan

SPRC uses a robust work process to identify risk factors, develop risk assessments and mitigation plans to manage these risks. We attach great importance to identifying risk factors from internal and external

sources, which are aligned with our Key Result Areas. We utilize a risk assessment matrix (RAM) to assess and identify risks which require mitigation plans. SPRC is continuously improving our risk management process. In 2023, we have revised and updated the risk assessment matrix (RAM) to ensure that we have more robust matrix to assessment the risk level. The In-House Training class on “Empowering Risk Management for Business Sustainability” is set up for Department Risk Coordinator and relevant persons which is embedded into our key business processes as part of our continuous improvement culture.

SPRC assessed both internal and external risk factors covering market or economic changes, digitalization, regulation changes, business competitors and operational activities. SPRC Corporate Risks are divided into Seven key risks that consist of Strategic Risk, Market/Business risk, Operational Risk, Financial risk, Trading Risks, Project Risk and Compliance Risk. The Corruption risk is also reviewed which no high-level risk for the corruption risk in SPRC. The current SPRC Corporate Risks are mainly under Strategic Risk, Operation Risk. The mitigation plans are developed to manage, minimize consequences of those risks, and ensure that we can achieve the key result areas (KRA).

SPRC has the systematic monitoring mitigation plan and keep update on key risks. All risk factors and mitigation actions are reviewed quarterly with the Risk Management Committee which lead by Chief Executive Officer. We update and review the risk mitigation plans and progress on mitigation actions with the Audit Committee on a quarterly basis. At the of year 2023, the Corporate Risk are listed as below.

2.2 Risk factors

2.2.1 Operational risk

2.2.1.1 Strategic Risk

Refinery Competitiveness & Long- Term Viability

SPRC has reviewed our long-term business strategy to capture and address future threats and opportunities which result from changes in the energy business environment and evolving trend of the future energy transition by ensuring our investments enable the company to stay competitive and provide superior return to the shareholders.

SPRC uses Solomon Associates refinery benchmarking services to help SPRC develop aspirational targets that improve our operating efficiency and competitiveness. SPRC has demonstrated sustained performance by 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. We have effective work program for Long Range Area Strategic Planning Process (LRASP) study, which has been completed and input to strategic and company action plan workshop. The outcome and enterprise optimization from study will be further evaluate, then implement in 2024 onward. SPRC also integrates sustainable development in our procedures and operational policies in all areas, for example, Environment, Health & Safety Management System, Hydrocarbon Management System, Asset Management System and Administration Management System that drive success in our key result areas and enable sustained competitiveness in the refinery business.

2.2.1.2 Operational Risk

Single Point Mooring (SPM) integrity and oil spill response

The Single Point Mooring (SPM), Marine terminal integrity and emergency response plans are part of SPRC’s “Incident and Injury Free” (IIF) culture and Process Safety Management (PSM) program. SPRC has policies, operating work instructions, inspections, and maintenance plans for the SPM, including an oil

spill response plan to ensure that we can operate the Single Point Mooring (SPM) incident free, with minimal impact to environment, sea and coastal area. We perform revalidate and verify the SPM Maintenance Strategy to comply with the Oil Companies International Marine Forum (OCIMF) and Chevron.

Asset strategy programs and execution

SPRC have program for Fixed Equipment Assets Strategy (FEAS) which has been implemented for Piping and ongoing for the pressure vessels. In quarter 4 of 2023, SPRC Refinery experienced the Power / Electrical system reliability in second half of year. To improve reliability for the Power / Electrical system, Instrument and Electrical Master Plan is reviewed and developed the action plan which the execution is ongoing follow the plan. We also conduct Criticality Assessment of Instrument and Electrical equipment which completed for Electrical and in progress for Instrument/Safety Instrumented System.

One of the key drivers in Operational Excellence is Process Safety Management (PSM). 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. We also have a V&V (verification and validation) program to strengthen PSM processes and ensure effectiveness of safeguards.

2.2.1.3 Financial Risk

SPRC closely monitoring financial performance especially when the market is volatile. We sustained a low debt/equity ratio and have effective systems in place to monitor our financial health, including cash flow projections, capital project expenditures and other activities. Our functional currency is US Dollars, as most of our revenues, costs and expense are based on US Dollars. This helps to reduce our exposure to interest rate and foreign exchange rate fluctuations.

2.2.1.4 Trading risk, Laws and regulations relating to the environment or product specification requirements.

SPRC closely monitors all information that relates to regulation or product specification changes. We have a working team that participates with 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 new regulations that impact our business are new global bunker fuel specifications from the IMO, EURO V fuels and future asphalt specifications. These are reviewed and accessed for the economic feasibility to develop project opportunities or mitigation plans for each of these items to ensure compliance. SPRC now able to manage the EURO V specification product which effective in January 2024.

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 meet both quality and quantity requirements. We have a robust work process to capture customers feedback that supports the development of key supply performance indicators to ensure we meet both tangible and intangible requirements from the customers.

2.2.2 Investment risk of shareholders

N/A

2.2.3 Investment Risks in foreign countries

N/A

3. Business operation with sustainability

3.1 Policy and target for sustainability management

SPRC Family committed to operating and creating sustainable business growth with care and concern under the principles of good corporate governance. Our Sustainable Development framework focuses on environmental, social and governance aspects applying from the international standards and goals. Material priorities are embedded in the analysis, development of business plan and execution to assure the amplify business values and sustainable results generating to our society and environment. We commit to operate business sustainably with aspiration of **“We do everything with Care and Responsibility”** through ESG focus strategies:

Environmental: Create a sustainable environment with care

Social: Improve quality of life and acceptance by the stakeholders to sustain business operation

Governance: Operate with strong foundation of good governance, risk management and control



SPRC believes that our aspiration to do everything with Care and Responsibility through our ESG focus strategies will directly contribute to 12 of the SDGs, while indirectly contributing to others.

SPRC's Material Issues and actions that contribute to SDGs		3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRIAL INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
E	Spill Prevention & Response										●	●	
	Waste Management							●	●				
	Air Quality	●						●					
	Energy Efficiency & Minimizing Carbon Footprint				●				●	●			
	Water Management			●					●				
S	Occupational Health and Safety	●				●							
	Employer of Choice	●	●			●							
	Community Wellbeing	●	●			●	●	●			●	●	
	Stakeholder management					●	●		●				
G	Good Governance					●							●
	Risk and Crisis management					●							●
	Investment community engagement					●							●
	Information and cyber security					●							●

3.2 Impact management for stakeholders in business' value chain

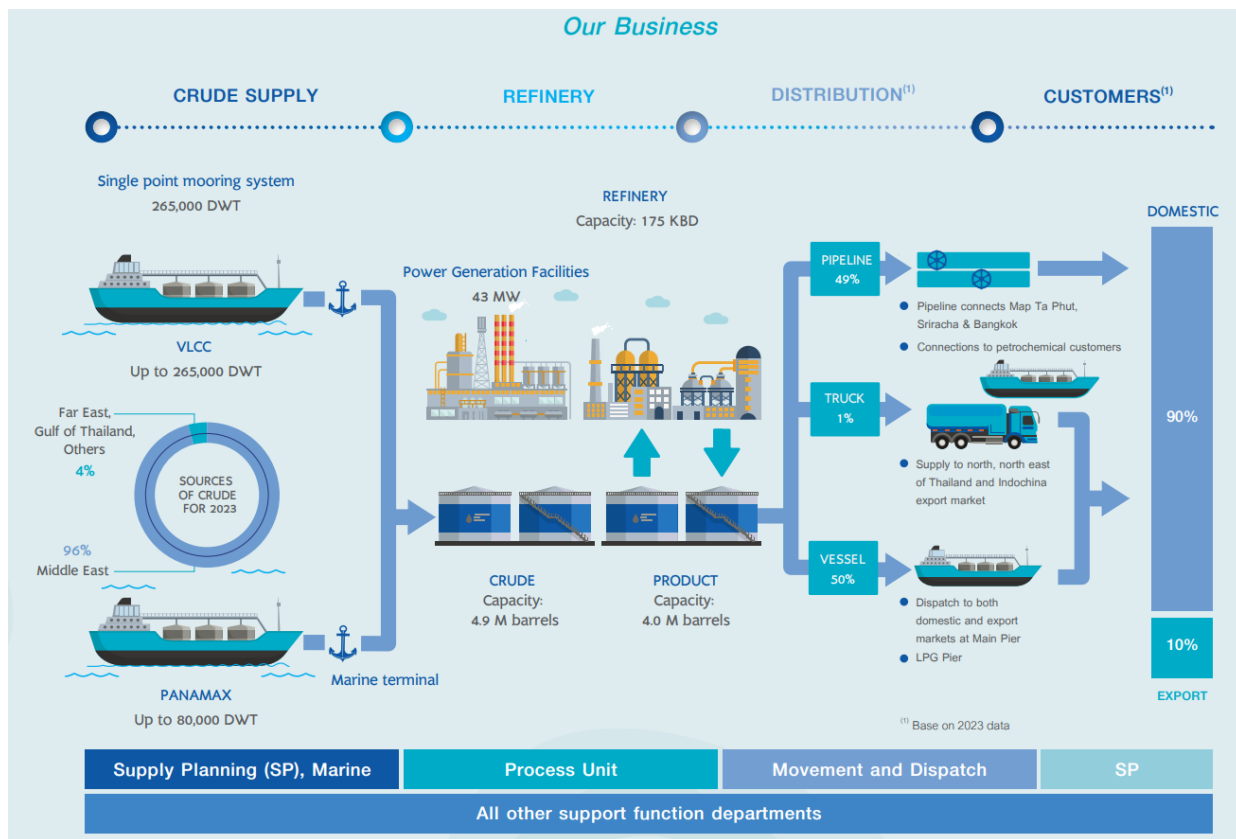
SPRC realizes that the efficiency of business operations throughout our value chain starts from sourcing crude oil to delivering products to customers through a rigorous selection process. This is overseen by a feedstock buying committee that considers economic and quality factors as well as ensures safe and reliable work processes. We aim to reduce social and environmental impacts from the process while focusing on product development and delivering quality services and satisfaction to the stakeholders. In addition, the Company solicits feedback through a survey from stakeholders who play a role in our business operations such as employees, communities, customers and partners to understand and be able to respond to their expectations appropriately.

3.2.1 Business value chain

SPRC's primary feedstock is crude oil, sourced by our Feedstock Buying Committee (FBC team) to meet required specifications. We source our crude oil globally and deliver it to the refinery in very large crude oil tankers (VLCC) to our single-point mooring (SPM), located approximately 19 kilometers south of the refinery. In 2023, approximately 96% of crude oil originated from the Middle East and approximately 4% from a combination of sources from the Far East, the gulf of Thailand and others. Due to unavailability of SPM in 2023, we deliver crude through VLCC then transfer to small vessel to discharge at SPRC jetty. Approximately 50% of our products were delivered via ships, both domestically and internationally. Approximately 1% of our products were delivered by trucks to the eastern region and the northeastern region of Thailand. Approximately 49% of our products were distributed by pipelines that connect our refinery to Bangkok and onwards to other regions of Thailand. We also distribute petrochemical feedstock to our customers within the industrial estate.

Star Petroleum Refining PCL

Our supply chain illustrated below:



We have all other business support function throughout our supply chain such as corporate finance, procurement, maintenance, integrity and reliability, corporate affair, human resource to drive and accommodate an effective value chain from Crude Supply to our Customers.

3.2.2 Analysis of stakeholders in business' value chain

SPRC recognizes the vital role of stakeholders' engagement in supporting sustainable business operations and performance. The company categorized stakeholder groups throughout the supply chain, from crude oil purchase to product delivery to customers, by analyzing their impact and significance to SPRC operations. Subsequently, stakeholder expectations are evaluated, and an engagement strategy is developed, including defining communication channels to address their interests. Additionally, to ensure stakeholders can participate in company activities and provide relevant suggestions, the company continuously reviews its stakeholder engagement responding annually.

Stakeholder Identification



Stakeholder Engagement Approach

Key Stakeholder	Stakeholder's Expectation	Engagement Approach
Employee	<ul style="list-style-type: none"> Competitive Compensation and Welfare Benefit Career Development, Succession and Talent Management Culture and Corporate Identity Employee Personal Data Protection 	<ul style="list-style-type: none"> Annual Remuneration Benchmarking Quarterly Welfare Committee Meeting Annually review Individual Competency Development Plan (ICDP) Annual review and develop the Successor, Talent through various methods and programs Promote One Team Leading Performance culture, CARING Family Culture and SPRC Core Value through company activities Conduct Employee Performance Assessment twice a year Conduct regularly internal communication i.e., CEO Townhalls, CE Talk, SPRC Together WE Talk Continue "Happy Workplace Program" Promote "Recognition Program" across company Comply to PDPA Act (Personal Data Protection Act, 2562 BE), HR Data Privacy Policy and IT Security Guideline and communicate PDPA Act to employee

Key Stakeholder	Stakeholder's Expectation	Engagement Approach
Community	<ul style="list-style-type: none"> Participation and contribution to society Comply with Government Regulation i.e. Environmental and social responsibility Contribution to quality of life / Human Rights / Job Opportunity Transparency and Sincerely Accountability 	<ul style="list-style-type: none"> Conduct Corporate Social Responsibility (CSR) Programs and Collaboration with various parties Strictly comply with Laws and Regulations Support community products and activities Conduct the annual community satisfaction survey Conduct community visit / dialog with community to listen / exchange information Comply to PDPA Act (Personal Data Protection Act, 2562 BE) and Information safeguards and controls in accordance with ISO 27001
Shareholder	<ul style="list-style-type: none"> Return on investment and dividend yield. Information disclosure – Accurate / transparency, timeliness. Good financial and operational performance Effective Internal Control Business data and asset well protect with cybersecurity and awareness 	<ul style="list-style-type: none"> SPRC Divided Policy and Stock Valuation Strictly comply to SET's Regulation Comply to Public Disclosure Policy Corporate Governance and Business Conduct Policies Regularly benchmark with peers and ensure the competitive position Regularly seek the feedback from investors via website, direct call and email Be transparent and timely communication Comply to PDPA Act (Personal Data Protection Act, 2562 BE) and Information safeguards and controls in accordance with ISO 27001 SOX Testing, Internal and External Audit.
Customer	<ul style="list-style-type: none"> Product quality & service Supply reliability & safety Right price & fair treatment Good relationship and good governance Confidentiality, integrity of business information 	<ul style="list-style-type: none"> Certified ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007 Manage product quality through certificate of quality (COQ) Apply product safety stock supply criteria. Annual price review process with customers Comply to Anti-Corruption Policy, No Gift Policy, Business Conduct Policy Conduct monthly meetings and relationships activity Conduct customers satisfaction survey with specialty product Comply to PDPA Act (Personal Data Protection Act, 2562 BE) and Information safeguards and controls in accordance with ISO 27001
Government Agency	<ul style="list-style-type: none"> Compliance with regulator requirement and regulations Good governance No EHS impact 	<ul style="list-style-type: none"> Legal Compliance Committee to review new laws and regulation Strictly comply to Business Conduct Policy and conform to the Foreign Corrupt Practices (FCPA)

Key Stakeholder	Stakeholder's Expectation	Engagement Approach
		<ul style="list-style-type: none"> Strictly Comply with laws and regulations and Environmental regulations and EHS Policy Disclose accuracy and timely information Two-way communications and regular meeting Support the government activity to promote industrial practice Monitor and set up a reminder system to alert the expiry permit/license and product stock to prevent non-compliance Comply to PDPA Act (Personal Data Protection Act, 2562 BE) and Information safeguards and controls in accordance with ISO 27001
Supplier / Contractor	<ul style="list-style-type: none"> Fair and transparent procurement Timely payment Good Partnerships Safe workplace Confidentiality, integrity of business information and transaction 	<ul style="list-style-type: none"> Strictly comply to the Policies i.e. Business Conduct Policy, Anti-Corruption Policy, No Gift Policy and Contracting and Procurement Procedure Commercial Supervisor Board Governance Approved Vendor List process and Vendor Performance Review process Accurate payment on time Extended Incident and Injury Free culture and Program in the workplace Apply Non-disclosure agreement Comply to PDPA Act (Personal Data Protection Act, 2562 BE) and Information safeguards and controls in accordance with ISO 27001
Press Media	<ul style="list-style-type: none"> Accuracy and timeliness information disclosure No EHS impacts 	<ul style="list-style-type: none"> Comply with Public Disclosure Policy Transparent disclosure of information, equally and in manner timely Provide several communications channel Adherence to EHS Policy Comply to PDPA Act (Personal Data Protection Act, 2562 BE) and Information safeguards and controls in accordance with ISO 27001

3.3 Sustainable management in Environmental Dimension

3.3.1 Sustainable Environmental Management Policy and Procedure

SPRC family has established environmental management policies and practices under the Environmental, Health and Safety Management System (EHS Management System) manual which covers prevention and management of Spills, Waste disposal, Air quality, Energy efficiency and Water management. The compliance of SPRC EHS-Management System elements with the elements of ISO 9001, 14001 and 45001.

3.3.2 Operation performance for Environmental Dimension

3.3.2.1 Zero Spill with Prevention and Response

Our efforts and resources are dedicated to prevent oil spills and minimize impacts to local communities and the environment. We conduct several operation, maintenance, and inspection programs for the highest level of equipment integrity and reliability of our facility, including:

- For our Single Point Mooring (SPM), we conduct a hose and subsea seal valve replacement and visual inspection quarterly and clean our subsea facilities annually to prevent corrosion and extend lifespan of equipment. This helps fulfill requirements and receive the American Bureau Standard (ABS) certificate for the past 20 years.
- We conduct monthly internal Oil Spill Response (OSR) exercises to ensure that our OSR team can respond effectively. Annually, we participate in the Rayong Oil Spill Exercise (ROSE) with the Oil industry Environmental Safety Group Associate (IESG) and the Royal Thai Navy in Map Ta Phut area.
- We encourage knowledge and competency development for OSR by organizing annual internal training. Our personnel share expertise with stakeholders through external trainings for IESG and the Royal Thai Navy.
- We have implemented many inspection programs, such as Risk Base Inspection (RBI) and online corrosion monitoring to ensure our facility's integrity and reliability.
- Our operators routinely check for any abnormal operating conditions of equipment and conduct corrective actions in a timely manner.

In 2023, SPRC collaboration with the oil Industry Environmental Safety Group Association (IESG) and the Rayong Oil Spill Prevention and Remediation Committee includes SCGC (MTT), IRPC and GC, organized an academic conference, training and practical exercises to prevent and mitigate water pollution caused by oil in the Rayong area. This program, known as ROSE'2023 (Rayong Oil Spill Exercise & Conference Thailand 2023), involved an academic conference and practical exercises. The learning and training programs focused on both command training and field exercises to address oil spills effectively. It aimed to familiarize teams with the incident command system for managing such incidents. This preparation was essential for implementing the new 2023 water pollution management plan concerning oil and chemicals. Moreover, the exercises aimed to strengthen relationships between the committee and relevant government agencies. Through these efforts, the goal was to enhance coordination and collaboration in managing water pollution incidents effectively.



Performance

SPRC aspires to operate our facility without any impact on the local communities and environment. As a result, we setup a stringent target of zero "recordable spills*". In 2023, we had no recordable spill.

Target	Recordable Spill Case		
	2021	2022	2023
Zero spills and spill-related incidents (*)	1 Recordable Spill	2 Recordable Spill	Zero Recordable Spill

Note: *Recordable spill definition is any oil spill on water or greater than 1 barrel (bbl) spill on land

Due to the crude oil spill at a single point mooring (SPM) on January 25, 2022. The company has engaged highly qualified professors from 3 leading educational institutions in the country: Kasetsart University, Chulalongkorn University and Burapha University to conduct environmental impact study projects. It covers various impacts according to the guidelines set by the Pollution Control Department, including aspects of oceanography, pollutants, rocky-sandy beach ecosystem, coral ecosystem, sea grass ecosystem and fisheries resources. The project has been allocated for study a total budget of 48 million baht.

Based on the study of environmental impacts in general, it was found that the results of the oceanography study indicate that the water quality, sediment, and pollutants both near and far from the coast are within normal limits. The concentration of petroleum hydrocarbons in the water near the coast has changed slightly due to various activities along the coast. The levels of Mercury in seawater, sediment, and marine animals are normal. The organisms including phytoplankton, zooplankton, small and large benthic animals are still in the same quantity as in the past. Moreover, many organisms were found that can indicate the abundance of the ecosystem. Most coral ecosystems are in good condition, but coral reproduction needs to be followed up, the seagrass ecosystems are healthy, and most fishery resources fluctuate seasonally.

For economic and social development and rehabilitation, the company has continuously implemented various projects can be reached out in the chapter "Community Wellbeing".

Biodiversity Management

We are aware of the impact of its business operations on biodiversity, considering biodiversity alongside sustainable business development in harmony with the environment and society. The company engages in collaborative approaches and communication with stakeholders at all levels through projects and corporate social responsibility activities, covering conservation of natural resources and the environment. Biodiversity is of paramount importance in maintaining ecological balance, providing ecosystem services beneficial to community livelihoods, and sustaining industrial and economic activities. Therefore, preserving and maintaining biodiversity in the long term is crucial for enabling sustainable collaboration between humans and the environment.

We control the release of pollutants into the environment at levels better than those mandated by law at all times. This begins with designing and installing environmental pollution control systems, maintaining them, and continuously monitoring environmental quality. This minimizes the risk of impacting areas with high biodiversity value at a low level. The company focuses on continuously monitoring the impact on biodiversity, including controlling wastewater, solid waste, and air pollutants, preventing them from leaking into the environment and complying with legal requirements. Additionally, the company conducts activities to promote biodiversity in surrounding areas and areas with high biodiversity value continuously through corporate social responsibility activities. Examples include International Coastal Cleanup activities at Mae Ramphueng Beach, water animal breeding projects to increase habitat for aquatic animals, mangrove bank projects, the Sustainable Replenishment Project for Thai Forests "Urban Forest, The Gem of Rayong: Foster Future Forests," and others.

Further Details on Promoting Biodiversity Activities can be reached out in the chapter “Community Wellbeing”.

3.3.2.2 Waste Management

The company sets guidelines for the management of waste in the environmental, occupational health, and safety policy and sets guidelines for the waste management system in the Solid Waste Handling and Disposal Guideline (SWHDG), which includes management directives, roles, and responsibilities. The company consistently evaluates and reviews its operations to ensure that the waste generated is managed and disposed properly in accordance with Thai regulations, obligations, and international agreements such as the Basel Convention. Furthermore, the company closely monitors the waste management processes of waste processor partners to ensure compliance with relevant regulations and laws. The company cultivates a culture of good relationships in waste management and also delegate to all stakeholders, considering it as a key factor for sustainable success in the future.

- The waste management of the company focuses on promoting sustainable development by minimizing and avoiding the disposal of waste through landfilling. It drives management practices based on the waste hierarchy, comprising reduction, reuse, and recycling, or the principles of 3Rs, aiming to minimize the amount of waste destined for landfill disposal as much as possible.
- The company has established guidelines and assessment criteria for evaluating the waste management practices of waste processor partners. These guidelines encompass criteria for selection, verification of operational permits, and monitoring of operations until their waste disposal processes. This ensures that the waste generated from the company's operations is managed appropriately, and it minimizes the potential impacts that may arise from outsourcing waste management services to the greatest extent possible.

Office-waste Segregation Efficiency Improving Project

In addition to industrial waste management, in 2023, the company initiated the “Office-waste Segregation Efficiency Improving Project” to enhance the efficiency of waste separation from office buildings and employees' behavior. This project involves raising awareness about waste segregation, providing convenient facilities to improve the separation process, and enhancing the efficiency of sending materials for recycling to maximize benefits. The company also contributes to community involvement through donations as the community waste bank projects, which help increases collaboration and participation between the factory and the local community. Promote the reduction of Single use plastic. Moreover, there is also a pilot project promoting the conversion of food waste into natural compost within the office area to reduce domestic waste generation.



Performance

- The process of oil and gas refinery industry naturally creates various types of waste. The main types of waste is hazardous waste such as oily sludge, spent catalyst, etc.
- From the total 9,753 tons of waste generated in 2023, it is categorized as routine waste for 6,612 tons, with less than 1% was managed through landfill disposal. Additionally, there is non-routine waste of 3,141 tons generated from maintenance activities, with none of them were managed through landfill disposal.

- More than 99% of the total waste was managed through practices aligned with the 3Rs principle, resulting in various benefits. These include conversion into alternative fuels or substitute fuels, utilization as substitute raw materials for cement manufacturing, and other methods to derive additional benefits. By interpreting to quantity, the weight of hazardous waste handled by recycling is 9,707 tons and the weight of non-hazardous waste handled by recycling is 171 tons.

Target	Total waste was managed through landfill disposal		
	2021	2022	2023
Zero waste to landfill	Less than 1%	Less than 1%	Less than 1%

The company remains committed to taking actions towards making landfill disposal as the last choice in waste management and continue aiming for Zeroing Waste to Landfill.

The company is striving to seek for approaches to minimize waste generation at its source and optimizing the management of waste, including waste generated from production activities and support processes, as well as waste generated from office buildings, to achieve maximum benefits.

3.3.2.3 Air Quality

The Refinery is designed and equipped with clean technology to ensure that air emissions quality meets stringent standards as well as to minimize air pollution. We use natural gas and refinery fuel gas which low sulfur content for firing in furnaces to minimize Sulfur dioxide (SO₂) and Total Suspended Particulates emissions.

Oxides of Nitrogen (NO_x) are minimized by applying low NO_x and ultra-low NO_x burners in furnaces. Volatile Organic Compound (VOC) emissions are effectively minimized through the implementation of various measures, including the use of a Vapor Recovery Unit (VRU), the Leak Detection and Repair Program (LDAR) for fugitive equipment, and adherence to the VOC Control regulations on Flaring, Storage Tank, and Shutdown. This comprehensive approach ensures strict control over VOC emissions, mitigating their impact on surrounding communities.

Our Environment, Health and Safety (EHS) Management Systems guides our Air Quality approach which is in alignment with the principles of Operational Excellence and Process Safety Management which provides good governance on how we operate.

We maintain Safe and Reliable Operations to help Sustain the Environment with Care and Concern. We are proud to build great community and government relationships by:

- Aligning our expectations and establishing clear role and responsibilities with our stakeholders
- Engaging our stakeholders through refinery visits,
- Developing our response communications to external stakeholders in the event we have abnormal situations that may impact the local communities.
- Continually identifying ways to develop good collaboration with stakeholders in the future.

SPRC monitors emissions from our production process on a continuous basis with subsequent online reporting to IEAT. We carefully implement Continuous Emissions Monitoring System (CEMs) which ensures compliance with regulations and provides baseline data for improving air quality. Air emission monitoring is conducted by external authorized parties twice a year which is reported on a regular basis to governmental agencies. In addition, CEMs are externally audited once a year to assure reliability.

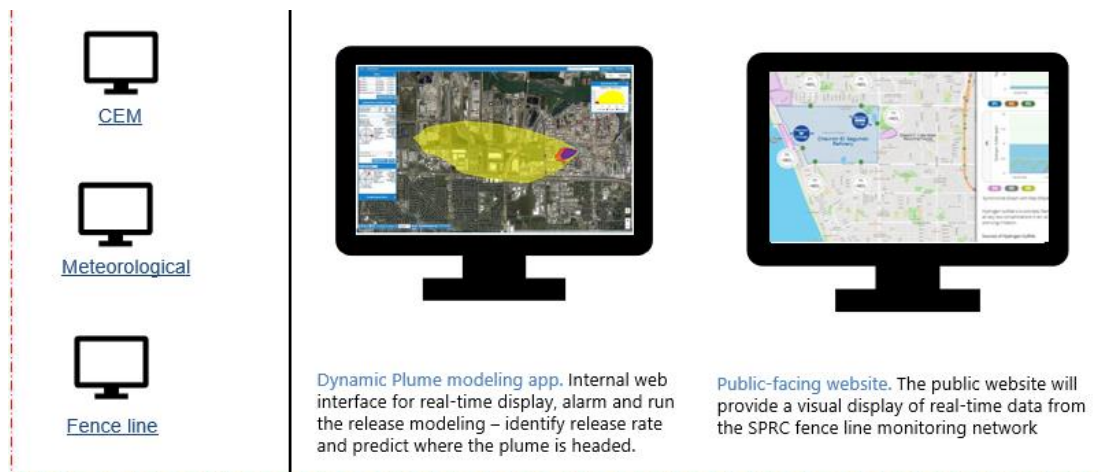
SPRC continues to study air quality improvement project on following:

Fence line Air Quality Monitoring System Installation Project

SPRC has studied the project to install Fence line Air Quality Monitoring System since year 2020. A fence line air monitoring system is a specialized environmental monitoring system designed to assess and measure air quality specifically along the perimeter or boundary of a refinery site. The system has following benefits:

1. Continuously monitor the air quality around the facility perimeter.
2. Assist in proactive alerting and planning corrective actions for potential events, aiming to reduce the impact on air quality and alleviate community complaints.
3. Serve as an analytical tool to assess and evaluate risks, enabling the formulation of necessary emergency response plans. Additionally, use this information to communicate potential impacts to the nearby community, fostering better understanding.

These systems are an integral part of environmental management practices, helping to minimize environmental impact and protect nearby communities from potential health risks associated with air pollution.



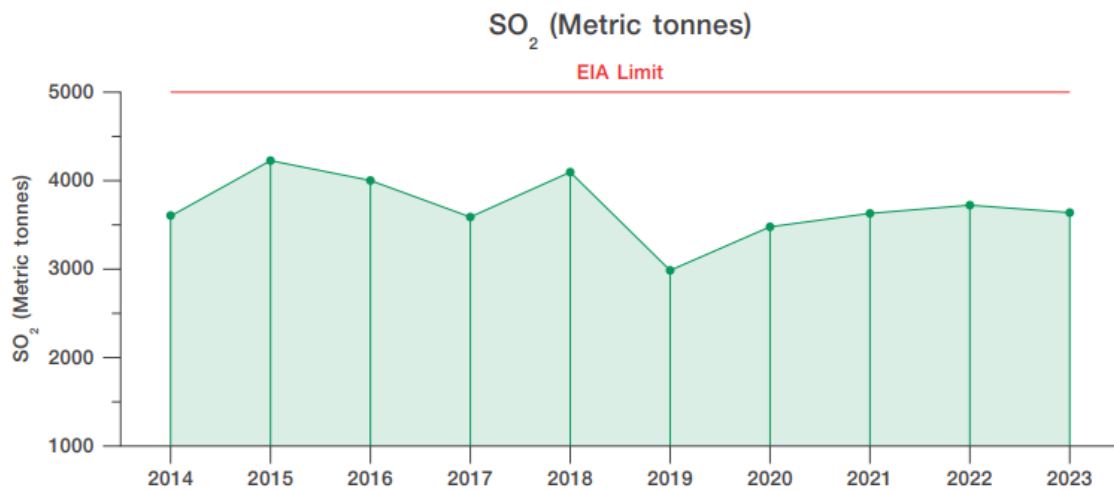
Reducing vehicle emissions through Euro V standards

SPRC has implemented the necessary plant changes required for us to safely and reliably produce fuels which meet the EURO V standard as per compliance date.

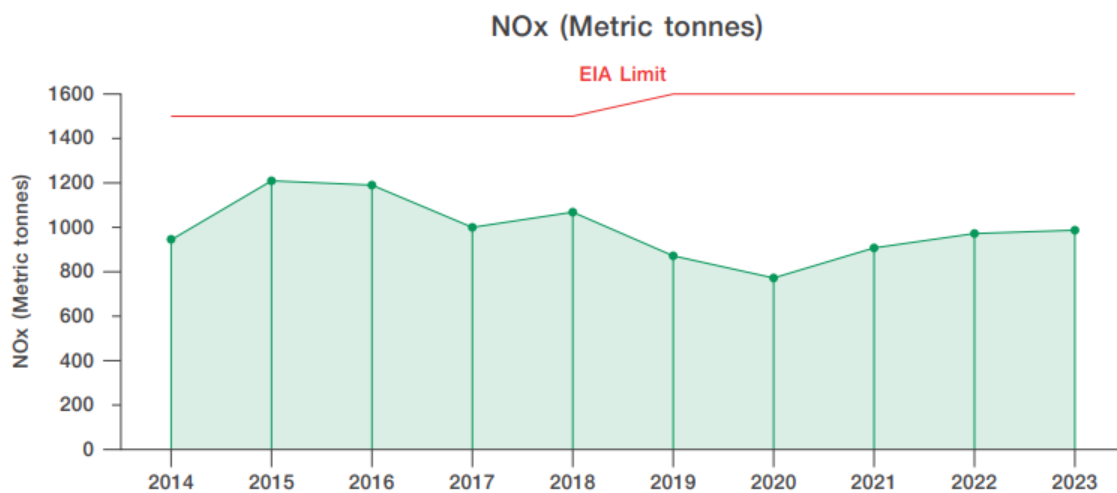
Performance

In 2023, SPRC's overall air emissions were well controlled below the Environmental Impact Assessment (EIA) Limits according to our target (figure shown in graph). Air emission inventory was from direct measurement by 3rd party and calculation based on site-specific data. They slightly increased mainly due to higher refinery throughput to support the country's demand after relaxing on the COVID restriction.

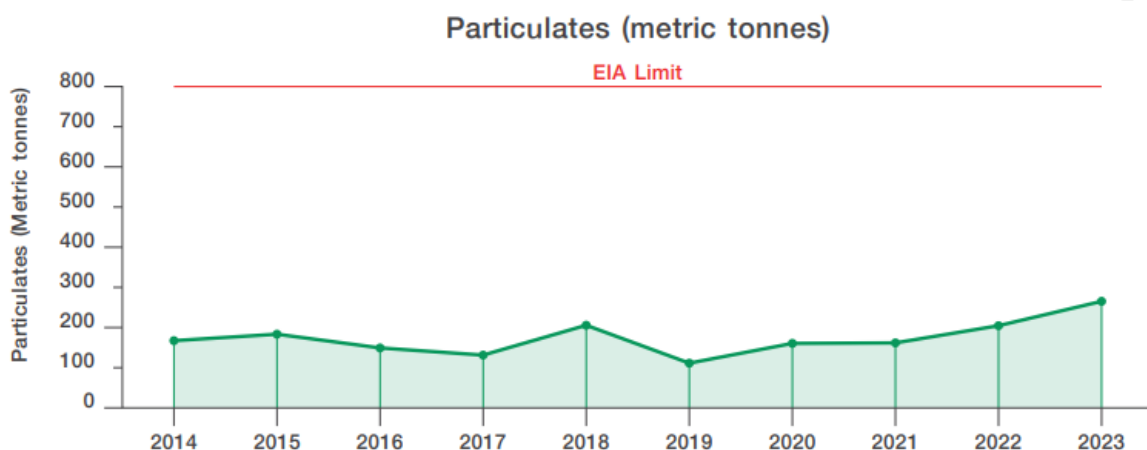
- **Sulfur Dioxide (SO₂)** – In 2023, our RFCCU total throughput for the year increased due to higher country demand of gasoline. Last year SPRC overall SO₂ emissions were in control range and slightly decreased mainly due to RFCCU shut down for maintenance in quarter 2023.



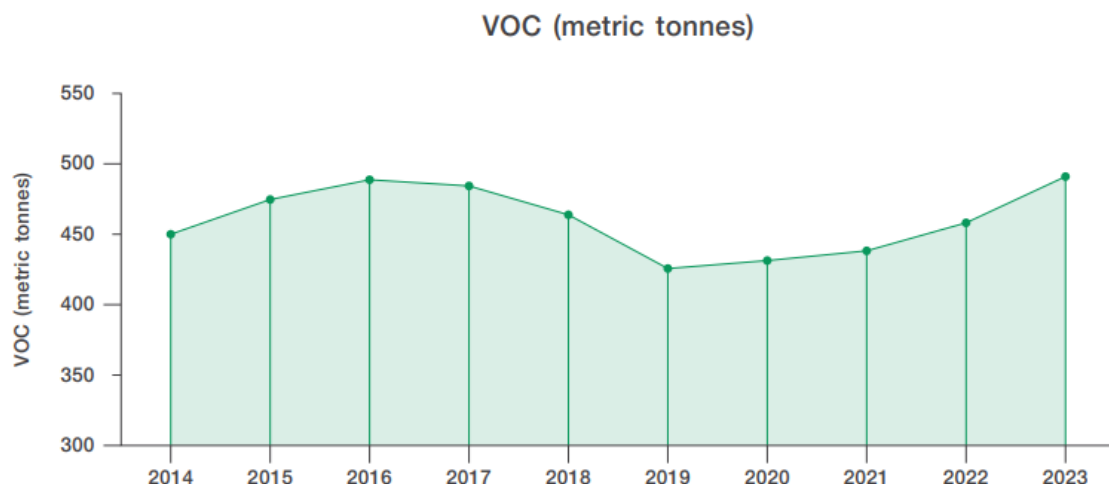
- **NOx** – As higher refinery throughput supports country demand, overall NOx emissions from our refinery operations slightly increased from 2022.



- **Total Suspended Particulates** – RFCCU used more sour feed from heavy crude which required more SO₂ reduction additive to control SO₂. The SO₂ reduction additive contributed particulate. This result to particulates increases significantly in 2023.



- **Volatile Organic Compounds (VOC)** – The overall volatile organic compound (VOC) emissions in Y2023 increased from Y2022, major contribution was from flaring due to process shut down and updated the calculation methodology. VOC fugitive emission from equipment is in leak control criteria.



3.3.2.4 Energy Efficiency & Minimize Carbon Footprint

SPRC cooperated with Chevron, a world leading refiner, to study and establish continuous improvements to improve energy efficiency and reduce greenhouse gas emissions. Including the new projects about Renewable energy/Clean energy, Carbon capture and storage, etc. SPRC had monitored energy usage and report the performance regularly to SPRC management.

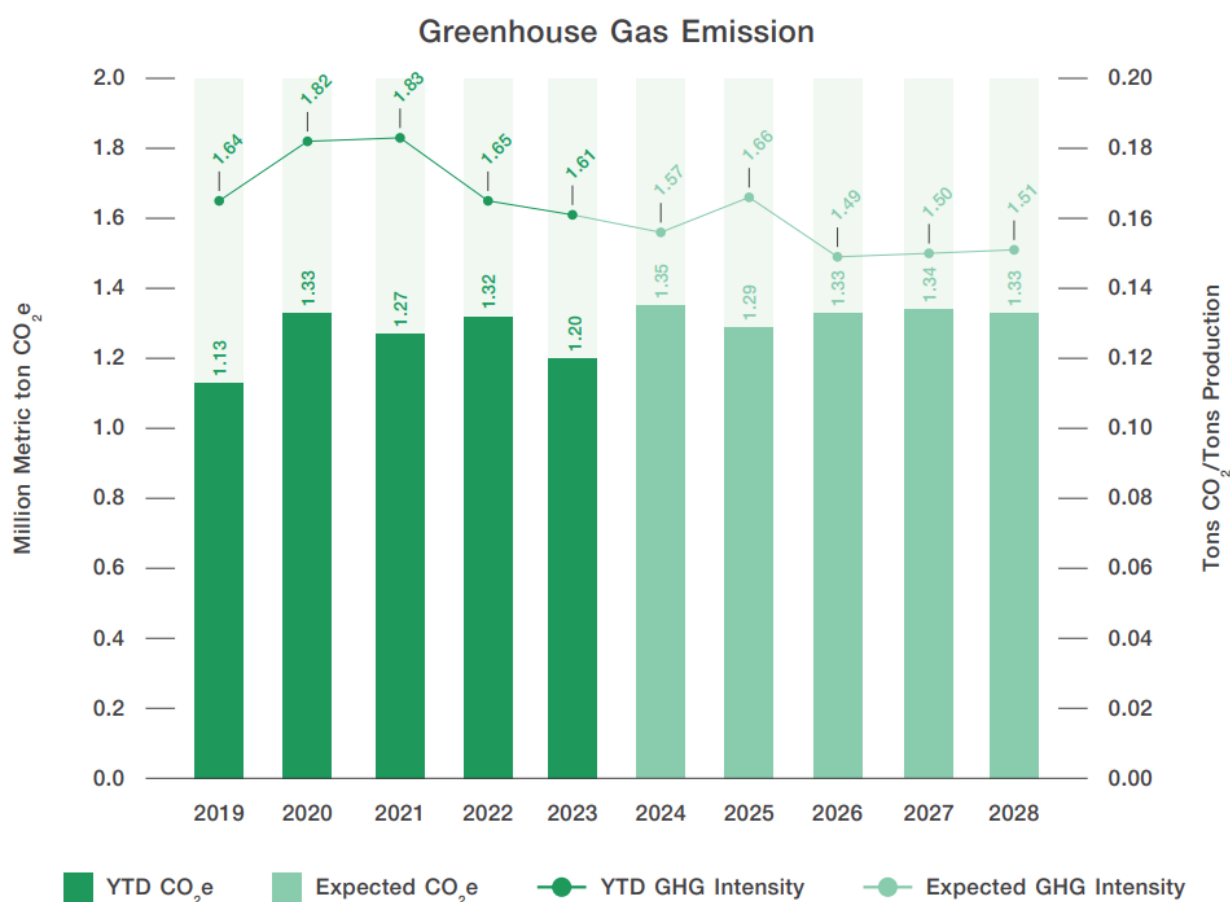
The initiatives SPRC takes to make improvements focus on refining which takes up vast amounts of energy. In any case, the company continues to improve energy usage and lower greenhouse gas emissions across the organization which includes the central department and admin offices as well.

Initiative to lower energy usage and greenhouse gas	Energy savings (MJ per year)	Greenhouse gas Emissions (Tons of CO2 equivalent per year)
Reduce %O2 excess at CDU furnace	52,051,056	3,172
Reduce %O2 excess at VDU furnace	25,498,636	1,554
Reduce SRU reactor inlet temperature to save HPS	3,817,972	233
Installed a 150-watt LED street lamp instead of a 250-watt high-pressure sodium lamp	124,883	8
Installed a 200-watt High Bay LED lamp instead of a 400-watt high-pressure sodium lamp.	91,238	6
Total	81,583,785	4,972

Performance

SPRC used Solomon Energy Intensity Index (EII) for regularly monitoring and improvement of energy efficiency in our refinery and aims to make continuous advances towards energy efficiency and the lowering of greenhouse gas emissions.

Target	Solomon Energy Intensity Index (EII) Performance		
	2021	2022	2023
Maintain Solomon Energy Intensity Index (EII) in 1 st Quartile of Asia Pacific	1 st Quartile of Asia Pacific	1 st Quartile of Asia Pacific	1 st Quartile of Asia Pacific



Greenhouse gas emission	Tons of CO2 equivalent		
	2021	2022	2023
Direct GHG Emissions (Scope 1)	1,263,854	1,316,316	1,192,996
Indirect GHG Emissions (Scope 2)	1,547	4,046	2,725

3.3.2.5 Water Management

The company has set long-term goals for sustainable water management by setting goals to reduce the amount of crude water from external sources per total crude oil consumption by 5 % within the year 2025, using the data of the year 2020 as the basic value.

For short-term goals, the company continues to focus on initiating campaigns to raise awareness of the importance of water resources and reducing water consumption - both in the production process and general use in the company.

Work plan

- Company has established a water management plan each year using the 3Rs (Reduce, Reuse and Recycle) technique to reduce water consumption, increasing reused and recycled water by brainstorming ideas from technical groups, process group and the office to find ways to reduce water consumption continuously.
- The company focuses on managing the rainwater collection area within the factory and using the collected rainwater in the production process to reduce the import of raw water from external water sources during high rainfall periods.
- The company regularly coordinates with water suppliers, to monitor the water situation and the allocation of raw water, prepare and manage water usage appropriately for production processes and offices.
- The company regularly inspects equipment and repairs damaged equipment that causes unnecessary loss of water or steam.

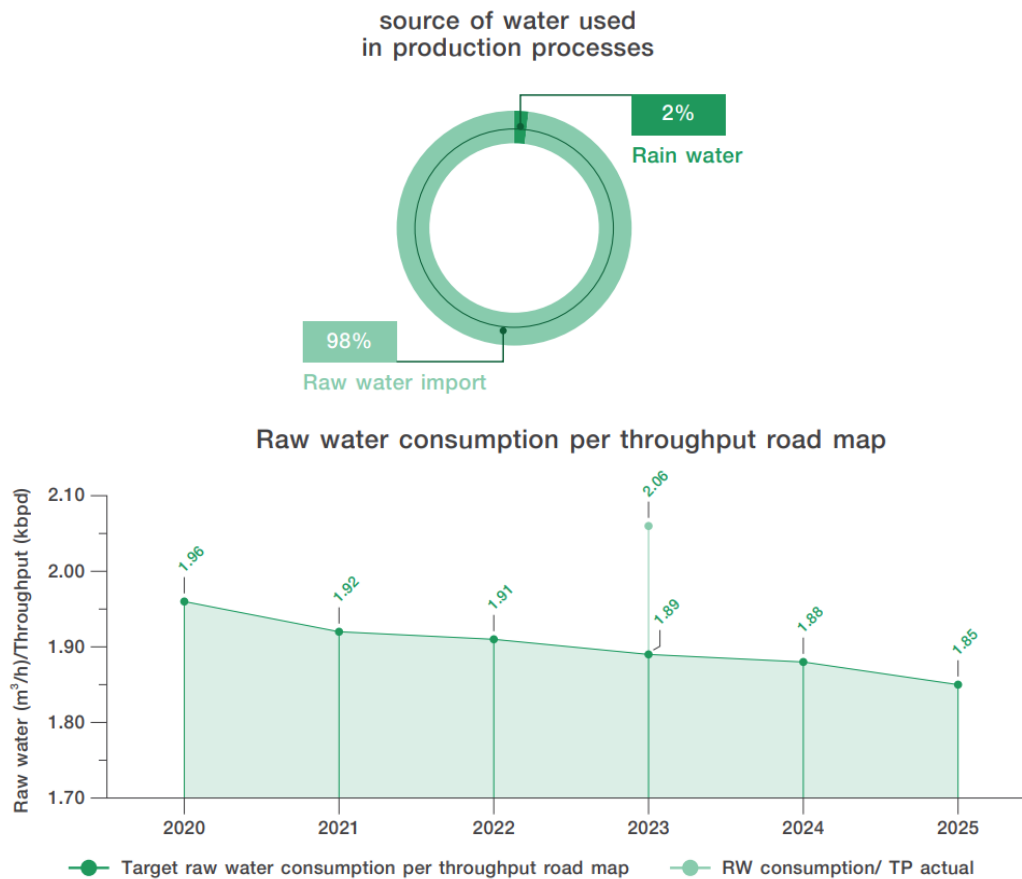
Reducing the use of water in the production process

The working team has been brainstormed ideas from production engineering team and production process group to reduce water consumption including enhancing the efficiency use of water, and steam in the continuous production process to achieve the goal of water management. For example,

- Work with water quality experts to reduce water loss from the water hardness reduction system while maintaining the quality of the water used in the production of boiler feed water.
- Use the collected rainwater, in the reservoir within the factory, as much as possible in the production process which including improving and maintaining related equipment to have good performance in order to be able to use rainwater continuously during periods of high rainfall.
- Regularly inspect equipment and repair equipment that fails and causes unnecessary loss of water or steam.
- Reduce the release of excess steam into the atmosphere by bringing excess steam to a steam turbine generator or used in the process of removing oxygen from the boiler feed water.
- Reduce the amount of steam used in the production process at the production unit, heavy oil cracking unit (FCC), vacuum distillation unit (VDU), heavy oil treatment unit (HVGO). and Diesel Fuel Quality Improvement Unit (DHTU)
- Reducing the use of desalination water in the DHTU and HVGO production unit systems while keeping the salt content in the water within limits.
- Reuse water that has been degassed from hydrogen sulfide gas as much as possible to reduce raw water consumption at VDU, DHTU, and HVGO production unit.
- Reuse water that has passed through the production process but still has good quality. For example, water that was used at a vacuum distillation unit was sent to reuse at the desalter system of the crude oil distillation unit.
- Reduce wastewater from the boiler system by controlling the quality of feed water into the boiler system to have good quality within water quality criteria continuously.

In 2023, water management was the challenge of SPRC, as the ratio of raw water consumption from external sources to the amount of crude oil was increased to 5% from baseline year 2020 with the amount of water used for the production process of the year 2023 on average at 328 m3/h which still

maintain the same as year 2022. With high economic demand, water consumption increased followed the production. Moreover, many support process activities using rainwater occurred and short raining period in 2023 causing higher imported-water more than year 2022, rainwater decreased to be 2% and imported-raw water increased to be 98% from previous year 2022. Even though SPRC cannot archive the target this year, SPRC will keep developing and improving the water management to be back to the target for sustainability of refinery and community.



Performance

Water Management	Cubic meter per year (m³/year)		
	2021	2022	2023
Total amount of water used	2,768,160	2,867,132	2,876,031
Total amount of raw water from external source	2,391,480	2,397,753	2,831,351
Total amount of wastewater produced	1,566,000	1,735,621	1,691,549

Target	Raw water consumption per throughput		
	2021	2022	2023
To reduce raw water consumption per throughput 5% in 2025 (baseline 2020)	reduced 2% from baseline 2020	reduced 11% from baseline 2020	increased 5% from baseline 2020

3.4 Sustainable management in Social Dimension

3.4.1 Sustainable Social Management Policy and Procedure

SPRC has established a code of conduct and human rights policies and practices that include policies on the treatment of employees, business partners, and communities. The corporate social responsibility action plan aims to improve the quality of life of the people in the community in which we operate. We ensure that **we do everything with care and responsibility** to minimize the impact to environment in the areas where the Company does business by building long-term relationships with the surrounding communities, understanding their expectations and through engagement in corporate social responsibility activities covering education and youth, quality of life, and the environment as well as ensuring accurate communication to foster positive perceptions, confidence, acceptance, and support throughout the company's operations.

Human Rights Policy

The Business Conduct approved by the Board of Directors provides the policy of Human Rights defined as fundamental right according to universal principles which all people are entitled, regardless of nationality, race, gender, language, religion, economics status or any other status. The Company is committed to respecting human rights in our operations, our value chain, and in the communities where we operate as the following significant commitment:

- **Employees:** SPRC respects the human rights of all employees. Our commitment is embedded in policies and our culture. SPRC promotes the right to security, a safe and healthy workplace, and treats our employees with dignity and respect. It is every employee's responsibility to maintain a work environment that reflects respect for human rights and is free from all discrimination and harassment.
- **Communities:** SPRC engages with communities to build understanding of human rights to enhance the benefits of our projects and operations.
- **Suppliers and Contractors:** SPRC expect our suppliers and contractors to treat their employees, and interact with communities, in a manner that respects human rights.

The Company also published the Business Conduct consisting of the Human Rights part on Company's Website as an accessible channel for all stakeholders.

3.4.2 Operation performance for Social Dimension

3.4.2.1 Occupational Health & Safety Management

At SPRC, we maintain the use of the Environment, Health, and Safety (EHS) Management System as the foundational safety framework for all our operations. Additionally, we consistently certify our commitment to standards ISO 9001, 14001 and 45001. This year, we are introducing the Operational Excellence Management System to implement at SPRC. We firmly believe in achieving an incident and injury-free workplace by cultivating a culture of safety awareness among all staff and contractors. Our goal is to encourage everyone to take responsibility of their own safety and taking care of their co-workers. This includes continuous effort to enhance knowledge, ongoing recognition and promotion of safety for maintaining the strong safety culture at SPRC. In 2023, we have the keys implementation as follow.

Incident and Injury Free (IIF)

We persist in implementing our incident and injury free culture by consistently conducting the IIF Orientation training for all new staff and contractors joining SPRC. The purpose is to cultivate and enhance safety awareness. We facilitate the IIF Supervisor Skill training for both staff and contractor

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supervisors, aimed at elevating their proficiency in managing assignments through an incident and injury-free approach. The primary objective is to empower supervisors with the skills needed to effectively oversee the safety of their subordinates. Furthermore, we have established the Incident & Injury Free and the Reliability Leadership Team, with the responsibility of overseeing management reviews and providing direction for the implementation of IIF at SPRC. Additionally, our Incident and Injury Free Improving Team is dedicated to developing promotional activities for IIF, ensuring the cultivation of a robust IIF culture within the organization, as we strive towards achieving an incident and injury-free workplace.

In 2023, one of the standout activities was the organization of the 6 Stars Celebration, an event designed to commemorate six remarkable milestones. These achievements include reaching 35.5 million man-hours without Days Away From Work, attaining 1 million man-hours without Recordable Injuries, sustaining 8 consecutive months without Environmental Impact, achieving a Reliability Clock Reset of 509 days, maintaining 20 consecutive months without Lost of Containment, and successfully executing three significant events in operation and maintenance activities.

The event included a complimentary lunch provided for all staff and contractors. Additionally, souvenirs were distributed, adding an extra touch of excitement as some lucky individuals received special mementos. This celebration not only recognized the collective efforts in promoting safety and operational excellence but also fostered a sense of pride and relationship building among the SPRC community.



Operational Excellence Management System

SPRC is introducing the implementation of the Operational Excellence Management System (OEMS), a comprehensive framework sourced from Chevron, our primary shareholder and a global energy industry leader. This system encompasses six key focus areas:

1. Workforce Safety and Health
2. Process Safety, Reliability, and Integrity
3. Environment
4. Efficiency
5. Security
6. Stakeholder Engagement

SPRC has appointed the position of General Manager – Operational Excellence to lead this initiative. The General Manager, along with the Operational Excellence Leadership Team, will play a pivotal role in overseeing and effectively implementing the OEMS throughout the organization. This strategic move aligns with our commitment to operational excellence, ensuring the highest standards in safety, reliability, efficiency, environmental responsibility, security, and stakeholder engagement. The adoption of the OEMS reflects our dedication to continuous improvement and adherence to global best practices in the energy sector.

Risk Assessment in Workplace

At SPRC, we employ Job Safety Analysis (JSA) as a crucial tool for risk assessment to ensure safety during high-risk activities such as confined space work, hot work, work at height etc. This involves a collaborative effort from various stakeholders including Contractor Supervisors, Maintenance Supervisors, Area Owners, and Safety Officers. Our goal is to comprehensively identify work steps and potential hazards, evaluating their risk levels based on probability and consequence.

By involving all relevant parties in the development and consideration of the JSA, we ensure a thorough understanding of potential risks and effective prevention measures. This collaborative approach allows us to prioritize preventive actions where they're most needed, enhancing overall safety in our workplace.

Incident investigation

At SPRC, we adhere to a robust reporting guideline encompassing all incidents, including near misses, unsafe actions, and unsafe conditions. Our focus is on identifying root causes through incident investigations without assigning blame, aiming to prevent similar incidents from occurring in the future. To ensure timely and effective investigations, we designate focal point persons in each department who take responsibility for conducting investigations.

These investigations are conducted with a commitment to effectiveness and timeliness. We prioritize learning lessons from each incident and sharing them with relevant parties across the organization. This communication ensures that preventive measures are implemented, and continuous improvement is fostered throughout the organization. Our goal is to cultivate a culture of safety and proactive incident prevention at SPRC.

Process Safety Management: PSM

SPRC is persistently implementing process safety management (PSM) and maintaining a focus on operational excellence. Tracking and monitoring performance through Process Safety Indicators (PSIs) is a proactive approach to ensure that our operations align with PSM and operational excellence expectations. We're actively tracking and following up on the ongoing progress of the HAZOP revalidation. Developing PSM competency for each position within the organization is a crucial step to ensure that everyone involved has the necessary knowledge and skills to effectively implement PSM. The establishment of a Process Safety and Reliability Improving Team is a strategic move. This team can play a pivotal role in enhancing and promoting process safety and reliability throughout the organization. Their responsibilities likely include identifying areas for improvement, implementing best practices, and ensuring a robust system that can sustain in our organization.

IIF Adventure Project

SPRC is organized the IIF Adventure Project, a unique initiative open to our extended family members, including both staff and contractors. Participants are encouraged to form groups and propose ideas, projects, or activities aimed at enhancing, motivating, or improving occupational health, safety, environment, reliability, security, and stakeholder engagement. These initiatives can take place either within or outside the company premises. Projects that receive endorsement will be allocated a budget

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for implementation. In the year 2023, we endorsement five outstanding projects. We anticipate the positive outcomes and impact these projects will contribute to our organization.



Example photo of beach cleaning project for environment protection

Electronic Permit to Work (e-PTW)

The implementation of an Electronic Permit to Work (ePTW) system stands as a technological advancement geared towards enhancing operational efficiency. This innovative system is designed to significantly improve the effectiveness of work processes by streamlining the permitting process, reducing processing time, minimizing risks, and maximizing safety. The transition to a digitalized permitting system replaces the traditional paper-based approach.

In the year 2023, we successfully completed the system design, conducted rigorous testing, and provided comprehensive training to all relevant stakeholders on how to navigate and utilize the electronic permit system. As a significant milestone, we initiated the go-live phase for the electronic permit to work system on November 20, 2023, marking the commencement of a trial period. This technological advancement not only aligns with our commitment to operational excellence but also signifies our dedication to leveraging cutting-edge solutions for the improvement of safety and efficiency in our operations.

Health Promotion Program

SPRC has equipped the clinic with facilities, medical staff, and supplies to offer medical assistance to all employees and contractors in case of injuries or illness. A medical nurse is available 24/7, and a doctor is onsite every Monday, Tuesday, and Friday from 07:30 to 12:00.

The company provides influenza vaccines annually for all employees, contractors, and employee's family members.

In the year 2023, we launch the SPRC Get Fit Challenge Program which encourages our family member both staff and contractors to set personalized, measurable health goals—whether it's reducing weight, cholesterol, or adopting other positive changes. Throughout the year, we organize group activities to exercise together, fostering a sense of community. Recognizing and celebrating achievements, we award souvenirs to challenge winners. Moreover, every Wednesday, we contribute to a healthier lifestyle by providing free salads at the canteen, reinforcing our commitment to promoting good food for good health among all SPRC family members.



Performance

In the year 2023, there was no lost time injury and we have achieved 36.3 million man-hours without Day Away from Work Case (DAFW) but there were 6 recordable injury cases. Our Total Recordable Injury Rate (TRIR) in 2023 was 0.43 per 200,000 hours worked.

3.4.2.2 Employer of Choice

SPRC’s sustainable success is driven by our talented workforce with agility and a growth mindset to continually energize our future. We focus on 4 critical areas, Human Rights, Diversity, Equity, and Inclusion, Health, and Safety, Learning and Development for our greatest asset, employees.

Human Rights We are committed to respecting human rights and freedom for all employees.	Diversity, Equity, and Inclusion We embrace culture and principles to create a work environment that promotes diversity, equality, and inclusion to unlock the power and potential of all talents.	Health and Safety Employee’s health, well-being and safety is our highest priority. We foster and has strong commitment of Incident Injury Free culture.	Learning and Development Our approach to the development of the skills and capabilities of SPRC’s family encourages a growth mindset, which is essential to the success of employee engagement and the leading performance culture goal.
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Human Rights

At SPRC, we are committed to respecting human rights and freedom for all employees. Starting from the beginning, talent sourcing process, hiring of forced labor and child labor are strictly banned as referred to in recruitment guidelines. Reference Human Resource Policy, at all levels of the employee, we prohibit discrimination against hiring, reward, promotion, and access training based on gender, race, religion, or political opinion. We treat all employees fairly in terms of wages and working hours to ensure that they have the right to an adequate standard of living.

Diversity, Equity, and Inclusion

Our resiliency through an agile way of work and engaged workforce helped SPRC chart a path over the years. Our “One Caring Family” culture promotes a sense of inclusiveness to our employees. We ensure

that every voice regardless of what they look like, where they come from, or whom they love is heard and valued.

There is no gender or sex-based inequity in SPRC's remuneration procedure. We pay men and women equally based on their job level. At SPRC, we value gender equity, as one of the measurements we have a paid parental leave policy for women and men employees.

Health and Safety

Employees' safety, health, well-being, and happiness at work, as well as outside the workplace and working hours are embedded in our core value and Incident Injury Free (IIF) culture.

SPRC has more than 15 sport and recreation clubs for employees to join as their preferences. All clubs are subsidized financially, and some events extend to include contractors and communities for social contribution purposes.

Learning and Development

Attracting, developing, and retaining the best talent is vital to our long-term success. We develop employee capability to grow in their career path by providing them equal access to skills development, broaden experiences in various forms of job assignment including succession planning and secondment opportunities with our major shareholder, Chevron.

In 2023, a total number of 32 employees were hired and develop to prepare for retirement pipeline according to succession planning.

Human Capital Approach (HR)

In 2023, SPRC empower and nurture employees through the integration of our One Caring Family culture and We Lead behavioral expectation through our comprehensive career development program leverage for Leading performance organization. The Human Resources Policy encompasses our working culture, responsibilities and procedures including total remuneration, performance management system and the promotion of human right to value diversity, equal, inclusive happy and caring working environment for all.

Our human capital approach is overseen by our Human Resources (HR) Committee, which is one of three Board subcommittees. Senior governance demonstrates the importance we place on human capital related topics and our commitment to creating the best and high-performance workplace. The HR Committee is responsible for overseeing our approach to recruitment, onboarding, competitive total remuneration, welfare and benefits, promotion of employee engagement, creation of a happy workplace, knowledge management, performance management, succession planning, and employee and leadership development. The HR Committee meeting was held online one time and in person three times during 2023 and is chaired by the Chief Executive Officer (CEO), with support from four experienced non-executive directors.

The HR Committee continues to monitor our progress towards our 'People Strategy' "Set Thailand Standard for Employer of Choice" Action plans are updated on an annual basis to implement the most effective and up to date practices, which positions us to set the highest standards in Petrochemical & Refinery industry. Our strategy will support us to continually develop a competent workforce and organization capability for the future growth opportunity, as well as implement technological advances and digitalize working culture to ensure that our employees can utilize the best practices.

SPRC has no labor union but the Employee Welfare Committee where the committee can liaise with the company and discuss employees' welfare issues, provide advice, propose guidelines and opinion to the company which would benefit the employees.

2023 People Strategy

People strategy is mainly supporting two company key result areas which are “Organization Capability” and “Workforce Culture with the objective to enhance the competitive advantage by applying Growth Mindset and adopting We Leader behavioral expectations and Leading Performance Framework into One Caring Family culture and leadership in all employee level to perform their highest capability level that result to lead SPRC wining in any business environment.



People Strategy Action

In 2023, SPRC embedded “We Lead” behavioral expectations into the performance management system, promoted the “Leading Performance” framework, and established a Personal Development Committee (PDC) to enhance organization capability, strategic talent management and succession plan, enable leadership and talent development, and promote effective decision-making at the right level through PDC governance implementation, which helps describe what we expect from each employee level.

4 Initiated Company People actions in 2023:

Business and Growth Opportunity	<ul style="list-style-type: none"> Develop and implement a Personal Development Committee (PDC) to enhance organization capability through strategic talent management, leadership development for organizational optimization in alignment with the company's strategic direction, and support succession plan development for growth business.
Organization Capability	<ul style="list-style-type: none"> Deploy We Lead behavior expectations and embed with new Performance Management System to promote sustained high performance through the balance of behavior and results. Adopt and improve leadership development training programs for emerging supervisors and existing line supervisors that align with SPRC Core values and the We Lead behavioral expectations.
Workforce Culture	<ul style="list-style-type: none"> Introduce a winning culture through “Leading Performance” to enhance competitive performance and strong teamwork.

Initiatives

Throughout 2023, we implemented a range of new initiatives and methods that have been introduced to suit the situation. SPRC's main focus is to ensure employees and their families have well-being, Incident, Injury (IIF) while working on site and Work from Home. We continue to create a flexible, equal, diversity and inclusive working environment that creates a competitive advantage attractive to employees, as well as enhance recognition culture, coaching, mentoring, career development, and effective succession plan deployment to prepare talent readiness for future retirement employees and grow business opportunities. All employee activities have remained to engage and build SPRC family bonding, as well as building good relationships with contractors and continually creating good morale and encouragement for employees.

Support Business and Growth Opportunity

Implement Personal Development Committee (PDC) to enhance organization capability.

A key to achieving success in new businesses is the initiated governance structure and multiple business management systems to support scalability of future businesses. The deployment will leverage Chevron’s (major shareholder) tools, systems, and technology to support the successful transition to a winning culture of “Leading Performance” through enhanced people efficiency and sustained competitive performance.



Management and Function Personal Development Committee (PDC) to enhance organization capability through strategic talent management, succession planning, and leadership development to prepare talent readiness to replace retirement employees and grow business in alignment with the company's strategic direction.

Organization Capability

Deploy We Lead Framework and New Performance Management System

To be a leader in all aspects of operations with excellence and efficiency, SPRC has conducted a study to develop a more effective Performance Management System (PMS) in 2022 to leverage performance results through an expected behavior framework that adopt from Chevron, called We Lead.

In 2023, The new “We Lead-PMS” in combine with Leadership Performance concept is introduced to all employees. To develop leadership change capability, SPRC has arranged 14 training sessions for all Supervisors and Managers therefore they will be able inspire and coach their team as leaders led change.



- ◆ **Align and Inspire:** We know what needs to be achieve and how to motivate others to contribute their best-
- ◆ **Build Relationships:** We-create connections with people that add value to the business.
- ◆ **Grow Capability:** We apply the skills and technologies needed for the business to succeed as well as develop others to their full potential.
- ◆ **Deliver Results:** We hold ourselves and others accountable for achieve superior results the right way.

Become a Better Leader

In 2023, SPRC continue to provide a development program through an online learning platform for the Leadership team, Middle Management and talent staff has learned and developed through the online Learning and Development (L&D) platform “SkillLane for Business”, practice and share best practices for learning and sharing community until end 2023. The total number of registered online learners is 114 employees.

Job Rotation Program and On the Job Training (OJT) are executed via Talent and Successor assignments to lead Company Projects to drive the achievement of strategic actions included:

1. Organization Capability
2. Reliability & Efficiency to prepare for major maintenance, Turn Around in 2025
3. Business and Growth Opportunities
4. Workforce Culture
5. Recovery and improve reliability of SPM operations
6. Base business: Operation Excellent, Stake Holder, People

Leadership and Technical developments to support the success of business integration with the joint effort of Chevron Thailand One Team organization capability development, there are 4 secondment assignments in Legal, Finance, Human Resources and Procurement teams.

Team and Leadership Integration (TLI)

SPRC continues to develop leadership competencies, a feedback-rich culture to build trust through the We Lead concept.

The Team and Leadership integration workshop is well supporting new leaders in adapting to the team. The participants were required to provide feedback the team lead via the Korn Ferry 360 Feedback Reporting Platform (based on Chevron's We Lead Framework), bonding sessions were set to review feedback and share expectations and commitments together for further action or coaching.

In 2023, there were 2 TLI-Senior Leadership and 3 functional Leader's sessions. In addition, there were 5 senior leaders who performed the full Korn Ferry 360 Feedback Platform and utilized the results for further leadership coaching and development.



Workforce Culture

One Caring Family Culture

SPRC strives to foster a caring culture upon the values of diversity, equality, and inclusion where employees can immerse themselves and grow. We support every employee's success and career fulfillment while providing support through different stages of their work lives and career paths.

From the first day of employment, it is a must that new employees should have enough knowledge on SPRC Business Conduct which consist of company's policy, scope, purpose together with their own personal rights both the fundamental right of a human, and the employee's rights (GRI 410-1). Therefore, the business conduct training session is provided for all employees. Also, in the beginning stage with SPRC all colleagues are entitled to their spouse and children's medical benefits as we are aware that the sickness of the loved ones causes stress to them. SPRC believes that all parents should have the opportunity to spend time with their new family members without any concerns about their job security and salary, thus we also provide paid parental leave to our employees no matter what their role is. For Female employees, the paid maternity leave is greater than the requirement by local laws and regulations.

In 2023:

553 employees are entitled to parental leave (413 men, 140 women)

3 employees took parental leave. (3 women)

3 Employees returning to work in the reporting period after parental leave ended.

As of 31 December 2023, 3 employees were still employed after parental leave taken in 2023.

Hybrid Work system

In 2023, SPRC continue trail on flexible working with the hybrid model and offers remote work flexibility on Mondays and Fridays and in the office Tuesday through Thursday to enhance effective face-to-face collaboration and teaming.

We believe that having sufficient face time in person helps to promote trust and forges stronger working relationships both within and across teams. With the trial hybrid work model, we're able to attract new talents, harness the strength and advantages of work-from-home whereby employees have sufficient focus time to execute their own work and more opportunity to plan work strategically for the future while balancing with personal and family situation.

Leading Performance Culture

Leading Performance culture is the long-term strategy of SPRC to power the organization led by passionate leaders in any environment. Operational Excellence and Incident and Injury-Free (IIF) are our foundation. In current business situations, it is essential for a workforce to have a strong corporate fundamental culture and to be resilient with a growth mindset to win in any environment.

By doing so, during 2023 we had introduced "We Lead Framework" across the company to set a standard of expected behavior and capability from the employee and integrated to Leading Performance concept that drives the journey by Leadership to lead change in the organization and passionate Change Agents represents from 14 departments.



Train the Trainer Workshop (We Lead We Team We Win) by a Leading Performance Trainer, Chevron Upstream Thailand to SPRC's Change Agent on 7 June 2023

Feedback Rich Culture

At SPRC, we ensure that all voices are heard and respected via various communication channels.

Pulse Survey

Apart from a direct speak-up channel to supervisors, HRs, and/ or department leaders, we sought feedback from our employees in a formal approach through an annual Employee Engagement Survey. This is the robust measurement tool to our People Strategy. However, we heard feedback of more flexible

in our methodology. Therefore, we introduced a pulse survey approach in 2023. The pulse survey content is more specific to a topic that we would like to seek ideas or opinions thus it is shorter and lighter than the annual engagement survey. The survey topic can be varied from Change of Provident Fund Investment to a Company Culture Expectation after Merger and Acquisition.

In year end, we launched several numbers of pulse surveys, result as follows:

- We Lead workshop satisfaction, with 85% of respondents of total employee, satisfaction result with constructive suggestions to the working team.
- Change of Provident Fund Scheme for alternative investment, with 20% of response of total employee, result to remain the current provident fund scheme.
- Change Management - Business Integration Transition, with 55% of response rate included Refinery and Fuel Marketing, Result to the positive impact and pride of the transition.

Executive Communication

An effective communication channel for executives to convey messages to employees is a townhall meeting. In 2023, we had 3 townhall meetings for Chief Executive Officer together with other managements to deliver business direction messages to employees through real-time and Q&A session.



Kor Hai Box

To enhance employee satisfaction, in 2023 we continue to listen to the family through Kor Hai Box (Please Tell US) communication channel. This channel is a bottom-up communication where ideas are shared, and all concerns are raised. We ensure that the employees' identities are protected, thus they can choose to reveal themselves or stay anonymous.



As we would like to promote Feedback-Rich culture on this channel the employees can also express their concerns in any area to a specific management team member to response. At year end, we received 78 numbers of acknowledgement, ideas, and concerns and 63 of them were responded and the rest were acknowledged for further improvement.

Recognition Culture

SPRC continually promotes recognition culture by recognizing employee and contractor good behavior in alignment with SPRC Core Value and safety practices in the workplace.

From 2023 onwards the company developed an e-Recognition system to encourage more opportunities to show gratitude and appreciate those who do go above and beyond to help their colleagues deliver business results.

At year end, the totals number of e-recognition is 319 cases.



Human Resource Digitalization

In 2023, SPRC implemented the 1st phase of HR digitalization platform of SAP Success Factor including three HR modules: Performance Management System—Goal Setting, Learning and Development, and Succession Plan Management. All employees were trained and utilized.

There was an update in the Performance Management System to support the integration "We Lead" concept into goal setting, which was introduced to all supervisors and managers and successfully extended SAP Success Factor in all 3 modules to new businesses, Fuel Marketing at year-end.

HR Digitalization Platform, SAP SuccessFactors, and SPRC value transparency and data protection as essential and is fully committed to complying with applicable law and company regulations. Employees will effectively manage their annual performance, goal setting in alignment with corporate factors, target, learning and development path, as well as management success plan through this new system in 2024 onwards.



Looking forward (HR)

To position our business for growth and more resilience, SPRC ensure the family having more Agility with Growth mindset together as one caring family who has highly reliable spirit for an Employer of Choice going forward, we review people vision, mission and strategy to responds this uncertainty situation and growth opportunity, also continue support highly performance.

The roadmaps will be continued to enhance Organization Capability and strengthen SPRC's enterprise One Team, One Family to drive Leading Performance culture with We Lead framework. The priorities in main areas:

1. **Drive Leading Performance Culture across SPRC's enterprise (Refinery and Fuel Marketing):** Deployment of "We Lead" based Performance Management System and drive on "One Team" target and One Team business results with competitive employee's Total Remuneration.
2. **Future workforce planning for a retirement workforce:** Continue strengthening Succession Planning and development to ensure the readiness in talent pipeline for grow business.
3. **Digitization:** Continue investment into new technologies to improve employee experience, operational efficiencies, and develop employee's digitalize competency including:
 - E-Learning applications to encourage learning and development from anywhere, anytime.
 - People Management digitalization included PMS, Successor & Talent, Learning and Development, Compensation and Benefit, Talent Acquisition.
 - Knowledge Management
4. **Agile and Growth mindset:** Implementing an agile culture across SPRC to encourage innovation, design thinking, simplify and effective decision making and be effective leaders at all levels and willingness to embrace change with growth mindset.
5. **Organization Capability:** Strategic people developments and continue on leadership and functional competency development through feedback, coaching and mentoring, new supervisor training resources and job assignment to 2025 Turn Around maintenance and Secondment opportunities both domestically and internationally with Chevron One Team efforts.

Performance

Description	Unit	2021	2022	2023
Average hours of training per year per employee	Hours	25	51	56

3.4.2.3 Community Wellbeing

In developing communities and society, SPRC has established strategies in community relations by targeting groups located in areas near the refinery and port of the Company, as well as areas that may be affected by the Company's activities.

In 2023, the company has expanded its areas of social responsibility activities and engagement with stakeholders, covering 38 communities and 60 fishery groups. The company remains committed to sustaining its social responsibility efforts continuously, including fostering strong relationships with the community. The company set a target for 50% of employees to participate in social responsibility activities, with actual participation reaching 55% of employees. Additionally, the company aimed for an 80% community engagement satisfaction rate, achieving an acceptance rate of 86% from the community and society.

The company allocated a budget of over 41.4 million baht to support its social responsibility initiatives. This demonstrates the company's sincerity in its responsibility and concern for the community and society, covering four key areas: education and youth, quality of life, environment, and long-term relationship building with surrounding communities. These have been implemented through various activities, including:

Education and Youth

Promoting education for children and youth is a national priority that should be emphasized. SPRC recognizes the opportunity to support education and skill development to ensure that the organization can contribute to nurturing knowledgeable and capable youth. Additionally, it aims to create opportunities for better career prospects and quality of life for individuals in society.

- **Project of Vocational Chemical Engineering Practice College (V-ChEPC), Map Ta Phut Technical College in its 15th consecutive year:**

SPRC has supported the project of Vocational Chemical Engineering Practice College ((V-ChEPC), Map Ta Phut Technical College for 15 consecutive years, totaling over 14 million baht. This support aims to enhance the teaching and learning of petrochemical engineering under the V-ChEPC project. During Phase 6 (2023 - 2025), SPRC has provided an annual support of 500,000 baht.

- **Support of Educational Scholarships and Activities:**

SPRC allocates a scholarship fund totaling 461,000 baht to students in 38 communities and in 17 fishery groups. This initiative aims to support and enhance educational opportunities for children continuously and, importantly, alleviate the financial burden on families in need. Additionally, SPRC provides support for equipment and tools for educational purposes, including various educational activities in schools and educational institutions in Rayong province. These efforts aim to encourage students from communities to pursue learning opportunities and foster closer relationships between the community and schools.

- **The Youth Volunteer Leadership Network Project with Nong Star:**

SPRC, in collaboration with the Map Ta Phut Industrial Estate Authority Office and the Education Division of Map Ta Phut Municipality, organized the event "Pooling the Power of Smart, Virtuous People with Volunteer Spirits to Combat Substance Abuse" as part of the "Youth Volunteer Leadership Network Project with Nong Star". The event was attended by junior high school students from Rayong province, including students from Map Ta Phut Panpitayakarn School, Rayong Industrial Estate School, and Map Ta Phut Municipality School. Fifty students participated in the networking activity, where "Pat Power Pat" shared experiences, inspired participants, and special speakers provided in-depth knowledge while assisting at-risk youth in the community of Rayong province to stay away from substance abuse and grow into quality individuals, contributing to the ongoing development of the nation's society.



- **Support of Youth Sports:** SPRC supports youth sports to promote physical activity, instill sportsmanship, keep youth away from substance abuse, and utilize their free time constructively. This includes providing facilities for youth to develop various sports skills, fostering participation among government agencies, private companies, and the public. Additionally, it aims to increase income and

stimulate the economy for people in the Rayong province area. SPRC supports various sports, including:

- **Table Tennis Sports: "Spinning Star by SPRC" team, 5th Consecutive Year**

In 2023, the athletes competed in a total of 12 events, comprising 7 national-level events and 5 general events, in the under-18 youth category. Three athletes from the team were selected as representatives for the provincial table tennis competition, representing Thailand in the National School Sports Competition. They secured the championship title in the girls' under-12 category, first runner-up in the boys' under-12 and under-15 categories, as well as in the girls' under-18 category. They also achieved the second runner-up position in the boys' under-15 category for this event.

Furthermore, SPRC, in collaboration with the Sports Authority of Thailand, the Rayong Sports Association, and the Rayong Table Tennis Club, organized the "Spinning Star Competition by SPRC Table Tennis Tournament 2023" with the aim of promoting table tennis among youth, both male and female, in Rayong province who are interested in the sport. The event provided a platform for young athletes to showcase their competitive abilities and develop their skills to represent Rayong province in provincial, regional, and national-level competitions. Additionally, it aimed to encourage youth to cultivate a love for physical activity and make productive use of their free time.



- **Basketball: "Hanuman Dream Team Basketball Club", 8th Consecutive Year**

In 2023, athletes from the club were selected to represent the province in the under-18 girls' basketball competition, totaling 12 players. They competed in the Education Area 2 - School Sports Competition and secured the second runner-up position. Additionally, they participated in the 5x5 basketball competition organized by the NBA Thailand, winning the first runner-up title. Furthermore, the company provided opportunities for youth to develop basketball skills by organizing the "3x3 Street Basketball Competition," which attracted participants from various provinces including Chanthaburi, Trat, Chonburi, Bangkok, and Nonthaburi, totaling 51 teams.



Quality of Life

Promoting a culture of well-being, robust health, and resilience against illness, while enhancing the overall quality of life in the community, is an integral part of the SPRC family. We aim to foster and develop community and societal life to meet fundamental needs and elevate living standards, thereby fortifying communities to become essential forces in the sustainable development of the nation.

- **Exercise for Health Program, 8th Consecutive Year:**

SPRC, in collaboration with the Map Ta Phut Municipality, organized the health promotion activity "Aerobic on Tour" for the 8th consecutive year. In 2023, the project expanded its coverage to include Mueang Rayong District, comprising 15 sub-districts. The "Developing Leadership Potential in Exercise" activity involved over 120 participants, aimed at promoting and supporting leadership with knowledge and skills applicable to community exercise.

Furthermore, in conjunction with the Rayong Provincial Administration Organization and the Sports Authority of Thailand, SPRC hosted the "SPRC Dance For You 2023 – Dance Together... Share with Heart" exercise competition. This event brought together health enthusiasts to promote and stimulate community exercise, develop exercise skills, foster competition experiences, as well as creating friendship and sportsmanship and unity of the people in the area. There were more than 1,000 people participating in the competition and cheering. The Calories Credit Challenge (CCC) application has been introduced to help count calories during exercise. In addition, applicants participating in the competition also contributed to the budget for the purchase of medical equipment. It was determined that 1 applicant was considered as a contribution to the fund to purchase medical equipment for the hospital. It was valued at 1,000 baht per person and this time, there were 463 applicants to participate in the competition. This year, SPRC contributed funds to purchase medical equipment for 10 healthcare facilities in the eastern region.



- **Purchase of Medical Equipment and Supplies: Provided to Various Hospitals in the Eastern Region, continuously for 7th Year**

In 2023, SPRC purchased medical equipment and supplies, with funding from the "SPRC Dance For You 2023" fitness competition, and provided them to 10 healthcare facilities (3 hospitals, 4 sub-district health promoting hospitals, and 3 public health service centers) in Rayong province. The total amount spent was 6.3 million baht. Additionally, SPRC has been actively involved in social assistance across various sectors, supporting medical personnel's work, providing convenience to the public, and supporting essential medical equipment and supplies for healthcare institutions for a total of over 30 million baht over the past 7 years.





- Support for the Improvement of Government Contact Facilities for the Convenience of the Public**
 SPRC is aware of the importance of creating facilities and environments that are safe and suitable for the community, especially those used for ensuring public safety and security. The company supports the improvement of government contact facilities in Rayong province such as renovating a Police shelter at Mae Ram Phueng beach, installing the awning to the Office of Police Forensic Science, and enhancing the landscape and accommodation buildings for tourist police in Ban Phe. This was aimed at providing efficient services and meeting the needs of the public for convenient and quality government services.



- Careers Promotion and Community Products Development**

SPRC, in collaboration with the Industrial Estate Authority of Thailand (IEAT) in Map Ta Phut, has established two community enterprise groups: the Agricultural Career Development Community Enterprise, Wat Map Ta Phut Community and the Career Development Community Enterprise, Wat Map Ta Phut Community. These groups aim to promote careers and develop community products. Additionally, we organized training sessions for members of the community enterprises and residents to enhance their knowledge and skills in basic accounting, proper pricing strategies for sustainable trading practices, and practical application of acquired knowledge in daily life.

In 2023, members of these community enterprise groups had the opportunity to sell community products during various community events and activities, as well as through partnerships with companies. This initiative generated income exceeding 500,000 baht, contributing to the economic development of the community.



Project for Enhancing the Quality of Life and Careers for Local Fishery Groups in Rayong Province

SPRC supports the provision of fishing tools and supports the aquatic animal landing ports for local fishery groups in the area according to the needs of the groups, totaling over 1 million baht,

comprising 29 groups. The objective is to enhance efficiency in fishing activities and create opportunities to increase income. We believe that developing local wisdom and strengthening career pathways for fishery groups will have long-term economic and community growth benefits.



- **Support for the "Mae Ram Phueng - Roi Rim Le" Festival, an event promoting tourism and stimulating the local economy in Rayong**

SPRC aims to promote tourism and stimulate the local economy by aspiring to elevate Mae Ram Phueng Beach as a new landmark destination. Through collaboration with the Tourism Authority of Thailand (TAT), the Rayong Provincial Office, the Tapong Subdistrict Administration Organization, and the Mae Ram Phueng Entrepreneurs Club, the "Mae Ram Phueng - Roi Rim Le" Festival was organized. The festival featured food, music, and entertainment along the Ban Chon - Mae Ram Phueng Beach Road in Tapong Subdistrict, Mueang Rayong District, Rayong Province. It included opportunities for sightseeing, dining, shopping, showcasing community products (OTOP), with over 100 food stalls, as well as a variety of entertainment options.



- **Support of organizing the "Ao Makham Countdown" event to welcome tourists during the New Year's celebration, a festival of happiness.**

SPRC emphasizes the importance of participating in and supporting beneficial community events in various communities and in Rayong Province. As part of this commitment, SPRC participated in organizing the "Ao Makham Countdown" event to welcome tourists during the New Year's celebration, a festival of happiness. SPRC allocated a budget of 2,000,000 baht for this event. Supporting tourism activities in Rayong Province is crucial, especially when it involves collaboration with local communities. This collaboration helps strengthen community resilience, stimulates the local economy, generates employment opportunities, and fosters a sense of responsibility towards preserving resources, the environment, and the community's culture and heritage.

Environment

SPRC recognizes the importance of environmental conservation and preservation systems, including promoting waste management solutions in the sea and restoring Thailand's marine tourism destinations to their natural beauty. Additionally, SPRC supports initiatives that encourage everyone to take

responsibility and collaborate in caring for the environment and communities to ensure cleanliness, thereby fostering sustainable tourism.

- **The 'Foster Future Forests' project aiming to develop urban forests in Rayong Province while driving towards a low-carbon society in the future**

Star Petroleum Refining Public Company Limited (SPRC), Chevron Thailand Exploration and Production, Limited (CTEP), and Chevron (Thailand) Limited (CTL) joined forces to launch the "Foster Future Forests" project in collaboration with the Ministry of Natural Resources and Environment, the Department of Marine and Coastal Resources (DMCR), and Rayong Province, along with various government agencies, academic institutions, and local communities in Rayong Province. The initiative aims to revitalize the environmental system within a 100-rai area of undeveloped mangrove forest in the middle of the river at Pak Nam Sub-district, Mueang District, Rayong Province. The project aims to increase green space to absorb carbon dioxide and restore the "Urban Forest," which is vital to the community. This project marks a new beginning in gathering knowledge and strategies for environmental restoration, which can be beneficial to other areas. It aims to transform this mangrove forest area into a model for significant greenhouse gas absorption areas in Thailand's future.



- **Beach Cleanup Activity: International Coastal Cleanup Day, 21st Consecutive Year**

SPRC, in collaboration with various entities including the Rayong Province, Khao Laem Ya-Mu Ko Samet National Park, Rayong Provincial Administrative Organization, Ban Phe Subdistrict Municipality, Taphong Subdistrict Municipality, entrepreneurs from Mae Ram Phueng Beach, Industrial Estate Authority of Thailand, and entrepreneurs from Map Ta Phut and Ban Chang, organized the International Coastal Cleanup 2023 event. This event aimed to develop three beach areas stretching from Laem Charoen to Suchada Beach, covering beaches like Nam Rin, Phayun, Phla, and along Mae Ram Phueng Beach, Rayong Province, totaling approximately 27 kilometers. The objective was to restore the beauty of the sandy beaches and raise awareness about environmental issues along the coastal ecosystem. The event encouraged people to maintain cleanliness and collect garbage, resulting in the collection of over 6 tons of waste. The data on the collected waste were sent to the Ocean Conservancy in the United States to contribute to the global effort to address marine debris in the long term.

In 2023, SPRC organized a beach cleanup activity along the Mae Ram Phueng Beach, Phe Subdistrict, Mueang Rayong District, covering 12 kilometers distance. More than 1,000 volunteers, including employees, tourists, and the public, participated in the event and collected over 3 tons of garbage. Additionally, a community waste bank initiative was introduced to address the need for resource management in the Mae Ram Phueng Beach area. The initiative was led by the Mae Ram Phueng Beach Conservation Club in collaboration with the Ban Phe Subdistrict Municipality and Map Ta Phut Municipality, benefiting a total of eight schools in the area by providing educational scholarships through a garbage collection game.



"Release of Aquatic Animals" Project in Rayong Province, 21st Consecutive Year

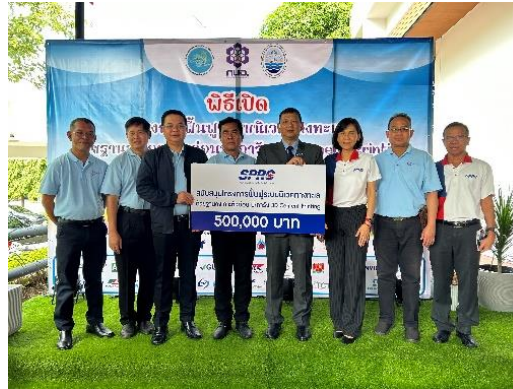
The "Release of Aquatic Animals" Project is a collaborative effort among various government agencies, the industries in the Map Ta Phut Industrial Estate, and other relevant organizations that prioritize natural resources and the environment. The objectives of this project are to increase the population of aquatic animals in the sea, raise environmental awareness, and conserve the fishing profession to generate income for communities.

This year, SPRC organized the release of aquatic animals at the Phayoon Fishery Community Enterprise. The released aquatic animals included 199 broodstock crabs, 2,100,000 baby blue crabs, and 200,000 shrimp, totaling 2,300,199 individuals. These aquatic animals were sourced from the breeding farms of the fishery group members under the Phayoon Fishery Community Enterprise, located in Mueang and Ban Chang districts. This activity aims to encourage all sectors to participate continuously in beneficial projects for society, fostering sustainable development and creating a happy society with abundant natural resources and environment for the benefit of all.



- **Support the "Restoration of Marine Ecosystems" Project through the use of 3D Cement Printing technology to create artificial coral reefs at Saket Island, Rayong Province**

SPRC collaborates in restoring the marine ecosystem around Saket Island, Map Ta Phut Subdistrict, Rayong Province, aiming to increase marine life for the local fishery community and promote eco-tourism activities. This is done by jointly supporting funding for the restoration of the marine ecosystem through the establishment of artificial coral reefs using 3D Cement Printing technology in the surrounding area of Saket Island, Rayong Province. The project is organized by the Marine and Coastal Resources Conservation and Restoration Foundation in collaboration with the Industrial Estate Authority of Thailand (IEAT) and the Department of Marine and Coastal Resources, Region 1 (Rayong), with a budget of 500,000 Baht.



Relationships

SPRC prioritizes building strong relationships with the community to enhance the quality of life for people in the area. This involves supporting and participating in traditional and cultural activities, religious ceremonies, and local community events to help preserve local traditions, religions, and cultures. Moreover, SPRC consistently engages in various activities such as National Children's Day, merit-making ceremonies, Songkran festival celebrations, hosting the Kathin ceremony at a temple including contributing to merit-making at various temples in Rayong province annually, Loy Krathong festival, and community development activities on significant occasions like Royal Coronation Day.



In this regard, the Management and the employee regularly engage with the community to listen to feedback and suggestions for further development and strengthening of the relationship between SPRC and the surrounding community.

You can visit SPRC's social responsibility activities by [clicking here](#).

Performance

Target	Unit	Performance		
		2021	2022	2023
50% of SPRC employees participate in social responsibility activities and community events	Percentage	26	52	55
80% community engagement satisfaction	Percentage	90	77	86

3.4.2.4 Business Partner of Choice

SPRC strives to be a business partner of choice for our suppliers and customers. We collectively contribute to Sustainable Development Goal 7 to ensure universal access to affordable, reliable, and modern energy services. SPRC is committed to contributing to the energy security of the country, and our business partners are critical to realize this.

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SPRC's ambition is to create value not just for our company but for our business partners. Being a business partner of choice involves being economically competitive in the market as well as doing business in an effective and ethical manner through the sustainability principles embedded in our company culture. This year SPRC announced the Board of Director approval for acquisition of CTL's fuel business which will make SPRC an integrated refining and fuel marketing business with tremendous opportunities ahead to increase value for SPRC's shareholders and customers.

Enhance Customers' Relationship is a key theme in SPRC's mission to be a sustainable business. The theme reflects SPRC's drive to ensure it can continue to maximize profits for its shareholders despite any external disruptions to the business. There were several business disruptions in 2023 that exhibit why this theme and mission are important to SPRC.



Customer Relationship Management

Business partner of choice is one out of ten sustainable development areas that SPRC had agreed upon SD framework and customer satisfaction is one of the most important principles for SPRC. To enhance our customers' satisfaction as a prerequisite for our long-term success. We aim to reliably deliver quality products and services that exceed customer expectations.

One key highlight for 2023 was the supply management with customers during SPRC's planned and unplanned shutdowns. SPRC worked closely with our customers to update the situation and manage the products supply by sourcing out supply from others in Thailand, as well as managed imports to supply customers and prevent shortage. By working closely with our customers, we can create a win-win and happy customers to meet demand.

An additional highlight is the management of the jetty schedule with customers to ensure smooth supply even with the added congestion from crude ships (with SPM out of service).

In 2023, the Thailand industrial sector also faced an additional concern of higher energy costs. SPRC worked with our business partners to collaborate and find a solution to mitigate the impact for all parties.

Approach: Ongoing Customer Engagement and Dialogue

To Enhance Relationship, SPRC communicates with customers through monthly face-to-face supply meetings and monthly scheduled meetings to deliver product supply commitments along with SPRC's planning, product supply and scheduling teams and product dispatch teams to ensure commitment to sales whilst maintaining excellent safety and quality standards.

SPRC seeks monthly feedback from Chevron, PTTOR and PTT to discuss key issues and to gather quarterly feedback through a survey covering customer satisfaction and supply chain KPIs. We are audited by PTT every two years as part of their "Sustainability Performance Assessment" and we consistently obtain positive results.

Implemented to sale Mogas GBase91+ for (E20) vessel, Thappline and Truck modes

The government launched the Gasoline future plan and E20 is one of the major grades in the future. Previously, E20 was produced from Gasohol Base 95 RON for E10 which creates giveaway on quality after blend with 20% Ethanol. SPRC realized the opportunity to reduce the cost of produce of E20 by using a more optimized base blend stock while still ensuring the quality of the product meets or exceeds customer expectations.

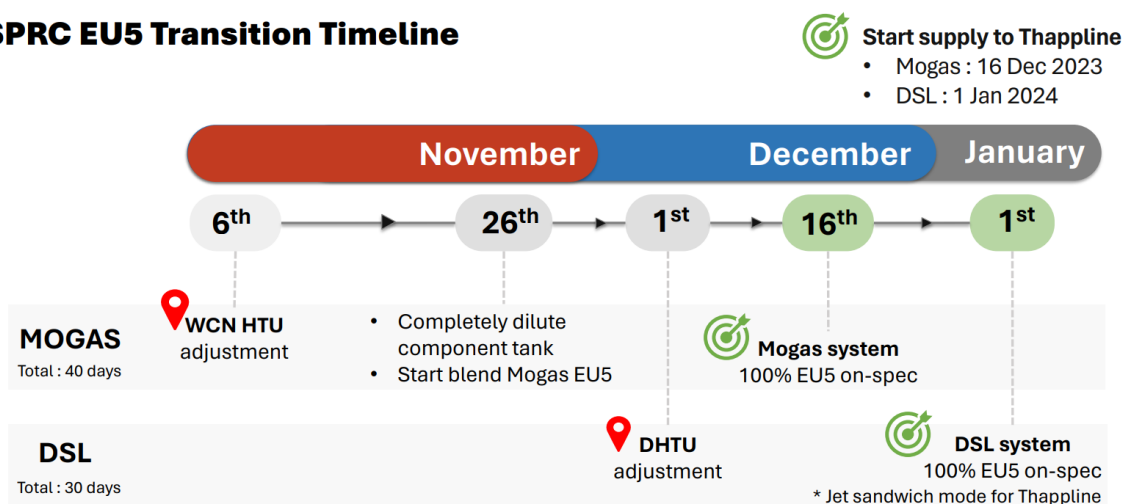
SPRC has worked closely with it's customers and the government to make this opportunity into a reality. This implementation has created win-win approach between Refinery and customers by reducing the cost to produce at the refinery as well as marketing.

Euro 5 readiness for Gasoline and Diesel

SPRC has developed EURO V TRANSITION PLAN & READINESS which was focusing on EU5 Transition Timeline, EU5 specification and Process adjustment target, Component tanks assignment, Prelim EU5 recipe and Pre-execution checklist for EU5 transition.

To align and share about EU5 (Mogas & DSL) Transition Plan and target operation to working team. Moreover, a Checklist for EU5 readiness is introduced to ensure that all critical concerns are reviewed and prepared. SPRC has implemented per the timeline and achieved per DOEB implementation plan as the Refinery on-specification, started **01 Jan 2024** onward.

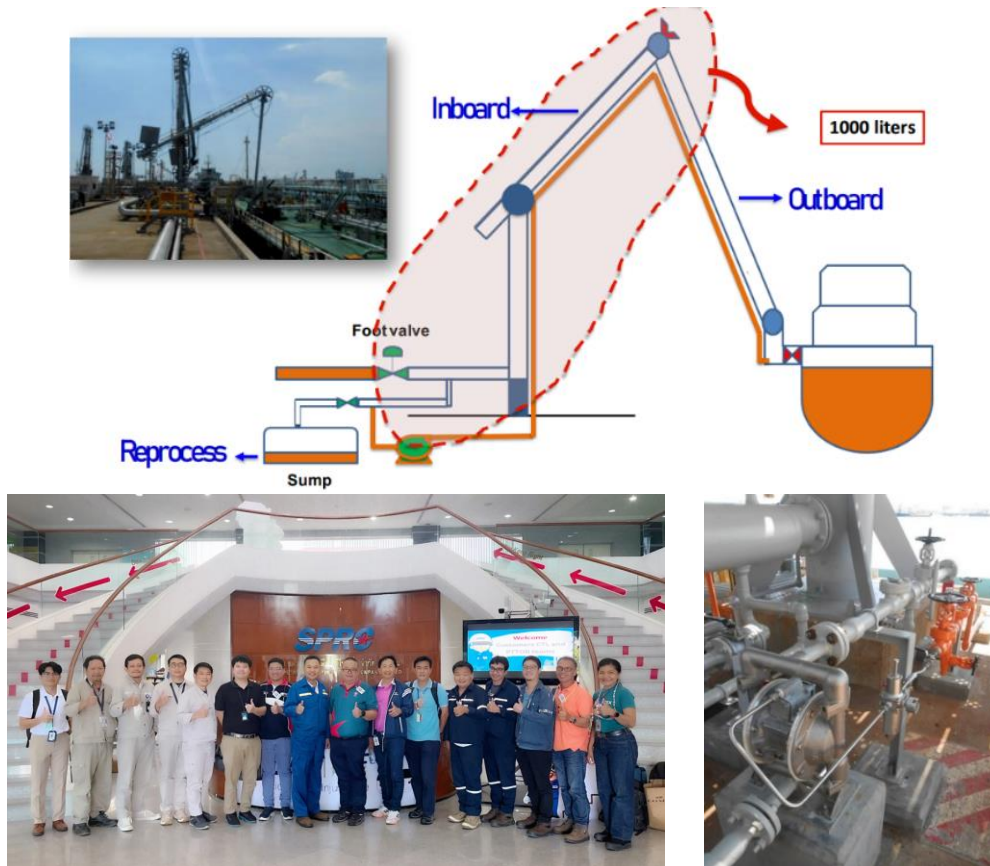
SPRC EU5 Transition Timeline



Install Stripping pump at products Loading Arm

This project could help SPRC to minimize of reprocessing for oil remaining in loading arms and help strip the remained products in the low points of loading arms into the customers vessel, so that customers could get the products quantity per the metering invoicing figure.

The project has been completed and observed an operation testing by customers (Chevron, PTTOR) prior to commercially agreed to implement and cancel the invoice 1,000 liters deduction process which started 01 August 23 onward.

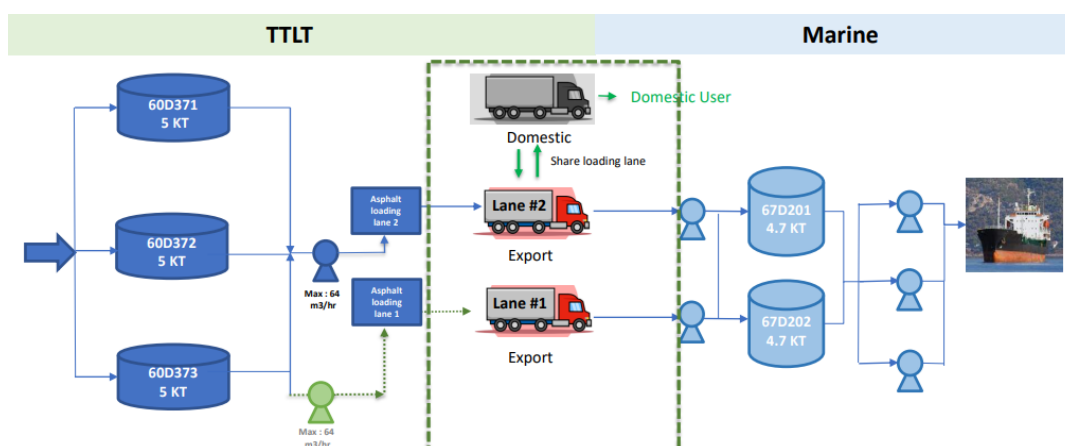


Maximize Asphalt Loading Capacity Project ongoing

SPRC TTLT loading facility, there are two loading lanes with one pump for service 2 grades of Asphalt (Domestic & Export). While lane 3 and 4 are obsolete and not ready to use. Thus, maximum loading is limited to 25 KT/month with two loading arms.

To capture benefit from higher export asphalt production, this project aims to increase TTLT loading capacity to maximize asphalt production. The project will increase loading rate by Utilizing lane 3&4 loading pump (install cross overline from lane 4 to lane 1) service 1 lane 1 pump. New loading capability = 30 KT/month

The opportunity of this project is for SPRC to maximize the production of Asphalt to meet growing domestic or regional (export) demand while minimizing Fuel oil production (lower value product). This project has been ongoing which expected to complete and in-service around Mar 24 onward.



Face-to Face Customers Visiting

After the risk for severe COVID-19 infections/spread had been reduced significantly, SPRC has informed and welcomed our customers to visit the Refinery to straighten the relationship and explore opportunities with customers. The year 2023 we got PTTOR's leadership, Chevron (Thailand), Thappline-commercial and operation teams visiting.

SPRC has organized the "Customer Thank You" event in Nov 23 to thank our business partners for the hard work and celebrate success together. The event helped strengthen our relationship with our customers and allowed SPRC to introduce the refinery and marketing as one company as well as key new leadership members.



Performance

SPRC achieved a Customer Satisfaction score of 86.7% in 2023, versus our target of at least 80%. Highlight feedback are:

- SPRC is able to supply products and handle product with safety)
- SPRC can provide flexibility for products supply,
- SPRC can support customers to manage by exporting the volume that domestic could not lift as slow demand and import to cover short supply.
- Great support and well communication from Scheduling and commercial.
- Good support from Lab for testing GB91 for E20 during study and implementing and increased of GB91 ratio E10/E20 after implementing.
- Success in implementing GB 91 for E20 (vessel/Thappline/Truck modes).
- Great support from finance team for customer adhoc requested.
- Good support from blender for special blend Mogas and import period RFCCU shutdown.
- Good support Lab/supply during BKK drawdown and Tank cleaning
- Success implements Jetty's loading arm stripping pump and cancel 1,000 liters per shipment from B/L.

From the feedback, we will continue our journey to improve quality of product, supply reliability to meet supply commitment and service quality to exceed customer expectations and create further value along our value chain to both customers and SPRC.

Target	Customer Satisfaction Score		
	2021	2022	2023
80.0% Customer Satisfaction Score	89.4%	87.1 %	86.7 %

Supplier Relationship Management

SPRC attaches importance to supporting the operations of partners in all ways by communicating situations regularly, especially with strategic partners and who related to plant reliability and safety, ensuring that the SPRC and its partners understand the situation of the two parties in sync. At least one engagement activity per year is created during the performance evaluation and review period. In 2023 Invite vendor who related to plant reliability and safety to join SPRC activities and communicate situation with them and seek for ideas to improve supplier relationship.

SPRC continues to implement a framework based on product groups, including evaluation of contractor/partner performance. Evaluating contractors/partners who are related to plant reliability and safety to ensure that contractors/partners have management systems in line with the SPRC's contractor/partner management system such as deploy Supplier Qualification Management (SQM) for strategic contractor and related to plant reliability and safety i.e. SPM Vessel, Project Construction, Design Engineering.

Since 2020, the Company has developed an electronic signing system to improve the efficiency of the contract management system. Contractors/partners can sign at the same time electronically. This can reduce contract signing time by more than 95%, including electronic storage of contracts without the need to be printed as paper, to reduce exposure and maintain social distancing in line with new guidelines for responding to the COVID-19 pandemic, as well as reduce document costs. In 2023, continue to find new digital models and tools to increase its potential, competitiveness and reduce cost. In 2023 continue activities from 2022, the Company joint with team established from Chevron (Thailand) to operate in the form of Thailand One Team to develop contract management systems, in-house maintenance systems, as well as inventory management systems. To bring the potential and raw materials of each business unit to the best of their advantage as well as reduce operating costs to increase competitiveness such as developed Supplier Capability Assessment - New procedure.



Since 2020, the Company has developed procedure to assess new vendor who want to do business with SPRC and product and scope of work affecting the refinery activities related to reliability and integrity need require to pass Approve Vendor List (AVL process) and Vendor's performance review.

Green Procurement Operations

Green supply chain project completed and started implement in 2022. The partner relations management has been reshaped in the procurement process by adopting green procurement operations to help promote sustainable development projects in the field of waste management and other projects in the future to help reduce environmental impacts, which will help promote a positive image for the SPRC.



Define a concrete assessment of the partner's performance evaluation.

Since 2020, the Company began experimenting with the implementation of a partner evaluation model to study the feasibility of tangible implementation of the evaluations of partners. After the Company established the criteria for the assessment, as well as to modify the methodology to comply with the new assessment system, in 2023 the Company continue to apply the assessments of its partners to manage partners more effectively, reduce problems caused by some partners, as well as optimize partners who already have good evaluation results.

3.4.2.5 Information Technology (IT), Digital Transformation, and Cybersecurity

Digital Transformation is a key enabler of the SD, but it also poses significant cybersecurity risks. Cybersecurity is an essential component of digital transformation, and it is crucial to ensure the confidentiality, integrity, and availability of information and communication technology (ICT) systems and networks that support digital transformation initiatives. Cybersecurity threats can disrupt critical infrastructure, compromise sensitive data, and erode public trust in ICT systems and networks.

The Global Cybersecurity Outlook 2024 report has been published and highlighted the need for building resilience and enabling systemic global collaboration to address the multifaceted challenges facing leaders across the globe.

Management Approach

Cybersecurity is a strategic priority for our organization, as we recognize the importance of protecting our information resources from internal and external threats. We aim to achieve a high level of cybersecurity resilience, compliance, and value across our operations.

To manage our cybersecurity risks, we follow a risk-based and outcomes-focused approach, guided by the following principles:

We align our cybersecurity objectives with our business goals and stakeholder expectations. We assess and prioritize our cybersecurity risks based on their potential impact and likelihood, as well as the effectiveness of our existing controls. We implement and monitor appropriate cybersecurity measures to prevent, detect, and respond to cyber incidents, in accordance with industry standards and best practices. We continuously improve our cybersecurity capabilities and performance, by learning from our experiences, adopting new technologies, and enhancing our skills and awareness.

We have established a cybersecurity governance structure, led by our Chief Information Security Officer (CISO), who reports to the Chief Executive Officer (CEO). The CISO is responsible for overseeing and coordinating our cybersecurity strategy, policies, and programs, as well as ensuring compliance with relevant laws and regulations. The CISO is supported by a team of cybersecurity experts, who manage the day-to-day operations and activities of our cybersecurity function.

We also engage with various internal and external stakeholders, such as business units, IT departments, auditors, regulators, customers, and partners, to communicate our cybersecurity expectations, share best practices, and collaborate on cybersecurity initiatives. We measure and report on our cybersecurity performance, using a set of key indicators and metrics, such as the number and severity of cyber incidents, the level of cybersecurity maturity, and the return on cybersecurity investment. We use these data to evaluate our cybersecurity effectiveness, identify gaps and opportunities, and inform our decision making and resource allocation.

We are committed to maintaining and enhancing our cybersecurity posture, as we believe that cybersecurity is not only a technical issue, but also a business enabler and a competitive advantage.

2023 Highlighted Projects

In every year, we are keeping our system high standard to ensure that our business, information, and people will be safe from threat, cyber-attacked, or any hackers. We're continuing to upgrade our system and process to meet high standards such as NIST. This year we plan to acquire ISO27001 certification for Information system.

People

We do continually upskill our staff by training, security awareness, and put various contents, so they can learn and know in multiple formats of attack. Moreover, we do phishing mail tests quarterly, to ensure that our staff will be alerted and pro-active for any compromise emails.

Process

We have reviewed our systems and processes to make sure that we have new and up-to-date system security. Highlighted processes are Evergreen processes, including system patches, system vulnerabilities, asset inventory review, software and contract review, user account review, files/folders review, data center review, firewall review, technical control, system hardening, system penetration tests, network design review, mobile device management, and etc. Moreover, we do proactively to monitor out network activity and attacks by using Security Operation Center (SOC) to get real-time scan in our system. All is to ensure that we keep our system running with utilized and effective, free from attack incident.

Technology

In year 2023, we did upgrade Firewall, network switches, and core switches to new technology. We enhance our security system by using cloud technology which is more effective and safe in real time. We implement Privilege Access Management (PAM) to up-level our safeguard when working remotely from anywhere.

Business Continuity

To keep our business running effectively, we have Business Contingency and Disaster Recovery (BCP/DRP) in place, and conduct BCP/DRP testing every year, to ensure that our staffs will have competencies and be able to carry all critical business processes, in case of any system incident. We also work with external consultants to conduct penetration tests both internal and external networks. This is to make sure that we can handle and manage any cyber-attacked and thieves from inside and outside.

Even we manage our systems to be compliance with high standards, NIST and ISO27001. It's our target to certify our system with ISO27001 by Q4, 2024, to build our stakeholders, shareholders, and all member

confidence that we have manage our systems in high-level of security standards, advanced technology, and process safeguard, together with continuously upskill our people, with zero cybersecurity incident target.

Guidelines for handling incidents related to data and information security:

The company has established procedures to handle incidents or security emergencies related to data and information systems. These procedures cover everything from reporting incidents to the IT department and the Chief Information Security Officer (CISO) to recording incidents through the Incident Investigation System and managing issues based on the severity of the threat. This includes containment and response measures, up to system recovery.

Additionally, the company conducts regular activities such as Penetration Tests and Cybersecurity Table Top Exercises to assess and enhance network system security overall. Business Continuity Plans (BCP) and Disaster Recovery Plans (DRP) are also developed and tested annually to ensure preparedness in case of emergencies.

2023 Performance

Cyber incident	0 (No cyber-attack detected)
Personal data breach	0 (No personal data breach detected)
Cybersecurity awareness training	100% (Biannually)
Phishing mail testing	100% (Quarterly)

3.4.2.6 Investment Community Engagement

SPRC respects the rights of its shareholders and commits to ensure that all shareholders, are entitled to all the rights and opportunity to access to company's events, information and activities to enhance the confidence of all of our shareholders to the Company. SPRC imposed the Communication and engagement, implemented efficient communication processes, and provided appropriate communication channels to communicate with the investment community, through Investor Relations team, communicating via the Company's website – Investor Relations (IR) section.

Approach

The Investor Relations (IR) team acts as a center and Company's representative to deliver effective communication and to build as well as maintain positive relationships to foster confidence with the investment community. The Company allowed all information to be equally publicized, whether financial reports, performance outcomes and business outlooks, data affecting SPRC stock prices, or quality-assured data disclosed to the investment community.

Initiatives

The Investor Relations (IR) team is responsible to develop and establish the yearly investor relations plan to ensure efficient communication process and channels to communicate information including the Company's vision, mission, strategies, financial and operational performance to shareholders, investors, analysts, fund managers and bankers both domestically and abroad in accordance with SEC and SET regulations. Also, in order to prevent insider trading issues and to ensure the fairness and equality in information access, the Company has applied the Silent period to not conduct any meeting or reply to questions related to the performance with investors or analysts 14 days prior to the announcement of the Company's quarterly and annual performance.

Star Petroleum Refining PCL

Please visit our Investor relations section in SPRC website for more information [SPRC Investor Relations Website](#)

Performance

Directly and indirectly, SPRC presented its performance outcomes and company information, summarized below:

- Direct: SPRC organized the meetings with investment community to present performance outcomes through analyst meetings, roadshows, conference calls, participation in conferences (domestic and abroad), participation in meetings with retail investors at the quarterly Opportunity Day organized by the SET. In addition, institutional investors (domestic and international) and analysts may make appointments with managements to inquire about company data through company visits.
- Indirect: SPRC discloses financial and non-financial information, as well as other information which is important for investment decisions according to the SET's and the SEC's requirements through the channel provided by SET and through the Company's website – IR section. SPRC also provided other data such as meeting presentation document, webcast and other investor relations' information in the Company's website which is available in Thai and English and it is updated frequently.

Details of Investor Relations activities to disclose information to international and local investors, institutional investors, retail investors, analysts, fund manager and the investment community in 2023 are as listed in the table:

Activities (Normal and Virtual format)	Number (times)
Analyst Meetings	4
Opportunity Day (organized by the SET)	4
Digital roadshows (organized by the SET)	2
Domestic roadshows	4
International roadshows	7
Answering Inquiries by E-mail/telephone	Approx. 3-5 times/day
Press Release on the Company's performance	4

For further information, investors and interested persons may contact 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:-

- Ms. Chutathip Pachiyankul Assistant Investor Relations Manager
- Ms. Apasara Benner Investor Relations Officer

4. Management Discussion and Analysis: MD&A

Overview

The company is one of the leading petroleum product producers in Thailand and listed on the Stock Exchange of Thailand. The company operates a complex refinery with a capacity of 175,000 barrels per day of crude oil.

The company's refinery produces and sells petroleum products, which include LPG, premium and regular grades of unleaded gasoline, high speed diesel, jet fuel and fuel oil, as well as petrochemical feedstocks used in the petrochemical industry. Most of the petroleum products are sold to Chevron and PTT&PTTOR pursuant to the Offtake Agreement.

In operating the refinery, the company focuses on pursuing operational excellence in an incident-and injury-free environment, growing shareholder value, pursuing environmental leadership, and social development. The strategic location of the refinery provides proximity to key transportation options (including a pipeline, trucks and coastal vessels) and major demand centers, which lowers transportation costs and provides several supply and distribution advantages.

4.1 Analysis of business operation and financial position

Financial Performance

The following table shows a summary of the company's financial performance.

	(US\$ Million)			(Baht Million)		
	2023	2022	+/(−)	2023	2022	+/(−)
Total Revenue	6,816	8,097	(1,280)	238,284	285,264	(46,981)
EBITDA	42	361	(319)	1,442	12,513	(11,071)
Adjusted EBITDA ⁽¹⁾	98	433	(335)	3,392	15,067	(11,675)
Exchange (loss)/gain	(7)	6	(13)	(218)	207	(426)
Net gain/(loss)	(34)	222	(257)	(1,230)	7,674	(8,904)
Net gain/(loss) (US\$ / Baht per share)	(0.01)	0.05	(0.06)	(0.28)	1.77	(2.05)
Accounting gross refining margin (US\$/barrel) ⁽²⁾	3.51	9.22	(5.71)	3.51	9.22	(5.71)
Market gross refining margin (US\$ per barrel) ⁽³⁾	4.39	9.64	(5.25)	4.39	9.64	(5.25)

⁽¹⁾ Adjusted EBITDA refers EBITDA excluding Stock gain/loss, NRV and Extra items

⁽²⁾ 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

⁽³⁾ margin is calculated based on current replacement cost

Total revenue

Total revenue is comprised of sales and subsidies. Sales consist primarily of sales of petroleum products, with a primary focus on gasoline, jet fuel, and diesel. Sales prices include the applicable excise taxes and oil fuel fund contribution charges, which are pass-through items, and are paid to the applicable Government authorities. The Company receives LPG and fuel subsidies from the Government through the oil fuel fund for LPG and certain other fuels as compensation for Government price controls of such petroleum products.

The following table sets forth total revenue, including LPG and fuel subsidies, for each of our petroleum products for 2022-2023.

US\$ Million		
Petroleum products ⁽¹⁾	2023	2022
Polymer Grade Propylene	80	112
Liquefied Petroleum Gas	115	160
Light Naphtha	234	292
Gasoline	1,979	2,305
Jet Fuel	684	488
Diesel	2,615	3,559
Fuel Oil	200	251
Asphalt	104	86
Mix C4	150	202
Crude	226	190
Others ⁽²⁾	427	451
Total Revenue	6,816	8,097

⁽¹⁾ Includes Government LPG and oil subsidies.

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

SPRC had sale revenue of US\$6,816 million in 2023, decreased from US\$8,097 million in 2022 or equivalent to 16% compared to 2022, mainly due to lower oil prices, while sales volume slightly increased from 65.8 million barrels for 2022 to 66.3 million barrels for 2023.

In 2023, the company sold its petroleum products based on sale revenue to Chevron, PTT & PTTOR and other oil and petrochemical companies in the proportion of 42%, 46% and 12%, respectively.

The company generally provides credit terms of 19 days for domestic sales and 30 days for export sales to the customer under the Purchase and Sale Agreement. The majority of the company's total sales are related to companies who have reputable and strong financial positions, Chevron and PTT & PTTOR. Apart from these, sales are made to other customers with appropriate credit histories.

During 2021-2023 the company had an average collection period from 17.9 to 24.2 days which was in line with the company's credit terms.

Cost of Sales

Cost of sales consists principally of the cost of raw materials, which is the landed cost of crude oil and other feedstocks used in the refining process, as well as natural gas and other costs. Cost of sales includes excise, local government taxes, and oil fuel fund contributions that are collected on product sales and are payable to the government. Lastly, cost of sales includes repair and maintenance expenditures on property, plant and equipment, depreciation on property, plant and equipment and operating lease rental costs related to production. Cost of sales is determined on the weighted average method.

Comparing cost of sales, 2023 cost of sales decreased from 2022 due to the global decrease in oil price.

Gain (or loss) on Foreign Exchange

Gain (or loss) on foreign exchange relates to any gain (or loss) resulting from changes in the U.S. dollar value of Baht and other non-U.S. dollar denominated assets or liabilities from translation of the relevant currency into U.S. dollars due to changes in the exchange rate between the relevant currency and the U.S. dollar.

Comparing 2023 to 2022, there was a foreign exchange loss in 2023 as opposed to an exchange gain in the prior year. In general, Baht moved stronger would result in a US\$ foreign exchange gain on net Baht denominated receivables to US\$ amount and vice versa.

Administrative Expenses

Administrative expenses include the expenses and depreciation not directly related to the refinery production process and amortization of intangible assets such as computer software.

Comparing 2023 with 2022, administrative expenses in 2023 were lower mainly due to the expenses and provision related to oil spill incident in 2022 of US\$48.8 million, while it was down to US\$4.3 million in 2023.

Finance Costs

Finance costs include interest expense on short-term and long-term loans and commitment fees for the committed credit facilities. Finance costs also include fees for bank guarantees issued on the company's behalf.

The cost of financing increased in 2023 compared to 2022 due to higher interest rate but partly offset by decreasing in average principal from long-term loan repayment.

Income Tax Expenses

Income tax expenses consist of current income tax payable and deferred income tax. The company statutory tax rate was 20%.

The company had a net loss before tax in 2023 of US\$43 million. The deferred tax asset on operating loss in 2023 of US\$12 million.

Analysis of Financial Position

	US\$ Million			Baht Million		
	2023	2022	+ / (-)	2023	2022	+ / (-)
Total Assets	1,905	1,817	87	65,660	63,288	2,372
Total Liabilities	849	708	141	29,198	24,581	4,617
Total Shareholders' Equity	1,056	1,110	(54)	36,462	38,707	(2,245)

Assets

Total assets as of 31 December 23 increased by US\$87 million (Baht 2,372 million) from 31 December 22.

Total current assets increased by US\$112 million (Baht 3,441 million) mainly due to:

- an increase in trade and other receivables of US\$91 million (Baht 2,958 million) mainly from higher sale volume in December 23 as strong domestic demand; and
- an increase in Cash and cash equivalents of US\$12 million (Baht 395 million); and

- c) an increase in inventory of US\$6 million (but decrease Baht 26 million from currency translation) mainly from higher inventory volume at end of December 23 compared to December 22 but partly offset by decrease in oil prices.

On the contrary, non-current assets decreased US\$24 million (Baht 1,070 million) mainly due to a decrease in property, plant and equipment of US\$37 million (Baht 1,495 million) due to depreciation expenses in 2023 but partly offset by additional a right of use from the land lease and deferred tax asset from operating loss.

Liabilities

Total liabilities as of 31 December 23 increased by US\$141 million (Baht 4,617 million) from 31 December 22. The increment was mainly from:

- net increase in S-T and L-T borrowing of US\$69 million (Baht 2,260 million) to support increase in working capital in 2023; and
- an increase in trade and other account payables of US\$44 million (Baht 1,375 million) from timing of crude payment in December 22 to be paid before year end which resulted to low trade payable at end 2022; and
- an increase in lease liabilities of US\$15 million (Baht 529 million) from new land lease contract with IEAT for 30 years; and
- an increase in Excise tax payable of US\$15 million (Baht 497 million) from higher sale volume in December 23 and excise tax rate for diesel increased compared to December 22.

Shareholders' Equity

Shareholders' equity as of 31 December 23 decreased by US\$54 million (Baht 2,245 million) from 31 December 22 resulted from the net loss in 2023 of US\$34 million (Baht 1,230 million) and dividend payment of US\$19 million (Baht 650 million). Shareholders' equity in Baht also included the impact from exchange rate translation.

Statement of Cash Flow

	US\$ Million		Baht Million	
	2023	2022	2023	2022
Net cash generated from operating activities	3	13	132	156
Net cash (used in) investing activities	(22)	(8)	(776)	(278)
Net cash generated from (used in) financing activities	30	(91)	1,030	(3,298)
Net increase (decrease) in cash and cash equivalents	11	(86)	387	(3,421)
Cash and cash equivalents at the beginning of the period	2	88	76	2,945
Adjustments from foreign exchange translation	0	1	8	551
Cash and cash equivalents at the end of the period	14	2	471	76

SPRC cash and cash equivalents were US\$14 million at the end of December 2023, compared with US\$2 million at the end of December 2022.

Details of cash flow activities in 2023 are as follow:

- Net cash generated from operating activities was US\$3 million (Baht 132 million) was primarily due to:
 - Cash generated from operating liabilities was US\$50 million (Baht 1,756 million) mainly from an increase in trade and other payables US\$43 million (Baht 1,500 million) due to timing of crude payment and an increase in other liabilities US\$15 million (Baht 527

million) from lease liabilities, but partly offset by short-term provision paid of US\$7 million (Baht 252 million) relating to the oil spill incident. Cash generated was offset by

- b. 2023 net loss was US\$34 million (Baht 1,230 million) from weak refining margin in Q4/23 and non-cash items of US\$98 million (Baht 3,477 million); and
 - c. Cash used in operating assets was US\$111 million (Baht 3,871 million). An increase in trade and other receivables of US\$88 million (Baht 3,092 million) from sale volume and excise tax increase compared to December 22, an increase in inventory US\$17 million (Baht 582 million) from higher inventory volume and an increase in other current and non-current assets of US\$6 million (Baht 197 million) mainly from prepaid expenses.
- b) Net cash used in investing activities was US\$22 million (Baht 776 million), mainly from minor projects in environmental and IT.
- c) Net cash generated from financing activities was US\$30 million (Baht 1,030 million) from short-term borrowing to support working capital, but partly offset by dividend payment of US\$19 million (Baht 650 million) from 2022 earnings.

4.2 Factors or events that may significantly impact financial position or business operation in the future (forward looking)

Refining Margins

SPRC measures profitability from gross refining margin. The gross refining margin of the company is calculated as the difference between sale of petroleum products less landed cost of crude oil, other feedstocks and cost of energy. The accounting gross refining margin is impacted by changes in the value of the inventory due to the weighted average cost method used to determine the value of inventory during the period.

Market gross refining margin is a margin calculation that excludes inventory gains or losses and stock gains or losses, and generally aligns with movements in Singapore prices and refining margin.

Compared 2023 with 2022, SPRC's financial performance in 2023 dropped from the previous year; sales revenue decreased 16% due to a decrease in oil prices, while sales volume slightly increased from the prior year. SPRC's NIAT loss in 2023 was US\$34 million, compared to a gain of US\$222 million in 2022 due to an impact of a stock loss, which also included a loss from an inventory write-down to net realizable value due to the declining oil prices, while stock gain in the prior year. Excluding stock gain (loss), the market gross refining margin fell from US\$9.64/bbl in 2022 to US\$4.39/bbl in 2023 due to a lower crack spread of main products from the fear of global economic recession and impact from the unplanned shutdown, while the market and refining margin was strong in the prior year due to tight supply from the Russia-Ukraine conflict.

Exchange rate fluctuations

The company adopted the U.S. dollar as the company functional currency. Because a substantial portion of the company revenues, costs and expenses are directly linked to, or denominated in U.S. dollars, the company's exposure to the fluctuation in exchange rate is reduced. However, the company is still exposed to fluctuations in the value of the Baht on account of employee-related and other costs denominated in Baht.

Generally, the company does not enter into any currency hedging transactions. Accordingly, significant fluctuations or volatility in the value of the Baht against the U.S. dollar could have a material effect on the results of operations.

In 2022 and 2023 the company borrowed both US dollars and foreign currencies from financial institutions to support operations. For Japanese Yen long-term borrowing, the company has entered into

a cross-currency and interest rate swap contract to hedge the risks and obligations of future exchange rates.

4.3 Financial Highlights

4.3.1 Financial Statements

4.3.1.1 Auditor

PricewaterhouseCoopers ABAS Limited (by Mr. Kan Tanthawirat Certified Public Accountant (Thailand) No. 10456) has conducted the audit in accordance with Thai Standards on Auditing (TSAs) for the accompanying financial statements of Star Petroleum Refining Public Company Limited, for the year ended 31 December 2023 and expressed that it present fairly, in all material respects, the financial position of the Company as of 31 December 2023, its financial performance and its cash flows for the year in accordance with Thai Financial Reporting Standards (TFRSs).

PricewaterhouseCoopers ABAS Limited and auditors have no other relationship or interests with the Company, management, major shareholders including their related persons, which would affect their independence in performing their work.

4.3.1.2 Audit fee

Audit fee for the year 2023 is Baht 2,875,000.

4.3.2 Summary of financial statement

Statement of Financial Positions

As at 31 December	US\$ Million				Baht Million		
	2023	2022	2021		2023	2022	2021
Assets							
Current assets							
Cash and cash equivalents	14	2	88		471	76	2,945
Trade and other receivables	503	413	394		17,286	14,328	13,219
Inventories, net	690	684	491		23,736	23,762	16,486
Other current assets	6	3	2		207	92	81
Total current assets	1,213	1,102	975		41,699	38,258	32,731
Non-current assets							
Prepaid income tax	40	39	1		1,553	1,513	22
Property, plant and equipment, net	618	655	721		21,241	22,735	24,219
Intangible asset, net	4	3	3		138	113	93
Deferred tax assets	25	16	44		847	566	1,488
Other non-current assets	5	3	5		182	104	174
Total non-current assets	692	716	774		23,961	25,030	25,995
Total assets	1,905	1,817	1,748		65,660	63,288	58,726
Liabilities and shareholders' equity							
Current liabilities							
Short-term borrowings from financial institutions	363	189	-		12,483	6,562	-
Current portion of long-term borrowings from financial institutions	-	91	139		-	3,168	4,680
Trade and other payables	412	368	416		14,156	12,780	13,961
Current portion of lease liabilities	1	-	-		33	-	-
Derivative liabilities	-	14	-		-	493	-
Value added tax payable	-	-	5		-	-	180
Excise tax payable	33	19	36		1,152	655	1,199
Short-term provision	4	7	-		125	242	-
Other current liabilities	1	0	0		22	4	12
Total current liabilities	813	688	596		27,971	23,904	20,031
Non-current liabilities							
Derivative liabilities	-	-	9		-	-	307
Long-term borrowings from financial institutions	-	-	100		-	-	3,374
Lease liabilities	15	-	-		529	-	-
Employee benefit obligations	20	19	19		698	677	644
Total non-current liabilities	36	19	129		1,227	677	4,324
Total liabilities	849	708	725		29,198	24,581	24,355
Shareholders' equity							
Share capital							
Authorised share capital ⁽¹⁾	865	865	865		30,004	30,004	30,004
Issued and paid-up share capital ⁽²⁾	865	865	865		30,004	30,004	30,004
Premium on share capital	32	32	32		978	978	978
Retained earnings							
Appropriated - legal reserve	88	88	88		3,000	3,000	3,000
Unappropriated	71	125	39		5,453	7,333	4,596
Other component of equity	0	-	-		(2,979)	(2,608)	(4,207)

Equity attributable to owners of the parent	1,056	1,110	1,023	36,457	38,707	34,371
Non-controlling interests	0	-	-	5	-	-
Total equity	1,056	1,110	1,023	36,462	38,707	34,371
Total liabilities and equity	1,905	1,817	1,748	65,660	63,288	58,726

⁽¹⁾ Authorised share capital and number of authorised shares: a par value of Baht 6.92 per share for 4,335,902,125 shares

⁽²⁾ Issued and paid up share capital: 4,335,902,125 shares

Statement of Comprehensive Income

	US\$ Million				Baht Million		
	2023	2022	2021		2023	2022	2021
Sales	6,776	7,982	5,284		236,851	281,299	170,331
Liquefied Petroleum Gas and fuel subsidies	41	114	66		1,433	3,966	2,154
Total revenue	6,816	8,097	5,350		238,284	285,264	172,484
Cost of sales	(6,808)	(7,736)	(5,133)		(238,049)	(272,833)	(165,598)
Gross profit	8	361	217		235	12,432	6,886
Other income	4	2	2		139	63	62
(Loss) gain on exchange rate	(21)	11	11		(719)	376	359
Fair value gain (loss) on derivatives	14	(5)	(14)		501	(169)	(433)
Profit before expenses	6	369	217		155	12,702	6,874
Administrative expenses	(37)	(82)	(24)		(1,302)	(2,791)	(749)
Other expenses	(0)	-	-		(10)	-	-
Finance costs	(11)	(9)	(7)		(367)	(316)	(212)
(Loss) profit before income tax	(43)	278	186		(1,524)	9,594	5,913
Income tax	8	(56)	(37)		294	(1,921)	(1,166)
(Loss) profit for the year	(34)	222	150		(1,230)	7,674	4,746
Other comprehensive income							
<i>Items that will be reclassified subsequently to profit or loss</i>							
Currency translation differences	0	-	-		-	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>							
Currency translation differences	-	-	-		(370)	1,599	3,240
Remeasurement of employee benefit obligations	-	-	(1)		-	-	(42)
Other comprehensive income (expense) for the period/year	-	-	(1)		(370)	1,599	3,197
Total comprehensive income (expense) for the period/year	(34)	222	148		(1,600)	9,273	7,944
Basic earnings (loss) per share	(0.01)	0.05	0.03		(0.28)	1.77	1.09

Statement of Cash Flows

	US\$ Million			Baht Million		
	2023	2022	2021	2023	2022	2021
Cash flows from operating activities						
Profit (loss) before income tax	(43)	278	186	(1,524)	9,594	5,913
Adjustments for:						
Finance income	(0)	(0)	(0)	(1)	(3)	(3)
Finance costs	11	9	7	367	316	212
Depreciation	73	73	81	2,559	2,557	2,602
Amortisation	1	1	1	40	46	42
Loss from disposal of fixed assets	-	-	-	2	-	-
Gain (loss) from foreign exchange rate	31	(10)	(17)	1,093	(350)	(557)
Fair value (gain) loss on derivatives	(14)	5	14	(501)	169	433
Loss on obsolete materials and supplies	1	0	1	23	16	29
Loss on write down of inventory to net realizable value	10	41	-	403	1,455	-
Short-term provision	4	7	-	136	242	-
Retirement benefit expenses	1	2	2	39	58	73
Change in operating assets and liabilities						
Trade and other receivables	(88)	(16)	(111)	(3,092)	(549)	(3,578)
Inventories	(17)	(235)	(192)	(582)	(8,278)	(6,178)
Other current and non-current assets	(6)	2	3	(197)	65	109
Trade and other payables	43	(47)	157	1,500	(1,673)	5,043
Short-term provision paid	(7)	0	-	(252)	0	-
Retirement benefit paid	(1)	(1)	-	(19)	(24)	-
Other current and non-current liabilities	15	(22)	(9)	527	(792)	(303)
Cash generated (used in) from operations	14	87	122	521	2,848	3,836
Interest received	0	0	0	1	3	3
Interest paid	(10)	(9)	(7)	(349)	(319)	(213)
Income tax return received	-	-	6	-	-	173
Income tax paid	(1)	(65)	(1)	(40)	(2,377)	(17)
Net cash generated (used in) from operating activities	3	13	121	132	156	3,782
Cash flows from investing activities						
Purchases of fixed assets and intangible asset	(22)	(8)	(3)	(784)	(278)	(103)
Proceeds from disposal of property, plant and equipment	0	-	-	8	-	-
Net cash used in investing activities	(22)	(8)	(3)	(776)	(278)	(103)
Cash flow from financing activities						
Proceeds from issue of preference shares	0	-	-	5	-	-
Net (repayment) proceeds from short-term borrowings from financial institutions	155	188	-	5,426	6,672	-
Repayment of long-term borrowings from financial institutions	(105)	(143)	(85)	(3,723)	(5,033)	(2,844)

Payment for principal element of lease payment	(1)	-	-	(27)	-	-
Dividends paid to shareholders	(19)	(136)	-	(650)	(4,936)	-
	US\$ Million			Baht Million		
	2023	2022	2021	2023	2022	2021
Net cash generated from (used in) financing activities	30	(91)	(85)	1,030	(3,298)	(2,844)
Net increase (decrease) in cash and cash equivalents	11	(86)	33	387	(3,421)	835
Cash and cash equivalents at the beginning of year	2	88	54	76	2,945	1,635
Adjustment from foreign exchange translation	0	1	1	8	551	475
Cash and cash equivalents at the ending of year	14	2	88	471	76	2,945
Non-cash item						
Acquisitions of equipment and intangible assets which have not been paid	0	0	0	12	9	9
Increase in right-of-use assets under property, plant and equipment	16	-	-	585	-	-

4.3.3 Financial Ratios

		Year Ended December 31		
		2023	2022	2021
Liquidity Ratio				
Current Ratio	(Time)	1.5	1.6	1.6
Quick Ratio	(Time)	0.6	0.6	0.8
Cash Flow Ratio ⁽¹⁾	(Time)	0.0	0.0	0.3
Account Receivable Turnover	(Time)	14.9	20.1	15.8
Average Collection Period ⁽²⁾	(Day)	24.2	17.9	22.7
Inventory Turnover ⁽³⁾	(Time)	9.9	13.2	13.0
Average Sales Period ⁽²⁾	(Day)	36.3	27.3	27.7
Account Payable Turnover	(Time)	17.5	19.7	15.2
Payment Period ⁽²⁾	(Day)	20.6	18.2	23.7
Cash Cycle	(Day)	39.9	27.0	26.8
Profitability Ratio				
Gross Profit Margin	(%)	0.1	4.5	4.1
Operating Profit Margin ⁽⁴⁾	(%)	(0.4)	3.5	3.7
Other Profit Margin ⁽⁵⁾⁽⁶⁾	(%)	(0.1)	0.1	(0.0)
Cash Profit Margin ⁽¹⁾⁽⁴⁾	(%)	(12.7)	4.6	61.9
Net Profit Margin ⁽⁵⁾	(%)	(0.5)	2.7	2.8
Return on Equity	(%)	(3.2)	20.9	15.8
Efficiency Ratio				
Return on Total Assets	(%)	(1.8)	12.5	9.1
Return on Fixed Assets ⁽⁷⁾	(%)	6.3	43.1	30.5
Assets Turnover ⁽⁵⁾	(Time)	3.7	4.5	3.3
Leverage Ratio				
Net Debt to Equity ratio	(Time)	0.8	0.6	0.7
Interest Coverage ratio (Accrue basis)	(Time)	(3.1)	32.5	29.2
Debt Services Coverage ratio (cash basis) ⁽¹⁾	(Time)	0.1	1.2	2.0
Dividend Payout Ratio ⁽⁸⁾	(%)	N/A	60	16

Note:

- (1) Cash flow from operation after deduct interest income / expense and income tax return and paid
- (2) Apply 360 days to calculated average collection period, average sale period and payment period
- (3) Inventory includes finish product, raw material, intermediate and goods in transit
- (4) Profit from operation calculated from Profit before interest and tax excluded gain (loss) from non-operation such as gain (loss) from exchange rate and fair value gain on derivatives
- (5) Total revenue excluded gain from non-operating income such as gain from exchange rate and fair value gain on derivatives
- (6) Other income includes non-operating income such as gain from exchange rate and fair value gain on derivatives
- (7) Fixed assets calculated from net property, plant and equipment
- (8) Dividend payout ratio based on the performance of period of dividend declaration

* No dividend for 2023

Financial Ratio Definition

Liquidity Ratio		
Current Ratio	= current assets / current liabilities	(time)
Quick Ratio	= (cash and cash equivalents + marketable securities + accounts receivables and note receivables) / current liabilities	(time)
Cash Flow Ratio	= cash flow from operating activities / average current liabilities	(time)
Account Receivable Turnover	= net sale revenue / average (account receivable before doubtful account + commercial note receivable)	(time)
Average Collection Period	= 360 / account receivable turnover	(day)
Inventory Turnover	= cost of sales / average inventory	(time)
Average Sales Period	= 360 / inventory turnover	(day)
Account Payable Turnover	= cost of sales / average (account payable + commercial note payable)	(time)
Payment Period	= 360 / account payable turnover	(day)
Cash Cycle	= average collection period + average sales period – average payment period	(day)

Profitability Ratio		
Gross Profit Margin	= gross profit(loss) / net sale revenue	(%)
Operating Profit Margin	= profit(loss) from operation / net sale revenue	(%)
Other Profit Margin	= income from non-operation / total revenue	(%)
Cash Profit Margin	= cash flow from operating activities / profit from operation	(%)
Net Profit Margin	= net profit/ total revenue	(%)
Return on Equity	= net profit/ average shareholders' equity	(%)

Efficiency Ratio		
Return on Assets	= net profit / average total assets	(%)
Return on Fixed Assets	= (net profit + depreciation and amortization) / average net fixed assets	(%)
Assets Turnover	= total revenue / average total assets	(time)

Leverage Ratio		
Net Debt to Equity Ratio	= total liabilities / total shareholders' equity	(time)
Interest Coverage Ratio (Accrue basis)	= earnings before interest and taxes (EBIT) / interest expenses	(time)

Debt Services Coverage Ratio	= earnings before interest, tax, depreciation and amortization / (short-term borrowings + current portion of long-term borrowings)	(time)
Dividend Payout Ratio	= dividend payment / net profit of the performance period	(%)

4.3.4 Analysis of Financial Ratios

Liquidity Ratio

Company liquidity ratios are classified into two main categories: liquidity and turnover ratios. Liquidity ratios include the current ratio, quick ratio, and cash flow ratio.

In the past 3 years (2021 - 2023), current assets were higher than current liabilities, and therefore the average current ratio was over one. Current assets mostly include cash and cash equivalents, trade and other account receivables, and inventories. Current liabilities mostly included trade account payables, short-term borrowings, the current portion of long-term borrowings, and tax payable. As of 31 December 2023, both current assets and current liabilities had increased similarly to the prior year. The increase in current assets was primarily due to an increase in trade and other receivables of US\$ 91 million (Baht 2,958 million) from higher sale volume in December 23 as strong domestic demand, Current liabilities increased from an increase in short-term and long-term borrowings of US\$69 million (Baht 2,260 million) to support the increase in working capital, an increase in trade and other account payables of US\$44 million (Baht 1,375 million) from the timing of crude payments in December 22 to be paid before year-end, which resulted in low trade payable at the end of 2022, and an increase in Excise tax payable of US\$15 million (Baht 497 million) from higher sale volume in December 23 and the excise tax rate for diesel increased compared to December 22.

Quick ratios during 2021 - 2023 were less than one, and lower than the current ratios due to the exclusion of inventory from the calculation. Quick ratios in 2023 were approximately 2022, which decreased from 2021, mainly as a result of the decrease in current assets from cash and cash equivalents, while current liabilities increased from short-term borrowing to support the increase in working capital.

Turnover ratios include account receivables turnover, inventory turnover, and account payables turnover. Account receivables and inventory turnover ratios dropped in 2023 compared to 2021 and 2022. This was mainly because of lower sales revenue and cost of sales because of the lower oil price than in the previous year, which led to longer average collection and payment periods in 2023 as well as a greater impact on the cash cycle, which increased to 40 days in 2023 from 27 days in 2021 and 2022.

Profitability Ratio

Key profitability ratios include gross profit margin, operating profit margin, net profit margin, and return on equity. Gross profit margin and return on equity in 2023 were lower than the previous year, which was impacted by a lower refining margin, additional ship-to-ship cost, and impact of unplanned shutdown.

Efficiency Ratio

Key efficiency ratios are return on total assets and return on fixed assets. These ratios were lower than the previous year, which was impacted by a lower refining margin than the previous year and the decrease in oil prices.

Leverage Ratio

The debt-to-equity ratio from 2021 to 2023 is equivalent to around 0.6 to 0.8. Net debt increased from short-term borrowing to support increase in working capital in 2023. Equity in 2023 decreased from 2022 due to net loss and paying the dividend during the year from 2022 earnings.

The interest coverage ratio was negative in 2023 due to a net loss before interest and tax (EBIT) from a drop in refining margin and slightly higher finance costs compared to the previous year.

The debt service coverage ratio in 2023 decreased from the prior year due to a decrease in EBITDA and additional short-term borrowings, mainly to support the increase in working capital in 2023.

5. General Information and Reference

5.1 General Information

Name

Star Petroleum Refining Public Company Limited

Initial

SPRC

Business

Star Petroleum Refining Public Company Limited or 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 of 175,000 barrels per day of crude oil. 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.

On 3 January 2024, SPRC completed the acquisition of the fuels retail and marketing business (from Chevron Asia Pacific Holdings Limited) and registered under the name Star Fuels Marketing Limited (SFL). SFL is a wholly owned subsidiary of SPRC and the exclusive licensee of Caltex fuels in Thailand. SFL has been transferred the fuels retail and marketing business from Chevron (Thailand) Limited (CTL), which was established in 1948, and now serves retail customers under the Caltex brand through a network of approximately 450 service stations throughout Thailand. SFL's commercial and industrial unit supplies over 200 wholesalers in commercial, industrial, automobile, and marine sectors. SFL distributes a wide range of fuels, including premium and regular diesel, gasohol, unleaded gasoline, commercial and industrial fuels, and jet fuel.

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

Trading commencement on 8 December 2015

Capital As of 31 December 2023

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

553 persons (as of 31 December 2023)

Investor Relations

Telephone number: +66 (0) 38 699 887

Web site: <http://investor.sprc.co.th>

Email: ir@sprc.co.th

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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

Legal Counsel

Ms. Nattawan Khumwiwat
Current Position Corporate Legal Counsel, Company Secretary and Corporate Compliance Officer

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,
+66 (0) 2 009 9999 (SET Contact Center)
Fax: +66 (0) 2 009 9991

5.2 Other significant information

5.2.1 Other information that may significantly impact to shareholders decision

N/A

5.2.2 Restrictions on foreign shareholders in case the company has a policy to ask for the resolution at the shareholders' meeting for the offering of newly issued shares or warrants issuance to purchase newly issued shares which are transferable (Transferable Subscription Right - TSR) to shareholders in proportion to their shareholding by not issuing and offering to shareholders that will allow the company to have duties under foreign laws.

N/A

5.3 Legal dispute

During the third and fourth quarters of 2022 and the first quarter of 2023, a number of individuals in Rayong and government agencies filed several lawsuits with the Rayong Provincial Court and the Rayong Municipal Court against the Company seeking compensation and/or damages from the oil spill incident, including loss of profit, costs related to the eradication of the pollutants, damage to the environment and natural resources, and costs for setting up environmental rehabilitation projects and studies to monitor the potential effect on the environment and natural resources. The total amount of claims for all complaints filed against the Company is approximately THB 8 billion. The Company has already settled with some plaintiffs in several cases, those who withdrew the claims, while some claims are under the court's consideration. As of 31 January 2024, there are two litigation cases that the court has already ruled on. The total principal amount of compensation awarded by the court in the two cases is approximately THB 405,000. The Company has already filed an appeal in one case, while the other case is within the time period that it can file an appeal.

In addition, the Central Administrative Court summoned the Company to be the interpleader in the administrative case filed against the Director-General of the Marine Department and other respondents by the Stop Global Warming Association and the other plaintiff. The plaintiffs requested that the Central Administrative Court order the relevant government agencies to cancel or revoke the Company's license to operate oil transport business at the SPM location and the Company's license to operate oil pipeline transport business, to order the Company to set new measures as conditions attached to the new license by arranging insurance and sufficient environmental and health fund, to cancel or revoke the environmental impact assessment for the terminal project, and to prepare a plan or measures to prevent and rectify the problems of oil or chemical spills in the sea. The Company has already submitted its statement of defense. The case is still pending the court's consideration.

5.4 Secondary Market

The Stock Exchange of Thailand (SET)

5.5 Financial Institution (Frequency contact-in case of bond)

N/A

Part 2 Corporate Governance

6. Policy and measure of Corporate Governance Policy

6.1 Policy and measure of Corporate Governance Policy

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

6.1.1 Policy and measure for Board of Directors

Appointment and removal of directors

For the nomination of directors, the Board of Directors will consider the composition of the Board of Directors which must consist 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, thoroughness and due 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 and audit process that is appropriate and consistent with good corporate governance principles.

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

1. 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.
2. 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.
3. 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.

4. 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.

Compensation of Directors

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.

At the NRCG Committee Meeting No. 1/2023 on 23 February 2023, the NRCG considered the directors' remuneration package for year 2023 thoroughly, considering the Director Compensation Survey result conducted by the Institution of Director (IOD), 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 NRCG Committee considered that the directors' remuneration should be in a form of monthly fee and meeting allowance fee only. In order to be consistent with the ASEAN CG guidelines and the Company's practice in previous years, the NRCG Committee viewed that the directors' remuneration package should not include a bonus. Therefore, other than the monthly fee and meeting allowance fee, the directors do not have any other kinds of compensation.

The Annual General Meeting of Shareholders in 2023 approved the director's remuneration for monthly fees and meeting allowances for Board of Directors meetings and committee meetings for year 2023 at the same rate as in 2022 as follows;

Compensation for the Board of Directors for 2023		
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 2023	
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 2023	
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 2023	
Position	Meeting Allowance of Committee Meeting (Only attending members) (Baht/Meeting)
Chairman of the committee	40,000
Member of the committee	30,000

Roles of Chairman of the Board of Directors

Mr. Brant Thomas Fish was elected by the Board of Directors to be a Company's director and a Chairman of the Board with effect on 14 May 2019.

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 in compliance with all related laws and regulations;

Since the Chairman of the Board of Directors is not an independent director, the Board of Directors had considered and 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 absence of the Chairman or if the Chairman is unable to play the chairman role during a meeting of the Board or a meeting of shareholders.

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 should possess 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 for audit committees.
4. The member must not be a director assigned by the Board of Directors to make decisions on the operations 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, or the same-level subsidiaries that are listed companies.

Chief Executive Officer

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.

The Board of Directors has authorization and is responsible for appointment or removal of the Company's Chief Executive Officer. The Company has clear authorization and responsibility between the Board of Directors and the CEO. The CEO 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.

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.

However, following the approval of the fuel business transaction by the Extraordinary General Meeting of Shareholders No. 1/2023 on 31 January 2023 and the subsequent completion of the transaction on 3 January 2024, on 8 November 2023 at the Board of Director's meeting No. 4/2023, the Board of Directors has reviewed the Scope of authority of the Chief Executive Officer in order to be in line with the Company's operational strategy and considered amending and approved the Chief Executive Officer to have the authority to administer, manage, and operate the business in its ordinary course such that the

authority to make decisions or take any action under the scope of the delegated authority, including entering into various transactions or entering into any obligations that are beneficial to the Company, as follows:

- To have the power to decide on investments and transactions in an amount not exceeding USD 30 million.
- To have the authority to conduct financial transactions with financial institutions in the amount not exceeding USD 10 million.
- To have the power to enter into contracts or obligations relating to the trading of crude oil, raw materials, intermediary products, including the provision or receipt of related services, notwithstanding cases where such transactions exceed US\$30 million, provided that the duration of the contract must not exceed 1 year
- To have the power to enter into contracts or obligations of a retail nature in relation to the trading of petroleum products or by-products, provided, the commitment period of such contract must not exceed 15 years and the volume must not exceed 100 million liters per year.
- To have the power to enter into contracts or obligations of a non-retail nature in relation to the trading of petroleum products or by-products, provided, the commitment term of such contract must not exceed 10 years and the volume must not exceed 20,000 barrels per day.
- To have the authority to enter into related party transactions in an amount not exceeding USD 3 million, except for connected transactions for trading, transporting, crude oil, raw materials, intermediary products with commitment term of not more than 1 year and for finished product trading with a contract commitment term of not more than 10 years.

Transactions which value exceeds those set out above must be approved by the Board of Directors. For related party transactions, they must be submitted to the Audit Committee for consideration and opinion prior to proposing to the Board of Directors' meeting for consideration and approval.

Mr. Robert Joseph Dobrik was appointed by the Board of Directors Meeting No. 2A/2021 on 1 July 2021 to be the Company's director and CEO, with effective date on 1 October 2021.

Directors' Development

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

In 2023, the following directors participated in IOD training courses:

Name-Surname	Program
Mr. Robert Stair Guthrie	<ul style="list-style-type: none"> - The Board's Role in Mergers and Acquisitions (BMA 5/2023) - Director Leadership Certification Program (DLCP 12/2023)
Mr. Robert Joseph Dobrik	<ul style="list-style-type: none"> - The Board's Role in Mergers and Acquisitions (BMA 5/2023)
Mr. Pliu Mangkornkanok	<ul style="list-style-type: none"> - Hot Issue for Directors (HOT 1/2023)
Ms. Kamonwan Wipulakorn	<ul style="list-style-type: none"> - Risk Management Program for Corporate Leaders (RCL 30/2023) - Ethical Leadership Program (ELP 29/2023) - Board Nomination and Compensation Program (BNCP 17/2023) - Role of the Chairman Program (RCP 55/2023) - Hot Issue for Directors (HOT 1/2023)
Mr. Rapee Sucharitakul	<ul style="list-style-type: none"> - The Board's Role in Mergers and Acquisitions (BMA 6/2023)
Mr. Herbert Matthew Payne II	<ul style="list-style-type: none"> - Director Certification Program DCP (351/2023)

Director's Assessment

At the end of every year, all directors are required to do a self-assessment to review and look back at their performances. They will discuss further improvement in order to support the Company's strategy and achieve the Company's goals. The self-assessments are as follows:

- Board of Directors self-assessment
- Individual director self-assessment
- Audit Committee self-assessment
- Nomination, Remuneration and Corporate Governance Committee self-assessment
- Human Resources Committee self-assessment

In addition, the directors are required to do a CEO assessment. The results of the self-assessments were provided in Item 8.1.1.

6.1.2 Policy and measure for Shareholders and Stakeholders

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 shareholder meetings of the Company are conducted in consideration for the rights of shareholders.

In 2023, the Company had three shareholder meetings. The Company held the 2023 Annual General Meeting of Shareholders (AGM) on 5 April 2023, the Extraordinary General Meeting of Shareholders (EGM) No.1/2023 on 31 January 2023 and EGM No.2/2023 on 5 October 2023. The Company arranged all shareholder meetings via electronic media (e-AGM and e-EGM) 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.

At the EGM no. 1/2023 on 31 January 2023, the shareholders considered and approved the fuels and retail distribution of petroleum products business investment transaction, which is a related party transaction.

At the 2023 AGM on 5 April 2023, the shareholders considered and voted on the approval of the financial statements year-ended 31 December 2022, approved the increase in number of directors, appointed new directors, approval of director remuneration package, appointment and approval of remuneration for auditors, declaration of annual dividend payment, and approval of amendment of the Company's article of association.

At the EGM no. 2/2023 on 5 October 2023, the shareholders considered and approved the amendment of the Company's objectives.

For each and every shareholders' general meeting, 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 the proxy form, proxy's required documents, proxy's process and registration and voting procedure for e-AGM. The Company prepared the notice of shareholders meetings in both Thai and English languages.

The Company posted the notice of the shareholders meeting and supporting information on the Company's website and sent notification to all shareholders via registered mail to allow the shareholders to prepare to attend the meetings.

Meeting	Date of Meeting	Date the Company shared notice of shareholders' meeting and supporting documentation on the Company's website	Date the Company posted notice of shareholders' meeting and supporting documentation by registered post
Extraordinary General Meeting of Shareholders No. 1/2023	31 January 2023	29 December 2022	9 January 2023
Annual General Meeting of Shareholders 2023	5 April 2023	3 March 2023	21 March 2023
Extraordinary General Meeting of Shareholders No. 2/2023	5 October 2023	1 September 2023	13 September 2023

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
 - The Extraordinary General Meeting of Shareholders No. 1/2023 was held on 31 January 2023 at 9:30am at the Landmark Ballroom, The Landmark Hotel, Bangkok
 - The 2023 Annual General Meeting of Shareholders was held on 5 April 2023 at 9:30 a.m. via electronic media
 - The Extraordinary General Meeting of Shareholders No. 1/2023 was held on 5 October 2023 at 1:00 pm via electronic media
- the meeting procedure specifying details on required documents and method for registration and voting via electronic media 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 that was sent with the notice of 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 documents for the proxy in the notice. The Company does not require unnecessary documents nor a complicated process for the proxy. There is no requirement for government officials to certify documents.
 - The shareholders can register to attend the meeting via e-registration system in advance of the meeting by following the link or QR Code as provided in the meeting invitation.
- 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; and
- 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.
- with respect to the Extraordinary General Meeting of Shareholders No. 1/2023 to consider the agenda for the fuels and retail business investment transaction, the Company has prepared information memorandum on connected transactions and opinions of independent financial advisors for shareholders' review and consideration prior to the vote.
- with respect to the Extraordinary General Meeting of Shareholders No. 2/2023 to consider and approve the amendment of the Company's objectives, the Company has provided the text of the draft amendment along with reasons for the request for amendment.

At the shareholder meeting, the Company had legal advisors from Linklaters (Thailand) Limited (for EGM No.1/2023) and Baker & McKenzie Ltd. (for AGM 2023 and EGM No. 2/2023) to monitor the registration and the vote counting. During the EGM No. 1/2023, shareholders were invited to witness the counting of votes. For the e-AGM and e-EGM, the Company did not invite the shareholders to witness the vote counting. Additionally, the Chairman assigned the Company Secretary to inform the electronic voting and counting procedure to the shareholders prior to considering each item. For the election of directors, the Company requires a vote 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, give opinions and suggestions. The Board of Directors, the CEO, and senior leadership attended the meeting to answer questions and listen to the opinions and suggestions of shareholders. When the meeting ended, the Company prepared accurate and complete minutes of the meetings including questions and responses during the meeting.

After finish the meeting, 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, and published the meeting minutes (within 14 days from the date of the meeting) as follows:

Meeting	Date of Meeting	Date the Company posted meeting minutes on the Company's website
Extraordinary General Meeting of Shareholders No. 1/2023	31 January 2023	14 February 2023
Annual General Meeting of Shareholders 2023	5 April 2023	19 April 2023
Extraordinary General Meeting of Shareholders No. 2/2023	5 October 2023	19 October 2023

For preparation of the 2023 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 26 September 2023.

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 a shareholder meeting, opportunity to propose qualified candidates for director election, and the opportunity to access company information or receive communication from the company.

Since 26 September 2023, 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 2024.

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.

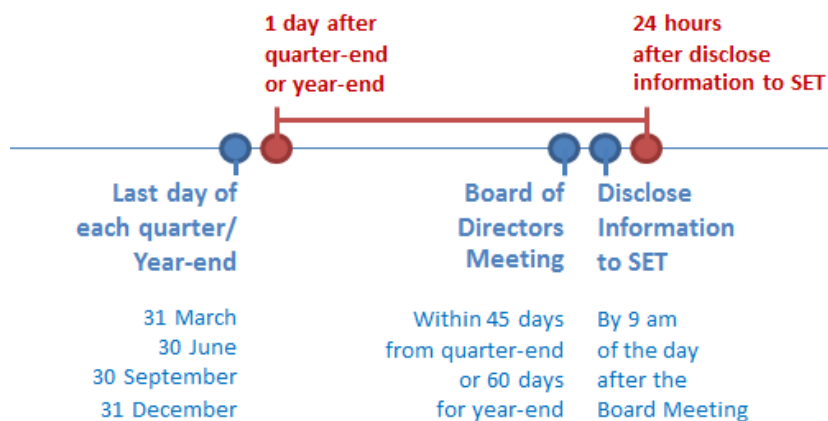
To ensure equal access to Company's information, the Board of Director has established a Public Disclosure Policy to ensure communications to all shareholders are accurate, adequate, timely and equally accessible in accordance with the principles of good corporate governance as well as regulations of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

- **Employees**

The Company believes that its employees are its most valuable resource and a key factor for the Company's success. The Company is therefore committed to taking care of, develop, and create the best quality of life for our employees.

- **Human Rights:** The Company respects human rights, promotes diversity, and values differences. The Company treats all employees equally according to international standards, and does not discriminate based on race, religion, skin color, origin, age, gender, disability, military status or political beliefs.

The company has a policy on no discrimination against employees with HIV infection/AIDS (AIDS Policy). At a policy level, the Company does not discriminate against employees on grounds of health, so long as such an employee is receiving treatment and is deemed medically fit to work. HIV/AIDS screening does not form part of the assessment of fitness to work and having HIV infection does not constitute grounds for termination of employment.

Employees and contractors are well treated while working with the highest standards of operations that prioritize the safety of personnel. The Company provides all personnel with safety training regarding safety policies and procedures and provides personnel with all personal protective equipment (PPE) for performing work safely.

To ensure full compliance with data protection laws and to promote a fair recruitment process in line with anti-discrimination human rights principles, the Company has reviewed and revised its job application forms to only request information that is necessary for recruitment purposes.

- **Corporate Culture:** The Company cultivates “One Family” culture as staff work together, support, and care for each other like family members.

While 2023 was another challenging and preparation for the Company growth opportunity, the Company remains committed to employees’ safety and employees’ morale as our highest priority. To foster existing good relationships between management, employees, as well as with contractors and to build and maintain good morale among staff, the Company continuously arranged activities that were adapted to be appropriate to the current environment and context, such as:

- Employee Pulse Survey: a short survey to obtain feedback that would later be used as guidance for enhancing employee engagement, organization capability, change management for business integration and for strengthening workforce culture.
- Virtual Town Hall and Together We Talk: Hybrid as both on site and virtual staff meetings to enhance communication effectiveness for all employee work location to provide regular Company updates.
- CEO Message: Communicating news and announcements from the CEO via e-mail.
- HR Visit: Hybrid HR team visits to stay connected with employee and continue build good relationship with employee through welfare, benefit, learning and career path development update to employee.
- HR News: email communications to raise awareness of welfare and people development initiatives.
- Kho Hai Box (“just let us know”): a communication channel, via helpdesk and company intranet, to receive employees’ feedback or questions and to provide a response from management.
- Welfare Committee: the Welfare Committee continued holding Welfare Committee meetings, as required by law, through virtual meetings and with company representatives on employee’s welfare and benefits, improving the efficiency of employee communication.
- Continue “Hybrid Work” model: flexible work schedule for employees who are non-essential for on-site operations to work from home on Mondays and Fridays and work in the office during Tuesdays – Thursdays.
- Organize both in-class training and online virtual training: to ensure that employees receive effective and ongoing training and development.

- Resume on-site company activities: both internal activities and external sport tournaments to promote employee and contractor's good health and relationship with Refinery and local PetChem peer, generation gap bonding activities all year round etc.
- Organized employees' children scholarship award presentations for IIF Scholarships, Long Service Awards, Management and Employee Farewell for retired employees, New Year Party etc. to thank all the employees who were a part of the Company's success.
- **Safety:** The safety of all employees, contractors, business partners, and other stakeholders is always the Company's top value. At SPRC, we expect everyone come to work and "Go Home Safely everyday". We remain dedicated to safeguarding the safety and the well-being of our family members, focusing on both personal safety and process safety.

We persist in implementing our incident and injury free culture by consistently conducting the IIF Orientation training for all new staff and contractors joining SPRC. The purpose is to cultivate and enhance safety awareness. We also facilitated the IIF Supervisor Skill training for both staff and contractor supervisors, aimed at elevating their proficiency in managing assignments through an incident and injury-free approach. In 2023, total of 2,107 newcomers successful completed the IIF Orientation training and 195 supervisors both staff and contractor successful completed the IIF Supervisor Skill training.

The Company has set up relevant working teams with clear roles and responsibilities in addition to the EHS committee, which is a regulatory requirement. We have established the Incident & Injury Free and the Reliability Leadership Team, with the responsibility of overseeing management reviews and providing direction for the implementation of IIF at SPRC. Additionally, our Incident and Injury Free Improving Team is dedicated to developing promotional activities for IIF, ensuring the cultivation of a robust IIF culture within the organization, as we strive towards achieving an incident and injury-free workplace.

Furthermore, we have established the Process Safety and Reliability Improving Team which playing the pivotal role in enhancing and promoting process safety and reliability throughout the organization. Additionally, the Environmental Improving Team is actively working to strengthen our environmental culture as same as safety culture.

In 2023, SPRC is introducing the implementation of the Operational Excellence Management System (OEMS), a comprehensive framework sourced from Chevron, our primary shareholder and a global energy industry leader. This system encompasses six key focus areas:

7. Workforce Safety and Health
8. Process Safety, Reliability, and Integrity
9. Environment
10. Efficiency
11. Security
12. Stakeholder Engagement

SPRC has appointed the position of General Manager – Operational Excellence to lead this initiative along with the Operational Excellence Leadership Team, will play a pivotal role in overseeing and effectively implementing the OEMS throughout the organization. This strategic move aligns with our commitment to operational excellence, ensuring the highest standards in safety, reliability, efficiency, environmental responsibility, security, and stakeholder engagement. The adoption of the OEMS reflects our dedication to continuous improvement and adherence to global best practices in the energy sector.

- **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 accordance with the Company's financial and non-financial performance for the year, as set out in Key Performance Indicators (KPI): e.g. cases of recordable injury case, process utilization and availability, energy efficiency, operating expenses. A summary status is communicated to all staff through supervisors and through the Company's Digital Dashboard on a monthly basis to encourage engagement and cooperation within the workforce for KPI achievement.

The Company has developed a Flexible Benefits program that allows 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 fees, insurance premiums, travel and leisure benefits, etc.

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

- **For the Long term**, the Company has a target to ensure competitive total remuneration. Each year, the Company evaluates and assesses remuneration surveys and benchmarking with other leading petrochemical and refinery companies in Thailand who participate in the survey to consider the adjustment of salary ratio increases.

Company's employees' performance evaluations are based on continuous review of actual performance including review of career path progress. Selection, training, and development of employees under the Succession Plan and Talent Management is reviewed yearly.

Furthermore, the Company provides a provident fund, which is 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 skills, knowledge, and competency. The Company supports internal and external training, including overseas training in both functional skills and general soft skills, together with on-the-job training and coaching program by supervisors or experienced colleagues. Additionally, capability and leadership development programs are provided to Company employees through secondment assignments to the major shareholder, Chevron Corporation, while at the same time, the Company creates secondment opportunities for Chevron's talents to second at SPRC to transfer knowledge and to develop the Company's employee's capability, in preparation for succession of future leaders and critical positions.

The Company promotes development of personnel through various learning mediums, including, via online platform that the Company provides for employees at all levels of seniority and experience. The flexible learning allows employees to access learning from anywhere at any time through any device to meet individual needs. Also, provided are 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 also supports various programs and activities that support employees' welfare and happy lives both at home and at the workplace.

In 2023, the average employee training was 56 hours/person.

- **Health:** The Company has a medical clinic with a doctor and nurses, who are on duty every day, and provide an annual health check program for all employees. The Company has several activities and programs that promote healthy living, such as, Free Salad Day that provides free salad twice a month, and through exercise. The Company provides appropriate sporting venue and sponsors relationship-building sport competitions such as Refinery Games, a sporting event between refineries and Maptaphut Complex Games, a sporting event for business within the Maptaphut district..

Additionally, the Company provides an Employee Assistance Program that provides an avenue for employees to seek consultation on any issues, whether related to work or life at home, from external professional psychiatrists.

- **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 encourages employees to participate voluntarily in the various Corporate Social Responsibility (CSR) activities. CSR activities related to the environment include aquatic release, tree planting, building check dams, beach cleaning, etc. (See detail in "Sustainability Report")
- **Energy:** The Company efficiently manages energy consumption within its business operations through energy conservation and environmental awareness initiatives.

The Company's Energy Management Policies are as follows:

- To promote compliance with applicable laws and regulations as well as state policies in connection with energy conservation and management.
- To determine appropriate guidelines for energy conservation and management within its business operations through leveraging technologies.
- To effectively and sufficiently allocate resources to support the execution of energy conservation and management program.
- To encourage continuous and sustainable development and improvement of energy conservation and management programs.
- To establish clear objectives and plans to support the Energy Conservation Policy that is widely communicated to staff to ensure understanding, as well as, to ensure ongoing monitoring and reporting to the Energy Management working team.
- To routinely review energy conservation policies, objectives, and management plans that are regularly adjusted where required.
- To continuously and sustainably develop energy management measures.

The Company manages energy in accordance with the Energy Conservation Promotion Act, B.E. 2535 (Revised Edition 2550) and Ministry of Energy's Notification on Criteria and Procedures for the Management of Energy in Designed Factories and Buildings B.E. 2552 as follows:

1. The Company has set up an Energy working team consisting of representatives from various departments to coordinate management of energy consumption and conservation.
2. The Company conducted preliminary assessment of the status of its energy management system, consisting of: reviews of Energy Conservation Policy, organization structure, incentives and motivations, information and communication systems, and investments, of each department.
3. The Company has established an energy conservation policy that is widely publicized and communicated throughout the organization to achieve effective and efficient energy usage within its business operations, minimize energy consumption, and care for the environment.

4. The Company conducted assessments for energy conservation potential across the organization by separating into 3 levels: organization level, product or service level, and equipment level.
5. The Company defined energy conservation plans and objectives, participated in training programs and activities to promote energy conservation.
6. The Company conducted monitoring and analysis of implementation progress of energy conservation plans and objectives.
7. The Company appointed internal audit committees for energy management within the organization to monitor and evaluate energy management methodologies.
8. The Company regularly conducted reviews, analyses, and resolved any shortcomings in energy management to ensure that energy conservation efforts meet the established plans and objectives.

In 2023, there are 4 projects for electrical energy management and thermal energy projects that were intended to save energy consumption and reduce environmental impacts. (See detail in the Sustainability Development Report)

The Company promote energy conservation program on yearly basis, in year 2023 the activities are on the following:

- Order rice to suit yourself for your health and environmental
- Energy Saving at your home – get the prize
- Food Waste Composter from Canteen
- Waste Separation Guideline in the office

The Company provided the following energy conservation-related trainings to the Energy Working Group and related staff:

- Energy Conservation for Steam System
- Effective Internal Audit Technic for Energy Management System

• **Customers:**

The Company is committed to produce and deliver quality products to maximize customers satisfaction and to continuously build trust with customers to maintain our competitive advantage to be a business leader.

The Company continuously develops safer and ever more reliable production processes and continues to motivate all levels of our employees to foster innovation, collaboration, and engagement to enhance product quality and integrity. The Company has established measures of product compliance based on requirements that are expressly and clearly agreed with customers to ensure that the Company supplies quality products that are ready to be delivered to customers according to the agreed quantity and schedule.

For this year, business model has expanded on this journey through the acquisition of Caltex-branded fuels marketing business in Thailand. Bringing together the Caltex fuels products distribution and marketing business with SPRC's refining capabilities allows the new organization significant growth and strategic value chain opportunities that will benefit both shareholders and customers while enhancing energy security within the Kingdom of Thailand. Caltex & Techron brands have a long-standing 75-year legacy in Thailand delivering high-quality fuels and services through the Caltex service station network nationwide. This integration will enhance the brand value, offering a more comprehensive customer experience, broaden employees' skills for future energy change opportunities and ultimately add to the company's strategy to achieve long-term business growth.

The Company has maintained its status as an ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environment Management) and ISO 45001:2018 (occupational health and safety) certified company. These certifications assures customers that we have robust work processes that are continuously improved to enhance the systems that we use to efficiently and sustainably serve our customers' needs.

The Company has maintained its "Made in Thailand" certificate for its asphalt product from the Federation Industrial of Thailand (FTI) to support customers' competitiveness as asphalt suppliers in the domestic market. The Crude to Customer Project involves a cross functional working team across the supply chain that jointly sets aligned targets in order to manage the production of products to meet the quality standards as agreed with the customers. The management of the supply chain starts from crude selection, production processing and quality control, and ends with products distribution and sales to our customers. At the end of this year, the company has made readiness to meet EURO V product specifications mandate which will be effective from 1st January 2024

Customer Index is one of the Company's KPI's. The Company conducts customer satisfaction surveys on a quarterly basis and utilizes the findings, feedback, and recommendations of customers to evaluate and develop operational action plans for execution to align with customers' expectations in order to ensure continued satisfaction. The Company reports the Customer Index scores, customers' feedback and action plans to the Board of Directors on a quarterly basis.

The Customer Index is comprised of scorings from customer satisfaction surveys and key supply performance indicators, which add up to 30 points in total.

In 2023, the Customer Index averaged 27.8 points, which exceeded the target of 25.5 points. Overall, customers were satisfied that the Company had good cooperation and flexibility when adjusting production plans to meet the customers' needs. The company strives to deliver high quality service and products and takes proper corrective actions to address the supply interruption.

It is the Company's policy to maintain business confidentiality of its customers and business partners. The Company conducted a review of its purchase and sale contracts to ensure that confidentiality provisions are standardized to comply with applicable legal requirements and are in line with international standards for safeguarding confidential business information of customers and business partners of the Company.

- **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 quarterly meetings with Contractor Management to exchange knowledge and experiences about safety.
- Organizing Toolbox 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 is 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.

In addition, the Company applies trusted e-signature system for procurement work for the convenience of both the Company and our business partners in execution of the documents. This is to support the safety at work and adhere with COVID-19 preventive measurements on social distancing and reducing exposure from touching, as well as to support the work efficiency while working from home.

- **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 fairly within ethical business competition framework and in compliance with competition laws; to not seek competitors' trade secrets by improper or unethical means; and, to not discredit business competitors' image and reputation without factual basis.

The Company cooperates with other refineries and industry groups and exchanges information appropriately, such as sharing best practices on safety-related technologies and operational processes, building a safety culture, cooperation on emergency response, and liaison efforts with the government sectors to ensure compliance with related regulations through the Federation of Thai Industries (FTI).

- **Communities**

The Company is dedicated to conducting business within the framework of excellence in management and upholding the principles of corporate governance, alongside developing communities and societies to be strong and self-reliant. We promote the participation of all sectors in creating change and improving the quality of life, as well as ensuring accurate communication to foster positive perceptions, confidence, acceptance, and support throughout the company's operations.

The Company has the policy to conduct its business by living up to the concept of Corporate Social Responsibility (CSR) and placing importance on the provision of support through several social and community activities as well as the commitment towards ongoing environmental care. The Company conducts its business based on the principles of transparency and accountability including focusing

on the business development while implementing the concept of CSR and complying with laws, regulations and other practices with an aim of building a foundation for the Company's continuous and sustainable responsibility. The details of the Company's CSR policy are at the website [CSR Policy-ENG.pdf \(sprc.co.th\)](#)

In developing communities and society, SPRC has established a strategy in community relations, focusing on responding to the needs and addressing issues within the community, as well as engaging all stakeholders to foster sustainable development. This demonstrates the company's sincerity in its responsibility and concern for the community and society, covering four key areas: education and youth, quality of life, environment, and long-term relationship building with surrounding communities.

In addition, the Company engages communities in various activities or projects and provides a variety of communication channels for the communities to provide feedback or suggestions with regard to the impact from the Company's operation. The Company takes feedback and suggestions seriously to enhance our operations and performance in order to meet the Communities' expectations for our sustainable business. (See detail in "Sustainable Development 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 details in item "Anti-Corruption Policy")

Disclosure

The Board of Directors oversees and recognizes the importance of information disclosure because it greatly affects decision-making by investors and stakeholders. It is necessary, therefore, to define and administer measures concerning the disclosure of information, both financial and non-financial. Information shall be complete, sufficient, transparent, reliable and in timely manner. In addition, such information must reflect the Company's operational performance and its true financial status in accordance with the corporate information disclosure policy and the supervision of using insider information policy which has been communicated to the directors, management and employees. The Company strictly complies with the laws, rules and regulations relating to information disclosure of both the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Furthermore, the company regularly appraises the efficiency of information disclosure process, monitors the issuance of any new regulations, and adjusts the Company's guidelines in accordance with such regulations.

The information disclosure consists of financial information and non-financial information. Financial information is disclosed through financial statements which are reviewed and audited by the external auditor to confirm that they are presented accurately, in all material respects, according to the Thai Financial Reporting Standards. The financial statements are subsequently approved by the Audit Committee and the Board prior to being disclosed to the public. The Company also discloses non-financial information, such as acquisition and disposal of assets, related party transactions, dividend payments, the management discussion and analysis, risk management, invitation letter for the shareholders' meetings, minutes of meetings, as well as other information which is important for investment decisions according to the SET's and the SEC's requirements. The Company also disclosed the annual corporate governance report in the annual registration statement (56-1 One Report).

Star Petroleum Refining PCL

The Investor Relations (IR) team is responsible to develop and establish the yearly investor relations plan to ensure efficient communication process and channels to communicate information including the Company's vision, mission, strategies, financial and operational performance to shareholders, investors, analysts, fund managers and bankers both domestically and abroad in accordance with SEC and SET regulations. Also, in order to prevent insider trading issues and to ensure the fairness and equality in information access, the Company has applied the Silent period to not conduct any meeting or reply to questions related to the performance with investors or analysts 14 days prior to the announcement of the Company's quarterly and annual performance.

Please visit our Investor relations section in SPRC website for more information [SPRC Investor Relations Website](#)

Directly and indirectly, SPRC presented its performance outcomes and company information, summarized below:

- Direct: SPRC organized the meetings with investment community to present performance outcomes through analyst meetings, roadshows, conference calls, participation in conferences (domestic and abroad), participation in meetings with retail investors at the quarterly Opportunity Day organized by the SET. In addition, institutional investors (domestic and international) and analysts may make appointments with managements to inquire about company data through company visits.
- Indirect: SPRC discloses financial and non-financial information, as well as other information which is important for investment decisions according to the SET's and the SEC's requirements through the channel provided by SET and through the Company's website – IR section. SPRC also provided other data such as meeting presentation document, webcast and other investor relations' information in the Company's website which is available in Thai and English and it is updated frequently.

Details of Investor Relations activities to disclose information to international and local investors, institutional investors, retail investors, analysts, fund manager and the investment community in 2023 are as listed in the table:

Activities (Normal and Virtual format)	Number (times)
Analyst Meetings	4
Opportunity Day (organized by the SET)	4
Digital roadshows (organized by the SET)	2
Domestic roadshows	4
International roadshows	7
Answering Inquiries by E-mail/telephone	Approx. 3-5 times/day
Press Release on the Company's performance	4

For further information, investors and interested persons may contact 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:-

- Ms. Chutathip Pachiyankul Assistant investor Relations Manager
- Ms. Apasara Benner Investor Relations Officer

6.2 Business Conduct Policy

The Board of Directors has established the Company's Business Conduct Policy as a guideline on how to conduct our 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 staffs are required to comply with the Business Conduct Policy at all times. The Business Conduct provides 10 principles for conducting business as follows;

- **Our Employees** – Diversity and inclusion / equal opportunity / pay-for-performance to attract and retain high-caliber person / zero drugs and alcohol / zero tolerance for workplace violence and harassment.
- **Human Rights** – SPRC is committed to respecting fundamental human rights in our operations, our value chain, and in the communities where we operate.
- **Company Records and Internal Controls** – Accurate books and records / internal controls / audit
- **Conflicts of Interest** – SPRC expects SPRC's Personnel to act in the best interest of SPRC. Business decision should be made free from any conflict of interest. Avoid accepting or giving gift or other advantage / Related Party Transaction / Insider Trading
- **Operational Excellence** – SPRC is committed to working in a way that places the highest priority not only on Personnel and Process Safety, but also on the safety and health of its workforce and members of the communities, including protection of assets and the environment. SPRC is also committed to efficient use of resources and to prevent and/or mitigate the environmental impact due to our operations.
- **Protection of Information and Intellectual Property** – Safeguard information against theft, unauthorized disclosure, misuse, trespass and careless handling / using computer systems and email / (add) using social media - We should use the best judgment in posting material that is neither inappropriate nor harmful to SPRC as "Protecting SPRC is part of our job."
- **Data privacy** – Compliance with the requirement of the Personal Data Protection Act
- **Antitrust/Competition Law** – Compliance with Trade Competition Act. A general discussion or exchanging any information with a competitor could be enough to give rise a concern or show the existence of an illegal agreement.
- **Government Affairs and Political Involvement** – Bribery is always prohibited / the US Foreign Corrupt Practice Act / making political contribution / engaging in political activities on our own - participation political activities during working hours or when using company resources or even when wearing the clothes with SPRC's logo may be prohibited.
- **Multinational Operations** – Trade restrictions / sanctioned countries / the US Antiboycott law

(See detail of Business Conduct Policy at www.sprc.co.th)

All new staff are trained on the Business Conduct Policy when they start working at the Company.

6.3 Development and Significant Changes of Policy, Measures and Corporate Governance system in the year

6.3.1 Development and Significant Changes regarding the review of Policy, Measures and Corporate Governance system in the year or the Board of Directors' charter

The Board of Directors assigns the NRCG Committee to review the Company's practices to ensure compliance with the guideline on good Corporate Governance (CG Code) and make recommendation to

the Board of Directors for improvement. The NRCG reviews the CG assessment result annually by considering and taking the CG Code and ASEAN CG Score Card into account.

The Company has continuously improved its CG as recommended by the NRCG Committee, for example encouraged director training, nominated a female independent director, and changed a qualification of an independent director from an independent director shall not hold the Company's share of more than 1% to 0.1%.

On the ASEAN CG Score Card, the NRCG recommend an appointment of Lead Independent Director in case the Company's Chairman is not an independent director. The NRCG Committee reviewed the board size, number of independent directors, and independent directors' performance, and determined that the Company did not need a Lead Independent Director.

Moreover, the NRCG reviewed the new CGR Checklist and considered whether the Company should establish additional committees such as Sustainability Committee and Risk Committee as at present, the Company has 3 committees: Audit Committee, NRCG Committee and Human Resources Committee. The NRCG Committee advised that it was not required to have any additional committees at this moment. However, it will be reviewed from time to time.

In 2023, due to appointment of a number of new directors, the NRCG supported sponsoring directors training through programs that support the roles and responsibilities of directors as held by the IOD.

6.3.2 Other measures regarding the good Corporate Governance principle

For 2023, the NRCG provided its opinion to the Board of Directors that the Company performed all practices in compliance with good corporate governance as recommended by the Security Exchange of Thailand, except following items;

- 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. Due to the Board's size and composition, the Board of Directors considers the current practice as stipulated in the Company's Articles of Association as appropriate and no updates were made.
- 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. Brant Thomas Fish, 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 Vice Chairman shall have the duty to conduct the meeting in place of the Chairman where the Chairman is not present in the meeting or is otherwise unable to perform his Chairman duties during that meeting.
- 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 (equal to 50%) are independent directors.
- The Board of Directors shall comprise of independent directors more than 50%.
 - There are 8 directors in the Board and 4 out of 8 directors (equal to 50%) are independent directors.

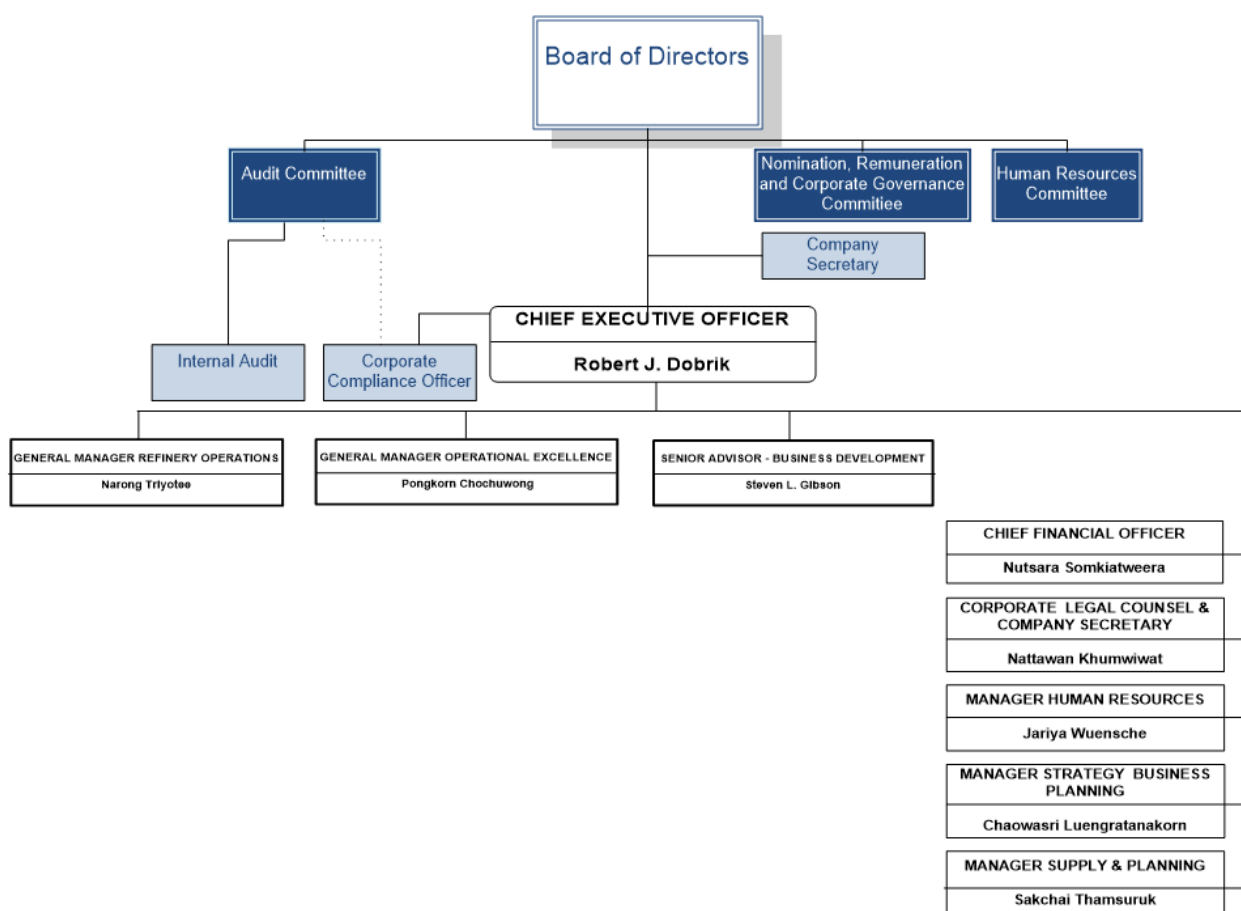
6.3.3 Evaluation of Corporate Governance and AGM Arrangement

In 2023, the Company received Excellence (5 star) for CG evaluation assessed by the Stock Exchange of Thailand and the Thai Institution of Directors and received 100 score for AGM Arrangement assessed by the Thai Investor Association.

7. Structure of Corporate Governance and significant information regarding the Board of Committee, Subcommittee, Management, Employees and others

7.1 Structure of Corporate Governance

As of 31 December 2023



7.2 Information of the Board of Committee

7.2.1 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 Annual General Meeting of 2023 approved the addition of one director, therefore, in 2023, the Board of Directors was comprised of 9 directors. 8 out of 9 are non-executive directors (89% of total Board members), 4 out of 9 are independent directors (44.0% of total Board members), and 1 Executive director, who is the CEO (11% of total Board members).

Director's name (As of 31 December 2023)		Executive Director	Non-Executive Director	Independent Director
1.	Mr. Brant Thomas Fish	-	✓	-
2.	Mr. Pliu Mangkornkanok	-	✓	✓
3.	Ms. Kamonwan Wipulakorn	-	✓	✓
4.	Mr. Robert Stair Guthrie	-	✓	✓
5.	Mr. Rapee Sujaritakul ¹	-	✓	✓
6.	Mr. Mr. Ranga Rama Kumar Sreeramagiri	-	✓	-
7.	Ms. Melissa White ²	-	✓	-
8.	Mr. Herbert Matthew Payne II ³	-	✓	-
9.	Mr. Robert Joseph Dobrik	✓	-	-

¹**Mr. Rapee Sucharitakul** was appointed by the Board of Directors' meeting. No. 1/2023 held on 24 February 2023, he was appointed as an independent director to replace a vacant position and appointed as a member of the Audit Committee and a member of the NRCG Committee; effective from 25 February 2023.

²**Ms. Melissa White** was appointed by the Board of Directors' meeting. No. 3/2023 held on 8 August 2023, she was appointed as a director and appointed as a member of the a member of the NRCG Committee; effective from 9 August 2023.

³**Mr. Herbert Matthew Payne II** was appointed by the Annual General Meeting of Shareholders for 2023 held on 5 April 2023, he was appointed as a director; effective from 6 April 2023.

Ms. Kamonwan Wipulakorn, Mr. Pliu Mangkornkanok, Mr. Rapee Sucharitakul and Mr. Robert Stair Guthrie are independent directors who are qualified and have qualifications in accordance with the requirements of the Securities and Exchange Commission, the Capital Market Supervisory Board and the Board of Directors' charter.

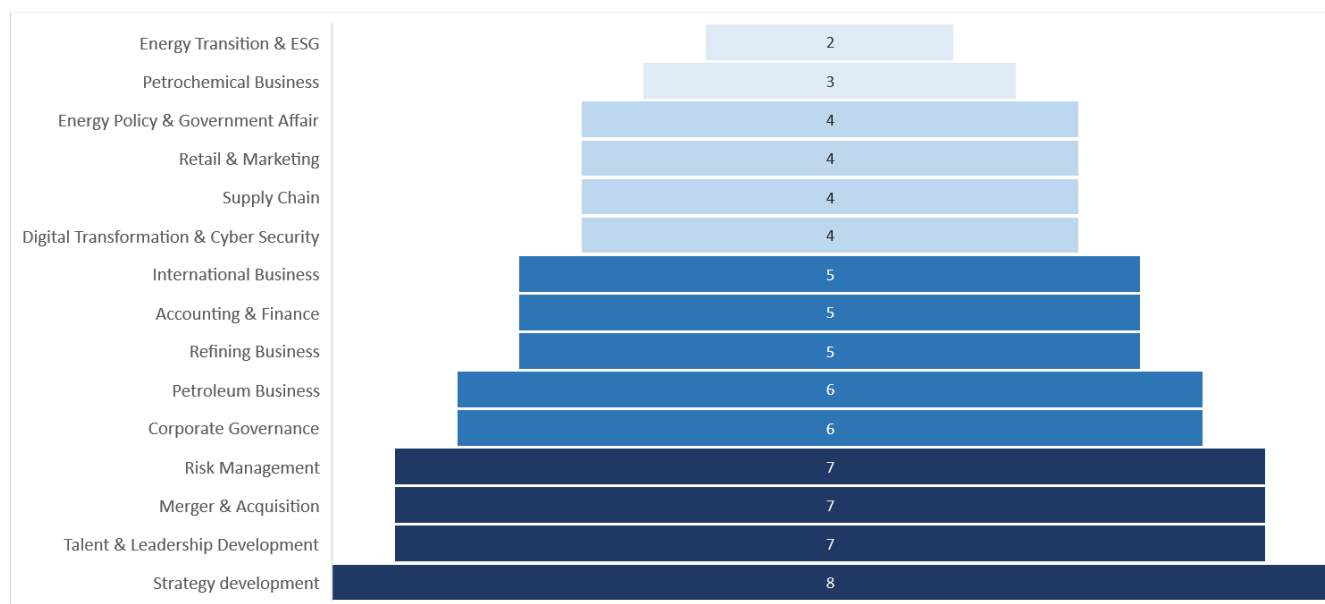
The Charter of the Board provides that the Board shall have diversity of perspectives and talents to ensure that an appropriate mix of skills, experience and expertise is maintained on the Board. The election of directors followed the resolutions of the annual shareholders meetings, resolutions of the 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 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 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.

The Board of Directors evaluates 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. The Nomination, remuneration and Corporate Governance Committee develops and reviews the required skill sets for the skill matrix

assessment. From the skill matrix assessment result in 2023, the Board considered the composition of the Board and viewed that the Board has an appropriate mix of skills, experience, and expertise as follows:



Graph presents the number of directors with moderate and high skill and experience in each area.

7.2.2 Information of the Board of Committee and Company Controlling Person

See profile of each director in Attachment 1

The Board of Director as of 31 December 2023	
1. Mr. Brant Thomas Fish	<ul style="list-style-type: none"> Chairman of the Board of Directors
2. Mr. Pliu Mangkornkanok	<ul style="list-style-type: none"> Independent Director Vice-Chairman of the Board of Directors Member of the Audit Committee Member of the Human Resources Committee
3. Ms. Kamonwan Wipulakorn	<ul style="list-style-type: none"> Independent Director Chairperson of the Audit Committee Member of the Human Resources Committee
4. Mr. Robert Stair Guthrie	<ul style="list-style-type: none"> Independent Director Chairman of the Nomination, Remuneration and Corporate Governance Committee Member of the Audit Committee
5. Mr. Rapee Sucharitakul ¹	<ul style="list-style-type: none"> Independent Director Member of the Audit Committee Member of the Nomination, Remuneration and Corporate Governance Committee
6. Mr. Ranga Rama Kumar Sreeramagiri	<ul style="list-style-type: none"> Director Member of the Human Resources Committee
7. Ms. Melissa White ²	<ul style="list-style-type: none"> Director Member of the Nomination, Remuneration and Corporate Governance Committee

8. Mr. Herbert Matthew Payne II ³
○ Director
○ Chairman of the Human Resources Committee
9. Mr. Robert Joseph Dobrik
○ Director
○ Chairman of the Human Resources Committee
○ Member of the Nomination, Remuneration and Corporate Governance Committee
○ Chief Executive Officer
Director who resigned in 2023
1. Mr. Brian Monaco Sutton ⁴
○ Director
○ Member of the Human Resources Committee

¹**Mr. Rapee Sucharitakul** was appointed by the Board of Directors' meeting. No. 1/2023 held on 24 February 2023, he was appointed as an independent director to replace a vacant position and appointed as a member of the Audit Committee and a member of the NRCG Committee; effective from 25 February 2023.

²**Ms. Melissa White** was appointed by the Board of Directors' meeting. No. 3/2023 held on 8 August 2023, she was appointed as a director and appointed as a member of the a member of the NRCG Committee; effective from 9 August 2023.

³**Mr. Herbert Matthew Payne II** was appointed by the Annual General Meeting of Shareholders for 2023 held on 5 April 2023, he was appointed as a director; effective from 6 April 2023.

⁴**Mr. Brian Monaco Sutton** resigned from directorship as from 9 August 2023.

7.2.3 Roles of the 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 (see Section 6.1.1 for CEO's authorizations);

Authorized Directors

The authorized directors of the Company are any two of Mr. Brant Thomas Fish, Ms. Melissa White, Mr. Robert Joseph Dobrik, Mr. Ranga Rama Kumar Sreeramagiri, and Mr. Herbert Matthew Payne II, to jointly sign and affix the Company's seal.

7.3 Information of Subcommittee

7.3.1 Structure of the Board of Directors

The Board of Directors has established committees to support and provide recommendations to the Board of Directors in each aspect for effective operations of the Company's business.

The Company has 3 committees as follows:

- Audit Committee
- Nomination, Remuneration and Corporate Governance Committee; and
- Human Resources Committee

7.3.2 List of Subcommittee by each committee

7.3.2.1 Audit Committee

The Audit Committee comprises 4 members as follows:

- | | | | |
|----|-------------------------------------|-------------|------------------------|
| 1. | Ms. Kamonwan Wipulakorn | Chairperson | (Independent Director) |
| 2. | Mr. Pliu Mangkornkanok | Member | (Independent Director) |
| 3. | Mr. Robert Stair Guthrie | Member | (Independent Director) |
| 4. | Mr. Rapee Sucharitakul ¹ | Member | (Independent Director) |

¹Mr. Rapee Sucharitakul was appointed by the Board of Directors' meeting. No. 1/2023 held on 24 February 2023, he was appointed as an independent director to replace a vacant position and appointed as a member of the Audit Committee and a member of the NRCG Committee; effective from 25 February 2023.

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

The Audit Committee has scope of authority, duties, and responsibilities as follows:

- 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.
- 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 external auditor of the Company, propose the remuneration of the external auditor, termination of the external auditor, and attend meetings with the external auditor and internal auditor without the management's presence at least once a quarter.
- 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 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.

7.3.2.2 Nomination, Remuneration and Corporate Governance Committee (NRCG Committee)

The NRCG Committee comprises 4 members as follows:

- | | | |
|--|----------|------------------------|
| 1. Mr. Robert Stair Guthrie | Chairman | (Independent Director) |
| 2. Mr. Rapee Sucharitakul ¹ | Member | (Independent Director) |
| 3. Ms. Melissa White ² | Member | |
| 4. Mr. Robert Joseph Dobrik | Member | |

¹**Mr. Rapee Sucharitakul** was appointed by the Board of Directors' meeting. No. 1/2023 held on 24 February 2023, he was appointed as an independent director to replace a vacant position and appointed as a member of the Audit Committee and a member of the NRCG Committee; effective from 25 February 2023.

²**Ms. Melissa White** was appointed by the Board of Directors' meeting. No. 3/2023 held on 8 August 2023, she was appointed as a director and appointed as a member of the NRCG Committee; effective from 9 August 2023.

The Nomination, Remuneration and Corporate Governance Committee has scope of authority, duties, and responsibilities as follows:

- 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.

7.3.2.3 Human Resources Committee

The Human Resources Committee comprises 4 members as follows:

- | | | |
|---|--------|------------------------|
| 1. Mr. Robert Joseph Dobrik | Member | |
| 2. Ms. Kamonwan Wipulakorn | Member | (Independent Director) |
| 3. Mr. Pliu Mangkornkanok | Member | (Independent Director) |
| 4. Mr. Ranga Rama Kumar Sreeramagiri ¹ | Member | |
| 5. Mr. Robert Matthew Payne II ² | Member | |

¹Mr. Ranga Rama Kumar Sreeramagiri was appointed by the Board of Directors' meeting. No. 3/2023 held on 8 August 2023, he was appointed as a director and to switch appointment as a member of the NRCG Committee to the Human Resources Committee ; effective from 9 August 2023.

²Mr. Herbert Matthew Payne II was appointed by the Board of Director's meeting No. 3/2023 held on 8 August 2023, he was appointed as a member of the Human Resources Committee; effective from 9 August 2023.

The Human Resources Committee has scope of authority, duties, and responsibilities as follows:

- 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.

7.4 Information of Management

7.4.1 List of Management and position

There are 10 executives on 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 members as of 31 December 2023 are:

Name	Position
1. Mr. Robert Joseph Dobrik	Director and Chief Executive Officer
2. Mr. Steven Lewis Gibson	Senior Advisor - Business Development
3. Mr. Narong Triyotee	General Manager - Refinery Operations
4. Mr. Pongkorn Chochuwong	General Manager - Operational Excellence
5. Mrs. Nutsara Somkiatweera	Chief Financial Officer
6. Mr. Sakchai Thamsuruk	Manager of Supply & Planning
7. Mrs. Jariya Wuensche	Manager of Human Resources
8. Ms. Chaowasri Luengratanakorn	Manager of Strategic Business Planning
9. Ms. Nattawan Khumwiwat	Corporate Legal Counsel, Company Secretary and Corporate Compliance Officer
10. Mrs. Sudpreeda Pongkajonton	Manager of Information & Digital Technology

Remarks:

- Leadership Team No.1-10 is according to the definition of management as defined by the Capital Market Supervisory Board.
- There are reported managements during January – June 2023 as following and the updated current managements as in table 7.4.1 according to revisit the alignment with definition of management as defined by the Capital Market Supervisory Board.
 - Pornthip Viraphand, position of Manager Corporate Affairs
 - Kittipong Nokdara, position of Manager Integrity & Reliability
 - Konlayuth Chotepatana, position of Manager Technology and Engineering
 - Wisit Sukprasert, Position of Manager Asset Management
 - Chaowasri Luengratanakorn, position of Manager Production Unit Movement & Dispatches
 - Paul Andrew Rushworth, Position of Manager Production Unit-Processes and Utilities
- There are managements transition during the years as following:
 - Mr. Steven Lewis Gibson is transferred from the position of Deputy Chief Executive Officer – Operations to the position of Senior Advisor - Business Development, effective 1st April 2023
 - Mr. Narong Triyotee is promoted to position of General Manager - Refinery Operations, effective 1st April 2023
 - Mr. Pongkorn Chochuwong is transferred from the position of Manager of Process Safety and QEHS to the position of General Manage - Operational Excellence, effective 1st April 2023
 - Mrs. Jariya Wuensche is promoted to the position of Manager of Human Resources, effective 1st January 2023
 - Ms. Chaowasri Luengratanakorn is transferred from the position of Manager Production Unit-Movement & Dispatches to the position of Manager of Strategic Business Planning, effective 1st October 2023.
 - Mr. Akasit Rumpagaporn is transferred from the position of Manager of Strategic Business Planning to the position of Manager of Asset Management, effective 1st October 2023.

7.4.2 Management's Remuneration Policy

Management's Remuneration

Total remuneration for Leadership Team members who perform in the position during 2023 and updated list as in Section 7.4.1 List of Management and position, includes basic salary, bonus, provident fund, welfare, and benefit expenses. In 2023, Total Remuneration for executives was Baht 160.1 million. These totals include management manpower costs paid to Chevron under the Personnel Secondment Agreement. Leadership Team also receives other benefits and compensation as an employee.

7.4.3 The Compensation of Management

Compensation of Management

The total compensation from Leadership Team members (including 6 leadership members reported during January – June 2023 and update lists to current 10 leadership team members) according to the definition of management as defined by the Capital Market Supervisory Board in 2023

Compensation	Number of executives	Amount (Baht)
Salary	10	84,523,327
Bonus	10	62,889,679
Provident Fund	8	5,456,910
Retirement Benefit	9	7,246,208
Total		160,116,124

Remark: Summary 2023 leadership team movement as refer in 7.4.1 Leadership Team members section.

7.4.4 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 31st December 2023

Name	Number of Shares		Changing Number of Shares Increase (Decrease)
	As of 31 st December 2022	As of 31 st December 2023	
1 Mr. Robert Joseph Dobrik Spouse and minor children	- -	- -	- -
2 Mr. Steven Lewis Gibson Spouse and minor children	35,000 -	35,000 -	- -
3 Mr. Narong Triyotee Spouse and minor children	347,300 167,600	347,300 167,600	- -
4 Mr. Pongkorn Chochuwong Spouse and minor children	347,300 -	347,300 -	- -
3 Mrs. Nutsara Somkiatweera Spouse and minor children	- -		
4 Mr. Sakchai Thamsuruk Spouse and minor children	267,100 78,500	267,100 78,500	- -
5 Mrs. Jariya Wuensche Spouse and minor children	130,800 -		- -
8 Ms. Chaowasri Luengratanakorn Spouse and minor children	40,000 -	40,000 -	- -
9 Ms. Nattawan Khumwiwat Spouse and minor children	205,500 -	205,500 -	- -
10 Mrs. Sudpreeda Pongkajonton Spouse and minor children	100,800 -	100,800 -	

7.5 Information regarding Employees

Number of Employees

The company has 553 total employees as of 31 December 2023. The number of employees includes direct hires and secondees from Chevron.

Department	Number of Employees
Production Unit - Processes and Utilities	145
Production Unit - Movement and Dispatches	102
Asset Management	67
Technology and Engineering	45
Process Safety and QEHS	25

Corporate Service	23
Integrity and Reliability	27
Strategic Business Planning	5
Others	114
Total	553

Employee Compensation

SPRC recognizes that our employees and management are the most important resources for achieving the strategic goals of the company. Our One Family culture cares for and respects all 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 2023, total compensation, including salary, bonus, overtime pay, provident fund, welfare, and other benefits paid to employees and executives, was Baht 1,536.7 million. The annual merit increase for each employee is determined based on the individual's annual performance result and market competitiveness.

Other Compensation and Benefits

The Company provides benefits to the employees such as Housing Allowance, Housing and Automobile Interest Subsidy, Annual Holidays, Maternity Leave, Paternity Leave, Compassionate Leave, Life Insurance and Disability, and Medical Coverage. We also provide the Flexible Benefits program that allows individual employees to select benefits that fit with their lifestyle and family's needs.

The Company also provides employees' retirement package which complies with Thai Labor Law. We recognize employees with "Top Up with Gold" and a special gift from management at their retirement. The Company has recorded retirement benefits of Baht 38.2 million in 2023.

Provident Fund

The Company provides a provident fund, registered as a juristic person under the Provident Fund Act, B.E. 2530 (1987), to the 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 75.5 million in 2023.

Training & Development

Our people development plan aims to enhance employee competencies and efficiency by providing them with the right skills, values, and behaviors. We encourage and engage employees to contribute to superior business results through training and various work experiences. We provide customized education and skills development based on the training needs analysis, ensuring that our employees are equipped with the necessary skills and competencies.

Our people development plan is to build competencies and improve the quality and efficiency of people by ensuring that our employees have the right skills, values, and behaviors. We encourage and engage our employees to contribute to the achievement of superior business results.

Our employees' skills and competencies are developed through training and various work experiences in a wide range of assignments. We provide education and skills development through training needs analysis, customized to our business environment. Our employee is provided with:

1. Continued the Agile way of working to strengthen the caring and reliability culture via company action plans.
2. Leadership, Successor, and Talent Development Programs through various assigned Agile Projects e.g., Coaching and Mentoring, Leadership and Specialist Program, Growth Mindset, etc.
3. Knowledgeable management structure that encourages employees to promote learning organization and transfer knowledge from various areas both functional and general.
4. Special assignments both locally and overseas.
5. Promote a Coaching and Mentoring Program by young-generation employees in an agile working approach to enhance performance appraisal.
6. 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.
7. Mandatory training in Quality, Environment, Health and Safety (QEHS), including Business Conduct. In 2023, we conducted these courses by online training via Computer-Base Training (CBT) and classroom training.
8. On-the-job learning is provided by different assignments and job rotations over a career.
9. Enhanced learning organization through the implementation of an online training platform that includes both general and leadership competency development.
10. Emphasizes learning effectiveness through the "Community of Practice" program.
11. Succession Plans, Talent Management work processes, and selection criteria are tools to support the expected retirement wave in the next 5 years and T&I in 2025.
12. Implement a rotation program to upskill and reskill staff, to ensure they are prepared for greater resilience.
13. Implemented three modules of the SAP SuccessFactor digital platform to strengthen an effectiveness of the Performance Management System, Successor and Talent management, and Learning and Development processes.
14. Introduce the Chevron "WE LEAD" framework to integrate with Performance Management System, people management and development program to strengthen organizational capability.
15. Deploy Personnel Development Committee Governance (PDC) to enhance organizational capability through people management strategies, leadership development, succession planning and development.

All learning and development activities and feedback are 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 a labor union and has had no material labor disputes in the past 3 years.

7.6 Other significant information

7.6.1 Indicate the name of persons who are assigned to be responsible as follows

- **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 law degree, to act in the position of Company Secretary.

The Company Secretary has roles and responsibilities to ensure compliance with, and advises the Board of Directors and management on, relevant laws and regulations, and good corporate governance practices. 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 for managing the registration and record of the Company's directors, providing notice of the Board and shareholders meetings, document 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.

See profile of the Company Secretary in Attachment 1.

- **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.

See profile of the Corporate Compliance Officer in Attachment 3.

- **Internal Audit Manager (Head of the internal audit function)**

The Audit Committee has authority in appointment and removal of the head of internal audit functions. At the Audit Committee meeting no. 4/2012, on 20 June 2012, the Audit Committee appointed, Ms. Sukhumal Tonpitak as the Company's Internal Audit Manager. The Audit Committee reviewed and considered that she has knowledge, ability and work experience in refinery for more than 15 years. She has attended internal audit course and understands the company's operations.

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 examinations of fraud and Anti-Corruption. The Internal Auditor follows the Professional Standard guideline and applies innovative approaches for internal audit process.

See profile of the Internal Audit Manager in Attachment 3.

7.6.2 Investor relations manager

List of Investor Relations Manager and working team

- Ms. Chutathip Pachyanukul Assistant investor Relations Manager
- Ms. Apasara Benner Investor Relations Officer

Contact details

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

Telephone +66 (0) 38 699 887 or
Fax. +66 (0) 38 699 999 ext. 7887 or
Email ir@sprc.co.th

7.6.3 Auditor fee

Audit fee for the year 2023 is Baht 2,875,000 to PricewaterhouseCoopers ABAS Limited which is the auditor of the Company.

7.6.4 Indicate representative person and contact detail (in case of Holding Company)

N/A

8. Corporate Governance Report

8.1 Summary of the Board of Committee's performance for the year

8.1.1 Nomination, Development and assessment of the Board of Directors

Under the Company's Article of Association, 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. There were 2 directors, Mr. Brant Thomas Fish and Mr. Brian Monaco Sutton, who retired at the 2023 Annual General Meeting. They were re-elected by the the 2023 Annual General Meeting of Shareholders held on 8 April 2023 to hold a directorship for another term.

Moreover, the 2023 Annual General Meeting approved the increase in total number of directors from 8 to 9 and approved the appointment of Mr. Herbert Matthew Payne II as director, such that, the appointment was to be effective on 6 April 2023.

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 0.1 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. (This required qualification is more stringent than the requirement of the law.)
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.

Training for directors

If there is a new director, the Company will arrange the director orientation to provide an 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.

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 Thai Institution of Directors (IOD). The Nomination, Remuneration and Corporate Governance Committee is responsible to monitor and ensure the directors attend the training, as well as recommend the IOD courses to the directors. In 2023, the following directors attended the following courses with IOD:

Name-Surname	Program
Mr. Robert Stair Guthrie	- The Board's Role in Mergers and Acquisitions (BMA 5/2023) - Director Leadership Certification Program (DLCP 12/2023)
Mr. Robert Joseph Dobrik	- The Board's Role in Mergers and Acquisitions (BMA 5/2023)
Mr. Pliu Mangkornkanok	- Hot Issue for Directors (HOT 1/2023)
Ms. Kamonwan Wipulakorn	- Risk Management Program for Corporate Leaders (RCL 30/2023) - Ethical Leadership Program (ELP 29/2023) - Board Nomination and Compensation Program (BNCP 17/2023) - Role of the Chairman Program (RCP 55/2023) - Hot Issue for Directors (HOT 1/2023)
Mr. Rapee Sucharitakul	- The Board's Role in Mergers and Acquisitions (BMA 6/2023)
Mr. Herbert Matthew Payne II	- Director Certification Program DCP (351/2023)

Board of Directors Self-Assessment

- Criteria**

The Board of Directors assessed its 2023 performance. The self-assessment form consists of 55 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 relationship and trust between directors and management, including working to support each other in 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**
 - 9 directors completed the self-assessment for the Board of Directors. The overall result of the 2023 Board of Directors' self-assessment indicates 99% effectiveness.

Audit Committee Self-Assessment

- **Criteria**

The Audit Committee assessed its 2023 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 of 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 recommendations (if any) to the Audit Committee.
- **Assessment Result**
 - 4 members of the Audit Committee completed the self-assessment for the Audit Committee. The overall result of the 2023 Audit Committee self-assessment indicates 98% effectiveness.

Nomination, Remuneration and Corporate Governance, Committee Self-Assessment

- **Criteria**

The Nomination, Remuneration and Corporate Governance (NRCG) Committee has assessed its 2023 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**
 - 4 members of the NRCG Committee completed the self-assessment for the NRCG Committee. The overall result of the 2023 NRCG Committee self-assessment indicates 91% effectiveness.

Human Resources Committee Self-Assessment

- **Criteria**

The Human Resources Committee assessed its 2023 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**
 - 5 members of the Human Resources Committee completed the self-assessment for the Human Resources Committee. The overall result of the 2023 Human Resources Committee self-assessment indicates 93% effectiveness.

Individual Director Self-Assessment

- **Criteria**

Each director assessed himself/herself as a director for his/her 2023 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**
 - 7 directors completed the individual director self-assessment. The overall result of the 2023 individual director self-assessment indicates 94%.

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
 - Relationship with External Stakeholders
 - Relationship with Management and Human Resources Management
 - Succession Plan
 - Skills and Attitudes
 - Problem Solving

• **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 the Chairman of the Board of Directors directly.
- 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 discusses the evaluation and assessment result with the directors at the Board of Directors meeting and without the attendance of an executive director at the first Board of Directors meeting of every year.
- The Chairman shares the assessment result and the director's feedback to the CEO.

• **Assessment Result**

- The results of the CEO assessment is privacy and will be shared with the CEO.
- 6 directors completed the CEO assessment.

8.1.2 Meeting attendance and Compensation for the Board of Committees

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.

In 2023, meetings of the Board of Directors were held 5 times, including 4 regular quarterly meetings, and 1 special meetings.

Attendance of the Board of Directors Meetings in 2023								
Name of Directors		No. 1 (24Feb)	No. 2 (5 Apr)	No. 3 (10 May)	No. 4 (8 Aug)	No. 5 (8 Nov)	Total	Percentage
1	Mr. Brant Thomas Fish	✓	✓	✓	✓	✓	5/5	100%
2	Mr. Pliu Mangkornkanok	✓	✓	✓	✓	✓	5/5	100%
3	Ms. Kamonwan Wipulakorn	✓	✓	✓	✓	✓	5/5	100%
4	Mr. Robert Stair Guthrie	✓	✓	✓	✓	✓	5/5	100%
5	Mr. Rapee Sucharitakul ¹	n/a	✓	✓	✓	✓	4/4	100%
6.	Mr. Ranga Rama Kumar Sreeramagiri	✓	✓	✓	✓	✓	5/5	100%
7.	Ms. Melissa White ²	n/a	n/a	n/a	n/a	✓	1/1	100%
8.	Mr. Herbert Matthew Payne II ³	n/a	n/a	✓	✓	✓	3/3	100%
9	Mr. Robert Joseph Dobrik	✓	✓	✓	✓	✓	5/5	100%
Director who resigned in 2023								
1	Mr. Brian Monaco Sutton ⁴	✓	✓	✓	✓	n/a	4/4	100%

¹Mr. Rapee Sucharitakul was appointed by the Board of Directors' meeting. No. 1/2023 held on 24 February 2023, he was appointed as an independent director to replace a vacant position and appointed as a member of the Audit Committee and a member of the NRCG Committee; effective from 25 February 2023.

²**Ms. Melissa White** was appointed by the Board of Directors' meeting. No. 3/2023 held on 8 August 2023, she was appointed as a director and appointed as a member of the a member of the NRCG Committee; effective from 9 August 2023.

³**Mr. Herbert Matthew Payne II** was appointed by the Annual General Meeting of Shareholders for 2023 held on 5 April 2023, he was appointed as a director; effective from 6 April 2023.

⁴**Mr. Brian Monaco Sutton** resigned from directorship as from 9 August 2023.

The Board of Directors Meeting was hybrid so the directors could attend the meeting in person or online via the Microsoft Teams application to accomodate the directors who could not attend the meeting in person in Thailand.

The online meetings were arranged in compliance with the Emergency Decree on Electronic Meetings B.E. 2563, the Notification of the Ministry of Information and Communication Technology on Standards for Electronic Conferencing Security B.E. 2563, and the guideline provided by the Department of Business Development, Ministry of Commerce.

The Company Secretary is responsible to develop the meeting schedule and inform the directors of the meeting schedule for the whole year in advance. In the 3rd quarter of the year, the Company Secretary will notify each director on the following year schedule of the Board of Director meetings and committee meetings, so that each director is aware of the meeting schedule in advance, and is able to attend the meeting.

Attendance of the Board of Directors Meetings and Committee Meetings in 2023					
Director's Name		Board of Directors	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Human Resources Committee
		Total Meetings in 2023			
		5 Meeting	4 Meetings	3 Meetings	4 Meetings
1	Mr. Brant Thomas Fish	5/5	-	-	-
2	Mr. Pliu Mangkornkanok	5/5	4/4	-	4/4
3	Ms. Kamonwan Wipulakorn	5/5	4/4	-	4/4
4	Mr. Robert Stair Guthrie	5/5	4/4	3/3	-
5	Mr. Rapee Sucharitakul ¹	4/4	3/3	2/2	-
6.	Mr. Ranga Rama Kumar Sreeramagiri ²	5/5	-	2/2	1/1
7.	Ms. Melissa White ³	1/1	-	1/1	-
8.	Mr. Herbert Matthew Payne II ⁴	3/3			1/1
9	Mr. Robert Joseph Dobrik	5/5			4/4
Director who resigned in 2023					
1	Brian Monaco Sutton ⁵	4/4	-	-	2/3

¹**Mr. Rapee Sucharitakul** was appointed by the Board of Directors' meeting. No. 1/2023 held on 24 February 2023, he was appointed as an independent director to replace a vacant position and appointed as a member of the Audit Committee and a member of the NRCG Committee; effective from 25 February 2023.

²**Mr. Ranga Rama Kumar Sreeramagiri** was appointed by the Board of Directors' meeting. No. 3/2023 held on 8 August 2023, he was appointed as a director and to switch appointment as a member of the NRCG Committee to the Human Resources Committee ; effective from 9 August 2023

³**Ms. Melissa White** was appointed by the Board of Directors' meeting. No. 3/2023 held on 8 August 2023, she was appointed as a director and appointed as a member of the a member of the NRCG Committee; effective from 9 August 2023.

⁴**Mr. Herbert Matthew Payne II** was appointed by the Annual General Meeting of Shareholders for 2023 held on 5 April 2023, he was appointed as a director; effective from 6 April 2023. The Board of Directors' meeting No. 3/2023, held on 8 August 2023 appointed Mr. Herbert Matthew Payne II as a member of the Human Resources Committee, effective on 9 August 2023.

⁵**Mr. Brian Monaco Sutton** resigned from directorship as from 9 August 2023.

Each quarterly meeting will be held during a period of 30 – 45 days after the end of quarter, except for the year-end, the meeting will be held during a period of 40 – 60 days after the end of calendar year. Each meeting takes approximately 4 hours. The quorum for the Board meeting requires at least one-half of all directors on the Board to be in attendance.

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 are 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, acknowledge policies from the Board of Directors, and 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. Then, proposes the draft minutes to the directors for their preliminary review, prepares the minutes for the next Board of Directors meeting for Board's approval and certification by the Chairman of the Board of Directors. Minutes approved at 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.

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.

At the NRCG Committee Meeting No. 1/2023 on 23 February 2023, the NRCG considered the directors' remuneration package for year 2023 thoroughly, considering the Director Compensation Survey result conducted by the Institution of Director (IOD), 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 NRCG Committee considered that the directors' remuneration should be in a form of monthly fee and meeting allowance fee only. In order to be consistent with the ASEAN CG guidelines and the Company's practice in previous years, the NRCG Committee viewed that the directors' remuneration package should

not include a bonus. Therefore, other than the monthly fee and meeting allowance fee, the directors do not have any other kinds of compensation.

The Annual General Meeting of Shareholders in 2023 approved the director's remuneration for monthly fees and meeting allowances for Board of Directors meetings and committee meetings at the same rate as in 2022 as follows;

Compensation for the Board of Directors for 2023		
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 2023	
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 2023	
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 2023	
Position	Meeting Allowance of Committee Meeting (Only attending members) (Baht/Meeting)
Chairman of the committee	40,000
Member of the committee	30,000

In 2023, the Company paid the compensation to 10 directors which includes the directors who held the directorship position for 12 months ending on 31 December 2023, the directors who completed their directorship term and 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 2023 Annual General Meeting of Shareholders. Total director compensation in 2023 was 17,886,549 baht, comprising

of monthly fees in total of 15,651,549 baht and the meeting allowances for the Board of Directors meetings and sub-committee meetings in total of 2,235,000 baht.

Other than the monthly fee and meeting allowance fee, the directors did not receive bonuses, rewards, nor other benefits such as position, cars, or club memberships provided to directors. Nevertheless, the Company has the Directors and Officers Liability Insurance for directors and employees who act on behalf of the Company. The Director and Officer insurance premium is approximate 1,800,000 baht per year.

The compensation that each director received in 2023						
Name	Monthly fee for total 12 months	Total Meeting Allowances received in 2023				Grand total compensation each director received in 2023
		Board of Directors Meetings	Audit Committee Meetings	Nomination, Remuneration and Corporate Governance Committee Meetings	Human Resources Committee Meetings	
1. Mr. Brant Thomas Fish	2,160,000	125,000	n/a	n/a	n/a	2,285,000
2. Mr. Pliu Mangkornkanok	2,040,000	100,000	120,000	n/a	120,000	2,380,000
3. Ms. Kamonwan Wipulakorn	1,740,000	100,000	160,000	n/a	120,000	2,120,000
4. Mr. Robert Stair Guthrie	1,740,000	100,000	120,000	120,000	n/a	2,080,000
5. Mr. Rapee Sucharitakul ¹	1,470,715	80,000	90,000	60,000	n/a	1,700,715
6. Mr. Ranga Rama Kumar Sreeramagiri	1,740,000	100,000	n/a	60,000	30,000	1,930,000
7. Ms. Melissa White ²	686,333	20,000	n/a	30,000	n/a	736,333
8. Mr. Herbert Matthew Payne II ³	1,740,000	60,000	n/a	n/a	30,000	1,370,834
9. Mr. Robert Joseph Dobrik	1,740,000	120,000	n/a	90,000	160,000	2,090,000
Director who resigned in 2023						
1. Mr. Brian Monaco Sutton ⁴	1,053,667	80,000	n/a	n/a	60,000	1,223,667

¹Mr. Rapee Sucharitakul was appointed by the Board of Directors' meeting. No. 1/2023 held on 24 February 2023, he was appointed as an independent director to replace a vacant position and appointed as a member of the Audit Committee and a member of the NRCG Committee; effective from 25 February 2023.

²Ms. Melissa White was appointed by the Board of Directors' meeting. No. 3/2023 held on 8 August 2023, she was appointed as a director and appointed as a member of the a member of the NRCG Committee; effective from 9 August 2023.

³Mr. Herbert Matthew Payne II was appointed by the Annual General Meeting of Shareholders for 2023 held on 5 April 2023, he was appointed as a director; effective from 6 April 2023.

⁴Mr. Brian Monaco Sutton resigned from directorship as from 9 August 2023.

Mr. Brant Thomas Fish, Mr. Ranga Rama Kumar Sreeramagiri, Ms. Melissa White, Mr. Herbert Matthew Payne II, Mr. Robert Joseph Dobrik and Mr. Brian Monaco Sutton are directors nominated by Chevron. They have declined to receive director compensation, both monthly fees and meeting allowance fees. Total declined fees were 9,675,833 baht, comprising of the monthly fee of 8,660,833 baht and the meeting allowance fee 1,015,000 baht. This director compensation is not covered under the Personnel Secondment Agreement made between the Company and Chevron.

8.1.3 Corporate Governance of subsidiaries and Associated Companies

(1) Mechanisms for Corporate Governance and operation responsibility in Subsidiaries and Associated Companies which approved by the Board of Committee

In 2023, the Company has no subsidiaries and has 2 associated companies as follows:

1. Star Fuels Holding Co., Ltd. was registered on 4 September 2023 with 10,200,000 baht registered capital. The Company holds 49% of the shares and other co-investors (two individuals) who are not related persons of the Company, collectively hold 51% of the total shares, with Star Fuels Holding Co., Ltd.'s primary business objective being to invest in other companies.
2. Star Fuels Land Co., Ltd. was registered on 6 September 2023 with 20,000,000 baht registered capital. The Company holds 49% of the shares and Star Fuels Holding Co., Ltd. holds 51% of the total shares with Star Fuels Land Co., Ltd.'s primary business objective being to invest in land that will be used for the conduct of fuels and retail and to lease assets.

The establishment of the above two associated companies is part of the execution plan under the approved fuel business transaction, which was approved by the Extraordinary General Meeting of Shareholders No. 1/2023 on 31 January 2023.

Regarding corporate governance by the Company and its associated companies, the Board of Directors has established guidelines for governance of subsidiaries and associated companies that includes appointing representatives of the Company to be directors in subsidiary or associated companies in proportion to their shareholding. Company representatives will be senior management who have been nominated to become directors of the associated company, nominations will be made to the Company's Board of Directors for approval.

Representatives of the Company who become directors in subsidiaries and associated companies have duties to: act in the best interests of the associated company, including supervising the associated company to ensure compliance with relevant policies and laws, such as those surrounding connected transactions, acquisition or disposal of assets, significant transactions, data storage, accounting records, and disclosures, etc.

However, important business decisions must be approved by the Chief Executive Officer or the Board of Directors, as the case may be, and significant progress and operations must be reported to the Board of Directors periodically.

In 2023, the associated company did not have a connected transaction, but there was one significant asset acquisition transaction which the Board of Directors has considered such transaction.

(2) Disclosure of Shareholders' Agreement regarding the management of Subsidiaries and Associated Companies (if any)

The Company had no shareholders agreement regarding the management of Subsidiaries and Associated Companies.

8.1.4 Monitoring the Implementation of Corporate Governance policy and measures

(1) The prevention of Conflict of interest

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. 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.

In 2023, the Company had a conflict of interest regarding the study and negotiation of the potential investment in the fuel business because Chevron is the Company's major shareholder and its employees have been nominated to be some of the Company's directors and Management. Therefore, the Company developed an information management protocol as a guideline to ensure that directors and Management nominated by Chevron were not allowed in the discussion and decision making of this transaction. The intent of the protocol was to prevent any conflict of interest and ensure transparency regarding this transaction.

(2) The prevention of Insider-Trading

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 through their duties and roles within the Company.

If the company's directors and executives elect to trade in the Company's securities, they shall 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 report of any changes in securities holding are reported to the Audit Committee on the quarterly basis.

The 2023 report are as follow:

Report of the Company's securities held by directors in 2023 (including spouse and minor children) As of 31 December 2023				
Name		Number of Shares		Changing Number of Shares Increase (Decrease)
		As of 31 December 2022	As of 31 December 2023	
1	Mr. Brant Thomas Fish Spouse and minor children	- -	- -	- -
2	Mr. Pliu Mangkornkanok Spouse and minor children	- -	- -	- -
3	Ms. Kamonwan Wipulakorn Spouse and minor children	- -	- -	- -
4	Mr. Robert Stair Guthrie Spouse and minor children	- -	- -	- -
5	Mr. Rapee Sucharitakul ¹ Spouse and minor children	- -	- -	- -

6	Mr. Ranga Rama Kumar Sreeramagiri Spouse and minor children	- -	- -	- -
7	Ms. Melissa White ² Spouse and minor children	- -	- -	- -
8	Mr. Herbert Matthew Payne II ³ Spouse and minor children	- -	- -	- -
6	Mr. Robert Joseph Dobrik Spouse and minor children	- -	- -	- -
Director who resigned in 2023				
1	Mr. Brian Monaco Sutton ⁴ Spouse and minor children	- -	- -	- -

¹**Mr. Rapee Sucharitakul** was appointed by the Board of Directors' meeting. No. 1/2023 held on 24 February 2023, he was appointed as an independent director to replace a vacant position and appointed as a member of the Audit Committee and a member of the NRCG Committee; effective from 25 February 2023.

²**Ms. Melissa White** was appointed by the Board of Directors' meeting. No. 3/2023 held on 8 August 2023, she was appointed as a director and appointed as a member of the a member of the NRCG Committee; effective from 9 August 2023.

³**Mr. Herbert Matthew Payne II** was appointed by the Annual General Meeting of Shareholders for 2023 held on 5 April 2023, he was appointed as a director; effective from 6 April 2023.

⁴**Mr. Brian Monaco Sutton** resigned from directorship as from 9 August 2023.

Name		Number of Shares		Changing Number of Shares Increase (Decrease)
		As of 31 st December 2022	As of 31 st December 2023	
1	Mr. Robert Joseph Dobrik Spouse and minor children	- -	- -	- -
2	Mr. Steven Lewis Gibson Spouse and minor children	35,000 -	35,000 -	- -
3	Mr. Narong Triyotee Spouse and minor children	347,300 167,600	347,300 167,600	- -
4	Mr. Pongkorn Chochuwong Spouse and minor children	347,300 -	347,300 -	- -
3	Mrs. Nutsara Somkiatweera Spouse and minor children	- -	- -	- -
4	Mr. Sakchai Thamsuruk Spouse and minor children	267,100 78,500	267,100 78,500	- -
5	Mrs. Jariya Wuensche Spouse and minor children	130,800 -	130,800 -	- -
8	Ms. Chaowasri Luengratanakorn Spouse and minor children	40,000 -	40,000 -	- -

9	Ms. Nattawan Khumwiwat Spouse and minor children	205,500 -	205,500 -	- -
10	Mrs. Sudpreeda Pongkajonton Spouse and minor children	n/a -	100,800 -	

(3) Anti-Corruption

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.

The Board of Directors Meeting No. 1/2023 on 24 February 2023, reviewed the Anti-Corruption Policy of the Company and approved amendments to comply with CAC's criteria and best practices.

- **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 intermediates 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 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 on corruption risk assessment, oversight and monitoring**

- 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 is 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.

- **Procedures**

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 guidelines 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 purchase 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.
 - d) Must be of minimal value, such value not exceeding 3,000 baht/person/spending
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
 - Gifts or anything of value should align with normal amenities
 - Not include cash or other monetary instruments
 - Be nominal or modest in value
 - Be given publicly whenever possible
 - b) Transportation & travel expenses should
 - Include actual and reasonable travel expenses
 - Not include a per-diem allowance
 - Not include unusual travel related activities e.g. recreational side trip
 - Not be extended to relatives, friends or associates of officer
 - c) Hotel & Accommodations should
 - Be 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.
 - c) Facilitation payments to government officials for such officials to perform their duties for the purpose of making the Company more convenient from the services of government

officials or to induce government officials to speed up the process of performing their duties for the Company.

Furthermore, to maintain the highest ethical integrity, the Company's personnel are prohibited to request, and are 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 transparently 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.

The Company communicated the Anti-Corruption Policy to all business partners. For the 2024 New Year greeting season, the Company communicated to all vendors, contractors, and customers a No Gift Policy with 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.



The Company provided the training to all employees on the Anti-Corruption Policy and Government Affairs in compliance with the Anti-Corruption Policy and the FCPA. All employees were required to attend this training. The Company developed a interactive video in both Thai and English for the training on these topics which is available on-line so employees can access it anytime.

Moreover, the Company communicated to all employees via e-mail the Company's Anti-Corruption Policy, practice guideline, and penalty in case of violation of the Policy.

Every quarter, at the Audit Committee Meeting, the Corporate Compliance Officer reported the practices in compliance with the Anti-Corruption Policy.

Anti-Corruption Policy



The Board of Directors has reviewed and approved the Anti-corruption policy with following key messages:

- 1** SPRC shall comply with all applicable laws relevant to countering bribery and corruption, including Thai laws, rules and regulations and the FCPA.
- 2** This Policy applies to all SPRC's personnel in all levels including stakeholders who we deal with. All of them are prohibited from engaging in acts of corruption, including paying bribes, asking for bribes, or accepting bribes from both Government and Private Sector.
- 3** This Policy specifies the criteria regarding sensitive expenditures. These are Gift and Hospitality (Meals, Travel, Lodging or Entertainment), Political Contribution, Charitable Contribution, Sponsorship, Facilitation Payment and Revolving Door.
- 4** Anyone who witnesses or suspects violation of Anti-Corruption Policy must report such potential violation via E-mail: CorporateCompliance@sprc.co.th.

 In case the whistleblower discloses himself or herself, SPRC undertakes that SPRC shall not disclose the whistleblower's name and shall keep such information as confidential.



- 5** Any of SPRC's personnel who violate This Policy may face disciplinary action and may be subject to criminal action if it is illegal.

 In case SPRC's business partners violate Anti-Corruption Policy, they will be subject to contract termination.
- 6** SPRC will protect our employees who refuse to pay bribes, even if such refusal may result in the company losing business.



SPRC ZERO CORRUPTION

JUST SAY NO

To be a part of private sector group that aims to prevent any actions relevant to corruption and promote transparency of business operation in accordance with Good Corporate Governance, SPRC has declared its intent to participate in the "Thailand's Private Sector Collective Action Coalition Against Corruption" (CAC) and was certified by the CAC's Committee since 2017.

We know to SAY NO!

★ Anti-Corruption Policy

- **Protection of Employees who act in good faith**

The Company will protect and support 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 for any penalty or other adverse consequence, even if such refusal may result in the Company losing 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 joined the CAC since 2016 and was certified by the CAC since November 2017 validating that the Company has policies and practices against corruption that conform with the CAC's principles.

The Company seeks re-certification by the CAC every 3 years by conducting the CAC's self-assessment and reported the progress to the Audit Committee on quarterly basis. After completion of the self-assessment, the Internal Auditor reviewed it to ensure the Company's policy and implementation were in compliance with CAC's requirements and sought the Audit Committee for their approval. The Company completed its most recent CAC recertification in December 2023.

(4) 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 for ensuring a proper investigation is held regarding any complaints and will report any findings 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 to them regarding the investigation results .

In 2023, the Company did not receive any complaints related to lack of transparency; while there may be two cases of conflict of interest claims, which, following investigation, it was found that no irregularity in process occurred and there was no corruption cases within the Company's business.

(5) IT Governance

The Company has established the IT Steering Committee with the following roles and responsibilities:

- Review the IT strategic plan to align with Company's strategic plan
- Review IT security policies, risk management and information protection
- Review IT strategic decisions relating to Organizational Capabilities and Resource and Asset Management.

- **IT Risk Management and Compliance**

With increasing disruptions, unavailability or inaccessibility of IT systems and information, along with the increase of cybercrimes and anywhere and anytime cloud technology, the IT risks

continue to increase. The Company's IT systems and its underlying infrastructure are comprised of critical business process.

The IT systems and information are categorized for criticality, measurable security, and if access controls are implemented based on IT international standards and best practices, together with the roles and responsibilities of the Company's employees in Information Protection.

The IT Security narrates all IT procedures and business process essentials to protect against IT security breaches, and the cyber security training to ensure that staff understands the importance and business impact of information protection.

In addition, the Company has reviews and audits of IT Policies and Procedures and Systems/Applications controls for compliances regularly by external certified body of accreditation.

- **IT Security Policy**

The IT Security Policy is designed to ensure the information confidentiality, integrity, and availability including overall security of computers, data networks, services and other computer-related resources based on the overall risks in operation.

The Company's IT Security Policy covers all aspects of business process and activities, for examples:

- Roles and responsibilities of the Management and staff
- Computer usage policies on the Internet network provided by the Company including using social media and external Wi-Fi
- IT Asset Management and Information Protection
- Security and Access Control
- Laws & Ethics requirement and compliance
- Operation Management including Change and Cyber Incident Management

- **IT Infrastructure and Evergreen Process**

The Company's network and infrastructure consists of standardized security systems to prevent data and information against virus/malware from external networks and computer crimes.

To strengthen cybersecurity, the Company has a Managed Security Operations Center around-the-clock service to prevent, detect, respond, and recover any security breaches.

The Company has a number of processes to ensure the Company's IT systems are sustainably robust, reliable, and secure, such as regular patching of system and end points, execution of a number of tests and self-audits including exercises on Business Continuity and Disaster Recovery Plan.

The Company conducts annually a System Penetration Test to verify no vulnerabilities in the Company's IT systems, and performs a cybersecurity table-top exercise to ensure efficient response in case of emergencies.

In 2023, the Company provided the employees and contractors training on cybersecurity including 2 sessions in July and November. All employees and contractors who have access to the Company network were required to attend both sessions. Apart from the cybersecurity training, the Company has arranged for quarterly Phishing Mail Test to ensure that employees and contractors are aware and able to safeguard information asset.

In addition, the Company has trained related employees and successfully passed preliminary assessment on ISO 270001 standard. The Company plans to certify for the ISO 27001 standard in 2024 to sustain system and information protection, for continuous improvement of IT systems, and to give business users' and stakeholders' confidence in the Company's Information Protection.

8.2 Audit Committee Report

8.2.1 Meeting Attendance

In 2023, the Audit Committee held 6 meetings. The committee members attended the meetings as follow:

Attendance of the Audit Committee Meetings in 2023						
	Name of Audit Committee members	No.1 (21 Feb)	No.2 (7 Apr)	No.3 (11 May)	No.4 (10 Aug)	Total
1	Ms. Kamonwan Wipulakorn	✓	✓	✓	✓	4/4
2	Mr. Pliu Mangkornkanok	✓	✓	✓	✓	4/4
3	Mr. Robert Stair Guthrie	✓	✓	✓	✓	4/4
4	Mr. Rapee Sucharitakul ¹	n/a	✓	✓	✓	3/4

¹Mr. Rapee Sucharitakul was appointed by the Board of Directors' meeting. No. 1/2023 held on 24 February 2023, he was appointed as an independent director to replace a vacant position and appointed as a member of the Audit Committee and a member of the NRCG Committee; effective from 25 February 2023.

8.2.2 The Performance of Audit Committee

In 2023, the Audit Committee held 6 meetings. The Audit Committee performed activities according to its duties and responsibilities identified in the Audit Committee Charter, which can be summarized as follows:

- 1. Review of Company's Financial Reports:** The Audit Committee reviewed all quarterly and year-end financial statement for the year ended 2023, asked questions regarding the key issues of the financial statement and discussed with the Chief Financial Officer and the external auditor (PricewaterhouseCoopers ABAS Limited). The Chief Financial Officer and the external auditor reported to the Audit Committee that the financial statement preparation process was done in accordance with generally accepted accounting practices in Thailand (Thai GAAP) and in accordance with the requirements of the Securities Exchange of Thailand. The external auditor presented their independent opinion of the financial statements. The Audit Committee was satisfied that the Annual Financial Statement for the year end 2023 were produced in accordance with all relevant rules, regulations and accounting standards; are correct, fair, and have appropriate controls and reasonable disclosures. The Audit Committee recommended that the Audited Financial Statements for the year end 31 December 2023 be endorsed by the Board of Directors for further approval at the Annual General Meeting of Shareholders.
- 2. Review of Company's Internal Controls:** Management and the head of internal audit presented their findings on their assessments of the sufficiency of the Company's internal controls. The Internal Controls Assessment was based on the COSO's framework (The Committee of Sponsoring Organizations of the Treadway Commission) with 17 principles, categorized into 5 components (Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities). The Audit Committee has verified and confirmed the assessments of the sufficiency of the Company's internal controls mechanisms. Further details of the assessment are described in the Internal Controls Section. Furthermore, the Company complies with the internal control requirements of the United States' Sarbanes-Oxley Act 2002, Section 404 Management Assessment of Internal Control. The Audit Committee acknowledged the results and were satisfied that SPRC has an effective internal control system.
- 3. Review of Company's Risk Management:** The Company has developed a Risk Management Policy, which sets out the risk assessment process, responsible person, including reporting and communicating risk assessment results. A Risk Management Working Group has been established

to oversee and monitor control activities in risk management. The Audit Committee receives reports on the review of risk assessment and results of implementation of the risk management plan from the management on a quarterly basis. The Audit Committee is satisfied with the risk management process.

4. **Review of Company's Corporate Governance:** The Company has Corporate Governance Policy, the Business Conduct Policy, and Anti-Corruption Policy. The Chief Executive Officer appointed the Corporate Compliance Officer (CCO) to be responsible for developing and promoting organization-wide awareness, understanding, and to instill the importance of strict compliance of the Business Conduct Policy. The CCO reports the status of the compliance program to the Audit Committee on a quarterly basis. The Audit Committee completed its review and opined that the Company has sufficient processes for good corporate governance in accordance with the Company's Business Conduct Policy and Anti-Corruption Policy.
5. **Review of Company's Related Party Transactions (RPT):** The Company's Related Party Transactions consist of transactions between the Company and Chevron and its affiliated companies. The Company's Related Party Transactions include: the purchase of crude and feedstock; sale of products, and provision of technical services transactions. The Audit Committee has the duty to consider Related Party Transactions that may cause conflict of interest and propose such transactions to the Board of Directors for consideration and approval. The internal audit function conducts random checks of RPT to ensure that performance of obligations under RPTs are in line with contractual terms and provide quarterly reports to the Audit Committee. The Audit Committee has acknowledged that the Related Party Transactions were entered into as part of the ordinary and usual course of business, made under normal commercial terms.

In 2023, the Audit Committee considered the RPT related to the fuel business transaction, which the Audit Committee carefully considered, including hearing opinions from legal advisors and independent financial advisors prior to the proposal being presented to the Board of Directors' meeting. and approved by the shareholders' meeting.

6. **Review of Internal Audit Functions performance:** The Audit Committee is responsible for monitoring and reviewing the performance and effectiveness of the Internal Audit function including its audit plan, audit activities and resources. The Audit Committee reviews the Internal Audit Charter annually to ensure the roles and responsibilities of internal audit functions are appropriate. In addition, the Audit Committee has reviewed and approved the annual audit plan and audit's Key Performance Indicators (KPI). The Audit Committee receives quarterly updates from the Internal Audit Manager on the findings from the work of Internal Audit and Management's actions to remediate issues that have been identified. Further, the Audit Committee holds quarterly private meetings, without management participation, with the Internal Auditor to discuss any issues that may have arisen during the audit and areas of concern regarding independence and Management's cooperation with the audit process. The Audit Committee has evaluated and concluded that the internal audit functions operated independently, effectively, and are in line with international auditing standards prescribed by the Institute of Internal Auditors. The Audit Committee is satisfied that the quality, experience, and expertise of the Internal Audit function is appropriate.
7. **Review of Company's External Auditor:** The Audit Committee oversaw the relationship with the external auditor, including, monitoring all matters associated with performance and independence of the external auditor PricewaterhouseCoopers ABAS Ltd (PwC). The Audit Committee discussed the significant key audit matters, and reviewed the financial statements provided by PwC. PwC reported on the scope and result of financial statements for the interim quarters and for the year ended 31 December 2023. PwC reported on the status and results of the financial performance on a quarterly basis. The Audit Committee will meet with the external auditor without Management. In 2023, PwC did not provide any non-audit services to the Company that could impact the independence of the external auditor. The Audit Committee is satisfied that PwC's

performance is professional and complies with regulatory requirements and best practices, designed to ensure their independence.

8. **Appointment and remuneration determination of the External Auditor for the year 2023:** The Audit Committee has the duty to audit the accounts of the Company. Together with the Management, the Audit Committee has considered the objectivity, expertise, experience, performance, and independence of PwC. The Audit Committee was satisfied and proposed to re-appoint PwC with the suggested remuneration fee for the Board's concurrence and the shareholder's approval at the 2023 Annual General Meeting. The 2023 Annual General Meeting of shareholders has approved PwC to be the Company's external auditor for the year 2023.
9. **Audit Committee Self- Assessment:** The Audit Committee conducts a self-assessment annually in the areas of a) committee structure and qualification, b) committee meeting, c) roles and responsibilities on financial reports, internal controls, risk management, governance, internal and external audit functions. The self-assessment result of year 2023 validated the committee's effectiveness in fulfilling the Audit Committee Charter as delegated by the Board of Directors, compliance with legal and regulatory requirements, and in accordance with good corporate governance principles.

In 2023, the Audit Committee has performed its duties in reviewing the financial reports, effectiveness of risk management and internal control activities, as well as ethics and compliance with rules. The Audit Committee has fully performed its duties in accordance with the Audit Committee Charter with skills, knowledge and ability to perform its duties, it has assessed the quality of audit, including the independence of the internal auditor and external auditor of the Company. The Audit Committee is of the opinion that the internal auditor is operating in accordance with the Internal Audit Charter. The Company conducts business with transparency and in accordance with good corporate governance principles, has effective internal controls and risk management system and complies with laws and regulations to achieve the Company's objectives.

8.3 Nomination, Remuneration and Corporate Governance Committee Report

8.3.1 Meeting Attendance

In 2023, the Nomination, Remuneration and Corporate Governance Committee held 2 meetings. The committee members attended the meetings as follow:

Attendance of the Nomination, Remuneration and Corporate Governance Committee Meetings in 2023					
Name of NRCG Committee members		No. 1 (22 Feb)	No. 2 (11 Aug)	No. 3 (8 Nov)	Total
1	Mr. Robert Stair Guthrie	✓	✓	✓	3/3
2	Mr. Robert Joseph Dobrik	✓	✓	✓	3/3
3	Mr. Rapee Sucharitakul ¹	✓	✓	✓	3/3
4	Ms. Melissa White ²	n/a	n/a	✓	1/1
Directors who resign from NRCG Committee during the year					
1	Mr. Ranga Rama Kumar Sreeramagiri ³	✓	✓	n/a	2/2

¹**Mr. Rapee Sucharitakul** was appointed by the Board of Directors' meeting. No. 1/2023 held on 24 February 2023, he was appointed as an independent director to replace a vacant position and appointed as a member of the Audit Committee and a member of the NRCG Committee; effective from 25 February 2023.

²**Ms. Melissa White** was appointed by the Board of Directors' meeting. No. 3/2023 held on 8 August 2023, she was appointed as a director and appointed as a member of the a member of the NRCG Committee; effective from 9 August 2023.

³**Mr. Ranga Rama Kumar Sreeramagiri** was appointed by the Board of Directors' meeting. No. 3/2023 held on 8 August 2023, he was appointed as a director and to switch appointment as a member of the NRCG Committee to the Human Resources Committee ; effective from 9 August 2023

8.3.2 The Performance of the Nomination, Remuneration and Corporate Governance Committee

In 2023, the NRCG Committee held 3 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 2023:

1. The NRCG Committee reviewed the criteria for shareholders to propose qualified candidate(s) for directorship and to propose agenda items for consideration at the 2024 Annual General Meeting of Shareholders. The criteria have been published on the Company's website.
2. The NRCG Committee considered the Board composition by assessing the skill matrix and opined that the Board has diversity and appropriate mix of skills, experience, and expertise that benefits the Company's operation, strategy and governance.
3. The NRCG Committee reviewed director candidates' qualifications and nominated candidates for director positions to fill vacancies resulting from those that had completed their terms. They also reviewed the qualified independent director candidates for the Board's consideration on appointment to replace the vacancy due to resignation.

Mr. Brant Thomas Fish and Mr. Brian Monaco Sutton completed their directorship term in 2023. The NRCG Committee recommended re-election all of them to be the Company's director for another term. They were re-elected to be the Company's directors at the 2023 Annual General Meeting of Shareholders.

Given that an independent director position became vacant since 1 September 2022, the NRCG Committee underwent the selection process by looking for qualified candidates from the director pool of the Thai Institute of Directors and from the independent directors of the listed companies to search for candidates that have the qualifications, knowledge, expertise and experience that would benefit the Company's business. At the NRCG Committee meeting No. 1/2023, the Committee nominated Mr. Rapee Sucharitakul to be considered for appointment as independent director.

The NRCG Committee further proposed that an additional director be added to be in line with the Company's broadened business scope as a result of the fuel business investment transaction, which will increase the number of Board of Directors' membership from 8 directors to 9 directors. The Committee nominated Mr. Herbert Matthew Payne II to be a director as he has the knowledge, capability, expertise, and experience that is beneficial to the Company's business.

4. 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 viewed that the director remuneration shall be in the form of a monthly fee and meeting allowance only. For the Good Corporate Governance, the NRCG Committee considered that the directors should not get a bonus relative to the company's performance. Therefore, the NRCG Committee proposed the monthly fee and meeting allowance for 2023 director's remuneration package by maintaining the same rate as in 2022. The 2023 Annual General Meeting of Shareholders approved the remuneration packages for the Board of Directors and its committees as the NRCG Committee's proposal. The compensation that each director received in 2023 was disclosed in item 8.1.2.
5. 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. In 2023, there was 6 director who attended the training organized by the Thai Institute of Directors (IOD). Details can be found in item 8.1.1.
6. The NRCG Committee reviewed the performance of the Board of Directors, individual directors and NRCG Committee through self-assessments.
7. The NRCG Committee reviewed the Corporate Governance assessment result and in 2023 the Company was ranked Excellent (5 stars) for the 7th consecutive year. The NRCG Committee reviewed and identified opportunities for improvement to meet the best practices.
8. In the discharge of duties and responsibilities specified in the NRCG Committee Charter, the NRCG Committee is confident that it has completely performed duties with prudence, transparency, and in the best interests of the Company and shareholders.

8.4 Human Resources Committee Report

8.4.1 Meeting Attendance

In 2023, the Human Resources Committee held 6 meetings. The committee members attended the meetings as follow:

Attendance of the Human Resources Committee Meetings in 2023						
	Name of Human Resources Committee members	No. 1 (23 Feb)	No. 2 (8 May)	No. 3 (7 Aug)	No. 4 (7 Nov)	Total
1	Mr. Robert Joseph Dobrik	✓	✓	✓	✓	4/4
2	Ms. Kamonwan Wipulakorn	✓	✓	✓	✓	4/4
3	Mr. Pliu Mangkornkanok	✓	✓	✓	✓	4/4
4	Mr. Ranga Rama Kumar Sreeramagiri ¹	n/a	n/a	n/a	✓	1/1
5	Mr. Herbert Matthew Payne II ²	n/a	n/a	n/a	✓	1/1
Directors who resign from HR Committee during the year						
1	Mr. Brian Monaco Sutton ³	✓	✓	X	n/a	2/3

¹Mr. Ranga Rama Kumar Sreeramagiri was appointed by the Board of Directors' meeting. No. 3/2023 held on 8 August 2023, he was appointed as a director and to switch appointment as a member of the NRCG Committee to the Human Resources Committee ; effective from 9 August 2023

²Mr. Herbert Matthew Payne II was appointed by the Annual General Meeting of Shareholders for 2023 held on 5 April 2023, he was appointed as a member of the Human Resources Committee; effective from 9 August 2023.

³Mr. Brian Monaco Sutton resigned from directorship and as member of the Human Resources Committee as from 9 August 2023.

8.4.2 The Performance of Human Resources Committee

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

The committee members were Mr. Robert Dobrik, CEO as the Chairman, Mr. Pliu Mangkornkanok and Mrs. Kamonwan Wipulakorn (independent directors) and Mr. Brian Sutton (non-executive director) who completed SPRC director term in Q2'2024 and was replaced by Mr. Ranga Rama Kumar Sreeramagiri and Mr. Herbert Matthew Payne II. The Committee meets quarterly and additionally as required.

The committee assists the Board with regard to SPRC's human resources strategy, workforce development, and salary and 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 shareholder value growth. In addition, the committee reviews the appointment of certain senior leadership positions, succession planning for the senior leadership team, and the SPRC Human Resources Master Plan.

In 2023, the Committee held 4 meetings on various matters. The following is a summary of key activities undertaken in 2023:

- 1. Remuneration program:** The committee reviewed the Total Remuneration program and adjusted the special bonus and annual merit increase to maintain a competitive position among selected peer groups in order to attract, retain, and motivate a talented workforce.

2. **Human Resource Committee Self-Assessment:** The committee conducted a self-assessment, covering categories such as committee structure and qualifications, committee meetings, and reviewed the roles and responsibilities of the HR Committee. The process supports transparency, self-reflection, and assists the Board in guiding SPRC's human resources strategic action aligned with company objectives.
3. **Human Resources Strategy:** The Committee approved the People Strategy Master Plan 2023, focusing on oil spill recovery and growth business integration, as well as revisions made to Key Results Areas from 2022 lookback plans. The strategic objectives are:
 - **Base Business:** maintain "Employer of Choice" reputation with a highly engaged workforce.
 - **Organization Capability:** invest in people and leadership development, enable capability with digitalization to gain a competitive advantage through Growth Mindset and Chevron's We Lead and Leading Performance frameworks.
 - **Workforce Culture:** One caring family empowers the organization with inspiring leaders to win in any environment.
 - **Business Growth Opportunity:** support effective HR planning, leadership development, and project execution to acquire and integrate Chevron fuels marketing and Caltex-branded retail fuels business.
4. **Effective Capability and Learning Organization:** The committee acknowledges the established a Personnel Development Committee structure at both management and function levels to enhance organizational capabilities through strategic talent management, senior leader succession planning, and organizational optimization, leadership development and empowering decision-making at the right levels. The Management Personnel Development Committee (MPDC) charter aligns with HR Committee's annual agenda to ensure Strategic HR actions are effectively deployed to support current business, new Fuels Business integration, and future investment opportunities.
5. **Succession Planning and Talent Management:** The committee acknowledges the development of identified successors for Senior Leadership team, including domestic and international secondment opportunities in Chevron to enhance leadership capability to prepare successors for current and future business requirements.

SPRC offers short and long-term assignments for Chevron secondees both domestic and international, focusing on capability building, leadership rotation, and special projects such as the 2025 Turnaround and Inspection event, Single Point Mooring spill recovery, and business growth opportunities etc.

The Personnel Development Committee (PDC) has identified functional successors for critical positions across divisions, continuously deploying development plans in line with senior leadership succession pipeline.
6. **Leadership Development:** The committee acknowledges the ongoing learning and leadership development plan aiming to improve organizational learning culture and effectiveness through knowledge and best practice sharing within an internal community of practice.

SPRC focuses on leadership development embedding We Lead framework from Chevron practice, enhancing trust in building relationships, offering 360 feedback for senior leaders via Korn Ferry consulting, and facilitating team and leadership integration workshops.
7. **Workforce Culture:** The committee endorsed action plans to enhance SPRC's family culture and Leading Performance through deployment of Chevron's We Lead framework and effective empowerment and decision-making at all employee levels.
8. **Revamp Performance Management System (PMS):** The committee acknowledges a new Performance Management System action plan to incorporate the "We Lead" concept, enhancing supervisory and leadership competencies and fostering rich two-way feedback and Leading Performance business objectives inclusive of our integrated fuels business value stream.

The program successfully deployed to all employees and offered goal setting according to PMS and We Lead behavior expectations to all supervisors and leaders and upgrading SAP SuccessFactors system to support new PMS.

9. **Digitalization:** SPRC successfully implemented and trained employees using SAP's cloud-based SuccessFactors HR Digitalized Platform for three modules: Performance Management System, Succession Plan, and Learning and Development.

The HR Team of SPRC successfully integrated personnel records of Commercial Fuel business into the SPRC HRIS platforms and began to prioritize harmonization of the HR Service Delivery Model with synergy opportunities involving payroll, compensation, benefit administration, and recruitment processes.

10. **HR preparation for Growth Business:** to successfully integrate the commercial fuels business, SPRC collaborated with counterparts in Chevron to develop and complete HR high-level milestones to prepare for a seamless day-one integration.

9. Internal Controls and Related Party Transactions

9.1 Internal Controls

Internal Controls is designed to manage the processes to achieve our business objectives. It provides reasonable assurance against material misstatement. SPRC use the Internal Control Framework release by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to focus the aspect of internal control for a) Operation objectives – the effectiveness and efficiency of the operational and financial performance goals, and safeguarding assets against loss, b) Reporting objectives – pertain to internal and external financial and non-financial reporting and encompass reliability, timeliness, transparency and compliance, c) Compliance objectives – pertaining to adherence to laws and regulations.

SPRC's Board of Directors has delegated authority to the Independent Audit Committee to assist it in fulfilling its responsibilities in relation to the effectiveness of internal control system, the integrity of financial reporting, and consideration of compliance matters. SPRC has the obligation in following the U.S. Sarbanes-Oxley Act of 2002 to increase the reliability of financial reporting and protect investors from corporate fraud.

The Audit Committee receives regular reports from the Internal Audit Manager on notable internal audits and those with a significant impact on the effectiveness of controls. The Chairman of Audit Committee provides an update to the Board after every Audit Committee Meeting.

9.1.1 The sufficiency of Internal Control system

Management and Internal Audit Manager conducted an evaluation of the effectiveness of internal control by using the Assessment Form of Sufficiency of Internal Control following the Securities and Exchange Commission, Thailand (SEC) and presented to the Audit Committee. At the Board of Directors meeting held on 8 November 2023, the Audit Committee reported their review on the internal control system that SPRC's internal control is adequate and appropriately designed, the operation is efficiently managed with competent employees, and consistent with good corporate governance.

SPRC's internal control system is processed according to COSO and summarized in five components as follows.

1. **Control Environments:** The Board of Directors and Management Team establish the tone at the top and culture on the importance of internal controls and reinforce expectation at the various of the organization. SPRC establishes and maintains a strong control environment and commitment to integrity and ethical values as detailed below.

- The Board of Directors regularly review and approve the related governance policy on Business Conduct, Corporate Governance, and Anti-Corruption. Management reinforces through their directives, actions, and behavior the importance of integrity and ethical value.
- Management establishes the standards, process, and resource for addressing the potential for deviations and implementation corrective actions to remedy the issues in a timely manner.
- The Corporate Compliance Officer (CCO) has been appointed and has responsibility for maintaining and promoting compliance programs.
- The Board of Directors delegates authority and assigns day-to-day responsibilities and decision-making to the Chief Executive Officer (CEO). CEO established structures, reporting lines and appropriate authorities and responsibilities to meet objectives and maintain effectiveness of internal control system.
- Human Resource function is responsible in defining competence and staffing level by job roles, facilitating training, and maintaining completion records, and evaluating the relevance and adequacy of individual professional development of the needs. On a yearly basis, all staff prepare for the Individual Competency Development Plan to identify competency gap and develop appropriate actions such as on-the-job-training or self-study.
- The board of directors and management establish performance measures, incentives, and other rewards appropriate for responsibilities at all levels. The results of the performance evaluation are communicated and acted upon with rewards as applicable.

2. Risk Assessment: Risk Assessment is embedded into key business processes to ensure both internal and external factors are assessed to identify threats to the company and considered for the impact that may affect the achievement of company's objectives. Risk Assessment process includes the following.

- The Risk Management Policy is regularly reviewed and approved by the Board of Directors and has been developed and communicated to staff at all levels.
- The Risk Management Committee has been set up comprised of the Management Team responsible for overseeing the risk management program, annual risk assessments, and follow-up on the mitigation plans.
- The Risk Management Coordinator communicates and conducts risk assessment to each department on quarterly basis. Each department assesses both internal and external risk factors and cover the fraud risk and corruption risk to prevent the possibility of fraud occurrence such as fraudulent financial reporting, loss of assets, and material misstatements of financial statements and misappropriation of assets.
- Risk assessments also consider the change in the Business Model and the change in Leadership on the respective attitudes and philosophies on the internal control system.
- Management selects appropriate actions to manage risk and align risk with the company objectives. The actions of those risks are implemented, regularly monitored, and reported to the Audit Committee and the Board of Directors on a quarterly basis.

3. Control Activities: SPRC establishes the control activities through policies and procedures that help to ensure that management's directives to mitigate risk to the achievement of company objectives are carried out. Control activities are performed at all levels of the company, at various stages of each business process. SPRC designed the preventive and detective control activities including:

- Authorization and Approvals – Manual of Delegated Authorities (MODA) is established to ensure the transactions are authorized by a person delegated approval authority when the transactions are consistent with policy and funds are available.

- Security of Assets – Equipment, inventories, securities, cash, and other assets are secured physically by using CCTV, in locked or guarded storage areas with physical access restricted to authorized personnel. The periodically counted are performed to compare with items descriptions shown on SAP control records.
- Segregation of Duties - Duties are divided or segregated among different people to reduce the risk of error or inappropriate or fraudulent actions. No one person has control over all aspects of any financial transaction.
- Reconciliation – A reconciliation is performed to ensure records are reviewed and performed by someone other than the preparer to determine that transactions have been properly processed.
- SPRC retains records by maintaining documentation to substantiate transactions and compliance with the regulations.
- SPRC performed Pre-assessment of ISO 27001 the International Information Security Standard. This standard supports our IT functions in managing information security by addressing people, processes, and technology.
- IT general controls are created over technology infrastructure, security management, and maintenance process. A network security architecture review is regularly reviewed. Security management includes access to the system and data is restricted to authorized personnel. Software patching and vulnerability scanning were regularly performed.
- The SAP ERP system supporting the SPRC business processes. The control designed in SAP system includes the segregation of duties, user permission to SAP module, change management and system configuration.
- All Management, and Employee are mandatory required training on Cybersecurity Awareness including Information Data Security, Threat prevention, Information System Security, Mobile Security, Ransomware, Social Engineering via E-mail, Business E-Mail Compromise, Phishing mail and Responsible use of Internet.
- Control activities are built into a system procedure for managing day-to-day transactions. Employees are trained to ensure that they have the knowledge and competence to carry out their job duties.
- Management periodically assesses the procedures to determine the effectiveness of control activities and refresh them when necessary.
- The Board of Directors has approved procedures on considering and approval of Related Party Transactions. All related party transactions are carefully considered to ensure that the terms are appropriated and executed on a commercial arm's length basis and always take into consideration, on balance, the best interests of the Company.

4. Information and Communication: The relevant information is identified, captured, and communicated across and up in the company. All personnel receive a clear message from management. The information also communicates to external parties, such as customers, suppliers, regulators, and shareholders. SPRC oversight the activities on information and communication as the following:

- SPRC provides the relevant and quality of information to the Board of Directors to gain understanding and support for the decision making. The information is provided in a timely manner at least 7 days in advance.
- SPRC provides the internal communication guidelines and properly communicated and cascaded to the appropriate persons. The Corporate Affair Department provides the weekly newsletter to communicate relevant information to the employees.

- The Human Resource Department facilitates orientation workshops to new employee and communicate about SPRC vision, mission, acceptable work behaviors, employment regulation, safety, and management system.
- SPRC communicates relevant information to external parties through SPRC's website (www.sprc.co.th), which contains information of SPRC, Corporate Governance, Financial Statement, the Whistle-blowing and any relevant information. External parties may also receive information via other channels including the SET news releases, quarterly analyst meeting and opportunity day, one reports, and Annual General Meeting.
- The Company respects the right of Shareholders, Shareholders have the right to propose agenda items and director candidates, right to ask questions regarding agenda items both prior to the meeting and during the meeting. In year 2023, the Annual General Meeting was conducted via live broadcast.
- SPRC established Whistle-blowing channel where the employee and anyone communicate concerns, instances of perceived misconduct, matters relating to financial reporting, other significant matters that may impact internal controls. They can report by sending letter to Company's address or e-mails to CompanySecretary@sprc.co.th, and/or AuditCommittee@sprc.co.th, and/or CorporateCompliance@sprc.co.th

5. Monitoring Activities: SPRC continuously monitors and evaluates the present and functioning of the internal control system on the following:

- SPRC uses the Operational Excellent Enterprise dashboard in monitoring the real time performance and monthly Key Performance Indicator of each business process. The monitoring activities include monthly meetings and variance analysis.
- SPRC monitors the performance by benchmarking with peers and Solomon Associate who provide comparative information across the energy industry.
- Internal audit team independently examines and assesses the effectiveness and efficiency of the internal control, risk management and governance system created by business units.
- Internal audit team communicates the effectiveness and deficiency of internal control to the appropriate person who takes the corrective actions. The audit report is communicated to the relevant management and Audit Committee.
- Audit recommendations and management corrective actions are followed up to provide assurance that plans are implemented and reported to management and Audit Committee on quarterly basis.

In year 2023, our internal audit work was carried out in accordance with the internal audit plan approved by the Audit Committee. We have reviewed the control policies and procedures of selected business processes and found the controls are sufficient to achieve the objectives present and functioning. No issues related to conflicts of interest or fraud were found, the recommendation from audit findings are implemented within the specified time.

9.1.2 Issues related to Internal Control system.

N/A

9.1.3 The Audit Committee's opinion in case it is different to the Board of Committee's opinion.

N/A

9.1.4 The Audit Committee's opinion regarding the qualification of Internal Auditor

The Audit Committee appointed Ms. Sukhumal Tonpitak as the Head of Internal Audit since 20 June 2012 at the Audit Committee meeting No. 4/2012, The Audit Committee reviewed and considered that

she has knowledge, ability, and work experience in refinery for more than 15 years. She has attended an internal audit course and understands the company's operations.

9.1.5 The Company's practice regarding the nomination, removal and transferal of Head of Internal control

According to Audit Committee Charter, the Audit Committee has authority in appointment and removal of the head of internal audit functions.

9.2 Related Party Transactions

With respect to the entering into the related party transactions, SPRC comply with the criteria under the Securities and Exchange Act B.E. 2535 (1992), the relevant regulations, notifications, and rules of the Securities Exchange Commission, as well as the provision on disclosure of related party transactions in this report.

The company's Related Party Transactions are Chevron and its affiliates. Chevron is company's major shareholders of 60.56%. The related party transactions are the Feedstock Supply agreement, Product sale agreement, and service contracts to utilize the knowledge and expertise on technology and operations of Chevron and its affiliates.

All related party transactions are carefully considered to ensure that the transactions are reasonable, entered in the ordinary and usual course of business, in the best interest of the Company, on the arm's length's basis and comply with relevant law and regulations. The Audit Committee reviewed the terms of all relevant related party transactions and proposed to the Board of Directors for approval. All RPT transactions are reviewed and reported to the Audit Committee on a quarterly basis.

9.2.1 Related Party Transactions Potentially Leading to Conflicts of Interest and

9.2.2 Necessity and Reasons for Related Party Transactions

Related Party Transactions with Chevron and its affiliates for three-year 2023, 2022, and 2021

The Board of Directors approved the review by the Audit Committee on the related party transactions in order to ensure such transactions are reasonable and in the best interest of the Company. The related party transactions are described below:

1. **Transaction with Chevron U.S.A. Inc. (Singapore Branch)** - Affiliate of Chevron which directly or indirectly hold 100% of shares.
 - **Mr. Herbert Matthew Payne II** is an executive of Chevron U.S.A. Inc. (Singapore Branch) As the General Manager, International Value Chain Optimization, he has management oversight of Supply optimization activities conducted by Chevron in the Asia Pacific region, which may require him to opine on, or review the terms of, commercial transactions between the Company and the relevant Chevron entity, including the Feedstock Supply Agreement and the Purchase and Sale Agreement.

Natural of Transactions	Total Amount (US\$ Million)		
	2023	2022	2021
Purchase of Crude and Feedstock (Feedstock Supply Agreement)	3,128.3	4,142.1	2,180.4
Purchase of Mogas Base Fuel 95	19.2	0.0	0.0
Sales of Product (Purchase and Sale Agreement)	125.8	233.9	71.4

Rationale for transactions:

- Chevron purchases, sells, and trades globally. Utilizing this experience enables SPRC to purchase the optimum crudes for best economic returns. Company purchase Crude and

Feedstock in accordance with Feedstock Supply Agreement – the transactions are validated with market price prior to execute each transaction.

- The offtake agreement guarantees offtake of most of SPRC's domestic and export sales. The company sells products in accordance with Product Supply Agreement with competitively negotiated prices and the same terms and conditions to other offtaker that is party to the agreement.

2. **Transactions with Chevron Singapore Pte Ltd** - Affiliate of Chevron which directly or indirectly hold 100% of shares.

Natural of Transactions	Total Amount (US\$ Million)		
	2023	2022	2021
Purchase of LSWR/HSSR (Feedstock Supply Agreement)	303.6	186.2	8.7
Sales of Product (Purchase and Sale Agreement)	180.2	153.9	104.2
Profit Sharing on IMO Fuel Oil - Sale HSFO	0.0	0.0	<0.1

Rationale for transactions:

- Chevron purchases, sells, and trades globally. Utilizing this experience enables SPRC to purchase the optimum crudes for best economic returns. Company purchase Crude and Feedstock in accordance with Feedstock Supply Agreement – the transactions are validated with market price prior to execute each transaction.
- The offtake agreement guarantees offtake of most of SPRC's domestic and export sales. Company sale products in accordance with the Product Supply Agreement with competitively negotiated prices and the same terms and conditions to other offtaker that is party to the agreement.

3. **Transaction with Chevron Block B8/32 (Thailand) Ltd.** - Affiliate of Chevron which directly or indirectly hold 100% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2023	2022	2021
Purchase of Crude and Feedstock (Feedstock Supply Agreement)	0.6	0.7	2.1

Rationale for transactions:

- Chevron purchases, sells and trades globally. Utilizing this experience enables SPRC to purchase the optimum crudes for best economic returns. Company purchase Crude and Feedstock in accordance with Feedstock Supply Agreement – the transactions are validated with market price prior to execute each transaction.

4. **Transaction with Chevron Offshore (Thailand) Ltd.** - Affiliate of Chevron which directly or indirectly hold 100% of shares.

Natural of Transactions	Total Amount (US\$ Million)		
	2023	2022	2021
Purchase of Crude and Feedstock (Feedstock Supply Agreement)	4.6	4.2	14.4

Rationale for transactions:

- Chevron purchases, sells and trades globally. Utilizing this experience enables SPRC to purchase the optimum crudes for best economic returns. Company purchase Crude and Feedstock in accordance with Feedstock Supply Agreement – the transactions are validated with market price prior to execute each transaction.

5. **Transaction with Chevron (Thailand) Exploration and Production Ltd.** - Affiliate of Chevron which directly or indirectly hold 100% of shares.

Natural of Transactions	Total Amount (US\$ Million)		
	2023	2022	2021
Purchase of Crude and Feedstock (Feedstock Supply Agreement)	0.0	82.9	162.0

Rationale for transactions:

- Chevron purchases, sells and trades globally. Utilizing this experience enables SPRC to purchase the optimum crudes for best economic returns. Company purchase Crude and Feedstock in accordance with Feedstock Supply Agreement – the transactions are validated with market price prior to execute each transaction.

6. **Transaction with Chevron Asia Pacific Shipping Pte.** - Affiliate of Chevron which directly or indirectly hold 100% of shares.

Natural of Transactions	Total Amount (US\$ Million)		
	2023	2022	2021
Purchase of Crude and Feedstock (Feedstock Supply Agreement)	37.6	37.4	15.5
Marine Services Transportation Agreement	3.8	2.4	0.7

Rationale for transactions:

- Chevron purchases, sells and trades globally. Utilizing this experience enables SPRC to purchase the optimum crudes for best economic returns. Company purchase Crude and Feedstock in accordance with Feedstock Supply Agreement – the transactions are validated with market price prior to execute each transaction.

7. **Transaction with Chevron Pattani Ltd.** - Affiliate of Chevron which directly or indirectly hold 100% of shares.

Natural of Transactions	Total Amount (US\$ Million)		
	2023	2022	2021
Purchase of Crude and Feedstock (Feedstock Supply Agreement)	0.0	0.3	1.1

Rationale for transactions:

- Chevron purchases, sells and trades globally. Utilizing this experience enables SPRC to purchase the optimum crudes for best economic returns. Company purchase Crude and Feedstock in accordance with Feedstock Supply Agreement – the transactions are validated with market price prior to execute each transaction.

8. **Transaction with Chevron Thailand Limited (CTL) and Star Fuels Marketing Limited (SFL).** Affiliate of Chevron which directly or indirectly hold 100% of shares.

- **Mr. Brant Thomas Fish** is an executive of CTL. As the President of International Fuels and Lubricants, Chevron International Pte., Ltd., he has management oversight of CTL.

Natural of Transactions	Total Amount (US\$ Million)		
	2023	2022	2021

Sales of Products (Purchase and Sale Agreement)	2,554.6	2,914.5	2,126.3
Purchase, Sale and Storage Products Agreement (Fixed Reserve)	0.3	<0.1	0.0
Purchase of Lubricants Oil	0.1	0.2	0.1

Rationale for transactions:

- The offtake agreement guarantees offtake of most of SPRC's domestic and export sales. The company sells products in accordance with Product Supply Agreement with competitively negotiated prices and the same terms and conditions to other offtaker that is party to the agreement.

9. **Transaction with Advanced Refining Technology (ART).** - Joint Venture 50/50 between Chevron Products Company and Grace Company.

Natural of Transactions	Total Amount (US\$ Million)		
	2023	2022	2021
Purchase of HVGO Catalyst	0.1	0.5	0.0

Rationale for transaction:

- The company entered to this transaction as a result of a competitive bid process with several suppliers.

10. **Transaction with Chevron Oversea Services Corporation (COSC).** - Affiliate of Chevron which directly or indirectly hold 100% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2023	2022	2021
Technical Service Agreement	2.4	1.6	0.7
Technical Service License Agreement	1.8	1.8	1.7
Secondment Agreement Personnel	1.9	0.1	0.4
Memorandum of Understanding – Procedures for a coordinated response to incidents	No cost incurred		

Rationale for transactions:

- The company is able to learn from and utilize Chevron's global knowledge and expertise on technology and operations. The service fees are competitively priced.
11. **Transaction with Chevron Products Company (A Division of Chevron U.S.A. Inc)** – Affiliate of Chevron which directly or indirectly hold 100% of Shares.

Natural of Transactions	Total Amount (US\$ Million)		
	2023	2022	2021
Lease of Platinum	0.0	0.0	0.8

Rationale for transaction:

- Company entered to this transaction based on market valuation price and lease rate of Platinum.

12. Transaction with Singapore Refinery Company (SRC) - Jointly owned by Chevron Singapore Pte Ltd. and Singapore Petroleum Company

Natural of Transactions	Total Amount (US\$ Million)		
	2023	2022	2021
SRC borrow E catalyst as the RFCCU unit tripped and some catalyst losses	0.4	0.5	0.0

Rationale for transaction:

- Company supports peer refinery for urgent' s transaction and vis versa.

13. Transaction with Chevron Research and Technology Company - Affiliate of Chevron which directly or indirectly hold 100% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2023	2022	2021
HVGO License Agreement	No Cost incurred		

Rationale for transaction:

- Chevron is a global leader in hydrotreating technology and Licensing. Licenses were entered into in the 1990's.

14. Transaction with Chevron Lummus Global LLC - Affiliate of Chevron which directly or indirectly hold 50% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2023	2022	2021
DHTU License Agreement	0.2	0.0	0.0

Rationale for transaction:

- Chevron is a global leader in hydrotreating technology and Licensing. Licenses were entered into in the 1990's
- Royalty fee for excess capacity above 62,641 BPD of Diesel Hydrotreating unit.

15. Transaction with Caltex Service Corporation. - Affiliate of Chevron which directly or indirectly hold 100% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2023	2022	2021
VDU License Agreement	No Cost incurred		

Rationale for transaction:

- Chevron is a global leader in hydrotreating technology and Licensing. Licenses were entered into in the 1990's

16. Transaction with Chevron South Asia Holding Pte Ltd. - Affiliate of Chevron which directly or

indirectly hold 100% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2023	2022	2021
Support Agreement	No Cost incurred		

Rationale for transaction:

- Chevron and SPRC continue to work together to ensure that SPRC operates in such a way to maximize benefits for all of its shareholders. Chevron will make its expertise available to SPRC and provide SPRC such support as may be requested and recommended to improve and strengthen SPRC's business practices and performance.

9.2.3 Policy for and Future possibility of Related Party Transactions and the compliance with the obligations the company has made in the prospectus.

Approval for Future Related Party Transactions

SPRC follows the guidelines on the requirements of the Securities and Exchange Commission (SEC) and Securities Exchange of Thailand (SET) regarding to the Related Party Transactions (RPT).

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).

For the Related Party Transactions that are above the authority delegated to the Chief Executive Officer (CEO), the Audit Committee will review the future RPT to ensure the transactions are fair and reasonable, on normal commercial terms and normal 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.

9.2.4 The reason in case of Persons who may have conflict of interests holding more than 10% in Subsidiaries and Associated Companies of shares instead of holding the shares in the Company

N/A

Part 3 Financial Statement

STAR PETROLEUM REFINING PUBLIC COMPANY LIMITED

**FINANCIAL STATEMENTS
31 DECEMBER 2023**



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 consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Star Petroleum Refining Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

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 consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

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

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Key audit matter	How my audit addressed the key audit matter
<p>Revenue recognition</p> <p>In 2023, the Company recognized US Dollar 6,775.56 million in revenue under a purchase and sale agreement as described in Note 22 and short-term product sale agreements. The majority of which was generated under a purchase and sale agreement with two customers.</p> <p>Revenue is determined based on the contractual price and volume of petroleum products delivered. The sale price is calculated based on the prevailing market price with a premium or discount as adjusted by a number of factors following the individual agreement for each product. The volume sold is measured using the metering equipment at the refinery when the petroleum products are delivered to customers via pipeline, truck, or vessel.</p> <p>I identified the accuracy of the revenue as an area of focus for my audit work because the amount is material. There are 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 recognized, and the source data for the price factors and price adjustments 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 testing of these controls provided me with audit evidence that the process to ensure 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 recognized against the amounts invoiced to customers and the subsequent cash receipts from those customers. I obtained and read the purchase and sale agreement including amendments to the agreement and checked it against customer invoices to ensure that the price factors and adjustment thereon were applied in the invoices accurately and completely. This included the assessment for the appropriateness of the revenue recognition in accordance with the financial reporting standards.</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 recognized 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>



Key audit matter	How my audit addressed the key audit matter
<p>Valuation of inventories</p> <p>As of December 31, 2023, the Group's inventories with amount of US Dollar 690.24 million, as disclosed in the consolidated financial statements which mainly consists of crude oil and petroleum products, with a cost amounting to US Dollar 720 million, representing 38 percent of the Group's total assets. At the end of the year, the Group recognized a provision for write down of inventory to net realizable value in the consolidated financial statements amounting to US Dollar 51 million, as stated in Note 9.</p> <p>The valuation of crude oil and petroleum product is based on lower of cost or net realizable value. Determination of net realizable value involves estimating the expected selling price based on normal business operations, less estimated costs to complete processing and to sell the inventories. The estimated selling price of petroleum products is determined using market prices as of the end of the year adjusted for various factors, as per contractual terms for each product.</p> <p>I focused on the inventory valuation due to its significance to the Group's total assets, and the volatility of market prices of crude oil and petroleum products, which may result in a lower net realizable value of inventory compared to cost.</p>	<p>I comprehensively understood and evaluated the methods used by management to estimate the provision for write down of inventory to net realizable value, finding consistency in accounting policies over the past years.</p> <p>I assessed the reasonableness of the management's assumptions used in estimating the provision for write down of inventory to net realizable value, considering the expected selling prices based on normal business operations, less estimated refining costs for petroleum products.</p> <p>Furthermore, I tested the calculation of the provision for write down of inventory to net realizable value estimated from management's assumptions and found no material misstatement from the stated methodology.</p> <p>Based on the aforementioned audit procedures, I conclude that the assumptions used by management to estimate the provision for write down of inventory to net realizable value are reasonable, supported by available evidence.</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 consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and 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 Group's and 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 consolidated and separate 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 Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.



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 consolidated and separate 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.

Kan Tanthawirat.

Kan Tanthawirat
Certified Public Accountant (Thailand) No. 10456
Bangkok
20 February 2024

Star Petroleum Refining Public Company Limited
Statement of Financial Position
As at 31 December 2023

	Notes	Consolidated financial statements	Separate financial statements	
		2023 US Dollar	2023 US Dollar	2022 US Dollar
Assets				
Current assets				
Cash and cash equivalents	7	13,687,599	13,105,994	2,174,415
Trade and other receivables	8	503,341,869	503,341,869	412,667,091
Inventories	9	690,243,409	690,243,409	684,129,483
Other current assets		6,011,519	6,011,519	2,647,082
Total current assets		1,213,284,396	1,212,702,791	1,101,618,071
Non-current assets				
Investment in subsidiaries	10	-	407,823	-
Prepaid income tax		39,890,351	39,890,351	38,728,797
Property, plant and equipment	11	617,689,090	617,689,090	654,565,279
Intangible assets		4,001,470	4,001,470	3,252,073
Deferred tax assets	14	24,645,143	24,645,143	16,281,785
Other non-current assets		5,280,823	5,280,823	2,992,167
Total non-current assets		691,506,877	691,914,700	715,820,101
Total assets		1,904,791,273	1,904,617,491	1,817,438,172

Director _____
(Mr. Brant Thomas Fish)

Director _____
(Mr. Robert Joseph Dobrik)

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

Star Petroleum Refining Public Company Limited
Statement of Financial Position
As at 31 December 2023

	Notes	Consolidated financial statements	Separate financial statements	
		2023 US Dollar	2023 US Dollar	2022 US Dollar
Liabilities and equity				
Current liabilities				
Short-term borrowings from financial institutions	12	363,013,262	363,013,262	188,937,899
Current portion of long-term borrowings from financial institutions	12	-	-	91,210,766
Trade and other payables	13	411,646,127	411,636,940	367,952,153
Current portion of lease liabilities	12	965,621	965,621	-
Derivative liabilities	4	-	-	14,194,063
Excise tax payable		33,496,528	33,496,528	18,846,971
Short-term provision		3,648,265	3,648,265	6,965,741
Other current liabilities		634,288	634,288	101,648
Total current liabilities		813,404,091	813,394,904	688,209,241
Non-current liabilities				
Lease liabilities	12	15,390,675	15,390,675	-
Employee benefit obligations	15	20,289,828	20,289,828	19,495,711
Total non-current liabilities		35,680,503	35,680,503	19,495,711
Total liabilities		849,084,594	849,075,407	707,704,952

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

Star Petroleum Refining Public Company Limited
Statement of Financial Position
As at 31 December 2023

		Consolidated financial statements	Separate financial statements	
		2023	2023	2022
	Notes	US Dollar	US Dollar	US Dollar
Liabilities and equity (continued)				
Equity				
Share capital				
Authorized share capital	16			
Ordinary shares 4,335,902,125 shares at par value of Baht 6.92 each		864,713,808	864,713,808	864,713,808
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	864,713,808
Premium on share capital		31,917,416	31,917,416	31,917,416
Retained earnings				
Appropriated - legal reserve	17	87,865,911	87,865,911	87,865,911
Unappropriated		71,036,142	71,044,949	125,236,085
Other components of equity		30,555	-	-
Equity attributable to owners of the parent		1,055,563,832	1,055,542,084	1,109,733,220
Non-controlling interests		142,847	-	-
Total equity		1,055,706,679	1,055,542,084	1,109,733,220
Total liabilities and equity		1,904,791,273	1,904,617,491	1,817,438,172

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

Star Petroleum Refining Public Company Limited
Statement of Financial Position
As at 31 December 2023

	Notes	Consolidated financial statements	Separate financial statements	
		2023	2023	2022
		Baht	Baht	Baht
Assets				
Current assets				
Cash and cash equivalents	7	470,683,675	450,683,675	75,525,026
Trade and other receivables	8	17,285,754,034	17,285,754,034	14,328,109,177
Inventories	9	23,735,814,239	23,735,814,239	23,762,211,405
Other current assets		206,705,383	206,705,383	91,871,328
Total current assets		41,698,957,331	41,678,957,331	38,257,716,936
Non-current assets				
Investment in subsidiaries	10	-	14,024,060	-
Prepaid income tax		1,553,281,595	1,553,281,595	1,512,647,663
Property, plant and equipment	11	21,240,845,366	21,240,845,366	22,735,343,131
Intangible assets		137,600,933	137,600,933	112,955,867
Deferred tax assets	14	847,487,334	847,487,334	565,523,374
Other non-current assets		181,594,829	181,594,829	103,928,390
Total non-current assets		23,960,810,057	23,974,834,117	25,030,398,425
Total assets		65,659,767,388	65,653,791,448	63,288,115,361

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

Star Petroleum Refining Public Company Limited
Statement of Financial Position
As at 31 December 2023

	Notes	Consolidated financial statements	Separate financial statements	
		2023 Baht	2023 Baht	2022 Baht
Liabilities and equity				
Current liabilities				
Short-term borrowings from financial institutions	12	12,483,154,841	12,483,154,841	6,562,474,500
Current portion of long-term borrowings from financial institutions	12	-	-	3,168,075,711
Trade and other payables	13	14,155,522,364	14,155,206,439	12,780,266,104
Current portion of lease liabilities	12	33,205,396	33,205,396	-
Derivative liabilities	4	-	-	493,002,892
Excise tax payable		1,151,865,218	1,151,865,218	654,621,252
Short-term provision		125,455,081	125,455,081	241,944,550
Other current liabilities		21,811,656	21,811,656	3,530,588
Total current liabilities		27,971,014,556	27,970,698,631	23,903,915,597
Non-current liabilities				
Lease liabilities	12	529,248,365	529,248,365	-
Employee benefit obligations	15	697,718,475	697,718,475	677,154,290
Total non-current liabilities		1,226,966,840	1,226,966,840	677,154,290
Total liabilities		29,197,981,396	29,197,665,471	24,581,069,887

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

Star Petroleum Refining Public Company Limited
Statement of Financial Position
As at 31 December 2023

		Consolidated financial statements	Separate financial statements	
		2023	2023	2022
	Notes	Baht	Baht	Baht
Liabilities and equity (continued)				
Equity				
Share capital				
Authorized share capital	16			
Ordinary shares 4,335,902,125 shares at par value of Baht 6.92 each		30,004,442,705	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		30,004,442,705	30,004,442,705	30,004,442,705
Premium on share capital		977,711,111	977,711,111	977,711,111
Retained earnings				
Appropriated - legal reserve	17	3,000,444,271	3,000,444,271	3,000,444,271
Unappropriated		5,452,586,764	5,452,902,689	7,332,902,822
Other components of equity		(2,978,600,859)	(2,979,374,799)	(2,608,455,435)
Equity attributable to owners of the parent		36,456,583,992	36,456,125,977	38,707,045,474
Non-controlling interests		5,202,000	-	-
Total equity		36,461,785,992	36,456,125,977	38,707,045,474
Total liabilities and equity		65,659,767,388	65,653,791,448	63,288,115,361

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

Star Petroleum Refining Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2023

		Consolidated financial statements	Separate financial statements	
		2023	2023	2022
	Notes	US Dollar	US Dollar	US Dollar
Sales	6	6,775,557,928	6,775,557,928	7,982,476,111
Liquefied Petroleum Gas and fuel subsidies		40,544,682	40,544,682	114,103,862
Total revenue		6,816,102,610	6,816,102,610	8,096,579,973
Cost of sales	19	(6,807,972,493)	(6,807,972,493)	(7,735,877,577)
Gross profit		8,130,117	8,130,117	360,702,396
Other income		3,970,394	3,970,394	1,814,442
(Loss) gain on exchange rate		(20,791,192)	(20,791,192)	11,210,936
Fair value gain (loss) on derivatives		14,194,063	14,194,063	(5,068,722)
Profit before expenses		5,503,382	5,503,382	368,659,052
Administrative expenses	19	(37,330,914)	(37,322,107)	(81,648,455)
Other expenses		(277,488)	(277,488)	-
Finance costs		(10,520,887)	(10,520,887)	(8,835,869)
(Loss) profit before income tax		(42,625,907)	(42,617,100)	278,174,728
Income tax	20	8,368,275	8,368,275	(55,682,718)
(Loss) profit for the year		(34,257,632)	(34,248,825)	222,492,010
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss				
Currency translation differences		30,555	-	-

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

Star Petroleum Refining Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2023

	Note	Consolidated financial statements	Separate financial statements	
		2023 US Dollar	2023 US Dollar	2022 US Dollar
Other comprehensive income:				
Other comprehensive (expense) income for the year		30,555	-	-
Total comprehensive (expense) income for the year		(34,227,077)	(34,248,825)	222,492,010
Profit (loss) attributable to:				
Owners of the parent		(34,257,632)	(34,248,825)	222,492,010
Non-controlling interests		-	-	-
		(34,257,632)	(34,248,825)	222,492,010
Total comprehensive income (expense) attributable to:				
Owners of the parent		(34,227,077)	(34,248,825)	222,492,010
Non-controlling interests		-	-	-
		(34,227,077)	(34,248,825)	222,492,010
(Loss) Earnings per share	21			
Basic (loss) earnings per share		(0.01)	(0.01)	0.05

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

Star Petroleum Refining Public Company Limited

Statement of Comprehensive Income

For the year ended 31 December 2023

	Notes	Consolidated financial statements	Separate financial statements	
		2023 Baht	2023 Baht	2022 Baht
Sales	6	236,850,936,753	236,850,936,753	281,298,614,499
Liquefied Petroleum Gas and fuel subsidies		1,432,682,939	1,432,682,939	3,965,749,850
Total revenue		238,283,619,692	238,283,619,692	285,264,364,349
Cost of sales	19	(238,048,677,690)	(238,048,677,690)	(272,832,700,635)
Gross profit		234,942,002	234,942,002	12,431,663,714
Other income		138,713,667	138,713,667	62,943,303
(Loss) gain on exchange rate		(719,067,182)	(719,067,182)	376,436,670
Fair value gain (loss) on derivatives		500,624,738	500,624,738	(168,972,241)
Profit before expenses		155,213,225	155,213,225	12,702,071,446
Administrative expenses	19	(1,302,161,488)	(1,301,845,563)	(2,791,273,297)
Other expenses		(9,626,636)	(9,626,636)	-
Finance costs		(367,147,741)	(367,147,741)	(316,382,339)
(Loss) profit before income tax		(1,523,722,640)	(1,523,406,715)	9,594,415,810
Income tax	20	293,791,901	293,791,901	(1,920,618,566)
(Loss) profit for the year		(1,229,930,739)	(1,229,614,814)	7,673,797,244
Other comprehensive income:				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Currency translation differences		(370,145,424)	(370,919,364)	1,598,946,187

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

Star Petroleum Refining Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2023

	Note	Consolidated financial statements	Separate financial statements	
		2023 Baht	2023 Baht	2022 Baht
Other comprehensive income:				
Other comprehensive (expense) income for the year		(370,145,424)	(370,919,364)	1,598,946,187
Total comprehensive (expense) income for the year		<u>(1,600,076,163)</u>	<u>(1,600,534,178)</u>	<u>9,272,743,431</u>
Profit (loss) attributable to:				
Owners of the parent		(1,229,930,739)	(1,229,614,814)	7,673,797,244
Non-controlling interests		-	-	-
		<u>(1,229,930,739)</u>	<u>(1,229,614,814)</u>	<u>7,673,797,244</u>
Total comprehensive income (expense) attributable to:				
Owners of the parent		(1,600,076,163)	(1,600,534,178)	9,272,743,431
Non-controlling interests		-	-	-
		<u>(1,600,076,163)</u>	<u>(1,600,534,178)</u>	<u>9,272,743,431</u>
(Loss) Earnings per share	21			
Basic (loss) earnings per share		(0.28)	(0.28)	1.77

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

Star Petroleum Refining Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2023

Consolidated financial statements									
Attributable to owners of the parent					Other component of equity				
Issued and paid-up share capital		Premium on share capital	Appropriated legal reserve	Unappropriated	Currency translation differences	Equity attributable to owners of the parent	Non-controlling interests	Total equity	
Note	US Dollar	US Dollar	US Dollar	US Dollar	US Dollar	US Dollar	US Dollar	US Dollar	US Dollar
	864,713,808	31,917,416	87,865,911	125,236,085	-	1,109,733,220	-	1,109,733,220	
	-	-	-	-	-	-	142,847	142,847	
18	-	-	-	(19,942,311)	-	(19,942,311)	-	(19,942,311)	
	-	-	-	(34,257,632)	30,555	(34,227,077)	-	(34,227,077)	
Beginning balance 1 January 2023									
Increase of a subsidiary's preference shares									
Dividends									
Total comprehensive income for the year									
Ending balance 31 December 2023	864,713,808	31,917,416	87,865,911	71,036,142	30,555	1,055,563,832	142,847	1,055,706,679	

Star Petroleum Refining Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2023

Consolidated financial statements											
Attributable to owners of the parent											
Other component of equity											
Retained earnings											
Currency translation differences											
Equity attributable to owners of the parent											
Non-controlling interests											
Total equity											
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The notes to the consolidated and separate financial statements are an integral part of these financial statements.

Star Petroleum Refining Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2023

	Note	Separate financial statements					
		Issued and paid-up share capital US Dollar	Premium on share capital US Dollar	Retained earnings		Total equity US Dollar	
				Appropriated legal reserve US Dollar	Unappropriated US Dollar		
Beginning balance 1 January 2022		864,713,808	31,917,416	87,865,911	38,985,958	1,023,483,093	
Dividends	18	-	-	-	(136,241,883)	(136,241,883)	
Total comprehensive income for the year		-	-	-	222,492,010	222,492,010	
Ending balance 31 December 2022		864,713,808	31,917,416	87,865,911	125,236,085	1,109,733,220	
Beginning balance 1 January 2023		864,713,808	31,917,416	87,865,911	125,236,085	1,109,733,220	
Dividends	18	-	-	-	(19,942,311)	(19,942,311)	
Total comprehensive income for the year		-	-	-	(34,248,825)	(34,248,825)	
Ending balance 31 December 2023		864,713,808	31,917,416	87,865,911	71,044,949	1,055,542,084	

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

Star Petroleum Refining Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2023

		Separate financial statements					
Note		Issued and paid-up share capital	Premium on share capital	Retained earnings		Other component of equity	
		Baht	Baht	Appropriated legal reserve	Unappropriated	Exchange differences on translation	Total equity
				Baht	Baht	Baht	Baht
	Beginning balance 1 January 2022	30,004,442,705	977,711,111	3,000,444,271	4,595,530,147	(4,207,401,622)	34,370,726,612
18	Dividends	-	-	-	(4,936,424,569)	-	(4,936,424,569)
	Total comprehensive income for the year	-	-	-	7,673,797,244	1,598,946,187	9,272,743,431
	Ending balance 31 December 2022	30,004,442,705	977,711,111	3,000,444,271	7,332,902,822	(2,608,455,435)	38,707,045,474
	Beginning balance 1 January 2023	30,004,442,705	977,711,111	3,000,444,271	7,332,902,822	(2,608,455,435)	38,707,045,474
18	Dividends	-	-	-	(650,385,319)	-	(650,385,319)
	Total comprehensive income for the year	-	-	-	(1,229,614,814)	(370,919,364)	(1,600,534,178)
	Ending balance 31 December 2023	30,004,442,705	977,711,111	3,000,444,271	5,452,902,689	(2,979,374,799)	36,456,125,977

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

Star Petroleum Refining Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2023

	Notes	Consolidated financial statements	Separate financial statements	
		2023 US Dollar	2023 US Dollar	2022 US Dollar
Cash flows from operating activities				
(Loss) profit before income tax		(42,625,907)	(42,617,100)	278,174,728
Adjustments for:				
Finance income		(23,328)	(23,328)	(86,258)
Finance costs		10,520,887	10,520,887	8,835,869
Depreciation	11	73,174,909	73,174,909	72,596,882
Amortization		1,137,140	1,137,140	1,295,360
Loss from disposal of fixed assets		44,412	44,412	-
Loss (gain) from foreign exchange rate		31,252,143	31,252,143	(9,941,460)
Fair value (gain) loss on derivatives		(14,194,063)	(14,194,063)	5,068,722
Loss on obsolete materials and supplies	9	649,381	649,381	467,029
Loss on write down of inventory to net realizable value	9	9,881,970	9,881,970	41,123,449
Short-term provision		3,899,686	3,899,686	6,965,741
Retirement benefit expenses		1,115,377	1,115,377	1,641,138
Change in operating assets and liabilities				
Trade and other receivables		(88,419,497)	(88,419,497)	(15,584,838)
Inventories		(16,645,276)	(16,645,276)	(234,960,504)
Other current and non-current assets		(5,630,270)	(5,630,270)	1,857,782
Trade and other payables		42,897,892	42,888,705	(47,494,377)
Short-term provision paid		(7,217,162)	(7,217,162)	-
Retirement benefit paid	15	(537,461)	(537,461)	(690,027)
Current and non-current liabilities		15,077,335	15,077,335	(22,482,309)
Cash generated from operations		14,358,168	14,357,788	86,786,927
Interest received		22,381	22,381	87,498
Interest paid		(9,988,247)	(9,988,247)	(8,916,491)
Income tax paid		(1,156,638)	(1,156,638)	(64,981,187)
Net cash generated from operating activities		3,235,664	3,235,284	12,976,747

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

Star Petroleum Refining Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2023

	Notes	Consolidated financial statements	Separate financial statements	
		2023 US Dollar	2023 US Dollar	2022 US Dollar
Cash flows from investing activities				
Payments for acquisition of subsidiaries	10	-	(407,823)	-
Purchases of fixed assets and intangible assets		(22,406,064)	(22,406,064)	(7,898,179)
Proceeds from disposal of property, plant and equipment		233,068	233,068	-
Net cash used in investing activities		(22,172,996)	(22,580,819)	(7,898,179)
Cash flows from financing activities				
Proceeds from preference shares issued of a subsidiary		142,847	-	-
Net proceeds from short-term borrowings from financial institutions	12	154,801,920	154,801,920	187,516,748
Repayments of long-term borrowings from financial institutions	12	(105,000,000)	(105,000,000)	(142,500,000)
Payment for principal element of lease payment	12	(749,378)	(749,378)	-
Dividends paid to shareholders		(18,973,534)	(18,973,534)	(136,083,014)
Net cash generated from (used in) financing activities		30,221,855	30,079,008	(91,066,266)
Net increase (decrease) in cash and cash equivalents		11,284,523	10,733,473	(85,987,698)
Cash and cash equivalents at the beginning of year		2,174,415	2,174,415	87,660,208
Adjustment from foreign exchange translation		228,661	198,106	501,905
Cash and cash equivalents at the ending of year	7	13,687,599	13,105,994	2,174,415
Material non-cash item				
Acquisitions of fixed assets and intangible assets which have not been paid		362,844	362,844	266,366
Increase in right-of-use assets under property, plant and equipment		15,960,196	15,960,196	-

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

Star Petroleum Refining Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2023

	Notes	Consolidated financial statements	Separate financial statements	
		2023 Baht	2023 Baht	2022 Baht
Cash flows from operating activities				
(Loss) profit before income tax		(1,523,722,640)	(1,523,406,715)	9,594,415,810
Adjustments for:				
Finance income		(818,992)	(818,992)	(3,015,548)
Finance costs		367,147,741	367,147,741	316,382,339
Depreciation	11	2,558,784,591	2,558,784,591	2,556,966,708
Amortization		39,755,381	39,755,381	45,678,095
Loss from disposal of fixed assets		1,585,006	1,585,006	-
Loss (gain) from foreign exchange rate		1,092,953,081	1,092,953,081	(350,249,643)
Fair value (gain) loss on derivatives		(500,624,738)	(500,624,738)	168,972,241
Loss on obsolete materials and supplies	9	22,911,109	22,911,109	15,777,193
Loss on write down of inventory to net realizable value	9	403,232,388	403,232,388	1,455,063,020
Short-term provision		135,909,855	135,909,855	241,944,550
Retirement benefit expenses		38,653,738	38,653,738	57,640,842
Change in operating assets and liabilities				
Trade and other receivables		(3,092,215,484)	(3,092,215,484)	(549,072,573)
Inventories		(582,120,280)	(582,120,280)	(8,277,940,509)
Other current and non-current assets		(196,902,360)	(196,902,360)	65,451,903
Trade and other payables		1,500,229,378	1,499,908,087	(1,673,283,883)
Short-term provision paid		(252,399,324)	(252,399,324)	-
Retirement benefit paid	15	(18,689,301)	(18,689,301)	(24,460,100)
Current and non-current liabilities		527,286,050	527,286,050	(792,078,729)
Cash generated from operations		520,955,199	520,949,833	2,848,191,716
Interest received		786,455	786,455	3,057,145
Interest paid		(348,866,674)	(348,866,674)	(318,974,743)
Income tax paid		(40,412,021)	(40,412,021)	(2,376,703,742)
Net cash generated from operating activities		132,462,959	132,457,593	155,570,376

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

Star Petroleum Refining Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2023

	Notes	Consolidated financial statements	Separate financial statements	
		2023 Baht	2023 Baht	2022 Baht
Cash flows from investing activities				
Payments for acquisition of subsidiaries	10	-	(14,798,000)	-
Purchases of fixed assets and intangible assets		(783,587,096)	(783,587,096)	(278,262,312)
Proceeds from disposal of property, plant and equipment		8,041,372	8,041,372	-
Net cash used in investing activities		(775,545,724)	(790,343,724)	(278,262,312)
Cash flows from financing activities				
Proceeds from preference shares issued of a subsidiary		5,202,000	-	-
Net proceeds from short-term borrowings from financial institutions	12	5,425,807,296	5,425,807,296	6,671,794,300
Repayments of long-term borrowings from financial institutions	12	(3,723,045,000)	(3,723,045,000)	(5,033,182,500)
Payment for principal element of lease payment	12	(27,134,958)	(27,134,958)	-
Dividends paid to shareholders	18	(650,385,319)	(650,385,319)	(4,936,424,569)
Net cash generated from (used in) financing activities		1,030,444,019	1,025,242,019	(3,297,812,769)
Net increase (decrease) in cash and cash equivalents		387,361,254	367,355,888	(3,420,504,705)
Cash and cash equivalents at the beginning of year		75,525,026	75,525,026	2,944,760,616
Adjustment from foreign exchange translation		7,797,395	7,802,761	551,269,115
Cash and cash equivalents at the ending of year	7	470,683,675	450,683,675	75,525,026
Material non-cash item				
Acquisitions of fixed assets and intangible assets which have not been paid		12,477,331	12,477,331	9,251,826
Increase in right-of-use assets under property, plant and equipment		585,401,719	585,401,719	-

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

Star Petroleum Refining Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2023

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 operates a petroleum refinery in the Rayong Province of Thailand. During the year, The Company established new subsidiaries as described in Note 10. Therefore, the Company prepared the consolidated financial statements including the financial statements of the Company and those subsidiaries from 4 September 2023, which was the first day that the Group has obtained control. The Company and its subsidiaries hereinafter referred to as "the Group".

These consolidated and separate financial statements were authorized for issue by the Board of Directors on 20 February 2024.

2 Basis of preparation and Accounting policies

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

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS) and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate 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 TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 5.

An English version of the consolidated and separate financial statements have 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 Amended financial reporting standards

2.2.1 Amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2023 which are relevant to the Group and the management has assessed that the impacts to the Group were not significant.

- a) Amendment to TAS 16 - Property, plant and equipment clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- b) Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.
- c) Amendment to TFRS 3 - Business combinations clarified some minor amendments to update its references to the Conceptual Framework for Financial Reporting and added a consideration for the recognition of liabilities and contingent liabilities acquired from business combinations. The amendments also confirmed that contingent assets shouldn't be recognised at the acquisition date.
- d) Amendment to TFRS 9 - Financial Instruments clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

Star Petroleum Refining Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2023

- 2.2.2 Amended financial reporting standards issued by the Federation of Accounting Professions that are effective for accounting period beginning on or after 1 January 2024.

The following amended TFRSs were not mandatory for the current reporting period and the Group has not early adopted them. The Group is in process of assessing the impact of adoptions these amended financial reporting standards.

- a) Amendment to TAS 1 - Presentation of financial statements revised the disclosure from 'significant accounting policies' to 'material accounting policies'. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.
- b) Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors revised to the definition of 'accounting estimates' to clarify how the Group should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.
- c) Amendments to TAS 12 - Income taxes require the Group to recognise deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

The amendment should be applied to transactions on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that they can probably be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised at the beginning of retained earnings or another component of equity, as appropriate.

2.3 Principles of consolidation accounting

2.3.1 Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

2.3.2 Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

Star Petroleum Refining Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2023

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The Group's management has determined that US Dollar is the Group's functional currency. However, the Group is required to present its financial statements in Baht (the presentation currency) to comply with the regulation of the Department of Business Development, the Group's financial statements are presented by translating from US Dollar to Baht using the method described in Note 2.4.3.

2.4.2 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 recognized in the profit or loss.

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

2.4.3 Group companies

The operational results and financial position of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group's presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates, and
- All resulting exchange differences are recognized in other comprehensive income.

2.5 Cash and cash equivalents

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

2.6 Trade receivables

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognized at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost.

The impairment consideration of trade receivables is disclosed in Note 2.8.4.

2.7 Inventories

Inventories are stated at the lower of cost or net realizable value.

Cost of inventories is determined by the weighted average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials costs, direct labour costs, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

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2.8 Financial assets

2.8.1 Classification

The Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI), as follows:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss) and
- those to be measured at amortized cost.

The Group reclassifies debt investments only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

2.8.2 Recognition and derecognition

Regular way purchases, acquisitions and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.8.3 Measurement

On initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest (SPPI).

2.8.4 Impairment

Every end of reporting period, the Group assesses the expected credit loss associated with its debt instruments carried at amortized cost on a forward looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach to recognize impairment loss regarding expected credit loss from probability-weighted present value of estimated cash shortfall, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

To measure the expected credit losses, the Group grouped trade receivables based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles of sales, the corresponding historical credit losses experienced as well as forward-looking information that may affect the ability of the customers to settle the receivables.

Impairment and reversal of impairment losses are recognised in profit or loss by including in administrative expenses.

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2.9 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that the capitalized cost has future economic benefit. The carrying amount of the replaced part is derecognized.

All other repairs and maintenance costs are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets 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
Right-of-use assets	30 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate regularly.

Gains or losses on property, plant, and equipment disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

The Group has presented a list of right-of-use assets as part of the property, plant and equipment in the statement of financial position. The accounting policies related to the right-of-use assets are provided in Note 2.12.

2.10 Intangible asset - Computer software

Acquisition of Computer software

The acquired computer software is stated at cost and amortized over their useful lives, which does not exceed 10 years.

Cost associated with maintaining computer software are recognized as an expense as incurred.

2.11 Impairment of assets

The Group assesses the impairment of assets whenever there are events or situation which are the impairment indication. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

2.12 Leases - where the Group is a lessee

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be paid by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that termination.

Lease payments to be made under extension period are also included in the measurement of the liability if the Group has reasonable certainty on extension option.

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The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.13 Financial liabilities

2.13.1 Classification

Borrowings are classified as current liabilities if the Group has no unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.13.2 Measurement

Financial liabilities are initially recognized at fair value and are subsequently measured at amortized cost.

2.13.3 Derecognition and modification

Financial liabilities are derecognized when the obligation specified in the contract has been discharged, cancelled, or expired.

Where the terms of a financial liability are modified, the Group assesses whether the results are in the derecognition of that financial liability. Where the results in an extinguishment, the new financial liability is recognized based on fair value of its obligation. The remaining carrying amount of financial liability is derecognized. The difference is recognized in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the modified contractual cash flows discounted at its original effective interest rate. The difference is recognized in profit or loss.

2.14 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take time to get ready for its intended use or sale) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalization of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

2.15 Current and deferred income taxes

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

2.15.1 Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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2.15.2 Deferred income tax

Deferred income tax is recognized on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognized for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognized
- investments in subsidiaries where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is calculated using tax rates that currently have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.16 Accounting for employee benefit

2.16.1 Defined contribution plan - provident fund

The Group pays contributions to provident fund in accordance with the Provident Fund Act B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

2.16.2 Defined benefit plan - retirement benefit

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds at the same currency of the expected cash flow and term of maturity approximating the terms of payment from the retirement benefit plan.

Remeasurement gains and losses are recognized directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity.

Past-service costs are recognized immediately in profit or loss.

2.17 Provisions

Provisions are recognized when the Group 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 the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognized as finance costs.

2.18 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 Group's activities. Revenue is shown net of value-added tax, return, rebates and discounts. Revenue from sale of petroleum products is recognized when customers have physical possession of products which usually coincides with the title passing to the customers. The Group satisfied its performance obligation at a point in time, 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 recognized as income on the accrual basis unless collectability is in doubt.

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2.19 Government Grants

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

Government grants relating to the compensation of costs are deferred and recognized 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.

2.20 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.

2.21 Share Capital

Ordinary shares are classified as equity.

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

2.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

2.23 Derivatives

Derivatives that do not qualify for hedge accounting is initially recognized at fair value. Changes in the fair value are included in profit or loss.

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

3 Financial risk management

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

3.1 Financial risk factors

3.1.1 Market risk

a) Foreign exchange risk

The Group's major business comprises of revenue and expenditures which are mostly denominated in US dollars. Considering this, the Group has determined the US dollar as its functional currency. Foreign exchange risks occur when the Group has transactions in currencies other than its functional currency.

Generally, to cover this exchange risk, the Group doesn't enter into any foreign currency forward contract because a substantial portion of the Group's costs and expenses are directly linked to or denominated in US dollars. However, the Group is exposed to value fluctuations of the US dollar against Baht on account of cash received from product sales, employee-related expenses and other costs denominated in Baht. US dollar depreciation against Baht causes the Baht-denominated costs to increase in US dollars, which has a negative effect on US dollar-denominated results of operations. Also, an increase in the US dollar value against Baht may also impact the Group's incurred cost when converting the Baht from petroleum product sales into the US dollars required to pay for crude oil and imported feedstock.

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As at 31 December 2023, the Group had borrowings from financial institutions in US Dollars and foreign currencies which comprised short-term borrowings from financial institutions in Baht, contributed to 47% of total borrowings (2022: short-term borrowings from financial institutions in Baht contributed to 51% of total borrowings and long-term borrowings from financial institutions comprises Japanese Yen contributed to 22% of total borrowings).

The Group manages foreign exchange risk on financial assets and liabilities denominated in currencies other than its functional currency by structuring and balancing the nature of assets, liabilities and shareholders' equity. The Group has not adopted hedging instrument.

Exposure

The Group's exposure to foreign currencies other than the functional currency at 31 December are as follows:

	Consolidated	Separate	
	financial statements	financial statements	
	2023 US Dollar	2023 US Dollar	2022 US Dollar
Financial assets			
Cash and cash equivalents	13,687,599	13,105,994	2,174,415
Trade and other receivables	432,889,160	432,889,160	396,734,849
Financial liabilities			
Trade and other payables	68,022,849	68,013,662	49,964,676
Short-term borrowings from financial institutions	170,410,264	170,410,264	141,937,899
Lease liabilities	16,356,296	16,356,296	-
	Consolidated	Separate	
	financial statements	financial statements	
	2023 Baht	2023 Baht	2022 Baht
Financial assets			
Cash and cash equivalents	470,683,675	450,683,675	75,525,026
Trade and other receivables	14,886,019,287	14,886,019,287	13,779,989,861
Financial liabilities			
Trade and other payables	2,339,142,521	2,338,826,596	1,735,448,071
Short-term borrowings from financial institutions	5,860,000,000	5,860,000,000	4,930,000,000
Lease liabilities	562,453,761	562,453,761	-

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Sensitivity

The Group is primarily exposed to changes in exchange rates from US dollars to Baht. These changes cause monetary assets and liabilities denominated in currencies other than the functional currency to fluctuate along with the Group's net profit before tax. Given the change in the foreign exchange rate at 31 December, the impact to the Group's profit before tax will be as follows:

	Impact to net profit before tax		
	Consolidated	Separate	
	financial statements	financial statements	
	2023	2023	2022
	US Dollar	US Dollar	US Dollar
US Dollar 5% appreciation against Baht	(9,132,731)	(9,105,473)	(9,857,462)
US Dollar 5% depreciation against Baht	10,094,071	10,063,944	10,895,088

	Impact to net profit before tax		
	Consolidated	Separate	
	financial statements	financial statements	
	2023	2023	2022
	Baht	Baht	Baht
US Dollar 5% appreciation against Baht	(329,755,331)	(328,771,120)	(342,384,150)
US Dollar 5% depreciation against Baht	329,755,337	328,771,139	378,424,553

b) Interest rate risk

Exposure

The Group is exposed to variable interest rate risks on its borrowings. As at 31 December 2023, the Group did not enter into any hedging instrument contract.

As at 31 December 2023, the Group had the whole borrowings bore variable interest rates and measured at amortized cost. The Group had no outstanding cross-currency and interest rate swap contract (2022: all the Company's borrowings bore variable interest rates and are presented at amortized cost together with the cross-currency and interest rate swap contract for 22% of total borrowings).

Profit or loss that sensitive to higher or lower interest expenses from borrowings as a result of interest rates changes is not significant since the Group's borrowings are short-term borrowings and are due within 12 months. The maturity analysis of these borrowings is disclosed in Note 3.1.3.

c) Price risk

The changes in crude oil and petroleum products' market prices have directly impacted the Group's raw material costs and petroleum products' selling prices, including the refinery's margins. These changes primarily result from supply and demand, which are outside of the Group's control. The Group focusses on what it can control, which are the refinery's reliability and production efficiency and the efficiency of its crude oil sourcing from various areas.

At the end of the reporting period, the Group's raw material costs and petroleum products' selling price were firm at the final price. Thus, the Group has relatively low risk resulting from changes in crude price that could impact the outstanding balance of trade receivables and trade payables related to the raw material cost and petroleum product's selling price.

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3.1.2 Credit risk

The Group has no significant credit risk because the majority of its total sales is to related companies who have reputable and strong financial positions. Apart from these, sales are made to other customers with appropriate credit histories. Financial transactions are limited to high credit quality financial institutions.

a) Risk management

The Group manages risk by performing risk control assessments. It assesses customers' credit quality, taking into account their financial position, past experience and other factors. The Group also regularly monitors the customers' compliance with credit limits.

b) Impairment of financial assets

The Group's financial assets comprise trade and other receivables. These are subject to the expected credit loss model, which is done by applying the TFRS 9 simplified approach to measure expected credit losses using a lifetime-expected loss allowance for those financial assets. Cash and cash equivalents which credit loss was measured by TFRS 9. The result of the assessment shows that the identified impairment loss was immaterial.

3.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period, the Group held deposits at call (refer to Note 7) and trade and other receivables within 12 months (refer to Note 8) which are expected to readily generate cash inflows to manage liquidity risk. The Group maintains funding flexibility by maintaining availability under committed credit lines.

Maturity of financial liabilities

The tables below analyze the maturity of financial liability groupings based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances because the impact of discounting is insignificant.

As at 31 December 2022, the cross-currency and interest rate swap contract, cash flows have been estimated using the forward interest rates applicable at the end of the reporting period which contractual amount to be settled has due within 12 months, with cash inflows of US Dollar 61,489,348, equivalent to Baht 2,135,743,547 and cash outflows of US Dollar 75,683,411, equivalent to Baht 2,628,746,439.

Contractual maturities of financial liabilities As at 31 December 2023	Consolidated financial statements			
	Within 1 year US Dollar	1 - 3 years US Dollar	Over 3 years US Dollar	Total US Dollar
Trade and other payables	411,631,356	14,771	-	411,646,127
Borrowings from financial institutions floating rate				
- Principal	363,013,262	-	-	363,013,262
- Interest expense	941,074	-	-	941,074
Lease liabilities	849,201	1,722,332	28,696,639	31,268,172
Contractual maturities of financial liabilities As at 31 December 2023	Separate financial statements			
	Within 1 year US Dollar	1 - 3 years US Dollar	Over 3 years US Dollar	Total US Dollar
Trade and other payables	411,622,169	14,771	-	411,636,940
Borrowings from financial institutions floating rate				
- Principal	363,013,262	-	-	363,013,262
- Interest expense	941,074	-	-	941,074
Lease liabilities	849,201	1,722,332	28,696,639	31,268,172

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Contractual maturities of financial liabilities As at 31 December 2022	Separate financial statements			
	Within 1 year US Dollar	1 - 3 years US Dollar	Over 3 years US Dollar	Total US Dollar
Trade and other payables	366,830,967	-	-	366,830,967
Borrowings from financial institutions floating rate				
- Principal	280,148,665	-	-	280,148,665
- Interest expense	3,159,127	-	-	3,159,127
Contractual maturities of financial liabilities As at 31 December 2023	Consolidated financial statements			
	Within 1 year Baht	1 - 3 years Baht	Over 3 years Baht	Total Baht
Trade and other payables	14,155,014,414	507,950	-	14,155,522,364
Borrowings from financial institutions floating rate				
- Principal	12,483,154,841	-	-	12,483,154,841
- Interest expense	32,361,269	-	-	32,361,269
Lease liabilities	29,201,995	59,226,870	986,808,514	1,075,237,379
Contractual maturities of financial liabilities As at 31 December 2023	Separate financial statements			
	Within 1 year Baht	1 - 3 years Baht	Over 3 years Baht	Total Baht
Trade and other payables	14,154,698,489	507,950	-	14,155,206,439
Borrowings from financial institutions floating rate				
- Principal	12,483,154,841	-	-	12,483,154,841
- Interest expense	32,361,269	-	-	32,361,269
Lease liabilities	29,201,995	59,226,870	986,808,514	1,075,237,379
Contractual maturities of financial liabilities As at 31 December 2022	Separate financial statements			
	Within 1 year Baht	1 - 3 years Baht	Over 3 years Baht	Total Baht
Trade and other payables	12,741,323,400	-	-	12,741,323,400
Borrowings from financial institutions floating rate				
- Principal	9,730,550,211	-	-	9,730,550,211
- Interest expense	109,727,540	-	-	109,727,540

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining financing plans.

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Financing arrangements

The Group had the committed undrawn credit facilities as at 31 December as follows:

	Consolidated and separate financial statements	Separate financial statements
	2023	2022
	US Dollar	US Dollar
Floating rate - Bank loan	206,255,627	136,062,101

	Consolidated and separate financial statements	Separate financial statements
	2023	2022
	Baht	Baht
Floating rate - Bank loan	7,092,636,000	4,725,913,000

3.2 Capital Management

The Group's objectives when managing capital are to safeguard the Group'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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Loan covenants

Under the terms of certain borrowing facilities, the Group must maintain an interest bearing debt to equity ratio of not more than 100%. As at 31 December 2023, the ratio of an interest bearing debt to equity was 36% (2022: 27%).

4 Financial assets and liabilities

Financial assets which comprise cash and cash equivalents and trade and other receivables and financial liabilities which comprise trade and other payables, borrowings from financial institutions and lease liabilities measured at amortized costs. The fair values of such financial assets and liabilities is not significantly different from the carrying amount.

As at 31 December 2022, the Company had derivative liabilities which valuation technique used to measure fair value of the cross-currency and interest rate swap contract is at level 2 which is determined using forward exchange rates that are quoted in an active market and forward interests extracted from observable yield curves.

5 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 to 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

The Group 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 Group 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.

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6 Segment information

The Group produces petroleum products in Thailand for both domestic and export markets, utilizing the same assets. The Group has one reportable segment which is the refinery. The chief operating decision maker reviews the internal management report which reported the performance of the Group 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 amortization which are the same information as these consolidated financial statements.

The majority of the Group's revenue came from sale of petroleum products by lifting the petroleum products, LPG, gasoline, jet fuel, diesel, fuel oil, asphalt, and other products to customers via vessel, truck, or pipeline and the Group satisfied its performance obligation at a point in time. The majority of the Group's revenue came from 2 main customers which 42% of its revenue derived from sales to its related parties (2022: 41%) and 45% of its revenue derived from other parties (2022: 46%).

Refer to Note 25 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 for the year as shown in table below.

	Consolidated and separate financial statements	Separate financial statements
	2023	2022
	US Dollar	US Dollar
Sales:		
- Local Sales	6,070,951,682	7,278,922,575
- Export Sales	704,606,246	703,553,536
Total Sales	6,775,557,928	7,982,476,111
	Consolidated and separate financial statements	Separate financial statements
	2023	2022
	Baht	Baht
Sales:		
- Local Sales	211,810,878,303	256,159,509,839
- Export Sales	25,040,058,450	25,139,104,660
Total Sales	236,850,936,753	281,298,614,499

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

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7 Cash and cash equivalents

As at 31 December, the Group had cash and cash equivalents as follows:

	Consolidated financial statements	Separate financial statements	
	2023 US Dollar	2023 US Dollar	2022 US Dollar
Cash on hands	1,454	1,454	1,440
Deposits held at call with banks	13,686,145	13,104,540	2,172,975
	13,687,599	13,105,994	2,174,415
	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
Cash on hands	50,000	50,000	50,000
Deposits held at call with banks	470,633,675	450,633,675	75,475,026
	470,683,675	450,683,675	75,525,026

During 2023, the interest rates of cash at bank ranged between 0.13% and 0.70% per annum (2022: 0.11% and 0.40% per annum).

8 Trade and other receivables

As at 31 December, the Group had trade and other receivables as follows:

	Consolidated and separate financial statements	Separate financial statements
	2023 US Dollar	2022 US Dollar
Trade receivables		
- related parties	201,202,291	140,885,001
- third parties	287,455,376	195,271,935
	488,657,667	336,156,936
Other receivables		
- related parties	688,506	245,038
- Liquefied Petroleum Gas (LPG) subsidy	2,765,182	30,307,676
- fuel subsidy	1,162,643	32,622,837
- third parties	10,067,871	13,334,604
	14,684,202	76,510,155
Trade and other receivables	503,341,869	412,667,091

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	Consolidated and separate financial statements	Separate financial statements
	2023 Baht	2022 Baht
Trade receivables		
- related parties	6,910,358,599	4,889,327,145
- third parties	9,870,504,846	6,781,400,430
	16,780,863,445	11,670,727,575
Other receivables		
- related parties	23,612,190	8,427,170
- Liquefied Petroleum Gas (LPG) subsidy	95,087,960	1,052,691,676
- fuel subsidy	39,980,501	1,133,105,322
- third parties	346,209,938	463,157,434
	504,890,589	2,657,381,602
Trade and other receivables	17,285,754,034	14,328,109,177

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

As at 31 December 2023 and 2022, LPG subsidy and fuel subsidy were outstanding subsidies that the Group was compensated for the difference between the Government's controlled price and the market reference price.

Outstanding trade receivables as at 31 December can be analyzed as follows:

	Consolidated and separate financial statements	Separate financial statements
	2023 US Dollar	2022 US Dollar
Up to 3 months	488,657,667	336,156,936
3 - 6 months	-	-
6 - 12 months	-	-
Over 12 months	-	-
Total trade receivables	488,657,667	336,156,936
Less Loss allowance TFRS 9	-	-
	488,657,667	336,156,936
	Consolidated and separate financial statements	Separate financial statements
	2023 Baht	2022 Baht
Up to 3 months	16,780,863,445	11,670,727,575
3 - 6 months	-	-
6 - 12 months	-	-
Over 12 months	-	-
Total trade receivables	16,780,863,445	11,670,727,575
Less Loss allowance TFRS 9	-	-
	16,780,863,445	11,670,727,575

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9 Inventories

As at 31 December, the Group had inventories as follows:

	Consolidated and separate financial statements	Separate financial statements
	2023	2022
	US Dollar	US Dollar
Crude oil (net with allowance)	202,472,736	270,258,153
Petroleum products (net with allowance)	152,194,939	141,760,136
Materials and supplies (net with allowance)	21,251,603	22,049,856
	375,919,278	434,068,145
Crude oil in transit (net with allowance)	314,324,131	250,061,338
Inventories, net	690,243,409	684,129,483
	Consolidated and separate financial statements	Separate financial statements
	2023	2022
	Baht	Baht
Crude oil (net with allowance)	6,962,551,462	9,387,011,562
Petroleum products (net with allowance)	5,233,618,684	4,923,825,697
Materials and supplies (net with allowance)	730,791,609	765,868,671
	12,926,961,755	15,076,705,930
Crude oil in transit (net with allowance)	10,808,852,484	8,685,505,475
Inventories, net	23,735,814,239	23,762,211,405

According to the Ministry of Energy, the Group is required to maintain a minimum oil reserve of 5% of total finished products produced for domestic sales (2022: 4%) and maintain a minimum finished products reserve of 6% of total imported finished products (2022: 5%). The oil reserve fluctuates upon the company's production plan and volume produced. As at 31 December 2023, the above inventories include US Dollar 203,543,410 or Baht 6,999,369,369 of crude oil and finished products set aside as minimum reserve (2022: US Dollar 210,944,633 or Baht 7,326,845,401).

During 2023, the Group recognised a loss on write-down of inventory to net realizable value of US Dollar 51,005,419 or Baht 1,858,295,408 (2022: recognised a loss on write-down of inventory to net realizable value of US Dollar 41,123,449 or Baht 1,455,063,020) and reversal of loss on write-down of inventory to net realizable value of US Dollar 41,123,449 or Baht 1,455,063,020 and presented as part of cost of sales in the statement of comprehensive income (2022: no reversal).

During 2023, US Dollar 649,381 or Baht 22,911,109 was debited to the statement of comprehensive income with respect to loss on obsolete materials and supplies (2022: debited US Dollar 467,029 or Baht 15,777,193).

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10 Investments in subsidiaries

As at 31 December, the investments in subsidiaries included in separate financial statements are listed below.

Entity name	Country of incorporation	Nature of business	% of ownership interest		Investment at cost method			
			2023	2022	2023	2022	2023	2022
			%		US Dollar		Baht	
Subsidiaries								
Star Fuels Holding Co., Ltd.	Thailand	Holding the subsidiary's shares	49.00	-	138,716	-	4,770,110	-
Star Fuels Land Co., Ltd.	Thailand	Property management	49.00 ⁽¹⁾	-	269,107	-	9,253,950	-
Total					407,823	-	14,024,060	-

⁽¹⁾ The Group had 73.99% of ownership interest.

Significant transactions of investments during the period

Star Fuels Holding Company Limited ("SFHC")

Star Fuels Holding Company Limited ("SFHC") was established on 4 September 2023 with the initial registered share capital of Baht 10.2 million, comprising 49,980 common shares and 52,020 preference shares with a par value of Baht 100 each. The preference shareholders are entitled to a non-cumulative dividend at a fixed percentage of the paid-up amount of the preference share capital.

The Company has a 49% shareholding interest, which is the whole common shareholding, following the legal structure of the land holding operation. Meanwhile, the other group of shareholders owns the whole portion of preference shares. In addition, the Company and preference shareholders have a Call Option agreement granting the Company the unconditional right to notify the preference shareholders to transfer the preference shares to the new shareholder. The Company assessed that the Call Option is the substantive right to exercise the power to control SFHC and classified the investment in SFHC as an investment in a subsidiary.

Star Fuels Land Company Limited ("SFLC")

Star Fuels Land Company Limited ("SFLC") was established on 6 September 2023 with the initial registered share capital of Baht 20 million, comprising 200,000 common shares with a par value of Baht 100 each. The Company has a 49% direct shareholding interest while SFHC holds the remaining 51% common shareholding.

The Company classified the investment in SFLC as an investment in a subsidiary because it has control over SFHC and has the right to appoint or remove the committee members responsible for directing SFLC's relevant activities.

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11 Property, plant and equipment

	Consolidated and separate financial statements					
	Land US Dollar	Buildings US Dollar	Refinery plant & machinery US Dollar	Furniture, fixtures and equipment US Dollar	Right of use assets US Dollar	Construction in progress US Dollar
At 1 January 2023						
Cost	73,442,578	59,016,663	2,090,865,043	74,393,897	-	5,730,466
Less: Accumulated depreciation	-	(32,121,484)	(1,550,977,517)	(65,784,367)	-	-
Net book amount	73,442,578	26,895,179	539,887,526	8,609,530	-	5,730,466
Year ended 31 December 2023						
Opening net book amount	73,442,578	26,895,179	539,887,526	8,609,530	-	5,730,466
Additions	-	-	-	-	25,590,400	10,985,802
Assets transferred from construction in progress	-	89,614	1,284,935	594,709	-	(1,969,258)
Disposal and write-off - Cost	(204,846)	(123,082)	(461,539)	(1,361,465)	-	-
Disposal and write-off - Depreciation	-	67,490	445,297	1,360,663	-	-
Depreciation charge	-	(1,725,958)	(69,019,166)	(1,414,955)	(1,014,830)	-
Closing net book amount	73,237,732	25,203,243	472,137,053	7,788,482	24,575,570	14,747,010
At 31 December 2023						
Cost	73,237,732	58,983,195	2,091,688,439	73,627,141	25,590,400	14,747,010
Less: Accumulated depreciation	-	(33,779,952)	(1,619,551,386)	(65,838,659)	(1,014,830)	-
Net book amount	73,237,732	25,203,243	472,137,053	7,788,482	24,575,570	14,747,010

As at 31 December 2023, right-of-use assets consist of leased land. Expenses related to short-term rental contracts, low-value leases and variable leases are immaterial.

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	Separate financial statements					Total US Dollar
	Land US Dollar	Buildings US Dollar	Refinery plant & machinery US Dollar	Furniture, fixtures and equipment US Dollar	Construction in progress US Dollar	
At 1 January 2022						
Cost	73,442,578	58,718,722	2,089,909,450	74,512,798	1,833,466	2,298,417,014
Less: Accumulated depreciation	-	(30,408,347)	(1,481,632,618)	(65,425,035)	-	(1,577,466,000)
Net book amount	73,442,578	28,310,375	608,276,832	9,087,763	1,833,466	720,951,014
Year ended 31 December 2022						
Opening net book amount	73,442,578	28,310,375	608,276,832	9,087,763	1,833,466	720,951,014
Additions	-	-	-	-	6,211,147	6,211,147
Assets transferred from construction in progress	-	297,941	955,593	1,060,613	(2,314,147)	-
Disposal and write-off - Cost	-	-	-	(1,179,514)	-	(1,179,514)
Disposal and write-off - Depreciation	-	-	-	1,179,514	-	1,179,514
Depreciation charge	-	(1,713,137)	(69,344,899)	(1,538,846)	-	(72,596,882)
Closing net book amount	73,442,578	26,895,179	539,887,526	8,609,530	5,730,466	654,565,279
At 31 December 2022						
Cost	73,442,578	59,016,663	2,090,865,043	74,393,897	5,730,466	2,303,448,647
Less: Accumulated depreciation	-	(32,121,484)	(1,550,977,517)	(66,784,367)	-	(1,648,883,368)
Net book amount	73,442,578	26,895,179	539,887,526	8,609,530	5,730,466	654,565,279

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	Consolidated and separate financial statements					
	Land Baht	Buildings Baht	Refinery plant & machinery Baht	Furniture, fixtures and equipment Baht	Right of use assets Baht	Construction in progress Baht
At 1 January 2023						
Cost	2,550,917,783	2,049,855,264	72,623,060,971	2,583,960,421	-	199,039,155
Less Accumulated depreciation	-	(1,115,691,565)	(53,870,877,587)	(2,284,921,311)	-	-
Net book amount	2,550,917,783	934,163,699	18,752,183,384	299,039,110	-	199,039,155
Year ended 31 December 2023						
Opening net book amount	2,550,917,783	934,163,699	18,752,183,384	299,039,110	-	199,039,155
Additions	-	-	-	-	904,519,720	383,643,976
Assets transferred from construction in progress	-	3,021,247	45,466,676	20,637,179	-	(69,125,102)
Disposal and write-off - Cost	(7,100,624)	(4,266,424)	(16,216,130)	(47,215,357)	-	-
Disposal and write-off - Depreciation	-	2,339,436	15,645,474	47,187,247	-	-
Depreciation charge	-	(60,287,111)	(2,413,280,402)	(49,428,445)	(35,788,633)	-
Exchange differences on translation	(25,347,319)	(8,291,768)	(148,138,897)	(2,392,474)	(23,636,186)	(6,443,846)
Closing net book amount	2,518,469,840	866,679,079	16,235,660,105	267,827,260	845,094,899	507,114,183
At 31 December 2023						
Cost	2,518,469,840	2,028,290,516	71,928,145,365	2,531,860,674	879,992,439	507,114,183
Less Accumulated depreciation	-	(1,161,611,437)	(55,692,485,260)	(2,264,033,414)	(34,897,540)	-
Net book amount	2,518,469,840	866,679,079	16,235,660,105	267,827,260	845,094,899	507,114,183

As at 31 December 2023, right-of-use assets consist of leased land. Expenses related to short-term rental contracts, low-value leases and variable leases are immaterial.

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	Separate financial statements					Total Baht
	Land Baht	Buildings Baht	Refinery plant & machinery Baht	Furniture, fixtures and equipment Baht	Construction in progress Baht	
At 1 January 2022						
Cost	2,467,149,172	1,972,532,149	70,206,119,198	2,503,100,955	61,591,460	77,210,492,934
Less: Accumulated depreciation	-	(1,021,504,534)	(49,772,336,437)	(2,197,816,638)	-	(52,991,657,609)
Net book amount	2,467,149,172	951,027,615	20,433,782,761	305,284,317	61,591,460	24,218,835,325
Year ended 31 December 2022						
Opening net book amount	2,467,149,172	951,027,615	20,433,782,761	305,284,317	61,591,460	24,218,835,325
Additions	-	-	-	-	217,539,399	217,539,399
Assets transferred from construction in progress	-	10,422,708	34,509,649	38,715,667	(93,648,024)	-
Disposal and write-off - Cost	-	-	-	(43,134,019)	-	(43,134,019)
Disposal and write-off - Depreciation	-	-	-	43,134,019	-	43,134,019
Depreciation charge	-	(60,352,567)	(2,442,431,554)	(54,182,587)	-	(2,556,966,708)
Exchange differences on translation	83,768,611	33,065,943	726,322,528	9,221,713	3,556,320	855,935,115
Closing net book amount	2,550,917,783	934,163,699	18,752,183,384	299,039,110	199,039,155	22,735,343,131
At 31 December 2022						
Cost	2,550,917,783	2,049,855,264	72,623,060,971	2,583,960,421	199,039,155	80,006,833,594
Less: Accumulated depreciation	-	(1,115,691,565)	(53,870,877,587)	(2,284,921,311)	-	(57,271,490,463)
Net book amount	2,550,917,783	934,163,699	18,752,183,384	299,039,110	199,039,155	22,735,343,131

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12 Interest Bearing Debt

The movement of interest bearing debt can be analyzed as follows:

	Consolidated and separate financial statements			
	Long-term borrowings	Short-term borrowings	Letters of credit	Lease liabilities
	US Dollar	US Dollar	US Dollar	US Dollar
At 1 January 2023	91,210,766	188,937,899	-	-
Cash item:				
Addition	-	5,880,961,035	171,123,834	15,960,196
Repayments	(105,000,000)	(5,804,462,113)	(92,820,836)	(749,378)
Non-cash items:				
Accrued interest	-	-	-	121,759
Exchange differences on foreign currency	13,789,234	19,273,443	-	1,023,719
At 31 December 2023	-	284,710,264	78,302,998	16,356,296

	Separate financial statements	
	Long-term borrowings	Short-term borrowings
	US Dollar	US Dollar
At 1 January 2022	239,746,239	-
Cash item:		
Addition	-	4,373,484,447
Repayments	(142,500,000)	(4,185,967,699)
Non-cash items:		
Exchange differences on foreign currency	(6,035,473)	1,421,151
At 31 December 2022	91,210,766	188,937,899

	Consolidated and separate financial statements			
	Long-term borrowings	Short-term borrowings	Letters of credit	Lease liabilities
	Baht	Baht	Baht	Baht
At 1 January 2023	3,168,075,711	6,562,474,500	-	-
Cash item:				
Addition	-	206,113,190,230	6,012,384,436	585,401,719
Repayments	(3,723,045,000)	(203,456,030,869)	(3,243,736,501)	(27,134,958)
Non-cash items:				
Accrued interest	-	-	-	4,187,000
Exchange differences on foreign currency	474,178,663	675,534,177	-	-
Exchange differences on translation	80,790,626	(104,665,369)	(75,995,763)	-
At 31 December 2023	-	9,790,502,669	2,692,652,172	562,453,761

	Separate financial statements	
	Long-term borrowings	Short-term borrowings
	Baht	Baht
At 1 January 2022	8,053,791,855	-
Cash item:		
Addition	-	155,607,373,293
Repayments	(5,033,182,500)	(148,935,578,993)
Non-cash items:		
Exchange differences on foreign currency	(209,633,101)	49,361,548
Exchange differences on translation	357,099,457	(158,681,348)
At 31 December 2022	3,168,075,711	6,562,474,500

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Borrowings from financial institutions

As at 31 December 2023, the Group had unsecured short-term borrowings from financial institutions which were denominated in both US Dollar and Thai Baht. These borrowings are due within 3 months. During 2023, the interest rates of short-term borrowings from financial institutions ranged between 1.50% and 7.46% per annum (2022: interest rates of short-term borrowings from financial institutions ranged between 1.53% and 4.87% per annum and long-term borrowings from financial institutions denominated in US Dollar at an interest rate of 3-month LIBOR plus margin 1.30% and Japanese Yen at an interest rate of 3-month TONA plus margin 0.73%).

Letters of credit

As at 31 December 2023, the Group had letters of credit denominated in US Dollar which are related to the purchase of raw material from related parties. These letters of credit mature within 60 days from bill of lading date, and the Group classified letters of credit as part of short-term borrowings from financial institutions in statement of financial position.

13 Trade and other payables

As at 31 December, the Group had trade and other payables as follows:

	Consolidated financial statements 2023 US Dollar	Separate financial statements 2023 US Dollar	2022 US Dollar
Trade payables			
- related parties	211,589,069	211,589,069	232,816,098
- third parties	178,150,638	178,150,638	111,074,112
	389,739,707	389,739,707	343,890,210
Other payables			
- related parties	762,664	762,201	651,696
- third parties	21,143,756	21,135,032	23,410,247
	21,906,420	21,897,233	24,061,943
Trade and other payables	411,646,127	411,636,940	367,952,153
	Consolidated financial statements 2023 Baht	Separate financial statements 2023 Baht	2022 Baht
Trade payables			
- related parties	7,276,040,278	7,276,040,278	8,086,517,947
- third parties	6,126,172,867	6,126,172,867	3,857,992,662
	13,402,213,145	13,402,213,145	11,944,510,609
Other payables			
- related parties	26,226,174	26,210,249	22,635,697
- third parties	727,083,045	726,783,045	813,119,798
	753,309,219	752,993,294	835,755,495
Trade and other payables	14,155,522,364	14,155,206,439	12,780,266,104

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14 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities as at 31 December is as follows:

	Consolidated and separate financial statements 2023 US Dollar	Separate financial statements 2022 US Dollar
Deferred tax assets	28,030,301	16,281,785
Deferred tax liabilities	(3,385,158)	-
Deferred tax assets, net	24,645,143	16,281,785

	Consolidated and separate financial statements 2023 Baht	Separate financial statements 2022 Baht
Deferred tax assets	963,894,802	565,523,374
Deferred tax liabilities	(116,407,468)	-
Deferred tax assets, net	847,487,334	565,523,374

The movement in the deferred tax assets and deferred tax liabilities account is as follows:

	Consolidated and separate financial statements 2023 US Dollar	Separate financial statements 2022 US Dollar
At 1 January	16,281,785	44,284,150
Increased (Decreased) to profit or loss (Note 20)	8,363,358	(28,002,365)
At 31 December	24,645,143	16,281,785

	Consolidated and separate financial statements 2023 Baht	Separate financial statements 2022 Baht
At 1 January	565,523,374	1,487,633,007
Increased (Decreased) to profit or loss (Note 20)	293,622,751	(930,770,560)
Exchange differences on translation	(11,658,791)	8,660,927
At 31 December	847,487,334	565,523,374

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The movement in deferred tax assets and deferred tax liabilities is as follows:

	Consolidated and separate financial statements			
	1 January 2023 US Dollar	Charge to profit or loss US Dollar	31 December 2023 US Dollar	
Deferred tax assets				
Operating loss	-	11,786,227	11,786,227	
Retirement benefit obligation	4,143,821	115,583	4,259,404	
Loss on obsolete materials and supplies	1,671,867	129,877	1,801,744	
Depreciation	859,637	(171,327)	688,310	
Derivative	2,838,813	(2,838,813)	-	
Short-term provision	6,767,647	(519,938)	6,247,709	
Lease liabilities	-	3,246,907	3,246,907	
Total	16,281,785	11,748,516	28,030,301	
Deferred tax liabilities				
Right of use assets	-	(3,385,158)	(3,385,158)	
Total	-	(3,385,158)	(3,385,158)	
	Separate financial statements			
	1 January 2022 US Dollar	Charge to profit or loss US Dollar	31 December 2022 US Dollar	
Deferred tax assets				
Operating loss	35,896,057	(35,896,057)	-	
Retirement benefit obligation	3,953,599	190,222	4,143,821	
Loss on obsolete materials and supplies	1,578,462	93,405	1,671,867	
Depreciation	1,030,964	(171,327)	859,637	
Derivative	1,825,068	1,013,745	2,838,813	
Short-term provision	-	6,767,647	6,767,647	
Total	44,284,150	(28,002,365)	16,281,785	
	Consolidated and separate financial statements			
	1 January 2023 Baht	Charge to profit or loss Baht	Exchange differences on translation Baht	31 December 2023 Baht
Deferred tax assets				
Operating loss	-	414,107,914	(8,807,848)	405,300,066
Retirement benefit obligation	143,929,414	3,992,885	(1,451,606)	146,470,693
Loss on obsolete materials and supplies	58,069,805	4,582,221	(694,391)	61,957,635
Depreciation	29,858,195	(6,019,551)	(169,315)	23,669,329
Derivative	98,601,900	(100,124,948)	1,523,048	-
Short-term provision	235,064,060	(18,058,339)	(2,161,994)	214,843,727
Lease liabilities	-	114,079,766	(2,426,414)	111,653,352
Total	565,523,374	412,559,948	(14,188,520)	963,894,802
Deferred tax liabilities				
Right of use assets	-	(118,937,197)	2,529,729	(116,407,468)
Total	-	(118,937,197)	2,529,729	(116,407,468)

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	Separate financial statements		
	1 January 2022 Baht	Charge to profit or loss Baht	Exchange differences on translation Baht
Deferred tax assets			
Operating loss	1,205,852,659	(1,192,655,575)	(13,197,084)
Retirement benefit obligation	132,812,854	6,636,151	4,480,409
Loss on obsolete materials and supplies	53,025,104	3,155,438	1,889,263
Depreciation	34,633,059	(5,989,278)	1,214,414
Derivative	61,309,331	33,794,448	3,498,121
Short-term provision	-	224,288,256	10,775,804
Total	1,487,633,007	(930,770,560)	8,660,927

15 Employee benefit obligations

Net liabilities recognized in the statement of financial position as at 31 December consist of the present value of unfunded benefit obligation which movement over the year are determined as follows:

	Consolidated and separate financial statements 2023 US Dollar	Separate financial statements 2022 US Dollar
At 1 January	19,495,711	19,163,003
Current service cost	780,270	1,322,701
Interest cost	335,107	318,437
	1,115,377	1,641,138
Exchange differences on foreign currency	216,201	(618,403)
Retirement benefit paid	(537,461)	(690,027)
At 31 December	20,289,828	19,495,711

	Consolidated and separate financial statements 2023 Baht	Separate financial statements 2022 Baht
At 1 January	677,154,290	643,740,829
Current service cost	27,460,031	46,686,546
Interest cost	11,793,455	11,187,015
	39,253,486	57,873,561
Retirement benefit paid	(18,689,301)	(24,460,100)
At 31 December	697,718,475	677,154,290

Major Actuarial Assumptions

The following information comprise of significant assumptions and retirement benefits payment of the Group and the Company for the year ended 31 December 2023, and the information of the Company for the year ended 31 December 2022.

Significant financial assumptions

For the year ended 31 December:

	% per annum	
	2023	2022
Discount rate	1.77	1.77
Salary growth rate	5.00	5.00

Star Petroleum Refining Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2023

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 used for assessing such assumption 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 actual mortality rate of the population in Thailand.
- Turnover rate assumption

For the year ended 31 December:

Age	% per annum	
	2023	2022
Below 21	3.00	3.00
21 - 24	3.00	3.00
25 - 30	3.00	3.00
31 - 34	5.00	5.00
35 - 40	5.00	5.00
41 - 44	1.00	1.00
45 - 50	1.00	1.00
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.

Sensitivity analysis for each significant assumption disclosed:

	Change in assumption	Impact on defined benefit obligation			
		Increase in assumption		Decrease in assumption	
		2023	2022	2023	2022
Discount rate	1.00%	Decrease by 8.37%	Decrease by 8.59%	Increase by 9.68%	Increase by 9.96%
Salary growth rate	1.00%	Increase by 10.39%	Increase by 9.67%	Decrease by 9.05%	Decrease by 8.46%
Turnover rate	1.00%	Decrease by 8.64%	Decrease by 8.87%	Increase by 2.82%	Increase by 2.97%

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 recognized 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 (2022: 16 years).

Expected maturity analysis of undiscounted retirement benefits:

	Unit: US Dollar			
	Within 1 year	1 - 5 years	Over 5 years	Total
At 31 December 2023	1,505,568	6,077,835	41,465,021	49,048,424
At 31 December 2022	1,112,669	5,505,032	43,054,934	49,672,635

	Unit: Baht			
	Within 1 year	1 - 5 years	Over 5 years	Total
At 31 December 2023	51,772,869	209,002,162	1,425,882,540	1,686,657,571
At 31 December 2022	38,646,877	191,209,020	1,495,448,551	1,725,304,448

Star Petroleum Refining Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2023

16 Share capital

The total number of authorized ordinary shares with a par value of Baht 6.92 per share (2022: Baht 6.92 per share) is 4,335,902,125 shares (2022: 4,335,902,125 shares). The number of issued and paid-up ordinary shares is 4,335,902,125 shares (2022: 4,335,902,125 shares).

17 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 reserve at 10% of registered capital.

18 Dividend paid

At the Annual General Meeting of Shareholders for the year 2023 held on 5 April 2023, the shareholders approved a resolution to declare the annual dividend payment from 2022 net profit in the amount of US Dollar 132.79 million. After deduction of the interim dividend payment for the first half of 2022 performance of US Dollar 112.85 million, the remaining dividend to be paid is US Dollar 19.94 million which is equivalent to Baht 0.15 per share, or approximately Baht 650.39 million. After including the interim dividend payment at Baht 0.96 per share, the annual dividend payment is Baht 1.11 per share. The dividend was paid to shareholders on 3 May 2023.

At the Annual General Meeting of Shareholders for the year 2022 held on 8 April 2022, the shareholders approved a resolution to declare the annual dividend payment from 2021 net profit in the amount of US Dollar 23.29 million which was equivalent to Baht 0.1785 per share, or approximately Baht 773.96 million. The dividend was paid to shareholders on 6 May 2022. At the Meeting of Board of Directors No.3 held on 11 August 2022, the Board of Directors approved a resolution to declare the interim dividend payment from the net profit of 1 January 2022 to 30 June 2022 in the amount of US Dollar 112.85 million which was equivalent to Baht 0.96 per share, or approximately Baht 4,162.47 million. The dividend was paid to shareholders on 8 September 2022.

19 Expenses by nature

The following expenditure items, classified by nature, have been charged in arriving at profit for the year:

	Consolidated financial statements	Separate financial statements	
	2023 US Dollar	2023 US Dollar	2022 US Dollar
Changes in inventories of finished goods	(11,008,037)	(11,008,037)	(18,236,087)
Raw materials and consumables used	6,677,419,471	6,677,410,664	7,628,179,500
Staff costs	44,025,251	44,025,251	42,440,053
Repair and maintenance expenditure on property, plant and equipment	56,220,131	56,220,131	42,626,413
Depreciation on property, plant and equipment (Note 11)	73,174,909	73,174,909	72,596,882
Amortization	1,137,140	1,137,140	1,295,360
Oil spill expenses (Note 24)	4,334,542	4,334,542	48,838,120
Recovery from payment to an incorrect account	-	-	(214,209)
Total cost of sales and administrative expenses	6,845,303,407	6,845,294,600	7,817,526,032

Star Petroleum Refining Public Company Limited
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	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
Changes in inventories of finished goods	(384,974,171)	(384,974,171)	(642,479,218)
Raw materials and consumables used	233,482,403,751	233,482,087,826	269,037,144,986
Staff costs	1,539,655,480	1,539,655,480	1,495,213,997
Repair and maintenance expenditure on property, plant and equipment	1,966,136,043	1,966,136,043	1,501,779,680
Depreciation on property, plant and equipment (Note 11)	2,558,784,591	2,558,784,591	2,556,966,708
Amortization	39,755,381	39,755,381	45,678,095
Oil spill expenses (Note 24)	149,078,103	149,078,103	1,636,727,330
Recovery from payment to an incorrect account	-	-	(7,057,646)
Total cost of sales and administrative expenses	239,350,839,178	239,350,523,253	275,623,973,932

20 Income tax expenses

The Group had income tax expenses for the year as follows:

	Consolidated and separate financial statements	Separate financial statements
	2023 US Dollar	2022 US Dollar
Current tax	-	27,852,439
Deferred income tax (Note 14)	(8,363,358)	28,002,365
Prior year tax adjustment	(4,917)	(172,086)
	(8,368,275)	55,682,718

	Consolidated and separate financial statements	Separate financial statements
	2023 Baht	2022 Baht
Current tax	-	995,910,779
Deferred income tax (Note 14)	(293,622,751)	930,770,560
Prior year tax adjustment	(169,150)	(6,062,773)
	(293,791,901)	1,920,618,566

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	Consolidated financial statements	Separate financial statements	
	2023 US Dollar	2023 US Dollar	2022 US Dollar
(Loss) Profit before tax	(42,625,907)	(42,617,100)	278,174,728
Tax calculated at a tax rate of 20% (2022: 20%)	(8,525,181)	(8,523,420)	55,634,945
Expenses more deductible for tax purposes	(48,579)	(48,579)	(61,667)
Expenses not deductible for tax purposes	208,641	208,641	281,526
Prior year tax adjustment	(4,917)	(4,917)	(172,086)
Tax losses for which no deferred income tax asset was recognised	1,761	-	-
Tax charge	(8,368,275)	(8,368,275)	55,682,718
	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
(Loss) Profit before tax	(1,523,722,640)	(1,523,406,715)	9,594,415,810
Tax calculated at a tax rate of 20% (2022: 20%)	(304,744,528)	(304,681,343)	1,918,883,162
Expenses more deductible for tax purposes	(1,698,917)	(1,698,917)	(2,172,597)
Expenses not deductible for tax purposes	7,296,594	7,296,594	9,918,461
Prior year tax adjustment	(169,150)	(169,150)	(6,062,773)
Tax losses for which no deferred income tax asset was recognised	63,185	-	-
Exchange differences on translation	5,460,915	5,460,915	52,313
Tax charge	(293,791,901)	(293,791,901)	1,920,618,566

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21 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 issued and paid-up during the year.

	Consolidated financial statements	Separate financial statements	
	2023 US Dollar	2023 US Dollar	2022 US Dollar
(Loss) Profit attributable to the Parent	(34,257,632)	(34,248,825)	222,492,010
Weighted average number of ordinary shares issued and paid-up during the year (Shares)	4,335,902,125	4,335,902,125	4,335,902,125
Basic (loss) earnings per share	(0.01)	(0.01)	0.05
	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
(Loss) Profit attributable to the Parent	(1,229,930,739)	(1,229,614,814)	7,673,797,244
Weighted average number of ordinary shares issued and paid-up during the year (Shares)	4,335,902,125	4,335,902,125	4,335,902,125
Basic (loss) earnings per share	(0.28)	(0.28)	1.77

22 Significant contractual agreements

The significant contractual agreements can be summarized as follows:

Land Lease agreement

The Company entered into a land lease agreement throughout the contractual period with the IEAT for 30 years and will be ended in 2052 with annual payment term. The total lease payment amount is Baht 1,075.24 million.

Natural Gas Sales Agreement - Cogeneration

On 30 January 2019, the Company entered into a natural gas sales agreement 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 is effective from 17 March 2019 to 31 March 2029.

Natural Gas Sales Agreement - Petroleum Product Manufacturing Process

On 30 January 2019, the Company entered into a natural gas agreement with 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 is effective from 1 January 2019 to 31 December 2028.

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.

Purchase and Sale Agreement

On 10 August 1993, the Company entered into a purchase and sale agreement with 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.

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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 2019.

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.

On 14 December 2020, the agreement was amended on its duration, quantity and price of products which become effective on 1 January 2021.

On 3 July 2023, the Company gave consent to the novation of all rights and obligations of CTL under the agreement to Star Fuels Marketing Limited.

Agreements related to the Fuel Business Acquisitions

The Company entered into an agreement to purchase 100% share capital of Star Fuels Marketing Limited and 9.91% of the share capital in Thai Petroleum Pipeline Co., Ltd. The transaction also included Star Fuels Land Company Limited, subsidiary of the Company, entering into Land Sale and Purchase Agreement (collectively the Fuel Business Investment Transaction). The total value of the Fuel Business Investment Transaction is equivalent to US Dollar 90 million and the adjustments according to the conditions as specified in the share purchase agreement. The Company and counterparties fully complied with the conditions specified in the Share Purchase Agreement, the Framework Agreement, Business Sale and Transfer Agreement and other related agreements. The details regarding the business acquisition on 3 January 2024 are mentioned in Note 27.

23 Bank guarantees

As at 31 December 2023, the Group has bank guarantees issued on the Group's behalf relating to land use in Map Ta Phut Industrial Estate, electricity and others amounting to US Dollar 5.90 million or Baht 202.89 million (2022: US Dollar 2.91 million or Baht 101.09 million).

24 Commitments and contingencies

Commitments

As at 31 December 2023 and 2022, the Group and the Company had commitments as follows:

- a) Purchase of machinery, equipment and installations in progress of approximately US Dollar 17.25 million or Baht 593.21 million (2022: US Dollar 7.40 million or Baht 257.03 million).
- b) Purchase of raw materials and utilities which include crude oil, hydrogen, natural gas and back-up electricity of approximately US Dollar 1,182.80 million or Baht 40,673.60 million (2022: US Dollar 1,279.14 million or Baht 44,428.87 million).

Impact of oil spill incident

On 25 January 2022, incident resulting in an oil spill occurred at the Single Point Mooring (SPM) operated by the Company. The Company recognized the related expenses in the consolidated statement of comprehensive income for the year ended 31 December 2023 for US Dollar 4.33 million or Baht 149.08 million (2022: US Dollar 48.84 million or Baht 1,636.73 million). As at 31 December 2023, the Company already received partial compensation from the insurance company and the Company is in process of settlement with the insurer for the potential claim amount.

In Q1 2023, the Company received the complaint from a group of diverse professional entrepreneurs in Rayong, the total damages and compensation in amount of Baht 7,727 million. The Court of First Instance is currently considering the case. The Company is in process of gathering the available information to assess the possibility of settling the dispute through negotiation or continuing litigation. As the Company has paid for the compensation to the impacted parties during 2022 together with the negotiations have taken place regarding certain lawsuits, the Company assesses the provision captures the merit and financial exposure to this claim.

Star Petroleum Refining Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2023

25 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 Group, including holding companies, subsidiaries and affiliates are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group 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 Group
Chevron South Asia Holding Pte. Ltd. Affiliates	Major shareholder Related parties of the ultimate parent company	Holding the Company's shares Supplying of crude oil and raw materials to the Company and purchasing of products from the Company
Star Fuels Holding Co., Ltd. Star Fuels Land Co., Ltd.	Subsidiary Subsidiary	Holding the subsidiaries' shares Property management

The following transactions were carried out with related parties for the year:

i) **Sales of goods and services**

	Consolidated and separate financial statements 2023 US Dollar	Separate financial statements 2022 US Dollar
Sales of goods with affiliates:		
- Chevron (Thailand) Limited	2,124,933,323	2,914,538,408
- Other affiliates	735,654,680	387,746,807
	2,860,588,003	3,302,285,215
Sales of services with affiliates:	1,674,919	1,388,211
	Consolidated and separate financial statements 2023 Baht	Separate financial statements 2022 Baht
Sales of goods with affiliates:		
- Chevron (Thailand) Limited	73,897,306,883	102,651,485,005
- Other affiliates	26,231,040,334	13,884,291,910
	100,128,347,217	116,535,776,915
Sales of services with affiliates:	58,323,986	49,469,439

The above transactions were carried out on commercial terms and conditions which is reference from market prices.

Star Petroleum Refining Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2023

ii) Purchases of goods and services

	Consolidated financial statements	Separate financial statements	
	2023	2023	2022
	US Dollar	US Dollar	US Dollar
Purchases of goods with affiliates:	3,493,769,778	3,493,769,778	4,454,272,429
Purchases of services with affiliates:	10,919,090	10,918,627	7,475,724
	Consolidated financial statements	Separate financial statements	
	2023	2023	2022
	Baht	Baht	Baht
Purchases of goods with affiliates:	122,111,027,705	122,111,027,705	157,128,778,930
Purchases of services with affiliates:	382,673,610	382,657,685	265,062,647

The above transactions were carried out on commercial terms and conditions which is reference from market prices.

iii) Outstanding balances arising from sales/purchases of goods and services

The outstanding balances at 31 December in relation to transactions with affiliates are as follows:

	Consolidated financial statements	Separate financial statements	
	2023	2023	2022
	US Dollar	US Dollar	US Dollar
Account receivables	201,890,797	201,890,797	141,130,039
Account payables	212,351,733	212,351,270	233,467,794
	Consolidated financial statements	Separate financial statements	
	2023	2023	2022
	Baht	Baht	Baht
Account receivables	6,933,970,789	6,933,970,789	4,897,754,315
Account payables	7,302,266,452	7,302,250,527	8,109,153,644

Star Petroleum Refining Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2023

iv) Management remuneration

The compensations paid or payable to management for the year are as follows:

	Consolidated and separate financial statements 2023 US Dollar	Separate financial statements 2022 US Dollar
- Salaries and other short-term employee benefits	5,004,469	5,049,412
- Retirement benefits	103,461	143,136
	5,107,930	5,192,548

	Consolidated and separate financial statements 2023 Baht	Separate financial statements 2022 Baht
- Salaries and other short-term employee benefits	173,801,381	176,000,910
- Retirement benefits	3,597,161	5,035,639
	177,398,542	181,036,549

26 The resolution of the customs formalities for the shipment of products into the petroleum concession area over a distance of maritime boundary in the Gulf of Thailand

From 2012 to 2016, the Company sold refined petroleum products to a reseller, which subsequently resold the products to their customer for use at the customer's offshore exploration and production facilities. The Company and the reseller followed the customs formalities from consultation with the Customs Department and Excise Department where the shipments were treated as export cargoes, and exempt from value-added tax, excise tax, local government tax, oil fuel fund and energy conservation fund ("taxes and funds").

Subsequently, the Office of the Council of State provided a different interpretation to the effect that the shipment of petroleum products to the offshore facilities should be treated as domestic cargo under the Petroleum Act. Based on this new interpretation, the Company and reseller paid all related taxes and funds to the sales of domestic cargoes and the penalties and surcharges on value-added tax and the Company already reimbursed those paid amount from the reseller.

The Company received a letter dated 16 November 2022 from the Excise Department. The Excise Department has assessed penalties and surcharges on excise tax amounting to Baht 1,786 million or equivalent to US Dollar 51 million. The Company had submitted an appeal on 15 December 2022 against the assessment. However, the Company has the right to reimburse from the reseller if there is an additional payment.

Later, on 13 June 2023, the Company received a letter granting an extension for the assessment of penalties and surcharges on excise tax. As at 31 December 2023, an appeal is still being reviewed by the assessment committee. The Group did not record a contingent liability in respect of the penalties and surcharges on excise tax in the consolidated financial statements.

Star Petroleum Refining Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2023

27 Event after reporting date

Following a shareholder resolution at the Extraordinary General Meeting of Shareholders No. 1/2023, which approved the acquisition of investment in a fuel business, the Company entered into an agreement to purchase the share capital of Star Fuels Marketing Company Limited ("SFL") and the share capital of Thai Petroleum Pipeline Company Limited from Chevron Asia Pacific Holdings Limited.

On 3 January 2024, the Company acquired 99.99% of common shares in SFL, with purchased value of US Dollar 16.8 million or equivalent to Baht 575.37 million and the adjustments according to the conditions as specified in the Share Purchase Agreement. Additionally, a subsidiary of the Company also purchased the land being operated in the petroleum product distribution for US Dollar 28.2 million or equivalent to Baht 967 million. Such acquisition were carried out between the companies under the common control of the ultimate parent of the Company. Therefore, the Company assessed that the business transaction met in scope of business combination under common control. The Company is currently in the process of assessing the acquired net asset value as at the acquisition date.

On the same day, the Company purchased 9.91% of the ordinary shares in Thai Petroleum Pipeline Company Limited, with a purchased value of USD 45 million or equivalent to Baht 1,541.18 million.

Part 4 Information Certification

Part 4
Information Certification

The Company has reviewed this Annual Registration Statement / Annual Report with caution and certified that the information disclosed herewith is complete, accurate, and truthful and not cause any misunderstanding and does not omit any important information that needs to be disclosed. Moreover, the Company also certifies that:

(1) The Financial Statement and other financial details that are summarized in this Annual Registration Statement / Annual Report represent complete and accurate information regarding the performance and the cash flow of the Company and its subsidiaries.

(2) The Company maintains an effective disclosure system that will assure the Company discloses all true and important information of the Company and its subsidiaries and for ensuring compliance.

(3) The Company maintains an effective internal control system and for ensuring compliance. The Company has communicated our internal control assessment as of the latest date available to the external auditor and the Audit Committee; this assessment included any default, change and misconduct which may affect the reporting of the Company and its subsidiaries' financial statements.

Therefore, as evidence that these documents constitute the entire set that the Company has certified; the Company has authorized Mrs. Nutsara Somkiatweera initial all pages. If any page is without Mrs. Nutsara Somkiatweera initials, the Company does not certify that the information given is the true copy.

Name	Position	Signature
1. Mr. Ranga Rama Kumar Sreeramagiri	Director	
2. Mr. Robert Joseph Dobrik	Director and Chief Executive Officer	
Name	Position	Signature
Authorized Person:		
Mrs. Nutsara Somkiatweera	Chief Financial Officer	

Attachment

Attachment 1: Profiles of directors, managements, controllers, the person taking the highest responsibility in finance and accounting and Company Secretary

Profiles of directors

1. Mr. Brant Thomas Fish

Age 60 years

SPRC's Current Position

- Chairman of the Board of Directors

Appointment date

- Effective on 14 May 2019
- 25 September 2020 (re-elected)
- 5 April 2023 (re-elected)

Education

Bachelor Degree Mechanical Engineering
University of Florida, USA

Working experience in past 5 years

Oct 2020 - Present	President - International Products Chevron Singapore Pte. Ltd., Singapore
2019 - Sep 2020	President - International Products Chevron International Pte. Ltd., Singapore
2019 - Present	Chairman of the Board of Directors Star Petroleum Refining Public Company Limited
2019 - Present	Director GS Caltex Corporation, South Korea
2012 - 2019	Vice President, Americas Products Chevron USA, Inc., USA
2017 - 2019	Chairman of the Board California Business Roundtable
2013 - 2019	Director Silicon Valley Leadership Group

Training records with IOD : Director Accredited Program (DAP183/2021)

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

Other current positions

- President of International Products, Chevron Singapore Pte. Ltd., Singapore
- Director of GS Caltex Corporation, South Korea
- Director of Fish Enterprise LCC, USA
- Director of Malolo Dynasty LLC, USA

Number of Shares held in the Company : none

Relationship to other Directors or executives in the Company : none

2. Mr. Pliu Mangkornkanok

Age 75 years

SPRC's Current Position

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

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
- 10 April 2019 (re-elected)
- 8 April 2022 (re-elected)

Education

Master Degree	Business Administration (Finance) University of California at Los Angeles, USA
Master Degree	Industrial Engineering Stanford University, USA
Bachelor Degree	Industrial Engineering Chulalongkorn University

Working experience in past 5 years

2022 – Present	Chairman of the Board of Directors and Non-Executive Director TISCO Financial Group Public Company Limited
2022 – Present	Chairman of the Board of Directors and Non-Executive Director TISCO Bank Public Company Limited
2020 – Present	Independent Director, Vice-Chairman of the Board of Directors, Member of the Audit Committee and Member of Human Resources Committee Star Petroleum Refining Public Company Limited
2016 – Present	Director Amata Spring Development Company Limited
2015 – 2018	Advisor Thai Institute Of Directors Association
2012 – 2020	Independent Director, Vice-Chairman of the Board of Directors, Chairman of the Audit Committee and Member of Human Resources Committee Star Petroleum Refining Public Company Limited
2011 – Present	Director Chuchawal Royal-Haskoning Limited
2011 – Present	Vice Chairman TISCO Foundation
2011 – 2019	Director Sem Pringpuangkeo Foundation
2010 – 2019	Director

Design 103 International Limited

2010 – 2022 Chairman of the Board of Directors and Independent Director
TISCO Financial Group Public Company Limited

2009 – 2022 Chairman of the Board of Directors and Independent Director
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)
- Director Leadership Certification Program (DLCP 0/2021)
- Hot Issue for Directors (HOT 1/2023)

Other Training

- Capital Market Academy Leadership Program (Batch 10), Capital Market Academy
- Executive Program in Energy Literacy for a Sustainable Future (Batch 5), Thailand Energy Academy

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

- Chairman of the Board of Directors and Non-Executive Director, TISCO Financial Group Public Company Limited
- Chairman of the Board of Directors and Non-Executive Director, TISCO Bank Public Company Limited

Other current positions

- Director of Chuchawal-Royal Haskoning Limited
- Director of Amata Spring Development Company Limited
- Vice Chairman of TISCO Foundation

Number of Shares held in the Company : none

Relationship to other Directors or executives in the Company : none

3. Ms. Kamonwan Wipulakorn

Age 61 years

SPRC's Current Position

- Independent Director
- Chairperson of Audit Committee
- Member of the Human Resources Committee

Appointment date

- 11 April 2019
- 9 April 2022 (re-elected)

Education

Master Degree	Business Administration (Finance) Western Illinois University, USA
Bachelor Degree	Political Sciences, International Relations Chulalongkorn University
Certificate	Executive Program Stanford University, USA
Certificate	Executive Program Harvard University, USA

Working experience in past 5 years

Mar 2023 – Present	Independent Director, Member of the Audit Committee and Chair of the Nomination and Remuneration Committee True Corporation Public Company Limited
2021 – Present	Director, Member of the Executive Committee, Member of the Risk Management Committee and Managing Director Bound and Beyond Public Company Limited
2020 – Feb 2023	Chairperson of the Board of Directors Dtac TriNet Co., Ltd.
2020 – Present	Independent Director, Chairperson of the Audit Committee and Member of the Human Resources Committee Star Petroleum Refining Public Company Limited
2019 – 2020	Independent Director, Member of the Audit Committee and Member of the Human Resources Committee Star Petroleum Refining Public Company Limited
2018 – 2020	Director Origin Property Public Company Limited
2017 – Feb 2023	Independent Director, Chairperson of the Audit Committee and Member of Corporate Governance Committee Total Access Communication Public Company Limited

Training records with IOD

- Director Accredited Program (DAP 26/2009)
- Director Certification Program (DCP 122/2009)
- Strategic Board Master (SBM 2/2017)
- Advance Audit Committee Program (AACP 29/2018)
- Board that Make a Difference (BMD 8/2018)
- Director Leadership Certification Program (DLCP2/2021)
- The Board's Role in Mergers and Acquisitions (BMA2/2022)
- Director's Briefing: Geopolitical Risk and Opportunity (9/2022)
- Risk Management Program for Corporate Leaders (RCL 30/2023)
- Ethical Leadership Program (ELP 29/2023)
- Board Nomination and Compensation Program (BNCP 17/2023)
- Role of the Chairman Program (RCP 55/2023)
- Hot Issue for Directors (HOT 1/2023)

Other training

- Capital Market Academy Leadership Program (Batch 19/2014),
- Tourism Management Program for Executives by TAT Academy (2/2018)
- Executive Program by the University of the Thai Chamber of Commerce (1/2019)

Current director position in other Thai listed company(s)

- Independent Director, Member of the Audit Committee and Chair of the Nomination and Remuneration Committee, True Corporation Public Company Limited
- Director Member of the Executive Committee and Member of the Risk Management Committee, Bound and Beyond Public Company Limited

Other current positions :

- Director, Orbit Campus Co., Ltd.
- Director, Urban Resort Hotel Company Limited
- Director, Waterfront Hotel Co., Ltd.
- Director, Sathon Project One Company Limited

Number of Shares held in the Company : none

Relationship to other Directors or executives in the Company : none

4. Mr. Robert Stair Guthrie

Age 77 years

SPRC's Current Position

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

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)
- 9 April 2021 (re-elected)

Education

Bachelor Degree Civil Engineering
University of Cape Town, South Africa

Working experience in past 5 years

2012 - Present Independent Director, Chairman of the Nomination, Remuneration and Corporate Governance Committee and Member of the Audit Committee
Star Petroleum Refining Public Company Limited

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)
- The Board's Role in Mergers and Acquisitions (BMA 5/2023)
- Director Leadership Certification Program (DLCP 12/2023)

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

5. Mr. Rapee Sucharitakul

Age 62 years

SPRC's Current Position

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

Appointment date

- 25 February 2023

Education

Master Degree	Laws University of Bristol, United Kingdom
Bachelor Degree	Laws University of Essex, United Kingdom

Working experience in past 5 years

2023 – Present	Independent Director, Member of the Audit Committee, Member of the Nomination, Remuneration and Corporate Governance Committee Star Petroleum Refining Public Company Limited
2023 – Present	Director Thai Asia Pacific Brewery Co., Ltd.
2022 – Present	Independent Director, Chairman of the Nomination, Remuneration and Corporate Governance Committee Betagro Public Company Limited
2021 – Present	Independent Director / Member of Audit Committee and Risk Management Committee SCG Chemicals PLC
2020 – Present	Honorary Director Bank of Thailand
2020 – Present	Honorary Director Financial Institutions Policy Committee, Bank of Thailand
2020 – Jan 2024	Board Member Office of Insurance Commission
2020 – Jan 2024	Board Member National Institute of Development
2019 – Present	Board Member National Blood Centre of the Thai Red Cross Society
2022 – Present	Director Pomelo Fashion Co., Ltd.
2019 – 2021	Corporate Governance Advisor Thai Institute of Directors Association

2020	Honorary Director Corporate Bond Stabilization Fund Committee (BSF)
2015 – 2019	Secretary General The Securities and Exchange Commission (SEC)

Training records with IOD :

- Directors Certification Program (1/2000)
- The Role of Chairman Program (12/2005)
- Chartered Director Class (5/2009)
- The Executive Director Course (1/2012)
- Financial Institutions Governance Program (6/2013)
- Train the Trainer (1/2013)
- Strategic Board Master Class (1/2017)
- Director Leadership Certification Program (0/2021)
- Advance Audit Committee Program (41/2021)
- The Board's Role in Mergers and Acquisitions (6/2023)
- ESG in the Boardroom: A Practical Guide for Board (0/2023)

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

- Independent Director, Chairman of the Nomination, Remuneration and Corporate Governance Committee, Betagro Public Company Limited
- Independent Director / Member of Audit Committee and Risk Management Committee, SCG Chemicals PLC

Other current positions:

- Director, Thai Asia Pacific Brewery Co., Ltd.
- Honorary Director, Bank of Thailand
- Honorary Director, Financial Institutions Policy Committee, Bank of Thailand
- Board Member, Office of Insurance Commission
- Board Member, National Institute of Development
- Board Member, National Blood Centre of the Thai Red Cross Society

Number of Shares held in the Company : none

Relationship to other Directors or executives in the Company : none

6. Mr. Ranga Rama Kumar Sreeramagiri

Age 62 years

SPRC's Current Position

- Director
- Member of the Human Resources Committee

Appointment date

- Effective on 13 November 2021

Education

Master Degree	Business Administration Rutgers, The State University of New Jersey, USA
Bachelor Degree	Mechanical Engineering S.V. University, India

Working experience in past 5 years

Aug 2023 – Present	Director and Member of the Human Resources Committee Star Petroleum Refining Public Company Limited
2021 – Aug 2023	Director and Member of the the Nomination, Remuneration and Corporate Governance Committee Star Petroleum Refining Public Company Limited
2020 – Present	Vice President - Joint Ventures Management and Growth, International Fuels & Lubricants Chevron Singapore Pte. Ltd., Singapore
2018 – 2020	Vice President - Joint Ventures and Affiliates Chevron Singapore Pte. Ltd., Singapore
2017 – Present	Director Chevron South Asia Holding Pte. Ltd., Singapore
2017 – Present	Director Chevron Singapore Pte. Ltd., Singapore
2010 – Present	Director Singapore Refining Company, Singapore
2016 – 2018	General Manager - Product Supply & Trading Chevron Singapore Pte. Ltd., Singapore

Training records with IOD

- Director Accreditation Program (DAP 101/2013)

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

Other current positions

- Deputy Chairman and Director, Singapore Refining Company Pte. Ltd., Singapore
- Director, Chevron South Asia Holding Pte. Ltd., Singapore
- Vice President and Director, Chevron Singapore Pte. Ltd., Singapore

Star Petroleum Refining PCL

- Director, International Holdings Pte Ltd, Singapore

Number of Shares held in the Company : none

Relationship to other Directors or executives in the Company : none

7. Ms. Melissa White

Age 55 years

SPRC's Current Position

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

Appointment date

- Effective on 9 August 2023

Education

Bachelor Degree	Bachelor of Science, Accounting University of South Carolina, USA
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Working experience in past 5 years

Aug 2023 – Present	Director and Member of the the Nomination, Remuneration and Corporate Governance Committee Star Petroleum Refining Public Company Limited
Jun 2023 – Present	General Manager, Finance, International Product Chevron
2018– May 2023	General Manager, Buenos Aires Shared Service Center Chevron

Training records with IOD : none

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

Other current positions

- Authorized Director, Chevron Singapore Pte. Ltd.
- Authorized Director, Chevron International Holdings Pte. Ltd.
- Authorized Director, Chevron Lubricants Holdings Pte. Ltd.
- Authorized Director, Chevron South Asia Holdings Pte. Ltd.

Number of Shares held in the Company : none

Relationship to other Directors or executives in the Company : none

8. Mr. Herbert Matthew Payne II

Age 45 years

SPRC's Current Position

- Director
- Member of the Human Resources Committee

Appointment date

- Effective on 6 April 2023

Education

Bachelor Degree Chemical Engineer
University of South Alabama, USA

Working experience in past 5 years

April 2023 – Present	Director and Member of the Human Resources Committee Star Petroleum Refining Public Company Limited
2022 – Present	General Manager International Value Chain Optimization Chevron, USA
2020 – 2022	General Manager Downstream Strategy Chevron, USA
2017 – 2020	Refinery Business Manager – Distillation and Reforming Chevron, USA
2015 – 2017	Oils Planning Manager – Richmond Refinery Chevron. USA

Training records with IOD : Director Certificate Program (DCP 351/2023)

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

9. Mr. Robert Joseph Dobrik

Age 62 years

SPRC's Current Position

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

Appointment date

- 1 October 2021
- 9 April 2022 (re-elected)

Education

Bachelor Degree Chemical Engineering
University of Waterloo, Canada

Working experience in past 5 years

2021 – Present	Director, Chairman of the Human Resources Committee, Member of the Nomination, Remuneration and Corporate Governance Committee and Chief Executive Officer Star Petroleum Refining Public Company Limited
2020 – 2021	President and Director Chevron Canada Limited, Canada
2018 – 2020	Production Operations Manager Chevron Australia Pty Ltd., Australia
2015 – 2018	Asset Manager Chevron Australia Pty Ltd., Australia
2012 – 2015	General Manager Operations Chevron Corporation, USA

Training records with IOD :

- Director Certification Program (DCP 313/2021)
- The Board's Role in Mergers and Acquisitions (BMA5/2023)

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

Profiles of Management

1. Mr. Robert Joseph Dobrik

Age 62 years

SPRC's Current Position

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

Appointment date

- 1 October 2021

Education

Bachelor Degree Chemical Engineering
University of Waterloo, Canada

Working experience in past 5 years

2021 – Present	Director, Chairman of the Human Resources Committee, Member of the Nomination, Remuneration and Corporate Governance Committee and Chief Executive Officer Star Petroleum Refining Public Company Limited
2020 – 2021	President and Director Chevron Canada Limited, Canada
2018 – 2020	Production Operations Manager Chevron Australia Pty Ltd., Australia
2015 – 2018	Asset Manager Chevron Australia Pty Ltd., Australia
2012 – 2015	General Manager Operations Chevron Corporation, USA

Training records with IOD :

- Director Certification Program (DCP 313/2021)

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

2. Mr. Steven Lewis Gibson

Age 60 years

Current Position in SPRC

- General Manager - Refinery Operations

Appointment date

- 1 April 2023

Education

Bachelor Degree Chemical Engineering
University of Sydney, Australia

Working experience in past 5 years

2023 - Present Senior Advisor - Business Development, SPRC
2013 – 2023 Deputy Chief Executive Officer Operation, SPRC
2009 - 2013 Manager of Asset Management, SPRC

Number of Shares held in the Company : 0.001 %

Relationship to other Directors or executives in the Company : none

3. Mr. Narong Triyotee

Age 53 years

Current Position in SPRC

- General Manager - Refinery Operations

Appointment date

- 1 April 2023

Education

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

Working experience in past 5 years

- **2023- Present** General Manager - Refinery Operations, SPRC
- **2020 - 2023** General Manager, Operation (Secondment), Chevron Oronite
Singapore
- **2014 - 2020** Manager of Production Unit-Processes & Utilities, SPRC

Shareholdings as of 31 December 2023 : 0.012%

Relationship to other Directors or executives in the Company : None

4. Mr. Pongkorn Chochuwong

Age 55 years

Current Position in SPRC

General Manager - Operational Excellence

Appointment date

- 1 April 2023

Education

Bachelor Degree	Science in Chemistry Chiang Mai University
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Working experience in past 5 years

2023 – Present	General Manager - Operational Excellence, SPRC
2020 – 2023	Manager Process Safety and QEHS, SPRC
2014 – 2019	Manager of Asset Management, SPRC
2009 - 2014	Manager of Production Unit-Processes & Utilities, SPRC

Number of Shares held in the Company : 0.008%

Relationship to other Directors or executives in the Company : none

5. Mrs. Nutsara Somkiatweera

Age 54 years

Current Position in SPRC

- Chief Financial Officer

Appointment date

- 1 February 2022

Education

Master Degree	Science (Finance) University of Houston-Clear Lake, USA
Bachelor Degree	Business Administration - Finance & Banking Assumption University
Bachelor Degree	Accountancy Sukhothai Thammathirat University

Working experience in past 5 years

2022 - Present	Chief Financial Officer, SPRC
2009 – 2022	Accounting Manager, SPRC

Number of Shares held in the Company : none

Relationship to other Directors or executives in the Company : none

6. Mr. Sakchai Thamsuruk

Age 56 years

Current Position in SPRC

- Manager of Supply & Planning

Appointment date

- 1 March 2009

Education

Bachelor Degree	Science in Chemistry King Mongkut's University of Technology Thonburi
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Working experience in past 5 years

2009 - Present	Manager of Supply & Planning, SPRC
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Number of Shares held in the Company : 0.008%

Relationship to other Directors or executives in the Company : none

7. Mrs. Jariya Wuensche

Age 47 years

Current Position in SPRC

- Manager of Human Resources

Appointment date

- 15 February 2022

Education

Master of Science	Aviation Management Rattana Bundit University
Bachelor of Engineer	Water Resource Engineering Kasetsart University

Working experience in past 5 years

2023 – Present	Manager of Human Resources, SPRC
2022 - 2023	Acting Manager of Human Resources, SPRC
2021 – 2022	Change Management and HR Projects Leader, SPRC
2013 - 2021	Policy and Compensation Manager, SPRC

Number of Shares held in the Company : 0.003%

Relationship to other Directors or executives in the Company : none

8. Ms. Chaowasri Luengratanakorn

Age 46 years

Current Position in SPRC

Manager of Strategic Business Planning

Appointment date

- 1 October 2023

Education

Bachelor Degree Chemical Engineering
King Mongkut Institute of Technology Ladkrabang

Working experience in past 5 years

2023 – Present	Manager of Strategic Business Planning, SPRC
2020 – 2023	Manager of Production Unit Movement & Dispatches, SPRC
2019 – 2020	Manager of Product Optimization, Value Chain Optimization (Secondment), Chevron USA, Singapore Branch
2015 – 2019	Operation Coordinator, Production Unit Process & Utilities, SPRC

Number of Shares held in the Company : 0.001%

Relationship to other Directors or executives in the Company : none

9. Ms. Nattawan Khumwiwat

Age 43 years

Current Position in SPRC

- Corporate Legal Counsel, Company Secretary and Corporate Compliance Officer

Appointment date

- 27 November 2013

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
Thammasat University

Barrister at Law: The Thai Bar Association

Working experience in past 5 years

2015 - Present Corporate Compliance Officer, SPRC

2013 - Present Corporate Legal Counsel and Company Secretary, SPRC

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)
- Corporate Governance for Executives (CGE 12/2018)

Number of Shares held in the Company : 0.005%

Relationship to other Directors or executives in the Company : none

10. Mrs. Sudpreeda Pongkajonton

Age 59 years

Current Position in SPRC

- Information & Digital Technology Manager

Appointment date

- 17 June 2023

Education

Master Degree	Master of Business Administration Burapha University
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Bechalor Degree	Bachelor of Arts Thammasat University
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Working experience in past 5 years

2023 – Present	Information & Digital Technology Manager, SPRC
2022 - 2023	IT System Advisor, SPRC
2019 – 2021	Lead IT System Engineer, SPRC
2019	Acting Information Technology Manager, SPRC

Number of Shares held in the Company : 0.002%

Relationship to other Directors or executives in the Company : None

Profiles of the person taking the highest responsibility in finance and accounting (as of 31 December 2022)

Mrs. Nutsara Somkiatweera

Age 54 years

Current Position in SPRC

- Chief Financial Officer

Appointment date

- 1 February 2022

Education

Master Degree	Science (Finance) University of Houston-Clear Lake, USA
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Bachelor Degree	Business Administration - Finance & Banking Assumption University
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Bachelor Degree	Accountancy
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Working experience in past 5 years

2022- Present	Chief Financial Officer, SPRC
2009 - 2022	Accounting Manager (Chief Accountant), SPRC

Training courses related to Accounting works in 2022

- Best practice in reporting and disclosure for director and management
- The Board's Role in Mergers and Acquisitions (BMA) 4/2023
- Update 4 TFRS

Number of Shares held in the Company : none

Relationship to other Directors or executives in the Company : none

*Mrs. Nutsara Somkiatweera meets the qualifications and has Registration certificate as an Accountant with criteria specified by Department of Business Development (DBD).

Ms. Sirisopa Phuangchan

Age 33 years

Current Position in SPRC

- Financial Analyst and Chief Accountant (Acting)

Appointment date

- 1 August 2023

Education

Master Degree	Master of Business Administration Chulalongkorn university
Bachelor Degree	Accounting Thammasat University

Working experience in past 5 years

2023- Present	Financial Analyst and Chief Accountant (Acting), SPRC
2021 – 2022	Planning Analyst, SPRC
2018 – 2021	Financial Analyst, SPRC

Training courses related to Accounting works in 2023

- Investment classification and preparation of consolidated financial statements
- Accounting for business acquisitions and restructuring, including applicable taxes
- Summary of changes in depth of Thai Financial Reporting Standards (TFRS) for NPAEs in 2023

Remark: There is transition on this role during this year from Mrs. Suttanuch Kittipongvises to Miss Sirisopa Phuangchan.

Profiles of Company Secretary

Ms. Nattawan Khumwiwat

Age 43 years

Current Position in SPRC

- Corporate Legal Counsel, Company Secretary and Corporate Compliance Officer

Appointment date

- 27 November 2013

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
Thammasat University

Barrister at Law: The Thai Bar Association

Working experience in past 5 years

2015 - Present Corporate Compliance Officer, SPRC

2013 - Present Corporate Legal Counsel and Company Secretary, SPRC

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)
- Corporate Governance for Executives (CGE 12/2018)

Number of Shares held in the Company : 0.005%

Relationship to other Directors or executives in the Company : none

Attachment 2: Directors of Subsidiaries

Table Summary of Directors of Associated Companies
As at 31 December 2023

No.	Name	Company	Associated Company	
		Star Petroleum Refining Public Company Limited	Star Fuels Holding Co., Ltd.	Star Fuels Land Co., Ltd.
1.	Mrs. Nutsara Somkiatweera	-	✓	-
2.	Mr. Pongkorn Chochuwong	-	-	✓

Note: ✓ = Director

Attachment 3: Head of Internal Control Office and Corporate Compliance Officer

Internal Audit Manager (Head of the internal audit function)

Ms. Sukhumal Tonpitak

Age 54 years

Current Position in SPRC

- Internal Audit Manager

Education

Master Degree: Business Administration
Maryville University of St. Louis, Missouri, USA
Bachelor Degree: Business Administration - Accounting
Assumption University

Working experience in past 5 years

2020 – present Internal Audit Manager, SPRC
2009 - 2019 Internal Auditor, SPRC

Training Courses related to Audit works

- Chief Audit Executive – Professional Leadership Program
- Working paper for Better Corruption Prevention
- Financial Statements Review for Internal Auditors
- Quality Assurance of Internal Audit work
- IT Audit for Non-IT Auditor
- Framework of Internal Control COSO
- The Institutes of Internal Auditor's International Conference 2019
- Compliance Auditing
- Business Strategic Auditing
- Fraud Risk Assessment
- Anti-Corruption: The Practical Guide (ACPG)

Corporate Compliance Officer

Ms. Nattawan Khumwiwat

Age 43 years

Current Position in SPRC

- Corporate Legal Counsel, Company Secretary and Corporate Compliance Officer

Appointment date

- 27 November 2013

Education

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

Star Petroleum Refining PCL

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

Bachelor Degree: Laws
Thammasat University

Barrister at Law: The Thai Bar Association

Working experience in past 5 years

2015 - Present Corporate Compliance Officer, SPRC

2013 - Present Corporate Legal Counsel and Company Secretary, SPRC

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)
- Corporate Governance for Executives (CGE 12/2018)
- Conflict of Interest and Related Party Transactions (RFP 10/2023)

Number of Shares held in the Company : 0.005%

Relationship to other Directors or executives in the Company : none

Attachment 4: Operating Asset and Asset Revaluation

Operating Asset

The Company's Major Assets

As of 31 December 2023, the company's property, plant and equipment, which the company has the right of ownership, and its net book value after accumulated depreciation as presented in the company's financial statement are as follows:

Major assets	Book value		Obligation
	US\$ million	Baht Million	
Land	73	2,519	No
Buildings	59	2,028	No
Refinery plant & machinery	2,092	71,928	No
Furniture, fixtures and equipment	74	2,532	No
Right of use assets	25	880	No
Construction in progress	15	507	No
Total cost	2,338	80,394	
<u>Less</u> Accumulated depreciation	(1,720)	(59,153)	
Net book amount after accumulated depreciation	618	21,241	

Land

The company's refinery is located on its own land of approximately 1,200 rai in Map Ta Phut Industrial Estate. The company also leases certain parcels of land of approximately 109 rai for the operation relating to the refinery such as the company's product piers.

Refinery Plant and Machinery

The company has the right of ownership in the refinery plant and all machineries used in the company's refinery operation.

Detail of Insurance

The company's significant insurance policies include a "property all risks" policy, which includes coverage of material damage, machinery breakdown and business interruption for the refinery as well as the joint ownership interest in the single point mooring system. The company also carries third-party liability, marine cargo insurance and limited business interruption insurance. The company, insurance broker and shareholders review the company's insurance coverage periodically and the terms and conditions of the insurance policies are in accordance with industry norms and maintained at adequate levels.

All of the above insurance policies are subject to deductibles and are renewed annually. Some of the insurance coverage does not extend to war or acts of terrorism, among other exclusions.

Intangible Assets

As of 31 December 2023, the company's intangible assets and its net book value after accumulated amortization as presented in the company's financial statement are as follows:

Intangible assets	Book value	
	US\$ million	Baht Million
Computer Programs	17	579
Work in progress	2	64
Total cost	19	643
<u>Less Accumulated amortization</u>	<u>(15)</u>	<u>(506)</u>
Net book amount after accumulated amortization	4	137

Right for Use of Land in Map Ta Phut Industrial Estate and Long Term Lease

Agreement for Use of Land for industrial purpose in Map Ta Phut Industrial Estate

The Company entered into an agreement with IEAT for the use of land for a period of 30 years from 20 November 2022 to 19 November 2052. Currently, it is approximately 34.5 rai which is used for the company's marine terminal and approximately 5 rai which is used for the product pipelines.

In addition, the Company has 2 agreements for land usage for other operations relating to IEAT

- The land for approximately 15 rai for a period from 20 November 2022 to 19 November 2052 which is used for the piperack and product pipelines, and
- Executed in 2019, the land for approximately 2.5 rai for a period from 1 January 2019 to 31 December 2021 which is used for the construction of anticorrosion system for the underground crude pipeline. The agreement has been extended to 31 December 2024.

Long Term Lease

The company entered into a land lease agreement with IEAT dated 19 June 2007 for the refinery operation and power generation with an area of approximately 52 rai in IEAT area for a period of 30 years from 6 July 1995 to 5 July 2025

Investment in Subsidiaries and Associated Companies

As of 31 December 2023 the company has financial investment in equity shares of subsidiaries using the cost method under separate financial statements, amount to US\$0.4 millions or 14 million Baht (2022 : none)

Policy on Investment in Subsidiaries

The company holds a policy on investment in subsidiaries that support or strengthen the company business.

To supervise subsidiaries, the company as a shareholder appoints a representative to be the director and participate in the subsidiaries' Board of Director meeting. As a shareholder, an appointed representative participate in the shareholders' meeting as proxy, and exercise the voting right at the shareholders' meeting under the Board of Directors' principles or guidelines. The representatives to serve as directors has the required knowledge and experience suitable for and without any direct conflict of interest with the business.

Asset Revaluation

The company has no Asset Revaluation in 2023.

Attachment 5: Policy and measures of Corporate Governance and Code of conduct

Corporate Governance Policy

The Corporate Governance Policy (“Policy”) recommends best practices and principles of good corporate governance of SPRC.

Introduction:

The success of SPRC as a listed company depends upon its efficient, transparent, and auditable management systems that create trust and confidence amongst its shareholders and stakeholders.

Intent:

SPRC commits to the principles of good corporate governance in compliance with the relevant rules, regulations and guidelines of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC), and aims to attain the highest international standards and best practices in the adoption and implementation of sound principles of good corporate governance.

Implementation:

This Policy is in line with the Principles of Good Corporate Governance for Listed Companies, 2012, specified by the SET. SPRC’s directors, executives and employees are committed and adhere to this Policy.

This policy is categorized into five categories covering principles related to (1) rights of shareholders, (2) equitable treatment of shareholders, (3) roles of stakeholders, (4) disclosure and transparency, and (5) responsibilities of the board of directors.

(1) The Rights of Shareholders

SPRC recognizes and values basic rights of shareholders on;

- right to sell, buy, or transfer shares,
- right to share in the business' profit,
- right to receive sufficient information about the business in a timely manner and on a regular basis,
- right to attend shareholders meetings to exercise the rights to vote in the appointment or removal of directors and appointment of auditors,
- right to attend shareholders meetings to exercise the right to vote in any matters affecting the Company such as allocation of dividends, specification or amendment of Articles of Association and Memorandum of Association, decrease or increase of capital, or approval of extraordinary transactions.

SPRC values the importance of the shareholders meeting where SPRC’s shareholders can exercise their rights as shareholders. For this reason, SPRC will provide notifications and hold shareholders meetings such that all shareholders may attend the meetings, gain access to adequate and timely information, pose questions or seek explanations, and exercise voting rights in an equitable and transparent manner.

SPRC’s Directors and Management are required to attend the shareholders meetings to answer questions and listen to comments and suggestions of shareholders for appropriate consideration and further process.

SPRC shall allocate sufficient time for the meeting and the shareholders shall be notified of the meeting’s rules and voting processes. The minutes of the meeting shall be publicly available on website in timely manner but no later than fourteen days from the date of the meeting.

(2) Equitable Treatment of Shareholders

It is SPRC's policy to equitably and fairly treat and protect the rights of all shareholders, whether an executive or non-executive, Thai or non-Thai, major or minor shareholder. The shareholders have the rights to nominate candidates for directors and to authorize independent directors or other persons as proxies who may attend the meeting and vote on behalf of the shareholders in accordance with the rules to be specified by the board of directors and notified to the shareholders in advance.

SPRC's directors, executives and employees as well as spouses and minor children of such persons are prohibited from the improper use of inside information. SPRC's directors and executives shall regularly report the holding of SPRC's securities by them, their spouses, and their minor children, as well as the change in such holdings to SPRC and the SEC.

SPRC's directors, executives and employees as well as spouses and minor children of such persons are prohibited from seeking personal benefits from engaging in business with SPRC. If such a transaction is unavoidable, it shall be carried out with transparency, strictly on a commercial arm's length basis and always taking into consideration, on balance, the best interest of SPRC. SPRC's directors, executives and employees having an interest in such transactions must not take part in its approval process.

(3) Roles of Stakeholders

SPRC values the rights of stakeholders and promotes cooperation between SPRC and the stakeholders as well as other concerned parties including shareholders, employees, customers, trade partners, government agencies, communities, and society in order to create sustainability of our business.

SPRC's directors, executives and employees are required to comply with SPRC's Business Conduct Policy which has been established to ensure SPRC exhibits fairness, honesty, and integrity in all our dealings with stakeholders.

(4) Disclosure and Transparency

SPRC is committed to disclosing accurate, complete, and transparent information, both in terms of financial reports and general information, in accordance with the rules of the SEC and the SET, as well as essential information that may impact the price of SPRC's shares or which may affect the decision-making process of investors and stakeholders of SPRC so that all relevant parties have equal access to such information. All information disclosed to investors shall be accurate, adequate for decision-making by the investors, and should not cause any misunderstanding.

Apart from disclosure of information in accordance with the rules specified and through the channels of the SET, SPRC has established a website to disseminate up-to-date information to shareholders and stakeholders in both Thai and English.

The Board of Directors is required to present its responsibilities concerning SPRC's financial statements in SPRC's annual report by specifying that the financial statements are prepared in accordance with generally accepted accounting standards and the accounting policies are appropriately applied.

(5) Responsibilities of the Board of Directors

The Board of Directors is accountable to the shareholders for both business operation and corporate governance to deliver superior business and operational performance and long term growth in shareholder value.

The Board of Directors have a number of important responsibilities and accountabilities to shareholders under the Public Limited Companies Act, the Securities and Exchange Act, the SET and SEC listing rules and guidelines, SPRC's Article of Association, the resolutions of shareholders' meeting, as well as the Board of Directors Charter, and shall execute these responsibilities and accountabilities with due care and integrity.

Business Conduct Policy

1. Policy

The Business Conduct Policy (“**Policy**”) helps us understand how SPRC’s core values are implemented in everyday practices. The 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, and regulations.

2. Scope

This Policy applies to SPRC’s directors, management, employees, agents, and representatives (“**Personnel**”). All Personnel are required to comply with the Business Conduct Policy at all times.

3. Purpose

The purpose of this Policy is to clearly set forth SPRC’s expectations of its Personnel in the manner in which it conducts its business.

4. Roles and Responsibilities

SPRC’s Personnel are required to read through, understand and strictly adhere to this Policy.

- a) The Board of Directors shall regular review this Policy.
- b) Supervisor and manager are responsible for monitoring and ensuring that SPRC’s employees comply with this Policy, including identifying and assigning appropriate training on subjects or specific relevant matters within the Standard of Business Conduct for the employees to attend.
- c) Corporate Compliance Officer (“**CCO**”) shall be appointed from one of its senior Personnel and has responsibilities to:
 - Develop and promote the compliance programs and to have overall responsibility within SPRC for activities related to the proper implementation of compliance program with support from the relevant departments. Compliance programs will be developed emphasizing employee’s awareness, communication of management’s expectations and employees’ responsibilities.
 - Report to the Board of Directors through the Audit Committee on the compliance program ensuring that the report addresses such requirements as may be determined by the Board of Directors or the Audit Committee.
 - Ensure that SPRC enforces its compliance program in a consistent way relative to disciplinary action(s) against Personnel whose conduct is not in line with the principles.
 - Arrange overview of Business Conduct training to new employees at an orientation and refresh to all employees every 3 years.
- d) SPRC’s employees are responsible to read through the entire Policy and think about how the Policy applies to your job and consider how you might handle situations to avoid improper, illegal or unethical actions. If you have questions, seek advice from your supervisors, manager or Corporate Compliance Officer.

5. Ethical Decision-Making

This Policy provides the concept in principle as well as spirit of the subject matter. No policy can provide complete details and answers to all questions. Therefore, all Personnel must rely on good judgment and spirit of what SPRC’s high standards require. Personnel, depending on job function and level of responsibility, may require more detailed knowledge than this Policy provides and should seek further

guidance. When in doubt, Personnel should seek further guidance from other corporate policies and procedures, supervisors, managers, or Corporate Compliance Officer.

Nevertheless, this is the general guideline for ethical decision-making. Some decisions are obvious and easy to make; others are not. When faced with a difficult situation, asking ourselves the questions below can help us to make the right ethical decisions.

Four “yes” answers are required to qualify an action as ethical.

a) Is it legal?

If you think an action may be illegal, do not proceed. If you need information about which laws apply in a given situation, talk with your supervisor, manager, Corporate Compliance Officer or Corporate Legal Counsel.

b) Is it consistent with SPRC’s Policy?

If the proposed action does not comply with SPRC’s policy, you should not do it.

c) Is it consistent with SPRC’s Core Values?

If the proposed action is not consistent with SPRC’s core values, you should not do it.

d) If it were made public, would I be comfortable?

Ask yourself if you would make the same decision if you knew that it would be reported in public.

6. Violation

Each Personnel must always obey the letter and spirit of this Policy. Failure to do so may result in disciplinary action, up to and including termination. Likewise, any supervisor or manager who does not properly report and correct a known violation will be subject to similar consequences.

If conduct of Personnel is contrary to the principles in the Standard of Business Conduct, or violates applicable laws, SPRC will take all reasonable steps to respond appropriately and to prevent similar conduct from re-occurring.

7. Whistleblowing / Reporting of Violation Channel

SPRC’s Personnel are expected to promptly report to their supervisor, manager, Internal Auditor, Corporate Compliance Officer, or director any potential violations of the Policy. SPRC encourages to choose the channel of communication that you feel most comfortable with in making a timely and complete disclosure of the potential violation.

There is no special reporting format and you should use whatever you feel is appropriate to the circumstances so long as it serves to encourage the reporting person to make a free, full and timely disclosure. Reports may be made anonymously, either orally, by mail, by facsimile message, or by email to CorporateCompliance@sprc.co.th addressed to “Corporate Compliance Officer”.

SPRC undertakes to protect SPRC’s Personnel who report such behavior from any form of retaliation, if the report is made in good faith. Along with protecting a reporting party from any retaliation, care will be taken to ensure, to the extent possible, that reports shall be and remain confidential, consistent with SPRC’s demonstrated need to investigate and resolve all instances of reported wrongdoing.

8. Standard of Business Conduct

I. OUR EMPLOYEES

SPRC values the uniqueness of individuals and the various perspectives and talents they provide.

Star Petroleum Refining PCL

Employees are SPRC's most valuable resource and are essential to its success. SPRC's core values would be meaningless if SPRC did not have the highest quality workforce possible and continuously work to develop its employees.

SPRC promotes competency enhancement based on needs of and fit for each individual person, in order to enhance performance and create opportunities for career development.

We value Diversity and Inclusion

Diversity means all the ways we differ. It refers to the mix of people in SPRC. Inclusion means that the differences are valued. It refers to getting the mix of people in SPRC to work together.

Diversity and Inclusion are fundamental values at SPRC. SPRC promotes diversity within its workforce and has an inclusive environment, that values the uniqueness and diversity of individual talents, thought processes, perspectives, experiences and ideas, to allow each of us to have the opportunity to contribute to, and be recognized for, SPRC's success.

We provide Equal Opportunity

It is our policy that no one at SPRC should ever be subject to discrimination on the basis of race, religion, color, national origin, age, sex, gender identity, gender expression, genetic information, disability, veteran status, political preference and sexual orientation, membership or non-membership in any lawful organization or other basis prohibited by laws and regulations.

SPRC's policy against discrimination aligns with the position on diversity. SPRC follows the laws that prohibit discrimination in employment practices. It is SPRC's policy to provide equal employment opportunities and to treat applicants and employees without illegal bias. SPRC will ensure fairness in hiring new employees, transferring employees, and determining remuneration for employees, taking into account qualifications, suitability for the position, nature of work, and performance.

Employee Compensation

SPRC has a "pay-for-performance" philosophy. SPRC administers wages, salaries and benefits to maintain its competitive position in the industry. This allows SPRC to attract and retain high-caliber personnel, provide incentive, and reward excellence.

Controlled Substances and Drugs

SPRC prohibits the manufacture, use, possession, distribution, purchase or sale of controlled substances on its premises and while its Personnel are conducting business for SPRC elsewhere. Controlled substances include:

- illegal drugs and narcotics
- prescription drugs obtained or used without a legal prescription, or
- other unlawful mind altering or related substances or materials.

Alcohol

SPRC prohibits the consumption, use, possession, distribution, purchase or sale of alcohol on its premises and while its Personnel are conducting business for SPRC elsewhere. Any person under the influence of alcohol is prohibited from entering SPRC's premises.

Any drink of alcohol or any use of drugs or other substances that causes or contributes to unacceptable job performance or unusual job behavior is also prohibited.

Where it does not violate the law, SPRC may conduct searches and tests for drug and alcohol use on its premises.

Preventing Workplace Violence and Harassment

Harassment means engaging in a course of vexatious comments or conducts against anyone that is unwelcome. This includes unwelcome words or actions that are known or should be known to be offensive, embarrassing, humiliating or demeaning.

SPRC has zero tolerance for workplace violence or harassment of any kind. SPRC prohibits actual or threatened violence (physical force that causes or could cause physical injury) against employees, visitors or anyone else who is either on its premises or has contact with SPRC Personnel in the course of their duties.

If you are confronted with violence, threatened violence, or harassment, you should report your concern to your manager, your supervisor, the Corporate Compliance Officer, or the Human Resource Department as appropriate. As appropriate and at the discretion of SPRC, the reports may be made to the police.

II. HUMAN RIGHTS

Respecting human rights is a fundamental value of SPRC.

Human rights are generally defined as basic standards of treatment to which all people are entitled, regardless of nationality, gender, race, language, religion, economics status or any other status.

SPRC affirms our long-standing support for universal human rights, following the spirit and intent of the United Nations Universal Declaration of Human Rights. SPRC recognizes the responsibility to respect human rights and to contribute to positive human rights impacts in the communities where we operate.

Our Commitment

SPRC is committed to respecting fundamental human rights in our operations, our value chain, and in the communities where we operate. Our commitment to operating with respect for human rights is reflected in all aspects of business operations and is integrated in our company policies and relevant procedures.

- **Employees:** SPRC respects the human rights of all employees. Our commitment is embedded in policies and our culture. SPRC promotes the right to security, a safe and healthy workplace, and treats our employees with dignity and respect. It is every employee's responsibility to maintain a work environment that reflects respect for human rights and is free from all discrimination and harassment.
- **Communities:** SPRC engages with communities to build understanding of human rights to enhance the benefits of our projects and operations.
- **Suppliers and Contractors:** SPRC expect our suppliers and contractors to treat their employees, and interact with communities, in a manner that respects human rights.

If any employee has a concern on human rights violation, you should report your concern to your manager, your supervisor or the Corporate Compliance Officer, as appropriate.

III. COMPANY RECORDS AND INTERNAL CONTROLS

Fair and accurate books and records are essential for managing SPRC's business.

Fair and accurate books and records are essential for managing SPRC's business and maintaining the accuracy and integrity of SPRC's financial reporting and disclosure. The commitment to this integrity is fundamental to the accuracy of financial reports which SPRC makes to the public.

Shared Responsibility

SPRC's books and records must be prepared accurately and honestly, both by SPRC's accountants who prepare records of transactions and by any of us who contribute to the creation of records, for example, by submitting expense reports, job logs, measurements and time sheets.

All SPRC's books and records must be supported by sufficient documentation to provide a complete, accurate, valid, and auditable record of the transaction.

Any attempt to conceal or misstate information in SPRC's records is a serious offense and may result in disciplinary action and criminal prosecution. Each employee is responsible for reporting any suspected violations of SPRC's accounting policies and procedures. You should report any suspected violation of these policies to your manager, your supervisor, the Internal Auditor or the Corporate Compliance Officer as appropriate.

SPRC's books and records must be prepared in accordance with SPRC's policies and relevant regulations, such as the Thai Financial Reporting Standards, the Thai Revenue Code, and the Sarbanes Oxley Act of 2002 (SOX), which require the completeness and accuracy of our records.

SOX applies to all publicly traded companies in the United States. Its purpose is to review legislative audit requirements and to protect investors by improving the accuracy and reliability of corporate disclosure. SPRC is subject to fully comply with the requirements of the SOX as its books and records are required to be consolidated with SPRC's majority shareholder, a US based and owned company. Audits will reflect such compliance.

Internal Controls

Reliable internal controls are critical for proper, complete and accurate accounting and financial reporting. Each employee must understand the internal controls relevant to his/her roles and responsibilities, and follow the policies and procedures related to those controls. Employees are encouraged to talk to their supervisors or managers immediately if they ever suspect that a control does not adequately detect or prevent inaccuracy, waste or fraud.

Audits

Audits performed by internal and external auditors help ensure compliance with established policies, procedures and controls. Audits also help identify potential weaknesses so they may be corrected promptly. All employees are required to cooperate fully with internal and external auditors. This means always providing clear and truthful information and cooperating fully during the audit process.

Fraud

Engaging in any scheme to defraud anyone – of money, property or honest services – violates SPRC's policies and the law and carries severe penalties. Those consequences apply to any dishonest or fraudulent activities, including misusing or stealing SPRC's assets or falsifying a travel and entertainment expenses report, among other violations. SPRC relies on its internal controls and the personal integrity of all its employees, contractors and directors to protect SPRC's assets against damage, theft and other unauthorized use.

IV. AVOIDING CONFLICTS OF INTEREST

SPRC expects all Personnel to act in the best interests of SPRC. Avoiding conflicts of interest in all business decisions is essential to our integrity and trust.

SPRC expects all Personnel to act in the best interest of SPRC. This means that business decisions should be made free from any conflict of interest. They should also be made based on sound business reasoning and appear impartial.

Conflicts of interest may occur when an individual's outside activities or personal interests conflict or appear to conflict with his or her responsibility to SPRC. An outside activity would be considered a conflict of interest if it:

- has a negative impact on SPRC's business interests,
- negatively affects SPRC's reputation or relations with others, or
- interferes with an individual's judgment in carrying out his or her job duties.

SPRC's Personnel including members of their immediate families and their close relatives, must never:

- compete against SPRC,
- use their position or influence to get an improper benefit for themselves or others,
- use SPRC's information, assets or resources for their personal gain or the improper benefit of others, or
- take advantage of inside information or their position with SPRC.

Any activity that has the appearance of a conflict of interest, whether or not an actual conflict exists, must be avoided. If you think you may be in a situation that could be perceived as a conflict, you should disclose the potential conflict to your supervisor or manager immediately. If you observe a conflict of interest at SPRC, you must report to your manager, your supervisor or the Corporate Compliance Officer as appropriate.

Avoid Accepting or Giving Gifts, Fees, Favors or Other Advantages

It is a conflict of interest for any SPRC's Personnel to give or receive gifts or entertainment of more than nominal value, or cash in any amount to or from people or companies doing or seeking to do business with SPRC. Therefore, in order to avoid conflict of interest, SPRC's Personnel must not:

- accept fees or anything in value in exchange for contracts or services provided on behalf of SPRC,
- provide or accept gifts or entertainment from anyone doing or seeking business with SPRC, or
- give a gift or entertainment to anyone for the purpose of improperly influencing him or her to take action in favor of SPRC.

For the customary, traditional or special occasion, such as New Year, SPRC expresses our desire not to receive any gifts or any favors of any value. Business entertainment is considered as inappropriate unless SPRC share in the cost of these types of events, and any form of cash or cash equivalence is strictly prohibited.

Related Party Transaction

Any intended financial or other commercial transaction between SPRC and any Related Party should be entered into and conducted strictly on a commercial arm's length basis and always take into consideration, on balance, the best interest of SPRC.

Related Party shall be defined in accordance with the SEC's regulations, which include;

- A. directors, executives, major shareholder(s) or other persons or entities directly or indirectly having a controlling or substantial interest in SPRC
- B. spouses, minor children, adopted minor children or close relatives of individuals identified in A. above
- C. a person or an entity under the control of persons or entities identified in A. or B. above
- D. a person or an entity which persons or entities identified in A. or B. above has substantial interest
- E. a person or an entity who will gain financial benefits from entering into a transaction with SPRC with understanding that persons or entities identified in A. through D. above will also gain financial benefits from such transaction.

If you may be involved in the proposal or approval of a transaction which would fall under or even appear to fall under what has been defined as a Related Party Transaction, you must promptly consult with Corporate Legal Counsel or the Company Secretary by disclosing the basis on which you believe the matter may be a Related Party Transaction for a determination whether it would in fact be a Related Party Transaction and if so, seek guidance and consult regarding the appropriate governance and approval procedures.

Insider Trading Is Prohibited

It is illegal to purchase or sell SPRC securities if you have material information about SPRC when such information is still nonpublic (“material non-public information”). It is also illegal to purchase or sell securities of other companies if you have material non-public information about that company.

We must never use material non-public information about SPRC or other companies those doing business with SPRC for personal gain. We must never pass material non-public information on to others who may purchase or sell SPRC securities or other company’s securities. If you provide this information (“a tip”) to someone who then buys or sells securities, both parties can be convicted of insider trading.

Material non-public information means any information concerning SPRC’s business, operations and financial results which, if disclosed inappropriately, might influence investor decisions to buy or sell SPRC’s securities and have an impact on the price of the securities. Material non-public information includes information that a reasonable investor would consider important in making decision to buy, hold or sell securities, such as;

- financial statements, dividend payments, form 56-1, and the annual report
- margins, operating costs and forward-looking information
- major operational changes or incidents, and refinery utilization
- major capital project milestones and capital expenditures
- information on mergers, acquisitions, disposals of assets, repurchases of stock, stock splits, and commercial negotiations

If you are in doubt as to whether non-public information you have is material, you should seek guidance from your supervisor, your manager, Investor Relations, or the Company Secretary.

V. OPERATIONAL EXCELLENCE

(workforce safety and health, process safety, reliability and integrity, environment, efficiency, security and stakeholders)

SPRC’s policy is to protect the safety and health of people, its assets and quality of the environment and to conduct its operations reliably and efficiently.

SPRC is committed to working in a way that places the highest priority not only on Personnel and Process Safety, but also on the safety and health of its workforce and members of the communities, including protection of assets and the environment. SPRC is also committed to efficient use of resources and to prevent and/or mitigate the environmental impact due to our operations.

All of SPRC’s Personnel are responsible for complying with laws, regulations, and SPRC’s policies and procedures, as well as fully committing to the requirements of the Operational Excellence Policy in our work activities.

Each of SPRC’s Personnel has the authority and responsibility to stop – or not start – any work activity if hazards or risks pose a threat to safety.

VI. PROTECTION OF INFORMATION AND INTELLECTUAL PROPERTY

We all have a responsibility to understand the risks when our information assets are compromised.

SPRC’s information assets are vital resources. They include both SPRC’s paper and electronic records and the systems that store, process, or transmit SPRC’s information. SPRC’s intellectual property, which includes SPRC’s trade secrets, patents, trademarks, and copyrighted material, is also a key SPRC’s information assets.

Proper Access and Use

SPRC's policy is to safeguard its information assets against theft, unauthorized disclosure, misuse, trespass and careless handling.

Improper handling of information may be grounds for disciplinary action, including termination, and criminal prosecution. Examples of improper handling include unauthorized viewing, copying, distributing, damaging, altering and removing information from the premises, including downloading to an external storage device, personal email, or non-company cloud storage without written authorization.

Handling Sensitive or Proprietary Information

All SPRC's Personnel are responsible for maintaining the confidentiality of trade secrets and all other information, whether intellectual property or otherwise, that is of technical or commercial value to SPRC. All Personnel must be cautious and discreet when using information categorized as classified, confidential or restricted access. Such information should be shared only with other employees who have a legitimate "need to know". Outside parties should only have access to such information if they are under binding confidentiality agreements and have a "need to know". Similarly, when handling sensitive information that has been entrusted to us by others, we must always treat it with the utmost care.

All Personnel must also comply with all laws, regulations and contractual commitments regarding the valid and enforceable intellectual property rights of third parties, including patents, copy rights, trade secrets and other proprietary information. SPRC will not knowingly infringe on or misuse the valid and enforceable intellectual property rights of third parties.

For using of copyrighted material such as articles, charts, maps, films, photo and music, Personnel must receive the permission of the copyright owner, unless such activities are allowed under the "fair use" provisions of the copyright laws.

Retaining or Discarding the Company's Records

A company record may serve one of many purposes. It may:

- satisfy operating requirements (for example, maintenance logs, service contracts),
- document a company holding (for example, a lease or deed),
- protect the company's interest in legal action (for example, a product quality test), or
- show compliance with governmental regulations (for example, financial and injury reports)

Company records must be kept for the set period required by the applicable retention schedule and consistent with requirements of applicable laws. Company records may be retained for varying periods of time (some of which are of essentially unlimited duration), depending on the type of record, the purpose for retention and the applicable legal obligations.

Retrieving Information for Litigation Purposes

Sometimes during the course of litigation, we might be instructed by SPRC's legal counsel to provide documents or other evidence. We must always comply with such instructions and consult legal counsel if we have any questions, and report non-compliance if we suspect it. We are expected to treat this process as a high priority assignment.

Using Computer Systems and Other Technical Resources

All Personnel are responsible to ensure SPRC's computer systems and other technical resources are used appropriately. We must keep access codes (for example, passwords, SmartBadge, personal identification numbers, etc.) in a secure place and not share them with others. Anyone with a system identity and access code is responsible for activities performed under that identity.

Unauthorized use of password, access code, computer systems or programs may be grounds for disciplinary action, including termination of employment.

Using Email, Internet, Computer and Communications devices

All Personnel must ensure that computer and telecommunication systems are used only for SPRC's business. Occasional or incidental use for personal purposes is permitted as necessary and reasonably acceptable. We should not assume that any use of SPRC's communications devices or systems is private. Usage of these may be monitored by SPRC or subject to applicable laws and regulations.

Using Social Media

"Social media" is referred to a variety of online communities such as social networks, blogs, chat rooms and forums.

Social media sites are highly visible communication channels that many people use both personally and professionally. This policy applies to professional use of social media on behalf of SPRC as well as personal use of social media when referencing SPRC. When discussing SPRC online, it's important to understand the implications of social media use on the reputation of the company, to protect company and market-sensitive information, and to act in accordance with SPRC's policies.

We should be aware that SPRC may observe content and information made available by us through social media. We should be aware of the effect or reactions may have on posting material. We should use the best judgment in posting material that is neither inappropriate nor harmful to SPRC as "Protecting SPRC is part of our job."

VII. DATA PRIVACY

All employees must exercise care and discretion in handling personal data.

Personal Data is information that can directly or indirectly identify an individual, including employees, contractors, directors, shareholders, customers, and anyone else with whom SPRC does business. Personal data is an important asset, and the way we handle this data is critical to SPRC success, demonstrates respect and promotes trust.

SPRC must comply with the requirements of Thailand's Personal Data Protection Act B.E. 2562 (as amended) and relevant regulations in case of cross-border transfer of personal data. SPRC's personnel who handle personal data are responsible to understand their roles and responsibilities as well as the applicable obligations such as collection, using and disposal of personal data as required by the law.

For handling of personal data, Personnel should keep several important principles in mind. Personal data should only be processed if there is a legitimate business reason to do so, such as complying with a legal requirement or in order to fulfill a contractual commitment. Otherwise, consent should be obtained. Personnel should not use more or different personal data than needed for the task at hand. Finally, Personnel should keep all personal data secure and follow SPRC's Information Protection guidelines. SPRC respects the confidentiality of personal data, in both paper and electronic form. This information may not be used or disclosed improperly or by someone who is not authorized to so.

If anyone has a concern on SPRC's proper handling of your personal data, you can raise it to DataPrivacy@sprc.co.th.

VIII. ANTITRUST/COMPETITION LAWS

SPRC supports free and fair market competition system.

The statutory basis of antitrust law in Thailand is the Trade Competition Act B.E. 2560 (as amended). It is also known internationally as antitrust law, competition law or anti-monopoly law. The common purpose is to:

- prevent and restrain monopolistic conducts, unreasonable restraint of trade and unfair trade practices,
- promote free and fair market competition, and
- safeguard the interests of consumers in general.

SPRC and its Personnel must comply with the Trade Competition Act and applicable antitrust/competition laws of other jurisdictions. SPRC will comply with applicable laws when we have any contact with our competitors. Antitrust/competition laws prohibit any agreement with competitors that might “restrain trade”. Examples of activities which violate of those laws are agreements by competitors to: fix prices or terms of sale; allocate customers, territories or markets; allocate or limit production, refining or sales; boycott suppliers or customers to prevent them from competing; and the exchange of current or prospective pricing-related information.

A formal agreement with a competitor is not a prerequisite to proving the existence of an illegal arrangement. A general discussion or exchanging any information with a competitor could be enough to give rise a concern or show the existence of an illegal agreement.

Legitimate trade association activities involving competitors are not prohibited. However, membership in trade associations or participating in its activity must be approved by your supervisor or manager.

The consequences of violating antitrust/competition laws can be extremely serious for SPRC and its personnel. Violation can lead to fines and imprisonment for the individuals involved and to heavier fines for the company. In addition to criminal prosecution, SPRC may be subject to very costly civil suits as well.

Whenever Personnel has any doubt as to whether an action we are considering raises issues under these laws, Personnel should seek advice from Corporate Legal Counsel.

IX. GOVERNMENT AFFAIRS AND POLITICAL INVOLVEMENT

SPRC operates its business with transparency and the highest ethical standards.

SPRC seeks to be a responsible citizen in the community in which it carries on business and to be a working, sharing partner in community life. SPRC is proud that it has been able to adapt successfully to Rayong community in which it operates without sacrificing its high moral, ethical and business principles. For example, SPRC does not permit or condone the making of illegal payments or bribes to any government official nor does it engage in any political activity contrary to the laws of Thailand or of the United States. At the end of each year, the Management is required to execute detailed certifications attesting to their, as well as SPRC’s, compliance with the Standards of Business Conduct and, in particular, those relating to anti-corrupt practices.

Engaging in Lobbying Activities

Lobbying is an activity aimed at influencing public policy decisions by providing verbal or written information to officials and their staff. Lobbying activities include both direct communication with government officials and providing support to any person who engages in such communication. Prior to engaging in lobbying activities, any SPRC’s Personnel must obtain guidance from their supervisor or manager.

Providing Gifts to Government Officials

Under certain circumstances, SPRC may provide gifts to government officials. Such gifts must always be in strict compliance with the laws of Thailand, SPRC’s Business Conduct Policy, SPRC’s Anti-Corruption Policy and the Foreign Corrupt Practices Act of the United States.

Laws regulating “gifts” typically define that term as anything of value, including meals, gift vouchers, travel expenses, event tickets or honoraria, etc. Any payment made to a third party for or on behalf of a government officials, such as a payment to a hotel for a hotel room used by a government official, is also considered as a gift to the government official. Certain gifts may be prohibited by law, create reporting obligations or create conflicts of interest.

SPRC’s Personnel shall comply with the SPRC’s Anti-Corruption Policy and must seek guidance and pre-approval from the Corporate Compliance Officer before committing to provide any gifts to government

officials. In addition, the gift or payment regarding charitable contribution or donation must also be endorsed by Manager Corporate Affairs.

Bribery is always Prohibited

Bribery of government official in any country is strictly prohibited under SPRC policy, even if the refusal to make such payment would result in the company losing a business opportunity.

Almost every country prohibits the bribery of its own officials. In Thailand, the relevant laws are including but not limited to the Criminal Code and the Organic Act on Anti-Corruption B.E. 2561 (as amended).

In addition, many countries have anti-bribery/anti-corruption laws that make it illegal to bribe government officials of other countries, such as the Foreign Corrupt Practices Act (FCPA) of the United States.

The FCPA is a United States law that prohibits U.S. citizens and U.S. entities from bribing or corruptly promising to pay or give or actually paying or giving money or anything of value to a foreign government official for the purposes of gaining influence over the official's acts or decisions, inducing the official to act contrary to lawful duty, or inducing the official to exercise influence over a government so as to affect its acts or decisions in order to assist the payer to obtain or retain business. The FCPA also requires the maintenance of accurate books and records and a system of internal controls sufficient to, among other things, provide reasonable assurances that transactions are executed, and assets are accessed and accounted for in accordance with management's authorization.

The FCPA is applicable worldwide and extends specifically to publicly traded companies and their personnel, including officers, directors, employees, shareholders, and agents. Agents can include third party agents, consultants, distributors, joint-venture partners, and others. Since SPRC's ultimate major shareholder and certain of its directors and/or Management, as the case may be, are U.S. citizens, SPRC is subject to follow and be in compliance with the FCPA.

Some payments may be permissible as considered according to SPRC's Anti-Corruption Policy, relevant Thai laws and FCPA. If they are made, they must be properly reflected in the company's books. In any case, no such payment should ever be made without prior approval from the Corporate Compliance Officer or the Chief Executive Officer as necessary.

Payments or promises to pay to any person, the payer knowing that all or part of same will be offered or given to one of the recipients as above described, and for a prohibited purpose, are likewise illegal. Such person may be investigated or accused of corruption in which case it may be grounds for disciplinary action, including termination of employment.

The violations of the Organic Act on Anti-Corruption and the FCPA are serious and can result in both criminal penalty and civil enforcement actions against entities and their personnel for violations. Under no circumstance will SPRC reimburse any Personnel for any financial penalty imposed due to violations of the Organic Act on Anti-Corruption and/or the FCPA.

SPRC Personnel are expected to promptly report any suspected or potential violation of this Policy, the SPRC Anti-Corruption Policy or other related laws to their supervisor, manager, the Corporate Compliance Officer or other whistle-blowing channels. All such reports will be kept anonymous.

Making Political Contributions

Corporate contributions whether monetary or nonmonetary (such as allowing an employee to work on a campaign during working time) for political elections are restricted by Thai and US laws under most circumstances and should not be made. Quite obviously, SPRC and its Personnel must scrupulously adhere to the letter and spirit of these laws.

Engaging in Political Activities on Our Own

Whether SPRC's Personnel make or do not make political contributions is a personal matter, having no bearing on the employee's employment relationship with SPRC. Employee participation in political

campaigns is viewed in the same light; however, such participation during working hours or when using company resources (such as email, phone and meeting rooms) or even when wearing the clothes with SPRC's logo may be considered a prohibited "in kind" contribution by SPRC. Generally, such participation is inappropriate and shall never be undertaken without prior the management's approval, based upon advice from Corporate Compliance Officer.

Under no circumstance will SPRC reimburse any employee for making a personal political contribution.

X. MULTINATIONAL OPERATIONS

SPRC respects and complies with all applicable laws and regulations.

When business transactions involve more than one country, SPRC must comply with all applicable laws. SPRC shall follow the laws and customs of Thailand where we operate without violating the laws or customs of another country where it is applicable. Whenever a possible conflict of laws situation arises, we should always seek guidance from our Corporate Legal Counsel.

Thai laws restrict or otherwise require licensing for the export or import of certain goods and services to other countries and to certain parties. In addition, the Thai Government may adopt the United Nation's sanctions or impose various kinds of trade sanctions or embargoes against other countries or persons.

The scope of trade sanctions or trade embargoes may vary widely from country to country. They may range from specific prohibitions on trade in a specific commodity to a total prohibition of all commercial transactions. Due to the complexities of these international trade laws, Personnel must seek guidance from Corporate Compliance Officer before exporting or importing goods or services or engaging in transactions that might be affected by trade sanctions.

SPRC will periodically issue a sanctioned country list to assure awareness and compliance with these complex laws and regulations. All employees, and particularly those involved in transnational trading activities, are expected to know and follow these instructions and to understand their individual and SPRC's obligations, as well as all applicable foreign laws and regulations of which they are clearly advised by management. In cases of doubt, the advice of the Corporate Compliance Officer or Corporate Legal Counsel should be obtained.

U.S. Antiboycott Laws

Certain U.S. laws govern international operations of U.S. companies, its affiliates and U.S. persons. The U.S. antiboycott laws prohibit their people and businesses from participating in or cooperating with its trade embargoes or sanctions, and put penalty on U.S. companies, if they or their subsidiaries or affiliates participate or cooperate with international boycotts not supported by the United States.

The consequences of violating the U.S. antiboycott laws can be extremely serious. Companies subject to United States law which engage in activities prohibited for boycott-related reasons subject themselves or their parent companies to severe civil and criminal penalties, including loss of export privileges, and fines or punitive damages for willful violations. Additionally, certain individuals are subject to a jail sentence for each conviction. Further, pursuant to U.S. tax legislation, non-U.S. entities which held shares by U.S. entities, such as SPRC, that participate in or cooperate with an international boycott can subject their parent companies to severe tax-related penalties in the form of loss of certain tax benefits, including the foreign tax credit and deferral of certain income of foreign subsidiaries.

In certain circumstances, what might otherwise appear to be routine business activities are proscribed by the U.S. antiboycott laws for example, the furnishing of a certification that goods were not produced in a particular country or by a blacklisted person prohibited under the U.S. antiboycott laws is required.

The U.S. laws also impose extensive reporting obligations relating to the receipt of boycott requests by certain foreign affiliates of U.S. companies, including SPRC. Any personnel receiving a request of this sort should inform Corporate Compliance Officer immediately.

All employees engaged in activities relating to present or potential operations in boycotting or boycotted countries should be familiar with the foregoing. Because of the complexity of the antiboycott laws, the severity of their penalties and the sensitivity of boycott matters, it is crucial that employees obtain prompt advice from the Corporate Legal Counsel when questions arise so that SPRC's position can be immediately and fully evaluated, in a timely way, before any action is taken.

Attachment 6: Report of the Audit Committee Internal Control Assessment

To the Shareholders,

This Audit Committee report provides a summary of the duties under the Audit Committee Charter for the year ended 31 December 2023.

Appointed by the Board of Directors, the Audit Committee comprises 4 independent directors as follows:

- Ms. Kamonwan Wipulakorn (Chairperson of the Audit Committee)
- Mr. Pliu Mangkornkanok
- Mr. Robert Stair Guthrie
- Mr. Rapee Sucharitakul – appointed on 25 February 2023

The Audit Committee consists of Independent Directors with diverse knowledge, abilities, and experience appropriate to the nature of business; especially, financial and accounting knowledge and knowledge of laws and regulations related to business operations. Members of the Audit Committee are qualified and

meet the requirements of the securities and exchange laws, the notification of the Capital Markets Supervisory Board, and the notifications, regulations, and rules of the Stock Exchange of Thailand (SET). They perform the Audit Committee's roles and responsibilities as provided in the Audit Committee Charter and as assigned by the Board of Directors. In addition, 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.

In 2023, the Audit Committee met four times with full attendance by the members. In these meetings, it has reviewed extensive reports and conducted discussions with the internal auditor, external auditor, members of management, the Chief Executive Officer, the Chief Financial Officer, and the Company Secretary; and when required, other Company subject matter experts were invited to attend. After each Audit Committee meeting, the Chairman of the Audit Committee reported to the Board on the key issues which have been discussed. The Audit Committee performed activities according to its duties and responsibilities identified in the Audit Committee Charter, which can be summarized as follows:

10. **Review of Financial Reports:** The Audit Committee reviewed and discussed the financial statements with the Chief Financial Officer (CFO) and Price Waterhouse Coopers (PwC) quarterly and for the financial year ended 2023. CFO and PwC indicated that the financial statements were fairly stated in accordance with Thai Financial Reporting Standards and requirement of the securities and Exchange Commission, Thailand (SEC). The Audit Committee discussed significant accounting policies applied to SPRC and also reviewed the disclosures. The Audit Committee had discussed with PwC on its independence from management. The Audit Committee recommended the Audited Financial Reports for the year ended 31 December 2023 be endorsed by the Board of Directors for further approval at the Annual General Meeting of Shareholders.
11. **Review of Internal Controls System:** The Audit Committee reviewed and endorsed the result of the assessment on the sufficiency of internal control performed by management and internal auditor. The assessment was based on the COSO's (the Committee of Sponsoring Organizations of the Treadway Commission) framework with 17 principles, categorized into 5 components (Control Environment, Risk Assessment, Control Activities, Information and communication, and Monitoring Activities). The details of the assessment were described in section 9 Internal Control. Furthermore, the Company follows the requirement of the U.S. Sarbanes-Oxley Act 2002, Section 404 Management Assessment of Internal Control. The Audit Committee is satisfied that SPRC has appropriate and effective internal controls system.
12. **Review of Risk Management:** Risk Management Policy has been developed and outlines the principles, processes, risk areas, key responsibilities, reporting requirement and communication timelines. The Risk Management Committee has been set up at the management level and are responsible for reviewing risk assessments and for monitoring the effectiveness of the risk management system. The results of risk assessment and the status of remediation are reported to the Audit Committee quarterly. The Audit Committee acknowledged and were satisfied with the adequacy of the risk management process.
13. **Review of Corporate Governance:** The Board of Directors has reviewed and approved the Corporate Governance Policy, Business Code of Conduct Policy, and Anti-Corruption Policy. The Chief Executive Officer appointed the Corporate Compliance Officer (CCO) to have primary oversight responsibility to ensure the Company operates the business in accordance with guidelines and policies provided in the Business Conduct Policy. The CCO reported on the compliance program and related transactions to the Audit Committee on a quarterly basis. The

Audit Committee reviewed the reports and were satisfied that the process of corporate governance was in compliance with applicable laws and regulations and with the Company's Business Conduct Policy and Anti-Corruption Policy.

14. **Review of Related Party Transactions (RPT):** The Company's RPT mainly consists of the purchase of crude and feedstock, product sales and technical service transactions with Chevron. The Audit Committee will consider and provide an opinion on the Related Party Transactions prior to approval by the Board of Directors. Internal Audit reviewed and verified RPTs at random to ensure the Company's compliance with the specified agreements' terms and conditions on a quarterly basis. The Audit Committee has acknowledged that the RPTs were entered into in the ordinary course of business, were made under normal commercial terms on an arm's length basis and were in the best interest of the Company. The RPTs were disclosed in section 9.2 the Related Party Transactions section of this report.
15. **Review of Internal Audit Functions:** The Audit Committee conducted its annual review of the Internal Audit Charter to ensure the roles and responsibilities of internal audit functions are appropriate. The Audit Committee approved the annual internal audit and audit's Key Performance Indicators (KPI). The Internal Audit Manager reported significant matters arising from the internal audit assurance programmed, management's response to significant audit findings, including planned improvements and agreed actions. The Audit Committee held private meetings with the Internal Auditor to discuss any issues that may have arisen during the audit and areas of concern regarding independence and Management's interaction. The Audit Committee has evaluated and concluded that the internal audit functions were operated independently, effectively and is satisfied that the quality, experience, and expertise of the function is appropriate.
16. **Review of External Auditor:** The Audit Committee conducted its review and continues to monitor the qualifications, expertise, resources, independence and objectivity of the external auditor PriceWaterhouse Coopers ABAS Ltd (PwC). PwC reviewed its audit strategy, scope and plan for the year 2023 with the Audit Committee. PwC regularly updates the Audit Committee on the status of its procedures and preliminary findings, providing an opportunity for the Audit Committee to monitor the execution and results of the audit. The Audit Committee meets privately with PwC representatives without management on a quarterly basis, at a minimum, in order to encourage open and transparent feedback. In the year 2023, PwC did not provide any non-audit services to the Company. The Audit Committee is satisfied with PwC's professionalism, and its performance of the External Auditor's work, which complies with regulatory requirements and best practices designed to ensure their independence.
17. **Appointment of the External Auditor and determination of Remuneration for the year 2023:** The Audit Committee is responsible for the consideration and appointment of the Company's external auditor. The Audit Committee along with management considers PwC's qualifications, performance, expertise in oil and gas industry and independence. Based on its evaluation, the Audit Committee has recommended to the Board to propose that PwC be reappointed as the external auditor of the company for the year ending December 31, 2023. The Board of Directors, then subsequently, the shareholders of the Company approved PwC to be the company's external auditor at the Annual General Meeting of Shareholders 2023.

18. **Audit Committee Self- Assessment:** The Audit Committee completed its annual self-assessment in the areas of a) committee structure and qualifications, b) committee meetings, c) roles and responsibilities on financial report, internal controls, risk management, governance, internal and external audit functions. The self-assessment results for the year 2023 validated the committee's effectiveness in fulfilling the Audit Committee Charter as delegated by the Board of Directors, applicable to legal and regulatory requirements and in accordance with good corporate governance codes.

During the year 2023, the Audit Committee has fulfilled its oversight responsibilities on the integrity of financial reporting, the effectiveness of the risk management framework and internal controls system, as well as, on the consideration of ethics and compliance matters. The Audit Committee members have performed their roles and responsibilities according to the Audit Committee Charter with skill, competence and due professional care and have been responsible in their assessment of the quality of audit, and the independence and objectivity of the internal and external auditors. The Audit Committee opined that the internal audit function maintains an internal quality assurance and improvement programmed, including an annual assessment of the effectiveness and efficiency of the internal audit function's activities and responsibilities according to the Internal Audit Charter. The Audit Committee opined that the company has operated business with good corporate governance, sufficiency internal control system, effective risk management system, and complied with laws and regulations to meet company's objectives.

On behalf of the Audit Committee
Ms. Kamonwan Wipulakorn
(Chairperson of the Audit Committee)

Assessment Form of Sufficiency of Internal Control System

Concept and Objective

Having an effective internal control system is extremely important for listed companies or companies that have members of the Public as shareholders as an effective system enables a company to protect, manage, and deal with risks or losses that may occur within a company and its stakeholders. Therefore, it is the responsibility of the Board of Directors to ensure that a company has an adequate internal control system that is sufficient to oversee that business operations are carried out efficiently according to targets, objectives, and relevant regulations, able to protect assets from corruption and losses, as well as organize accounts so that they are correct and reliable.

The Securities and Exchange Commission (“SEC”) has coordinated with Price Waterhouse Coopers Thailand (“PwC Thailand”) in developing this Evaluation Form for Adequacy of Internal Control System (“Evaluation Form”) for the purpose of acting as a tool to assist companies to use in assessing the adequacy of their internal control systems.

This Evaluation Form has been put together in accordance with COSO¹ (The Committee of Sponsoring Organization of the Treadway Commission) and adjusted based on the new framework as of May 2013, simplified for ease of understanding, and adapted for listed companies in Thailand. The main questions can be separated into 5 categories in accordance with the original COSO, but have segmented the categories further into a total of 17 principles in order to understand and comprehend each question clearly.

Application Method

A company should use this Evaluation Form as a guide in assessing or reviewing the adequacy of its internal control system at least once a year and may review additionally if an event occurs that may materially affect the company’s operations. The assessment should be carried out by the Audit Committee and the Board of Directors in order to exchange views, align understanding, and determine a path for suitable application for the company.

Responses to the Evaluation Form for each section should be based on real practice. If the assessment finds that the company is still missing adequate internal control (whether it be a lack of systems in place or an inadequacy of systems in place), the company should explain the reasons and guidelines for correction.

Control Environment

1. The organization demonstrates a commitment to integrity and ethical values

Question	Yes	No
1.1 Board of Directors and management set business direction which are based on principle of good ethics in carrying out operations, which cover: 1.1.1 Execution of day-to-day responsibilities and decision-making of various tasks 1.1.2 Interaction with partners, customers, and external parties	✓	
1.2 Statements that are clearly written out for management and employees to carry out and comply with ethics that cover: 1.2.1 A suitable code of conduct for management and employees. 1.2.2 Prohibiting management and employees to act in a way which may lead to conflict of interests with the company, including prohibiting corruption which may lead to damages to the organization ² 1.2.3 Suitable penalties in place if violate above procedures 1.2.4 Penalties for non-compliance are communicated to management and employees, for example through orientations for new employees, having employees sign documents acknowledging requirements and penalties at least once a year, and distributing code of conduct to employees and 3 rd parties for awareness.	✓	
1.3 Processes in place to monitor and assess compliance with Code of Conduct:	✓	

¹ Joint committee consisting of five major professional associations headquartered in the United States: the American Institute of Certified Public Accountants (AICPA), Institute of Internal Auditors (IIA), Financial Executives International (FEI), American Accounting Association (AAA), and Institute of Management Accountants (IMA)

² The company should determine internal control to align with anti-corruption policies and company’s risks

Question	Yes	No
1.3.1 Monitoring and assessment by internal audit unit or compliance unit		
1.3.2 Self-assessment of management and employees		
1.3.3 Assessment by independent external experts		
1.4 Timely response if non-compliance in relation to honesty and ethics is observed	✓	
1.4.1 Processes in place detect violations within a suitable time period		
1.4.2 Processes in place that create ability to penalize or deal with violations in a suitable manner and on a timely basis		
1.4.3 Corrective response in place for actions that conflict with honesty and ethics		

2. The Board of Directors demonstrates independence from management and exercises oversight and the development of internal control

Question	Yes	No
2.1 Clearly distinguish roles and responsibilities of Board of Directors versus management by clearly specifying reserved matters for Board of Directors	✓	
2.2 Board of Directors sets targets for carrying out business that is clear and measurable as a guide for carrying out work for management and employees	✓	
2.3 Board of Directors ensures the company determines roles and responsibilities of Board of Directors and management to be in compliant with the law and the charter, which includes the important roles of the Audit Committee, Auditor, Internal Auditor, and persons responsible for financial reporting.	✓	
2.4 Board of Directors are knowledgeable of the business and have expertise that can benefit the company or are able to ask for recommendations from experts in the related field.	✓	
2.5 Board of Directors consists of independent directors that are knowledgeable, capable, trustworthy, and are independent with regards to carrying out their duties. For example, not having business relationships with the company or other relationships which would affect the ability to use discretion and execute in an independent manner and in an amount that is adequate.	✓	
2.6 Board of Directors oversee development and matters related to internal control for the organization, which includes building a control environment, risk assessment, control activities, information and communication, and monitoring.	✓	

3. Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.

Question	Yes	No
3.1 Senior management determines organization structure that supports attaining objectives of the company by analyzing the suitability of both the business and regulations as well as creating control efficiently. For example, separate responsibilities for important tasks which create checks and balances, create internal inspection work that reports to Audit Committee, and create a line for reporting that is transparent	✓	
3.2 Senior management determines lines for reporting for the company by taking into account suitability of authority, duties, responsibilities, and communicating information.	✓	
3.3 Ability to suitability determine, assign, and limit authority and responsibility between Board of Directors of the company, senior management, management, and employees.	✓	

4. The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives

Question	Yes	No
4.1 The company has appropriate policies and practices for recruiting, developing and retaining competent employees as well as procedures for consistently reviewing such policies and practices.	✓	
4.2 The company has in place performance evaluation mechanisms. Employees that meet expectations obtain rewards whereas those that do not meet expectation are treated accordingly. Such performance evaluation, rewarding and penalizing system are clearly communicated to employees.	✓	
4.3 The company has procedures for timely preparation of and timely reaction to a shortage of competent employees.	✓	
4.4 The company has procedures for recruiting, developing and retaining all management and employees alike, such as mentoring programs, training and seminars.	✓	
4.5 The company sets material succession plans and procedures.	✓	

5. The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives

Question	Yes	No
5.1 Board of Directors and management have procedures and communication in place which force all staff to hold responsibility for internal control and provide for improvement of execution process (if necessary).	✓	
5.2 Board of Directors and management set measurable indicators to suitably evaluate the results of work, and set compensation and rewards appropriately by considering both implementation according to Code of Conduct and short-term and long-term objectives of the company.	✓	

Question	Yes	No
5.3 Board of Directors and management assess compensation and rewards continually by focusing on links with success of duties for adhering to internal control.	✓	
5.4 Board of Directors and management consider not creating too much pressure in implementing duties on staff.	✓	

Risk Assessment

6. The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to the objective

Question	Yes	No
6.1 The company complies with applicable accounting standards appropriate to the business by demonstrating that items in financial reports have credible sources, complete and accurate display of rights or obligations of the company, suitable values, and complete and accurate disclosure.	✓	
6.2 The company defines material financial reporting by considering important factors such as users of financial report, transaction size and trends of business.	✓	
6.3 The company's financial reports truly reflect the operational activities of the company.	✓	
6.4 The Board of Directors or Risk Committee approve and communicate risk management policy to management and all employees to acknowledge and comply with the policy as a part of the culture of the organization.	✓	

7. The organization identifies risk to the achievement of its objectives across the entity and analyzes risk as basis for determining how the risks should be managed

Question	Yes	No
7.1 The company identifies all types of risks which may affect the business entity, subsidiaries, divisions, operating units and functional levels.	✓	
7.2 The company analyzes all types of risks which may occur from internal and external factors which include strategic risk, operational risk, reporting, compliance and information technology.	✓	
7.3 Management of all levels are involved in risk management.	✓	
7.4 The company has assessed the importance of risks by considering the possibility of an event occurring and the resulting impact which may occur.	✓	
7.5 The company has measures and action plans to manage risks by acceptance, reduction, avoidance or sharing.	✓	

8. The organization considers the potential for fraud in assessing risks to the achievement of objectives.

Question	Yes	No
8.1 The company considers the possibility of fraud occurrences, covering various types of fraud such as fraudulent financial reporting, loss of assets, corruption, management override of internal controls, material misstatements of financial statements, and misappropriation of assets.	✓	
8.2 The company carefully reviews its objectives by considering the potential of achieving current target including considering reasonableness of employee incentives or compensations in a sense that they do not induce employees to act inappropriately. For example, setting unrealistic sales budget may induce employee to make false sales numbers.	✓	
8.3 The audit committee considers and inquires management of the possibility of fraud occurrences and relevant preventive and corrective measures.	✓	
8.4 The company communicates policies and procedures to all employees.	✓	

9. The organization identifies and assesses changes that could significantly impact the system of internal control

Question	Yes	No
9.1 The company assesses changes in external factors that may affect its business operations, internal controls and financial reporting as well as determines sufficient measures in response to such changes.	✓	
9.2 The company assesses changes of business models that may affect its business operations, internal controls and financial reporting as well as determines sufficient measures in response to such changes	✓	
9.3 The company assesses changes of organizational leaders that may affect its business operations, internal controls and financial reporting as well as determines sufficient measures in response to such changes.	✓	

Control Activities

10. The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels

Question	Yes	No
10.1 The company's control measures are appropriate for risks and type of organization. For example, general environment, complexity of tasks, job characteristics, scope of work and other specific characteristics.	✓	
10.2 The company sets internal control procedures in writing and covers any processes appropriately such as policies and procedures for financial transactions, purchasing and general management as well as setting scope, power and delegation of authorities securely in order to prevent fraud. For example, setting up the authority level of management, approval process of investment projects, purchasing and supplier selection process, details of purchasing decision database, material of tool processes disbursement. The company also provides processes for the following cases 10.2.1 Collecting any information relating to major shareholders, directors, management and related persons as well as connected persons for follow up and review of related party transactions or conflicting transactions. The company also updates information regularly 10.2.2 In situation where the company approved or entered into related party transactions which binds the company for a long term period such as sale/purchase agreement, loan agreement, and guarantee, the company has consistently monitored such agreements to ensure compliance with agreed terms and conditions during the period in which the company is bound (e.g. monitoring of debt servicing, and review of suitability of agreements)	✓	
10.3 The company sets the internal control system to be appropriately flexible such as having a variety of manual and automated control, or having both prevention and monitoring control	✓	
10.4 The company sets internal control systems in all levels of the organization such as group company, business unit, business section, department or process.	✓	
10.5 The company completely separates responsibility of the following three duties in order to monitor each appropriately: (1) duty of approval; (2) duty of recording accounting transactions and information; and (3) duty of managing property	✓	

11. The organization selects and develops general control activities over technology to support the achievement of objectives

Question	Yes	No
11.1 The company should govern the relationship between information technology for process implementation and methods for control of information technology systems	✓	
11.2 The company should set methods for controlling infrastructure information technology appropriately.	✓	
11.3 The company should set methods for controlling security information technology appropriately	✓	
11.4 The company should establish information technology control activities over the procurement process, the development process and technology system maintenance process appropriately.	✓	

12. The organization deploys control activities through policies that establish what is expected and procedures that put policies into action

Question	Yes	No
12.1 The company has a secure policy for monitoring related party transactions of major shareholders, directors, management and related persons. The transaction must be approved in accordance with stated approval procedures such as Articles of Association, the Stock Exchange of Thailand regulations, Securities Exchange Commission, etc. in order to prevent opportunities for exploiting the company for personal benefit.	✓	
12.2 The company has a policy for considering approval of transactions by persons without interests in the transactions.	✓	
12.3 The company has a policy for considering approval of transactions that yield the highest benefit to the company and are similar to conducting transactions on an arm's length basis.	✓	
12.4 The company has procedures for monitoring the operation of subsidiaries or associate companies as well as guidelines for the company's representatives, which include directors or management of subsidiaries or associate companies (In case that the company has no subsidiaries or associate companies, please ignore this question)	N/A	
12.5 The company sets roles and responsibilities for implementing policies and procedures by management and employees.	✓	
12.6 The policies and processes of the company are put into practice in a timely manner by competent staff as well as cover corrective procedures.	✓	
12.7 The company regularly reviews policies and procedures to ensure they are suitable.	✓	

Information & Communication

13. The organization obtains or generates and uses relevant, quality information to support the function of other components of internal control

Question	Yes	No
13.1 The company determines information requirements for carrying out businesses from both internal and external sources that are qualified and are related to the business process.	✓	
13.2 The company considers costs and benefits the company will receive including the amount and accuracy of the information.	✓	
13.3 The company provides sufficient material information to support the consideration of the Board of Directors. Material information includes details of the matters to be considered, reasons, impact on the Company, other options, etc.	✓	
13.4 The company provides notice of meetings or documents of meetings which are sufficient, and necessary information for consideration to the Board of Directors before the meeting for at least the minimum period stipulated by laws.	✓	
13.5 The company provides minutes of the meeting which contain sufficient detail enabling shareholders to inspect the suitability of performance of the directors e.g. recording enquiries, opinions or observations of the directors on the considered matter, opinions of the directors who disagree with the proposed matter along with reasons, etc.	✓	
13.6 The company has procedures as follows: 13.6.1 Keeping records of important document in a group. 13.6.2 In situations where the company has been informed by the auditor or internal auditors that there are deficiencies in internal control, the company has completely corrected all deficiencies.	✓	

14. The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.

Question	Yes	No
14.1 The company has an effective process for communicating information internally and has appropriate communication channels for supporting the internal control.	✓	
14.2 The Company provides important information to the Board of Directors on a regular basis and the Board of Directors can easily access the information or review various items as required. In addition, the Board can designate a person to be able to request additional information above that given by management, inquire the external auditors and internal auditors, organize the meeting of the Board of Directors and Executive Committee as requested and organizing meetings between the Board of Directors and the management.	✓	
14.3 The company provides special communication channels or secure channels to individuals in the company for safely reporting information or clues about fraud or corruption (whistle-blower hotline) to the company.	✓	

15. The organization communicates with external parties regarding matters affecting the functioning of other component of internal control

Question	Yes	No
15.1 The company has effective processes for communicating with external stakeholders and appropriate communications channel to support internal control e.g. providing officer or investment relation or complaint center, etc.	✓	
15.2 The company provides special communication channels or secure channels to individuals in the company for safely reporting information or clues about fraud or corruption (whistle-blower hotline) to the company.	✓	

Monitoring Activities

16. The organization selects, develops and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.

Question	Yes	No
16.1 The company sets procedures for monitoring compliance of business conduct and restriction on management and employees regarding conflict of interest such as designating each department to monitor and report to its superior or designating the internal control unit to monitor and report to audit committee.	✓	
16.2 The company organizes the internal control system audit by self-audit and/or independent internal auditor.	✓	
16.3 The frequency of monitoring and evaluation is appropriate to the change of the Company.	✓	
16.4 Monitoring and evaluating the internal control system by knowledgeable and capable persons.	✓	
16.5 The company has set the internal control unit to report directly to the audit committee.	✓	
16.6 The company encourages internal audits to be performed in accordance with International standards for the professional practice of Internal Auditing (IIA).	✓	

17. The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate

Question	Yes	No
17.1 The Company evaluates and communicates the weakness of internal control and rectifies it on time in the case that the operation occurred is significantly different from the target.	✓	
17.2 The Company has reporting policies as follows: 17.2.1 The management must report to the board of directors immediately in the case that there is any suspicion of severe fraud, breach of laws, or unusual actions that may materially affect the image and financial position of the Company. 17.2.2 Report weakness that is material in nature together with rectification (even if the rectification process has already commenced) to the board of directors/audit committee to consider within a reasonable timeframe 17.2.3 Report the progress of the improvement on material weakness to the board of directors/audit committee.	✓	