

56-1 ONE REPORT 2022



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Part 1 Business Overview and Performance Review

A stylized blue signature, likely of the Chairman, is positioned above a decorative graphic consisting of overlapping blue and red geometric shapes.

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, PTT 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
- Caring for & investing in the SPRC Family
- Continue safe, reliable and environmental friendly operations
- Build & resume SPRC image & SPM reliability

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

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

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
5. **Oil Spill Recovery:** Resume SPM operation, community and environment rehabilitation

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 2022 include:

- Achieved over 9 years with 33.6 Million man-hours without days away from work injury.
- Continued to closely monitor the COVID-19 situation and thoroughly reviewed overall situation to implement the appropriate measures in accordance with the guidelines provided by the Ministry of Public Health. Consequently, the Company applied the Return to Office with a hybrid work model in July 2022. In addition, SPRC provided COVID-19 vaccines to employees, their families, and related contractors to build herd immunity in our working people.
- Sustained 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.
- Optimized crude throughput as well as continued process and product optimization by maximizing middle distillate product, optimizing jet fuel production, per economics, and successfully maximized Asphalt yield. The Company was able to maximize value in a volatile market that was due to several factors such as the global economic recovery and reopening of countries causing rising demand. Adding another factor of the Russia-Ukraine conflict, triggered a global energy crisis leading to an impact to the Crude and Petroleum products supply and a surge in the price.
- Captured high Bottom Line Improvement Program (BLIP) benefit from good crude, process and product optimization at US\$3.88/bbl.
- There was the planned shutdown to change the catalyst in the Heavy Vacuum Gas Oil Hydrotreating Unit (HVGO-HTU) for 12.5 days in Q4/22 during PTTGC's turnaround period. This shutdown was successfully completed without any supply disruption impact to our customers.
- Continued to maintain cost control in operating expense and sustained competitive debt position and financial ratio.
- On 6th December 2022, the Board of Directors' meeting of the Company approved the investment in the fuel business, subject to obtaining approval of a meeting of shareholders of the Company, which comprises:
 - (a) the acquisition of 100% of the total shares in Chevron Lubricants (Thailand) Company Limited (the name of which is intended to be changed prior to the closing date of the acquisition) ("**Target**") ("**Target Shares**") by the Company from Chevron Asia Pacific Holdings Limited ("**CAPHL**"), CT Nominee Holdings (I) LLC ("**CTN1**"), and CT Nominee Holdings (II) LLC ("**CTN2**"). Target is a company incorporated in Thailand which will acquire the fuel business currently operated by Chevron (Thailand) Limited ("**CTL**") and related assets from CTL;
 - (b) 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
 - (c) the investment through equity and debt financing in two new private limited companies ("**New Companies**") which will be incorporated under Thai law and one of the New Companies will acquire 19 plots of land used in the operation of the fuel business of the Target from Star Holdings Company Limited ("**SHC**").

The Board of Directors also approved the calling of the Extraordinary General Meeting (EGM) of Shareholders No. 1/2023 held on 31 January 2023.

At the EGM, shareholders approved the investment in the fuel business.

- 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". In addition, we continue to evaluate other business opportunities across the value chain including energy transition and sustainability.

Significant event

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 assessment of long-term impacts or any required rehabilitation actions to the impacted areas are ongoing and will have to be assessed by the Government authorities, external experts and communities. However, the refinery operations have continued normally.

The Company has established a short-term and long-term recovery plan to assist those who have been affected and is working on the recovery under insurance policies from insurers.

The Company has recognized the related expenses for year 2022 totaling US\$48.8 million or Baht 1,636.7 million as part of the administrative expenses. Such expenses and provisions mainly consist of the costs incurred for the emergency response to the oil spill incident and financial relief to the impacted parties.

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.

Our key accomplishments and activities in 2020 include:

The Company performance was impacted by the Covid-19 pandemic which resulted in the significant decline in oil product demand and caused a sharp fall-off in oil price since the first quarter of the year. SPRC reduced the production down to optimal level to meet the limited domestic demand. We had maximized the light crude process to maximize gasoline production while reducing jet production to capture margin. The Company also captured Bottom Line Improvement Program (BLIP) benefit from good crude, process and product optimization at US\$0.96/bbl which was higher than the target of US\$0.80/bbl in 2020. Through all these situations, SPRC family continued to remain incident, injury and infection free, made significant cash flow improvement through inventory management, reduction in operating expenses, capital expenditure and process optimization while sustaining high operational availability of 99.9% with target top quartile performance in availability and utilization among over 90 refineries in the Asia Pacific and India Ocean region.



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

Founded in 1992, SPRC is one of the leading petroleum product producers and oil refiner in Thailand and the Asia Pacific region.

SPRC owns and operates a complex refinery with a capacity 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.

Our unique configuration and flexibility in production enables us to produce more gasoline compared to other Thai refineries.

Registration number

0107555000155

Address

No.1, I-3B Road, Map Ta Phut, Muang Rayong, Rayong 21150

Tel: +66 (0) 38 699 000

Fax: +66 (0) 38 699 999

Websitewww.sprc.co.th**Listing Date**

Trading commencement on 8 December 2015

Capital As of 31 December 2022**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,		
	2020			2021			2022		
	Volume		\$/bbl ⁽²⁾	Volume		\$/bbl ⁽²⁾	Volume		\$/bbl ⁽²⁾
	Sales Revenue	(thousand barrels)		Sales Revenue	(thousand barrels)		Sales Revenue	(thousand barrels)	
PGP	103.2	1,670	61.78	133.3	1,612	82.70	111.9	1,393	80.35
LPG	89.7	2,451	36.61	132.2	2,353	56.17	159.9	2,496	64.08
Light Naphtha	136.5	3,443	39.66	226.4	3,277	69.08	291.9	3,514	83.07
Gasoline	1,319.4	15,820	83.40	1,789.9	15,450	115.86	2,304.8	15,726	146.56
Jet Fuel	95.0	1,794	52.96	91.3	1,194	76.40	488.2	4,079	119.70
Diesel	2,001.2	25,035	79.94	2,300.6	21,748	105.78	3,559.4	24,823	143.39
Fuel Oil	96.7	2,707	35.71	145.4	2,623	55.44	251.2	3,654	68.76
Asphalt	25.0	568	44.06	50.9	700	72.65	86.4	1,037	83.28
Mix C4	93.6	2,592	36.09	162.6	2,785	58.39	201.6	2,798	72.06
Crude	10.4	268	38.77	1.6	23	69.37	190.3	1,693	112.38
Other ⁽¹⁾	181.3	4,233	42.83	315.8	4,204	75.11	450.8	4,601	97.98
Total Revenue	4,152.0	60,579	68.54	5,350.0	55,971	95.59	8,096.6	65,815	123.02

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

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

We sell a significant portion of our petroleum products primarily through the Offtake Agreement that we have entered into with Chevron and PTT (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,		
	2020	2021	2022
	% of Total Revenue		
Chevron	52.2	43.2	41.5
PTT&PTTOR	35.1	40.7	45.6
Others	12.7	16.1	12.9
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,					
	2020		2021		2022	
	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 ...	3,796.2	91.4%	4,779.5	89.3%	7,393.0	91.3%
Export.....	355.8	8.6%	570.5	10.7%	703.6	8.7%
Total						
revenue...	4,152.0	100.0%	5,350.0	100.0%	8,096.6	100.0%

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

Sale Revenue (in millions of US\$)	Year Ended December 31,					
	2020		2021		2022	
	Sales Revenue	% of Total Revenue	Sales Revenue	% of Total Revenue	Sales Revenue	% of Total Revenue
Polymer Grade Propylene	103.2	2.5%	133.3	2.5%	111.9	1.4%
Liquefied Petroleum Gas ⁽¹⁾	89.7	2.2%	132.2	2.5%	159.9	2.0%
Light Naphtha	136.5	3.3%	226.4	4.2%	291.9	3.6%
Gasoline	1,319.4	31.8%	1,789.9	33.5%	2,304.8	28.5%
Jet Fuel.....	95.0	2.3%	91.3	1.7%	488.2	6.0%
Diesel	2,001.2	48.2%	2,300.6	43.0%	3,559.4	44.0%
Fuel Oil.....	96.7	2.3%	145.4	2.7%	251.2	3.1%
Asphalt.....	25.0	0.6%	50.9	1.0%	86.4	1.1%
Mix C4	93.6	2.3%	162.6	3.0%	201.6	2.5%
Crude	10.4	0.3%	1.6	0.0%	190.3	2.4%
Others ⁽²⁾	181.3	4.4%	315.8	5.9%	450.8	5.6%
Total Revenue	4,152.0	100.0%	5,350.0	100.0%	8,096.6	100.0%

(1) Includes Government fuel subsidies

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

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, reformate 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.

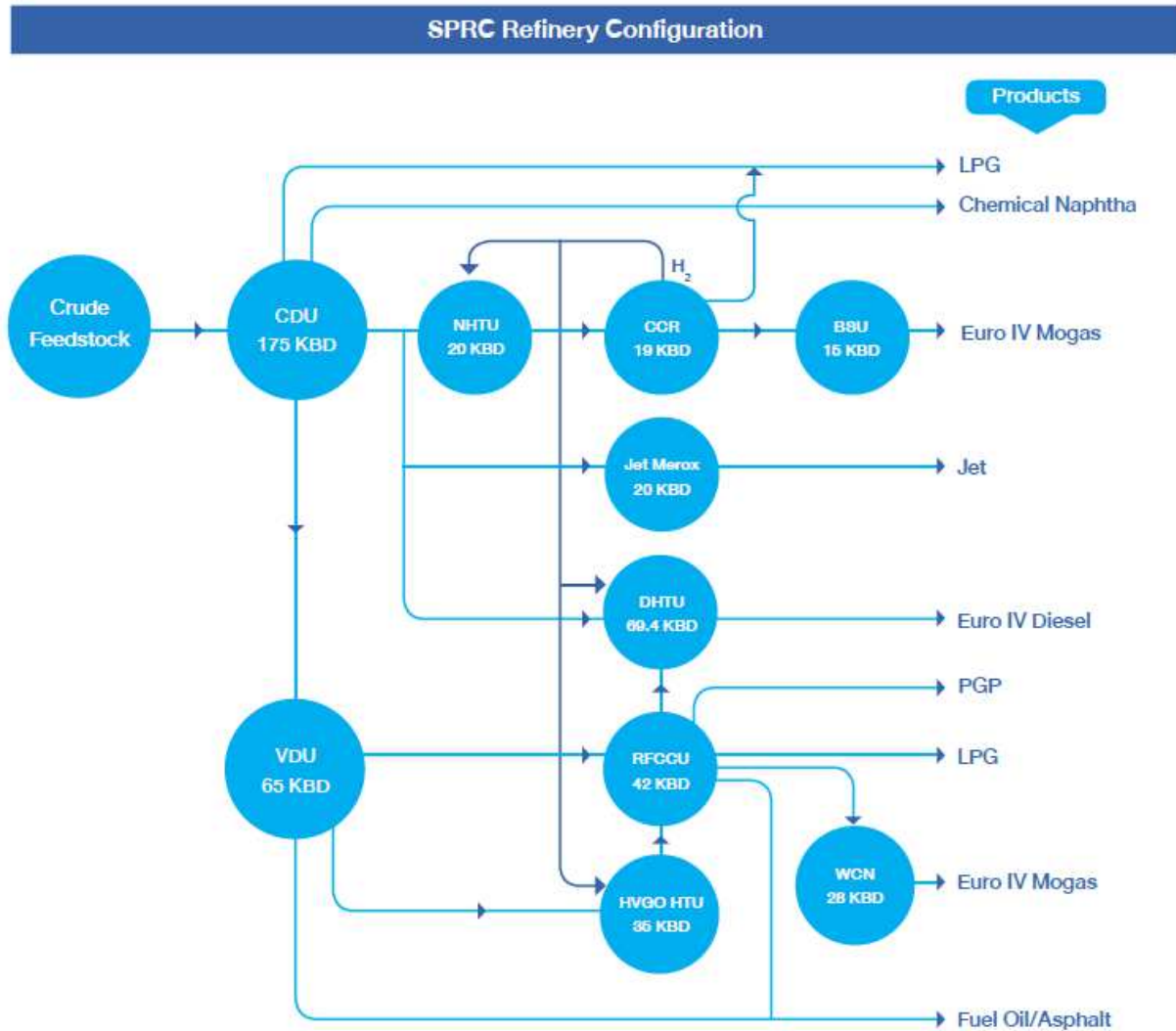
Domestic sale prices of petroleum products sold outside of the Offtake Agreement are also market driven and are generally based on the monthly average of regional benchmark prices with certain adjustment for the applicable product in the month that they are sold. Our exports for petroleum products are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

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 2022):

- 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 Merox Unit that treats jet streams from the CDU in order to produce jet fuel, with a capacity of 20,000 barrels per day;

Signature

- 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 IV gasoline specifications.

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

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



(2) Market and Competition

(a) Significant Marketing Characteristics

Marketing Strategy

1. The Company focus is to place our petroleum products primarily in Thai domestic market for highest return, mostly through Chevron, PTT and PTTOR under the offtake Agreement. The Company continues to maximize domestic placement to respond the demand increase, especially the diesel product from The Power plant replace LNG import due to high price and tight supply period the Refineries turn around in quarter 4 as well as continued the placement as term supply to CLMV Market. In 2022, The company has a proportion of domestic sales at 89% and export sales including CLMV at 11%
2. The company focuses on producing and selling Gasoline which has higher demand than domestic production. Our unique configuration and flexibility in production of our refinery enables us to produce more gasoline compared to other Thai refineries.

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,		
	2020			2021			2022		
	Sales Revenue	Volume (thousand barrels)	\$/bbl ⁽²⁾	Sales Revenue	Volume (thousand barrels)	\$/bbl ⁽²⁾	Sales Revenue	Volume (thousand barrels)	\$/bbl ⁽²⁾
PGP	103.2	1,670	61.78	133.3	1,612	82.70	111.9	1,393	80.35
LPG	89.7	2,451	36.61	132.2	2,353	56.17	159.9	2,496	64.08
Light Naphtha	136.5	3,443	39.66	226.4	3,277	69.08	291.9	3,514	83.07
Gasoline	1,319.4	15,820	83.40	1,789.9	15,450	115.86	2,304.8	15,726	146.56
Jet Fuel	95.0	1,794	52.96	91.3	1,194	76.40	488.2	4,079	119.70
Diesel	2,001.2	25,035	79.94	2,300.6	21,748	105.78	3,559.4	24,823	143.39
Fuel Oil	96.7	2,707	35.71	145.4	2,623	55.44	251.2	3,654	68.76
Asphalt	25.0	568	44.06	50.9	700	72.65	86.4	1,037	83.28
Mix C4	93.6	2,592	36.09	162.6	2,785	58.39	201.6	2,798	72.06
Crude	10.4	268	38.77	1.6	23	69.37	190.3	1,693	112.38
Other ⁽¹⁾	181.3	4,233	42.83	315.8	4,204	75.11	450.8	4,601	97.98
Total Revenue	4,152.0	60,579	68.54	5,350.0	55,971	95.59	8,096.6	65,815	123.02

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

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

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, Esso 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 2022. 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 production costs to be at a competitive level in the domestic market and export market. The Company is also looking for opportunities to maximize the returns where the Company has important factors that support the Company's capability, including

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.



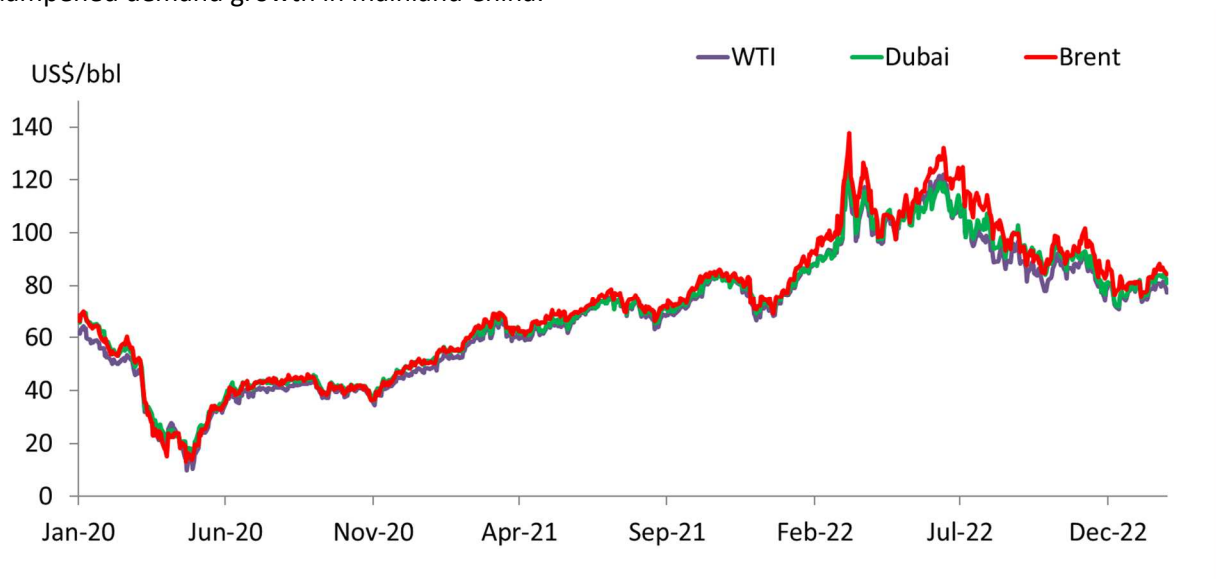
(b) Competition

The refining industry in Thailand is highly competitive. There are seven refineries in Thailand and we principally compete with five other domestic petroleum refineries in Thailand, which are Thai Oil, Esso, Bangchak Petroleum, PTTGC, IRPC and 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 2022, crude prices have been volatile with Dubai crude price moving between US\$ 71.81 /bbl and US\$127.81/bbl. The average Dubai price in 2022 of US\$ 96.38/bbl was higher than 2021 average of US\$69.28/bbl, crude oil price increase following Russia's invasion of Ukraine since late Feb22 which led to a reduction of Russian oil exports as many countries imposed sanctions on Russia. However, prices were pressured by the concerns on the global economy and the endurance of the zero-COVID-19 policy dampened demand growth in mainland China.



Oil Industry Outlook

The International Monetary Fund (IMF) has projected global growth will fall to 2.9 percent in 2023 but rise to 3.1 percent in 2024. Rising interest rates and the war in Ukraine continue to weigh on economic activity. China's recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic levels.

In 2022, global refined products demand rebounded by 2.5 MMb/d from 2021 as several countries relaxed their Covid19 restrictions. In 2023, demand growth is projected to increase by 1.9 MMb/d. Mainland China will be approximately 30% of the global growth for these years following the reopening of its borders and easing of COVID-19 curbs after protests last year. However, additional economic disruptions from pandemic resurgence, major shocks from the Russian invasion of Ukraine, and regional variations in COVID-19 measures remain a key downside risk to oil demand.

Similar to the global market, Asian refined products demand in 2023 is estimated to increase. Most of the demand growth remains in jet/kerosene, recovering from the pandemic lows. The biggest downside risks to demand are the timeline of mainland China's easing zero-COVID-19 policy.

Asian refining margins are expected to improve, largely owing to the strengthening of middle distillate cracks. Uncertainties from the looming EU embargo on Russian oil product exports amid low gasoil inventory, colder weather and the upcoming spring refinery maintenance should provide a floor for Asian gasoil cracks. Furthermore, the recovery of international aviation demand in various Asian markets will provide more support to jet/kerosene cracks.

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(3) Supply of Crude and Feedstocks

Crude Oil Supply

The main feedstock used in our refinery production process is crude oil. We are capable of processing a wide range of crude oil, including crude oil from the Middle East, Far East and other regions. As our refinery has upgrading and conversion units, we 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 offtakers, 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 Alframax size with other refineries to minimize freight cost when receiving crude in smaller shipment. We are also able to receive crude oil in smaller shipments through a pier in



our marine terminal. This crude is delivered to storage tanks at the refinery through pipelines that connect directly to our refinery.

Product Distribution

The strategic location of our refinery in the Map Ta Phut Industrial Estate in Rayong provides us access to a convenient product delivery network that allows us to distribute our products in a cost effective manner via transmission pipelines, coastal vessels via our marine terminal, and trucks via our truck loading terminal, to Thailand's main demand clusters for petroleum products. In addition, several petrochemical companies that purchase products from our refinery are also located in the vicinity of the Map Ta Phut Industrial Estate. Our refinery is connected to the Thapline pipeline and our offtakers transport gasoline, jet fuel and diesel through it to distribution networks in the Bangkok area. We operate a booster pump, which is jointly owned with 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 offtakers to facilitate the distribution of our petroleum products to the southeast and northeast of Thailand, within Rayong province and to the Indo-China export market, including Laos, Cambodia and Myanmar. Our truck loading terminal also contains an asphalt loading rack to distribute asphalt and we charge operating costs of the truck loading terminal to offtakers. We have installed a vapor recovery unit and bottom loading capabilities in our truck terminal to reduce VOC emissions at the terminal.

Storage

Our refinery has a total of 74 storage tanks and facilities to enable us to store feedstocks after delivery and before process, products before delivery and certain intermediate processing streams. We have an aggregate nominal crude oil storage capacity of approximately 4.9 million barrels, representing up to 29 days' supply of crude oil. 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% effective from 15 October 2023. after Covid-19 pandemic situation has been improved. Our product inventory increases and decreases from time to time reflecting timing of product deliveries and operational variations.

(4) Operating Asset

The Company's Major Assets

As of 31 December 2022, 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	2,551	No
Buildings	59	2,050	No
Refinery plant & machinery	2,091	72,623	No
Furniture, fixtures and equipment	74	2,584	No
Construction in progress	6	199	No
Total cost	2,303	80,007	
<u>Less Accumulated depreciation</u>	<u>(1,649)</u>	<u>(57,272)</u>	
Net book amount after accumulated depreciation	654	22,735	

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 2022, 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	16	573
Work in progress	1	17
Total cost	17	590
<u>Less Accumulated amortization</u>	(14)	(477)
Net book amount after accumulated amortization	3	113

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

In 1992, the Company entered into an agreement with IEAT for the use of land for a period of 30 years from 20 November 1992 to 19 November 2022. 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 1992 to 19 November 2022 which is used for the piperack and product pipelines. Currently, the Company is in the process of the redetermination of terms in lease contract extension with the lessor, 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. The Company has a plan to extend the agreement before it expires.

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 2022 the company has no investment in subsidiaries or associated companies so the company does not have an investment policy in subsidiaries and associated companies.

Asset Revaluation

The company has no Asset Revaluation in 2022.

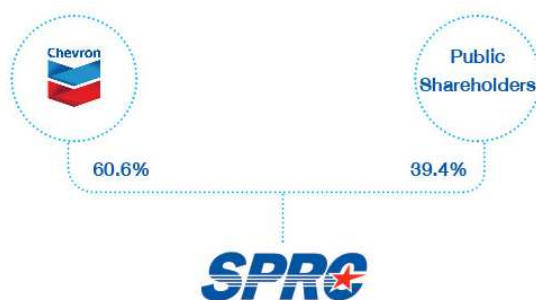
(5) Ongoing Projects

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.



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 20 December 2022

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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	303,984,593	7.01%
3	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	106,542,690	2.46%
4	NORTRUST NOMINEES LIMITED-NT0 SEC LENDING THAILAND CL AC	75,426,600	1.74%
5	THE BANK OF NEW YORK MELLON	59,679,854	1.38%
6	STATE STREET EUROPE LIMITED	56,520,586	1.30%
7	SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	39,814,098	0.92%
8	THE BANK OF NEW YORK (NOMINEES) LIMITED	39,082,700	0.90%
9	TISCO MASTER POOLED REGISTERED PROVIDENT FUND	28,909,400	0.67%
10	STATE STREET BANK AND TRUST COMPANY	26,054,800	0.60%

(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 2022, 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 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	2019	2020	2021	First six months of 2022
Net earnings per share (US\$)	(0.02)	(0.04)	0.03	0.08
Dividend per share (US\$)	0.0058 ¹	N/A	0.0054 ²	0.03 ³
Dividend payout ratio same period (%)	N/A	N/A	16	31

Year	2019	2020	2021	First six months of 2022
Net earnings per share (Baht)	(0.65)	(1.38)	1.09	2.87
Dividend per share (Baht)	0.1827 ¹	N/A	0.1785 ²	0.96 ³
Dividend payout ratio same period (%)	N/A	N/A	16	33

¹ The Company paid the total annual dividend payment in 2019 Baht 0.1827 per share from Company's unappropriated retained earnings as of 31 December 2019.

² 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.

³ The Company paid the interim dividend payment in 2022 Baht 0.96 per share from first half of 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” KRA’s. We utilize a risk assessment matrix (RAM) to assess and identify risks which require mitigation plans. SPRC is continuously improving our risk management process that is embeded 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 current SPRC Corporate Risks have Four risks that consist of Strategic Risk, Financial Risk, Trading Risk and 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 consists of the Chief Executive officer, the deputy Chief Executive Officer-Operation, the Supply Planning Manager and the Chief Financial Officer. We also review our risk mitigation plans and progress on mitigation plans with the Audit Committee on a quarterly basis.

In 2022, SPRC assessed both internal and external risk factors covering market or economic change, digitalization, regulation change, energy transition, business competitors and operational activities, which 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 tread 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 processes such as Advanced Optimization Studies (AOS) and Innovation Quests (IQ) to help identify ideas to enhance refinery optimization. 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

Significant Interruption in The Operations due to Essential Staff Impact from COVID-19

SPRC has a strong “Incident and Injury Free” (IIF) culture. We are committed to being incident and injury free in all our refinery operations and cultivate IIF leadership in the SPRC family, which is the key driver for our excellent safety and reliability performance. SPRC’s strategic intent is to set the standard globally for Operational Excellence. We seek to continuously improve our performance, using benchmarking from Solomon Associates to set our targets.

In 2022, the pandemic of COVID-19 still impacted normal work for SPRC staff and contractors. Non-essential personnel for refinery operations had to work from home. Essential personnel for refinery operations, such as Shift Operator, Maintenance persons and essential contractors came to work with strict mitigation measures to prevent infection of COVID-19. The vaccine for COVID-19 was made available for all SPRC staff, their family and essential contractor who came to work at Refinery.

SPRC continue drive an organizational efficiency through “Human Performance” (HP) that focuses on reduction of human error, the effectiveness of work processes and enhanced competency. This is one of the methods that enables us to operate incident and injury free. The Human Performance tool helps to identify and eliminate “error traps” from human mistakes and supports our family to perform tasks in procedures or skill-based activities. Additionally, SPRC develops all managers to lead an effective organization through a leadership and competency development program that is of world class standard.

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.

In 2022, SPRC had a Environmental Health and Safety (HES) Assessment, including Process Safety Management by assessors from The American Petroleum Institute (API) who are appointed from the company’s main shareholder, Chevron. The assessment also included specialists from Chevron themselves. The assessment concluded that SPRC has good HES Management, including PSM and falls into 1st Quartile of all industry companies around the world who are also assessed from API.

Single Point Mooring (SPM) integrity and oil spill response

The Single Point Mooring (SPM) 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.

Manage Refinery production plan

Refinery margins are primarily impacted by global crude and product market results from supply and demand, much of which are outside of SPRC’s control. Moreover, the impact from COVID-19 caused a decrease for demand in global products. SPRC’s focus is on those areas which we can control, to improve our performance relative to the market and improve our competitiveness through managing our production plan. As stated above, SPRC sets aspirational targets for Operational Excellence through safe and reliable operations, allowing us to maximize utilization of our assets, and maximize profit through our Bottom Line Improvement Program (BLIP). We always set challenging targets to increase our realized margin over benchmark margins, whether in a low or high margin situation, which improves SPRC’s competitiveness.



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 assessed for the economic feasibility to develop project opportunities or mitigation plans for each of these items to ensure compliance.

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. Throughout our value chain, we take into account the impact on stakeholders, society and the environment per our sustainable development aspiration “We do everything with Care and Responsibility”. The company has established sustainability practices in each dimension, including business strategies. [Additional details can be found in the 2022 Sustainability Report.](#)

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. [Additional details can be found in the 2022 Sustainability Report.](#)

3.2.1 Business value chain

[Additional details can be found in the 2022 Sustainability Report.](#)

3.2.2 Analysis of stakeholders in business' value chain

[Additional details can be found in the 2022 Sustainability Report.](#)

3.3 Sustainable management in Environmental Dimension

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. In 2022, SPRC had initiatives to improve energy efficiency and reduce greenhouse gas emissions in the entire production process. We can reduce the amount of greenhouse gas emissions 8,404 Tons of CO₂ equivalent per year. [Additional details can be found in the 2022 Sustainability Report](#)

3.3.1 Sustainable Environmental Management Policy and Procedure

[Additional details can be found in the 2022 Sustainability Report.](#)

3.3.2 Operation performance for Environmental Dimension

[Additional details can be found in the 2022 Sustainability Report.](#)

3.4 Sustainable management in Social Dimension

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. In 2022, SPRC



continued to develop employees' potential in line with business changes as well as continued creating a culture of agility and learning along with opportunities to serve society. SPRC received a Corporate Social Responsibility Excellence Recognition Award in 2022 from the American Chamber of Commerce in Thailand (AMCHAM). SPRC set a target for 50% of our employees to take part in social responsibility activities and community activities and exceeded that as 52% of employees participated in social responsibility activities. Due to the crude oil spill at single point mooring (SPM) on January 25, 2022, the company has expanded our the area of social responsibility activities and engagement with stakeholders to cover areas affected by such events, thus receiving a 77% community engagement score. [Additional details can be found in the 2022 Sustainability Report.](#)

3.4.1 Sustainable Social Management Policy and Procedure

[Additional details can be found here click link](#)

3.4.2 Operation performance for Social Dimension

[Additional details can be found in the 2022 Sustainability Report.](#)



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)		
	2022	2021	+ / (-)	2022	2021	+ / (-)
Total Revenue	8,097	5,350	2,747	285,264	172,484	112,780
EBITDA	361	275	85	12,513	8,769	3,745
Adjusted EBITDA ⁽¹⁾	433	82	352	15,067	2,533	12,534
Exchange (loss)/gain	6	(2)	9	207	(74)	282
Net gain/(loss)	222	150	73	7,674	4,746	2,927
Net gain/(loss) (US\$ / Baht per share)	0.05	0.03	0.02	1.77	1.09	0.68
Accounting gross refining margin (US\$/barrel) ⁽²⁾	9.22	7.50	1.72	9.22	7.50	1.72
Market gross refining margin (US\$ per barrel) ⁽³⁾	9.64	3.66	5.98	9.64	3.66	5.98

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

⁽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 2021-2022.

US\$ Million		
Petroleum products ⁽¹⁾	2022	2021
Polymer Grade Propylene	112	133
Liquefied Petroleum Gas	160	132
Light Naphtha	292	226
Gasoline	2,305	1,790
Jet Fuel	488	91
Diesel	3,559	2,301
Fuel Oil	251	145
Asphalt	86	51
Mix C4	202	163
Crude	190	2
Others ⁽²⁾	451	316
Total Revenue	8,097	5,350

⁽¹⁾ Includes Government LPG and oil subsidies.

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

SPRC had sale revenue of US\$8,097 million in 2022, increased from US\$5,350 million in 2021 or equivalent to 51%. An increase in the global oil price and rising product crack spreads in 2022 led to increased sales revenue. Furthermore, sales volumes of petroleum products increased significantly, from 56.0 million barrels in 2021 to 65.8 million barrels in 2022, as a result of recovering product demand and increased mobility following the relaxation of COVID-19 restrictions.

In 2022, the company sold its petroleum products based on sale revenue to Chevron, PTT & PTTOR and other oil and petrochemical companies in the proportion of 41%, 46% and 13%, 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 2020-2022 the company had an average collection period from 17.9 to 22.7 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, 2022 cost of sales increased from 2021 due to the global increase in oil price.

Other income

Other income is mainly comprised of service income, interest income from deposit accounts, and export tax subsidy.

The amount of other income in 2022 was approximately the same as in 2021.

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 2022 to 2021, there was a foreign exchange gain in 2022 as opposed to an exchange loss in the prior year. Baht against US\$ slightly depreciated in 2022 and 2021. 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 2022 with 2021, administrative expenses in 2022 were significantly higher mainly due to the expenses and provision related to oil spill incident, while in 2021 SPRC had a reversal of an accrual expense of US\$5.9 Million and effective operating expense control.

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 slightly in 2022 compared to 2021 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 profit before tax in 2022 of US\$278 million. The deferred income tax on operating loss carries forward since 2019 and 2020 was utilized by operating income in 2021 and 2022.



Analysis of Financial Position

	US\$ Million			Baht Million		
	2022	2021	+/(−)	2022	2021	+/(−)
Total Assets	1,817	1,748	69	63,288	58,726	4,562
Total Liabilities	708	725	(17)	24,581	24,355	226
Total Shareholders' Equity	1,110	1,023	86	38,707	34,371	4,336

Assets

Total assets as of 31 December 22 increased by US\$69 million (Baht 4,562 million) from 31 December 21.

Total current assets increased US\$127 million (Baht 5,527 million) mainly due to:

- an increase in inventory of US\$193 million (Baht 7,276 million) mainly from increasing of inventory volume to support higher crude run and increase in strategic reserve from 4% to 5%; and
- an increase in trade and other receivables of US\$19 million (Baht 1,109 million) due to higher product selling price and higher outstanding oil fuel fund subsidy in December 22 comparing to December 21; but partly offset by
- a decrease in cash and cash equivalent of US\$85 million (Baht 2,869 million) due to net cash used in financing activities, mainly from dividend payments to shareholders of US\$136 million (Baht 4,936 million), repayment of long-term borrowings of US\$143 million (Baht 5,033 million), and to support higher working capital, which was partly offset by net cash generated from operating activities.

On the contrary, non-current assets decreased US\$58 million (Baht 965 million) mainly due to a decrease in property, plant and equipment of US\$66 million (Baht 1,483 million) due to depreciation expenses 2022, and a decrease in deferred tax assets of US\$28 million (Baht 922 million) from the utilization of operating loss carryforward from profit in 2022.

Liabilities

Total liabilities as of 31 December 22 decreased US\$17 million (but increase Baht 226 million from currency translation) from 31 December 21. The decremental was mainly from:

- a decrease in trade and other account payables of US\$48 million (Baht 1,180 million) from timing of crude payment in December 22 comparing to December 21; and
- a decrease in Excise tax payable of US\$17 million (Baht 544 million) from government reduction in excise tax rate of diesel since February 22 to control the selling price; but partly offset by
- an increase in other current liabilities from short-term provision relating to oil spill incident of US\$7 million (Baht 242 million); and
- an increase in S-T borrowing of 189 million (Baht 6,562 million) to support working capital, but partly offset by a decrease in L-T borrowing of US\$149 million (Baht 4,886 million) from repayment in 2022.

Shareholders' Equity

Shareholders' equity as of 31 December 22 increased US\$86 million (Baht 4,336 million) from 31 December 21 resulting from the net profit in 2022 offset by dividend payment.

Statement of Cash Flow

	US\$ Million		Baht Million	
	2022	2021	2022	2021
Net cash generated (used) in operating activities	13	121	156	3,782
Net cash (used) in investing activities	(8)	(3)	(278)	(103)
Net cash (used) generated from financing activities	(91)	(85)	(3,298)	(2,844)
Net increase (decrease) in cash and cash equivalents	(86)	33	(3,421)	835
Cash and cash equivalents at the beginning of the period	88	54	2,945	1,635
Adjustments from foreign exchange translation	1	1	551	475
Cash and cash equivalents at the end of the period	2	88	76	2,945

SPRC cash and cash equivalents was US\$2 million at the end of December 2022, decreased from US\$88 million at the end of December 2021.

Details of cash flow activities in 2022 are as follow.

- a) Net cash generated from operating activities of US\$13 million (Baht 156 million) which was primarily due to:
 - a. Cash generated from 2022 net profit of US\$222 million (Baht 7,674 million) from strong refining margin and non-cash items of US\$110 million (Baht 3,733 million); Cash generated was partly offset by
 - b. Cash used in operating liabilities of US\$71 million (Baht 2,490 million) mainly from a decrease in trade and other payables US\$47 million (Baht 1,673 million) from timing of crude payment, and a decrease in other current liabilities of US\$22 million (Baht 792 million) mainly from the lower Excise tax rate on diesel to control the retail price in December 22 compared to December 21; and
 - c. Cash used in operating assets of US\$249 million (Baht 8,762 million). The increase both in oil price and volume due to higher strategic reserve also gave rise to an increase in inventory US\$235 million (Baht 8,278 million) and an increase in trade and other receivables of US\$16 million (Baht 549 million) from higher selling price and an increase in outstanding oil fuel fund subsidy.
- b) Net cash used in investing activities of US\$8 million (Baht 278 million) mainly in reliability and environmental projects.
- c) Net cash used in financing activities of US\$91 million (Baht 3,298 million) for the principal repayment of long-term borrowings of US\$143 million (Baht 5,033 million) and dividend payment of US\$136 million (Baht 4,936 million), partially offset by proceeds of short-term borrowing of US\$188 million (Baht 6,672 million) to support the increase in working capital.



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 2022 with 2021, SPRC's financial performance in 2022 was significantly improved from the previous year; sales revenue increased 51% due to a significant increase in oil prices and an increase in sales volume from activity resumption. Higher EBITDA and earnings in 2022 compared to 2021 are a result of a strong refining margins and improving domestic demand. NIAT in 2022 was US\$222 million, while US\$150 million in 2021. Excluding stock gain or loss, the 2022 market gross refining margin significantly improved to US\$9.64/bbl, compared to US\$3.66/bbl in 2021. This was, due to the high product crack spreads, mainly in middle distillate, which was partially offset by the higher crude premium and ship-to-ship cost from the SPM incident.

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 2021 and 2022 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 2022 and expressed that it present fairly, in all material respects, the financial position of the Company as of 31 December 2022, 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 2022 is Baht 2,955,000.



4.3.2 Summary of financial statement

Statement of Financial Positions

As at 31 December	US\$ Million			Baht Million		
	2022	2021	2020	2022	2021	2020
Assets						
Current assets						
Cash and cash equivalents	2	88	54	76	2,945	1,635
Trade and other receivables	413	394	282	14,328	13,219	8,515
Inventories, net	684	491	300	23,762	16,486	9,052
Other current assets	3	2	4	92	81	121
Total current assets	1,102	975	640	38,258	32,731	19,323
Non-current assets						
Prepaid income tax	39	1	6	1,513	22	178
Derivative assets	-	-	5	-	-	139
Property, plant and equipment, net	655	721	800	22,735	24,219	24,156
Intangible asset, net	3	3	3	113	93	93
Deferred tax assets	16	44	81	566	1,488	2,438
Other non-current assets	3	5	7	104	174	215
Total non-current assets	716	774	901	25,030	25,995	27,218
Total assets	1,817	1,748	1,541	63,288	58,726	46,541
Liabilities and shareholders' equity						
Current liabilities						
Short-term borrowings from financial institutions	189	-	-	6,562	-	-
Current portion of long-term borrowings from financial institutions	91	139	46	3,168	4,680	1,380
Trade and other payables	368	416	259	12,780	13,961	7,821
Derivative liabilities	14	-	-	493	-	-
Value added tax payable	-	5	11	-	180	323
Excise tax payable	19	36	40	655	1,199	1,206
Short-term provision	7	-	-	242	-	-
Other current liabilities	0	0	0	4	12	10
Total current liabilities	688	596	356	23,904	20,031	10,740
Non-current liabilities						
Derivative liabilities	-	9	-	-	307	-
Long-term borrowings from financial institutions	-	100	293	-	3,374	8,857
Employee benefit obligations	19	19	17	677	644	517
Total non-current liabilities	19	129	310	677	4,324	9,374
Total liabilities	708	725	666	24,581	24,355	20,114
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	125	39	(109)	7,333	4,596	(108)

Other component of shareholders' equity	-	-	-	(2,608)	(4,207)	(7,447)
Total shareholders' equity	1,110	1,023	875	38,707	34,371	26,427
Total liabilities and shareholders' equity	1,817	1,748	1,541	63,288	58,726	46,541

(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		
	2022	2021	2020	2022	2021	2020
Sales	7,982	5,284	4,134	281,299	170,331	129,599
Liquefied Petroleum Gas and fuel subsidies	114	66	18	3,966	2,154	565
Total revenue	8,097	5,350	4,152	285,264	172,484	130,163
Cost of sales	(7,736)	(5,133)	(4,370)	(272,833)	(165,598)	(137,169)
Gross profit (loss)	361	217	(218)	12,432	6,886	(7,006)
Other income	2	2	2	63	62	71
Gain on exchange rate	11	11	10	376	359	320
Fair value (loss) gain on derivatives	(5)	(14)	5	(169)	(433)	144
Profit (loss) before expenses	369	217	(201)	12,702	6,874	(6,471)
Administrative expenses	(82)	(24)	(29)	(2,791)	(749)	(911)
Other expenses	-	-	(0)	-	-	(1)
Finance costs	(9)	(7)	(6)	(316)	(212)	(177)
Profit (loss) before income tax	278	186	(235)	9,594	5,913	(7,560)
Income tax	(56)	(37)	48	(1,921)	(1,166)	1,555
Profit (loss) for the year	222	150	(187)	7,674	4,746	(6,005)
Other comprehensive income						
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Currency translation differences	-	-	-	1,599	3,240	227
Remeasurement of employee benefit obligations	-	(1)	-	-	(42)	-
Other comprehensive income for the year, net of tax	-	(1)	-	1,599	3,197	227
Total comprehensive income for the year	222	148	(187)	9,273	7,944	(5,778)
Basic earnings (loss) per share	0.05	0.03	(0.04)	1.77	1.09	(1.38)



Statement of Cash Flows

	US\$ Million			Baht Million		
	2022	2021	2020	2022	2021	2020
Cash flows from operating activities						
Profit (loss) before income tax	278	186	(235)	9,594	5,913	(7,560)
Adjustments for:						
Finance income	(0)	(0)	(0)	(3)	(3)	(1)
Finance costs	9	7	6	316	212	177
Depreciation	73	81	88	2,557	2,602	2,783
Amortisation	1	1	2	46	42	49
Loss from disposal and write-off of fixed assets and intangible assets	-	-	0	-	-	1
Gain from foreign exchange rate	(10)	(17)	(1)	(350)	(557)	(38)
Fair value loss (gain) on derivatives	5	14	(5)	169	433	(144)
Loss (reversal) on obsolete materials and supplies	0	1	1	16	29	27
Loss (reversal) write down of inventory to net realizable value	41	-	(2)	1,455	-	(55)
Short-term provision	7	-	-	242	-	-
Retirement benefit expenses	2	2	1	58	73	33
Change in operating assets and liabilities						
Trade and other receivables	(16)	(111)	(45)	(549)	(3,578)	(1,425)
Inventories	(235)	(192)	290	(8,278)	(6,178)	9,122
Other current and non-current assets	2	3	12	65	109	384
Trade and other payables	(47)	157	(186)	(1,673)	5,043	(5,857)
Retirement benefit paid	(1)	-	-	(24)	-	-
Other current and non-current liabilities	(22)	(9)	19	(792)	(303)	612
Cash generated (used in) from operations	87	122	(55)	2,848	3,836	(1,891)
Interest received	0	0	0	3	3	1
Interest paid	(9)	(7)	(6)	(319)	(213)	(174)
Income tax return received	-	6	19	-	173	621
Income tax paid	(65)	(1)	(0)	(2,377)	(17)	(5)
Net cash generated (used in) from operating activities	13	121	(42)	156	3,782	(1,448)
Cash flows from investing activities						
Purchases of fixed assets and intangible asset	(8)	(3)	(11)	(278)	(103)	(350)
Net cash used in investing activities	(8)	(3)	(11)	(278)	(103)	(350)
Cash flow from financing activities						
Net (repayment) proceeds from short- term borrowings from financial institutions	188	-	(218)	6,672	-	(6,892)
Proceeds from long-term borrowings from financial institutions	-	-	340	-	-	10,735
Repayment of long-term borrowings	(143)	(85)	(8)	(5,033)	(2,844)	(226)
Dividends paid to shareholders	(136)	-	(8)	(4,936)	-	(271)
Net cash (used in) generated from financing activities	(91)	(85)	106	(3,298)	(2,844)	3,346
Net increase (decrease) in cash and cash equivalents	(86)	33	53	(3,421)	835	1,549

Cash and cash equivalents at the beginning of year	88	54	1	2,945	1,635	20
Adjustment from foreign exchange translation	1	1	0	551	475	66
Cash and cash equivalents at the ending of year	2	88	54	76	2,945	1,635
Non-cash item						
Acquisitions of equipment and intangible assets which have not been paid	0	0	0	9	9	3

4.3.3 Financial Ratios

		Year Ended December 31		
		2022	2021	2020
Liquidity Ratio				
Current Ratio	(Time)	1.6	1.6	1.8
Quick Ratio	(Time)	0.6	0.8	0.9
Cash Flow Ratio ⁽¹⁾	(Time)	0.0	0.3	(0.1)
Account Receivable Turnover	(Time)	20.1	15.8	16.0
Average Collection Period ⁽²⁾	(Day)	17.9	22.7	22.5
Inventory Turnover ⁽³⁾	(Time)	13.2	13.0	9.8
Average Sales Period ⁽²⁾	(Day)	27.3	27.7	36.6
Account Payable Turnover	(Time)	19.7	15.2	12.4
Payment Period ⁽²⁾	(Day)	18.2	23.7	29.1
Cash Cycle	(Day)	27.0	26.8	30.0
Profitability Ratio				
Gross Profit Margin	(%)	4.5	4.1	(5.2)
Operating Profit Margin ⁽⁴⁾	(%)	3.5	3.7	(5.9)
Other Profit Margin ⁽⁵⁾⁽⁶⁾	(%)	0.1	(0.0)	0.3
Cash Profit Margin ⁽¹⁾⁽⁴⁾	(%)	4.6	61.9	17.1
Net Profit Margin ⁽⁵⁾	(%)	2.7	2.8	(4.5)
Return on Equity	(%)	20.9	15.8	(19.2)
Efficiency Ratio				
Return on Total Assets	(%)	12.5	9.1	(11.2)
Return on Fixed Assets ⁽⁷⁾	(%)	43.1	30.5	(11.6)
Assets Turnover ⁽⁵⁾	(Time)	4.5	3.3	2.5
Leverage Ratio				
Net Debt to Equity ratio	(Time)	0.6	0.7	0.8
Interest Coverage ratio (Accrue basis)	(Time)	32.5	29.2	(40.8)
Debt Services Coverage ratio (cash basis) ⁽¹⁾	(Time)	1.2	2.0	(3.1)
Dividend Payout Ratio ⁽⁸⁾	(%)	60	16	N/A*

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 2020

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 (2020 - 2022), 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 2022, 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 inventory of US\$ 193 million (Baht 7,276 million) and an increase in trade and other receivables of US\$ 19 million (Baht 1,109 million) from an increase in fuels subsidy receivable of US\$36 million (Baht 1,271 million) due to subsidized diesel and LPG price by the government but was partially offset by a decrease in cash and cash equivalents of US\$ 86 million (Baht 2,869 million). Current liabilities increased from an increase in short-term borrowings of US\$189 million (Baht 6,562 million) to support the increase in working capital, partially offset by a decrease in current portion of long-term borrowings of US\$48 million (Baht 1,512 million) as reclassifying from long term borrowings per loan repayment schedule, and a decrease in trade and other account payables of US\$48 million (Baht 1,181 million) from timing of crude payment.

Quick ratios during 2020 - 2022 were less than one, and lower than the current ratios due to the exclusion of inventory from the calculation. Quick ratios decreased in 2022 compared to 2020 and 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. All turnover ratios increased in 2022 compared to the previous year, primarily due to the increase in sale revenue and cost of sale from high average oil price during the year but close lower at the end of the year, resulting in the lower in both average collection period and average payment period in 2022, while cash cycle approximated the same at 27 days in both 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 2022 were better than the previous year, which was impacted by a strong refining margin and improving domestic demand despite a high crude premium and additional ship-to-ship cost. However, cash profit margin decreased in 2022 as high margin was offset by higher working capital and resulted to lower cash generated from operating activities.

Efficiency Ratio

Key efficiency ratios are return on total assets and return on fixed assets. These ratios were higher than the previous year, which was impacted by a higher refining margin than the previous year and the increase in oil prices reflecting the strong demand recovery while limited supply.

Leverage Ratio

Debt-to-equity ratio from 2020 to 2022 is equivalent to around 0.6 to 0.8. Debt slightly decreased in 2022 due to repayments of long-term borrowings, partially offset by proceeds of short-term borrowing to support the increase in working capital. Equity in 2022 increased from 2021 due to a significant gain, partially offset by paying the dividend during the year.

The interest coverage ratio was increased in 2022 due to increased net profit before interest and tax (EBIT) from improved refining margin, despite higher finance costs. The ratio was negative in 2020 due to negative EBIT.

Despite higher refinery margin and EBITDA in 2022, debt service coverage ratio in 2022 decreased from 2021, due to higher debt service from additional short-term borrowings, mainly to support the increase



in inventory on higher refinery crude run and increase strategic reserve. The ratio was negative in 2020 as a result of negative EBITDA.

5. General Information and Reference

5.1 General Information

Name

Star Petroleum Refining Public Company Limited

Initial

SPRC

Business

Founded in 1992, SPRC is one of the leading petroleum product producers and oil refiner in Thailand and the Asia Pacific region. SPRC owns and operates a complex refinery with a capacity 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.

Our unique configuration and flexibility in production enables us to produce more gasoline compared to other Thai refineries.

Registration number

0107555000155

Address

No.1, I-3B Road, Map Ta Phut, Muang Rayong, Rayong 21150

Tel: +66 (0) 38 699 000

Fax: +66 (0) 38 699 999

Website

www.sprc.co.th

Listing Date

Trading commencement on 8 December 2015

Capital As of 31 December 2022

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

548 persons (as of 31 December 2022)

Investor Relations

Telephone number: +66 (0) 38 699 887

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

Email: ir@sprc.co.th

Reference

Securities Registrar

Thailand Securities Depository Co., Ltd.

93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand



Tel: +66 (0) 2 009 9000,
 +66 (0) 2 009 9999 (SET Contact Center)
 Fax: +66 (0) 2 009 9991
 Website: www.set.or.th/tsd
 E-mail: SETContactCenter@set.or.th

External Auditor

PricewaterhouseCoopers ABAS Ltd.

15th Floor Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120, Thailand

Tel: +66 (0) 2 844 1000

Fax: +66 (0) 2 286 5050

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 quarter of 2022, a number of people in Rayong and government agencies filed lawsuits with the Rayong Provincial Court and the Rayong Municipal Court against the Company to claim compensation and damages from the oil spill incident, including loss of profit, costs related to the eradication of the pollutants, damages incurred to the environment and natural resources, and costs for setting up environmental rehabilitation projects and studies for the monitoring of potential impact on the environment and natural resources as a result of the oil spill incident. The total amount of claims of all of the complaints filed against the Company is approximately THB 560 million. The Company has

already settled with some plaintiffs, those who withdrew the claims, some cases are in the negotiation process for settlement, while some claims are still pending for the court's consideration.

In addition, the Central Administrative Court summoned the Company to be the interpleader in the administrative case filed against the government authorities by the Stop Global Warming Association and the other plaintiffs. The plaintiffs requested that the Central Administrative Court order the relevant government agencies to cancel or revoke the Company's license to operate the marine terminal, oil pipeline transportation and a single point mooring system, to order the Company to set new measures as the 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 Company's marine 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

A stylized signature in blue ink, appearing to read "Lubman".

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, and care for the best interests of the Company and its shareholders; and monitor to ensure the Management operates business in accordance with the strategic plan and budget determined, and rules and regulations of the relevant authority and government agencies, as well as the resolutions of the shareholders meeting. The Board of Directors has also put in place an internal control process that is appropriate and consistent with good corporate governance principles.

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. 1/2022 on 22 February 2022, the NRCG considered the directors' remuneration package for year 2022 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 2022 approved the director's remuneration for monthly fees and meeting allowances for Board of Directors meetings and committee meetings for year 2022 at the same rate as in 2021 as follows;

Compensation for the Board of Directors for 2022		
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 2022	
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 2022	
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 2022	
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.

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

For related party transactions, the Chief Executive Officer has the authority to execute related party transactions in the name of the Company, with a limit not exceeding Baht 10 million. The related party transactions with a value greater than Baht 10 million are subject to the Audit Committee's review and the Board's approval. For the related party transactions with regard to the current and future purchase, sale, and exchange of crude oil, raw materials, intermediate products, and finished products, the Chief Executive Officer has the authority to execute such related party transactions if the term does not exceed 12 months. Additionally, the Chief Executive Officer has the authority to approve overruns of approved Company's operating expense and capital expenditure budgets, which the overrun shall not exceed 10 percent of the Board approved budget.

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.

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. For a director who has been appointed to be a director or nominated to be a member of a sub-committee less than 6 months is not required to do the self-assessments. 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 2022, the Company had one shareholder meeting. The Company held the 2022 Annual General Meeting of Shareholders (AGM) on 8 April 2022. Since COVID-19 pandemic was continuing to rise, the government asked the private sectors to be cautious in hosting activities that includes the gathering of a large number of people. In order to prevent the spread of COVID-19 and for public safety and health, the Company decided to arrange the 2022 AGM via electronic media (e-AGM) in accordance with the Emergency Decree on Electronic Meeting B.E. 2563 and 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 2022 AGM, the shareholders considered and voted on the approval of the financial statements year-ended 31 December 2021, appointment of directors, approval of director remuneration package, appointment and remuneration for auditors, and declaration of annual dividend payment.

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 7 March 2022 and sent notification to all shareholders via registered mail on 17 March 2022. Additionally, the Company published the notice of shareholders meetings in both Thai and English language newspapers for 3 consecutive days at least 3 days prior to the meeting.

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

The notice of shareholders meetings contains details on;

- date, time, venue and map of the meeting
 - The 2022 Annual General Meeting of Shareholders was held on 8 April 2022 at 9:00 a.m. 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 as of 16 March 2022 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.

At the shareholder meeting, the Company had a legal advisor from Baker & McKenzie Ltd. to monitor the registration and the vote counting. Since it was the e-AGM, 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 on 22 April 2022 (within 14 days from the date of the meeting).

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 22 September 2022.



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 23 September 2022, 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 2023.

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.

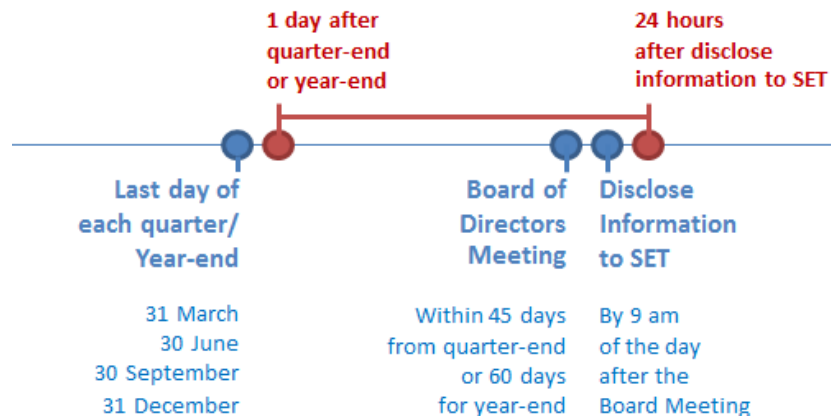
- The Board of Directors appointed the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) as authorized persons to disclose SPRC's material information to the SET and to the public, and to be authorized spokespersons to provide SPRC's information to the media, analysts and investors.
- 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.

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- 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 take 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 ground of health, so long as such 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 prioritizes 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 2022 was another challenging year for the Company, the Company remains committed to employee’s safety and employees’ morale as our highest priority. To ensure the Company maintains smooth operations in face of these challenges, the Company managed the COVID-19 pandemic by only permitting staff relating to the production process to enter the refinery while those who were not involved with the production process worked from home. The Company received great cooperation from employees who participated in the emergency response of the oil spill incident in January, during which time, Company provided PPE and conducted training that met international standards to ensure understanding of process and operational safety by all responders. Due to the 24-hour nature of the response, the Company provided free food, beverage, and accommodation for all employees and relevant responders and provided 24-hour on site ambulance in case of emergency.

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, and for strengthening workforce culture.
- Virtual Town Hall and Together We Talk: virtual staff meetings to communicate and provide regular Company updates.
- CEO Message: Communicating news and announcements from the CEO via e-mail.
- During the COVID-19 restriction period, the Company provided foods and fruits for the staff who was required to work at the office to ensure hygiene and reduce risks to employees.
- Virtual HR Visit: HR team virtual visits provided news and updates, monitored the welfare of employees and ensured employees had the help they may need as a result of working from home and to answer any questions they may have.
- 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.
- Following the lifting of COVID-19 restrictions, the Company deployed a “Hybrid Work ” model for employees who are non-essential for on-site operations. This model allows



employees to work from home on Mondays and Fridays and work in the office during Tuesdays – Thursdays.

- Organize both in-class trainings and online virtual trainings as suitable to ensure that employees receive effective and ongoing training and development.
 - Conducted online seminar on “Happy Money – Happy Retirement” by speakers from the SET to educate employees on finances and savings.
 - Following the lifting of COVID-19 restrictions, the Company organized internal sport tournaments such as Walk Fun Run activity, Company Table Tennis and Football competitions.
 - Organized On-boarding Program involving more than 70 new employees who joined SPRC over the past two years since the start of the COVID-19 pandemic.
 - Organized employees’ children scholarship award presentations for IIIF Scholarships, Long Service Awards, Management and Employee Farewell for retired employees, New Year Party (joined by employees’ family members) etc. to thank all the employees who were a part of Company’s success.
- **Safety:** The safety of all employees, contractors, business partners, and other stakeholders is always the Company’s top value. The Company expects everyone to “Go Home Safely every day”. New employees and contractors must attend a full day safety training including safety induction program and Incident & Injury Free (IIF) Orientation program, which is scheduled on every Monday and Thursday, and aligned with their first day starting work at the Company. In 2022, we conducted 55 sessions with approximate 2,000 participants attended this program.

As an attempt to embed IIF culture into every family member in SPRC, we always begin the meeting with “Safety Incident and Injury Free (IIF) Moments” which we share and learn about the safety & reliability cases/incident/learning either on the job or off the job. Everyone working on our premises, including both staff and contractors, has right to exercise “Stop Work Authority”, if they feel unsafe. They are empowered to either stop themselves or stop others from an activity until the risk can be properly managed.

The Company has set up relevant working teams with clear roles and responsibilities in addition to the EHS committee, which is a regulatory requirement. These teams have, implemented various programs and activities to support safety and reliability awareness of all stakeholders both during work and at home, i.e., PSM Promotion team (PSPT), Off the job and driving safety, Incident and Injury Free leadership team (IIFLT), IIF and recognition and Promotion (I-RAP) team. For instance, from our safety statistics we realized that incidents or injuries were more likely to occur off the job, outside working hours. Therefore, we set up Off the Job Safety and Driving Safety team to understand the mode of injury off the job. We then developed the promotion program to raise awareness of members to stay safe 24 hours a day through a variety of activities, for example, we arranged “Care life & drive safely” event before long public holidays to raise awareness of our members as they have tendency to travel long distance and prone for incident during the periods.

During COVID-19 pandemic from 2020 to 2022, the Company set up COVID-19 crisis management team (CMT) to provide oversight, as well as monitor and develop COVID-19 disease preparedness measures to control and mitigate the disease and ensure ongoing safe and reliable operations of the company without interruption. We slightly expand our existing IIF scope to cover infection from COVID-19 disease and call it “Incident, Injury and Infection Free (IIIF) program. Many preventive measurements were implemented such as promotion of 3W (Wear -Wash – Watch), COVID-19 personnel screening process, Close Contact Tracing (CCT) program that enabled the

identification of potential infected persons so they could isolate from others, developed screening process, created online self-declaration, enforced travel restriction which was in line with Thailand MOPH announcement, on site restriction to segregate essential and non-essential to Operations worker, set up and promoted “work from home” for non-essential to operations staff, utilized technology to support online meetings and training, conducted COVID-19 emergency exercise, maintained communication with all family members including employees and contractors, as well as provided COVID-19 vaccines and boosters as a means to develop strong immunity against the deadly disease, etc. As a result of this, SPRC successfully achieved our goal of no internal COVID-19 transmission with safe and reliable operations until Thailand’s MOPH announced COVID-19 post-pandemic on October 1st, 2022.

- **Remuneration and Benefits:** The Company has put in place appropriate remuneration policies for employees at all levels.

- o 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.

- o 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 anytime 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 2022, the average employee training was 35 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 through exercise so that management, employees, and contractors may build relationships over joint interests through participating in Employee Recreational Clubs, of which there are currently 16 clubs.

The Company arranged for the provision of 3rd Booster dose of COVID-19 vaccines for all employees and their family members.

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.

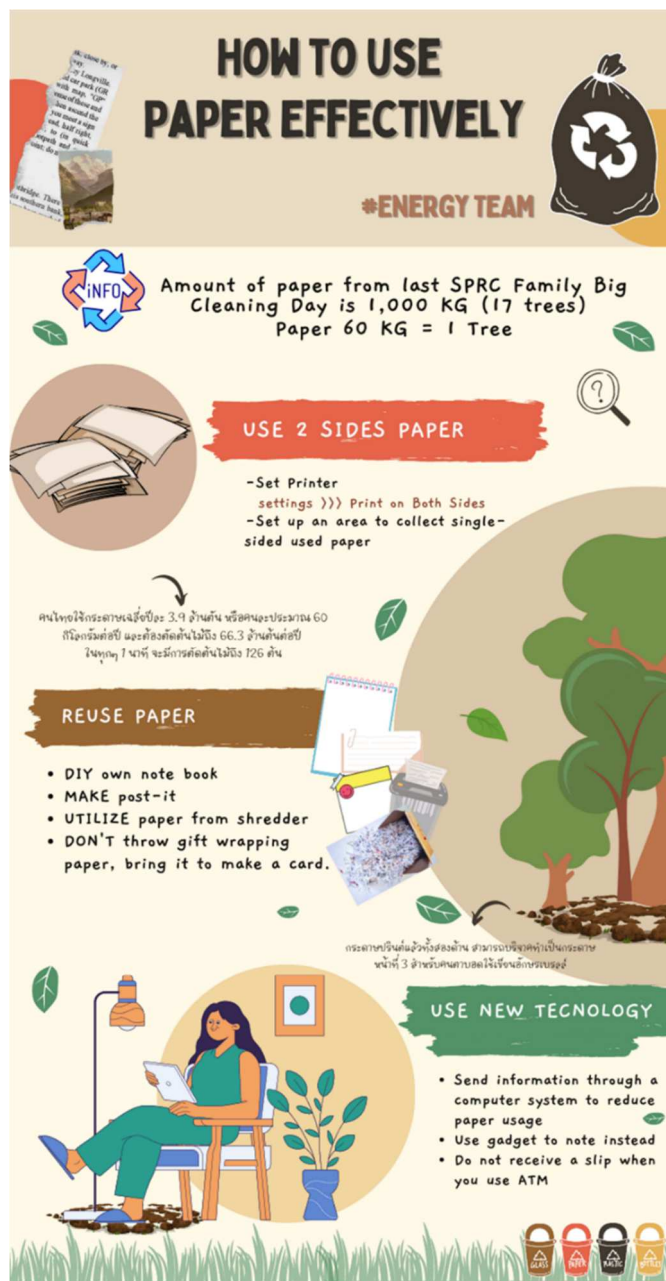
3. The Company has established an energy conservation policy that is widely publicized and communicated throughout the organization to achieve effective and efficient energy usage within its business operations, minimize energy consumption, and care for the environment.
4. The Company conducted assessments 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 2022, the Company has 4 electrical energy management projects and 2 thermal energy projects that were intended to save energy consumption and reduce environmental impacts. (See detail in the Sustainability Development Report)

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

- Energy conservation for large air conditioning systems
- Energy conservation for compressed air systems
- Energy conservation for motors





The Company has publicized energy conservation initiative regarding the efficient use of paper via e-mail and video clips to all employees to raise awareness surrounding energy conservation.

Each year, the Company would prepare an Energy Management System Report that is reviewed and certified by Company's authorized signatory and third party auditors, then submitted to the Director General in accordance with the rules and regulations as may be announced by the Minister of Energy.

• **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.

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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.

In 2022, 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 Company was able to oversee and manage the supply of its products to respond to changing circumstances in 2022 from: demand recovery following the improved COVID-19 situation and the relaxation of COVID-19 infection prevention measures; the war between Russia and Ukraine; and, maintenance shutdowns of some of the other domestic refineries during the third quarter. This allowed the Company to procure and deliver products to meet the increasing needs of customers during the period when the demand for the products, especially diesel products, was high. The Company worked closely with customers and the government to achieve flexibility to respond to the situation in ways that promoted mutual benefits to all stakeholders.

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.

In the year 2021-2022, the company worked with external consultants on a project to enhance the Company's supply chain management to be more efficient by improving work processes and tools, and by increasing knowledge and competency of personnel, including, the ability to operate sustainably. The project was completed in mid-2022.

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 2022, the Customer Index averaged 29.6 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 and were able to procure uninterrupted supply to customers.

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

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 \(sprc.co.th\)](#)

With regard to social and community development, we continue to focus on the stakeholder engagement to establish sustainability through various ongoing programs, which show sincerity in the responsibility and concern of the company to the community and society by focusing on 4 key areas; education and youth, quality of life, environment and community relationship.

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

Information disclosure is a key aspect of good corporate governance. The Board of Directors oversees and values the importance of the information disclosed to the Stock Exchange of Thailand (SET) as well as to the shareholders. The information must be accurate, sufficient, timely, and equally available to all parties. In addition, the 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 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).

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.

Due to the COVID-19 situation, the activities in 2022 were mostly arranged in the forms of virtual conferences or online meetings and interactions with the investors were through telephone and email correspondences. The Company successfully delivered the 56-1 One Report, Investor Relations document and Company's information through various channels including the Company's website – IR section, and the virtual formats for conference, performance presentation for shareholders, investors, analysts, fund managers, bankers by holding analyst meetings on quarterly basis and roadshows with investors. The Company also participates in a quarterly Opportunity day organized by the SET for retail investors. Moreover, the Company has a Corporate Affairs Department to disseminate corporate information to media through local and international press releases when there is an important business activity.

Details of Investor Relations activities to disclose information to international and local investors, institutional investors, retail investors, analysts, fund manager and press in 2022 are as listed in the table:

Activities (Normal and Virtual format)	Number (times)
Analyst Meetings	5
Opportunity Day (organized by the SET)	4
Digital roadshows (organized by the SET)	2
Domestic roadshows	10
International roadshows	17
Answering Inquiries by E-mail/telephone	Approx. 3-5 times/day
Press Release on the Company's performance	4

The Company provides information and news to the Stock Exchange of Thailand (SET). Interested persons may look up this information on the SET website www.set.or.th and the Company's website at www.sprc.co.th. 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. Joni M. Shaw Investor Relations and Corporate Planning Manager
- Ms. Chutathip Pachayanukul 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 the 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 the a qualification of an independent director froman 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.

In 2022, 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.

6.3.2 Other measures regarding the good Corporate Governance principle

For 2022, 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, the Board of Directors considers the current practice 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 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 2022, 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.

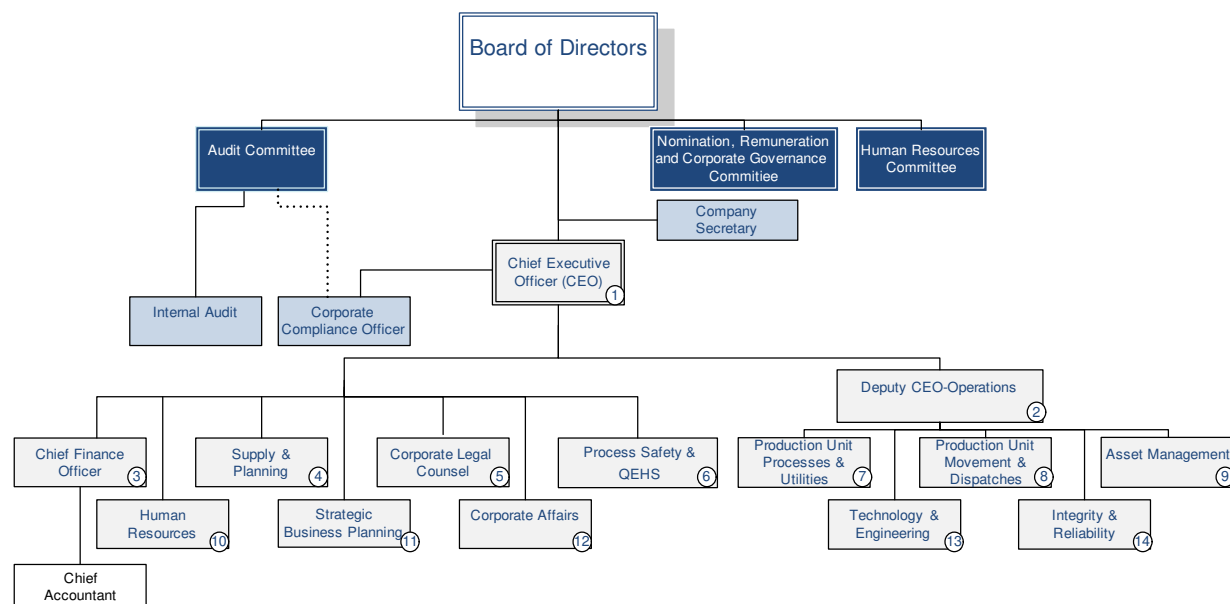
Moreover, on 1 December 2022, the Company received ASEAN Corporate Governance Scorecard Award in ASEAN Asset Class PLCs (Thailand). This is an assessment and rating of corporate governance of the listed companies in 6 countries ASEAN (Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam). There is a total of 234 listed companies from 6 countries that earned this award.



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 2022



No.1-14 are the leadership team according to the definition of management as defined by the Capital Market Supervisory Board. Chief Executive Officer, No. 1 is the highest position in leadership team.

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.

In 2022, the Board of Directors was comprised of 8 directors. 7 out of 8 are non-executive directors (87.5% of total Board members), 4 out of 8 are independent directors (50.0% of total Board members), and 1 Executive director, who is the CEO (12.5% of total Board members). However, Dr. Verapong Chaiperm resigned from the Company's independent director with effective date on 1 September 2022. Therefore, as of 31 December 2022, the Company has 7 directors remaining.

Star Petroleum

Director's name (As of 31 December 2022)		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. Brian Monaco Sutton	-	✓	-
6.	Mr. Robert Joseph Dobrik	✓	-	-
7.	Mr. Ranga Rama Kumar Sreeramagiri	-	✓	-

Ms. Kamonwan Wipulakorn, Mr. Pliu Mangkornkanok, Dr. Verapong Chaiperm 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.

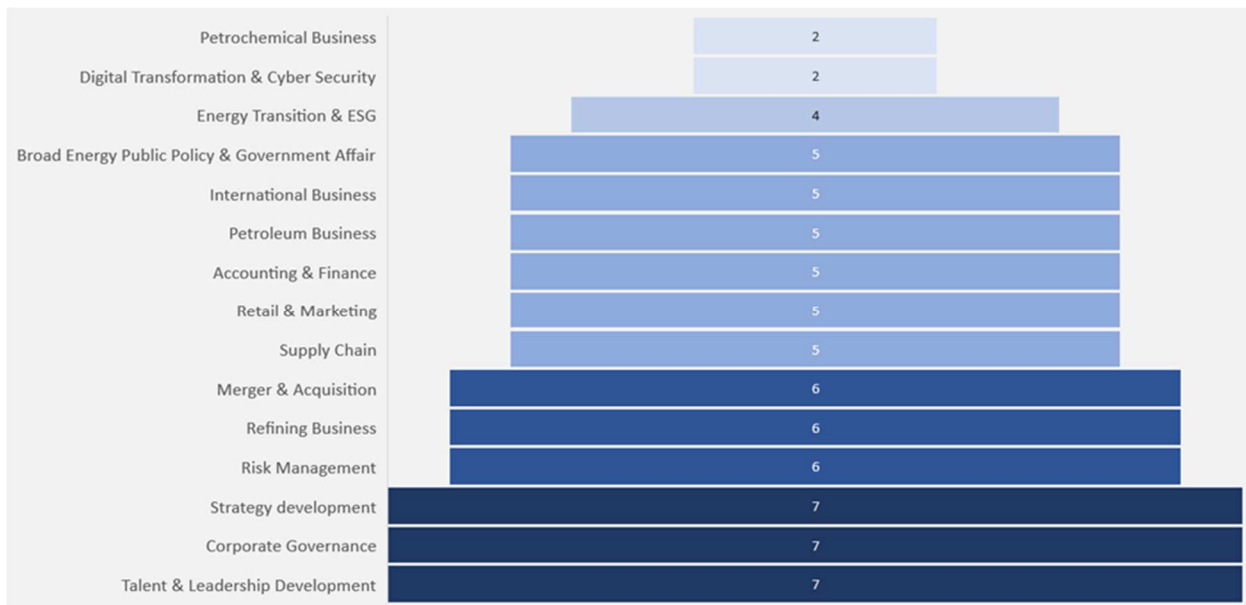
The Charter of the Board provides that the Board shall have diversity of perspectives and talents to ensure that an appropriate mix of skills, experience and expertise is maintained on the Board. The election of directors followed the resolutions of the annual shareholders meetings, resolutions of the 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 2022, 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

The Board of Director as of 31 December 2022	
1.	Mr. Brant Thomas Fish ○ Chairman of the Board of Directors
2.	Mr. Pliu Mangkornkanok ○ Independent Director ○ Vice-Chairman of the Board of Directors ○ Member of the Audit Committee ○ Member of the Human Resources Committee
3.	Ms. Kamonwan Wipulakorn ○ Independent Director ○ Chairperson of the Audit Committee ○ Member of the Human Resources Committee
4.	Mr. Robert Stair Guthrie ○ Independent Director ○ Chairman of the Nomination, Remuneration and Corporate Governance Committee ○ Member of the Audit Committee
5.	Mr. Brian Monaco Sutton ○ Director ○ Member of the Human Resources Committee
6.	Mr. Robert Joseph Dobrik ○ Director ○ Chairman of the Human Resources Committee ○ Member of the Nomination, Remuneration and Corporate Governance Committee ○ Chief Executive Officer
7.	Mr. Ranga Rama Kumar Sreeramagiri ○ Director ○ Member of the Nomination, Remuneration and Corporate Governance Committee
Director who resigned in 2022	
1.	Dr. Verapong Chaiperm ¹ ○ Independent Director

- Member of the Audit Committee
- Member of the Nomination, Remuneration and Corporate Governance Committee

¹ Dr. Verapong Chaiperm resigned from the Company's independent director, member of the NRCG Committee and member of the Audit Committee, with effective date on 1 September 2022.

See profile of each director in Attachment 1.

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;
 - The CEO has the authority to execute transactions in the name of the Company, with a limit of not exceeding Baht 200 million. Transactions with a value greater than Baht 200 million are subject to the Board's approval.
 - However, due to the nature of Company's business and normal Company's business transaction, the CEO has the authority to execute transactions and obligations with a term not exceeding 12 months (regardless of the amount of these transactions) that are related to the current and future purchase, sale, and exchange of crude oil, raw materials, intermediate products, and finished products.
 - For related party transactions, the CEO has the authority to execute related party transactions in the name of the Company, with a limit of not exceeding Baht 10 million. Related party transactions with a value greater than Baht 10 million are subject to the Audit Committee's review and the Board's approval. For related party transactions with regard to the current and future purchase, sale, and exchange of crude oil, raw materials, intermediate products, and finished products, the CEO has the authority to execute such related party transactions with a term not exceeding 12 months (regardless the amount of those transactions).

Authorized Directors

The authorized directors of the Company are any two of Mr. Brant Thomas Fish, Mr. Brian Monaco Sutton, Mr. Robert Joseph Dobrik and Mr. Ranga Rama Kumar Sreeramagiri, 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. Dr. Verapong Chaiperm ¹ | Member | (Independent Director) |
| 4. Mr. Robert stair Guthrie | Member | (Independent Director) |

¹ Dr. Verapong Chaiperm resigned from the Company's independent director, member of the NRCG Committee and member of the Audit Committee, with effective date on 1 September 2022.

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. Dr. Verapong Chaiperm ¹ | Member | (Independent Director) |
| 3. Mr. Robert Joseph Dobrik | Member | |
| 4. Mr. Ranga Rama Kumar Sreeramagiri | Member | |

¹ Dr. Verapong Chaiperm resigned from the Company's independent director, member of the NRCG Committee and member of the Audit Committee, with effective date on 1 September 2022.

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 | Chairman | |
| 2. | Ms. Kamonwan Wipulakorn | Member | (Independent Director) |
| 3. | Mr. Pliu Mangkornkanok | Member | (Independent Director) |
| 4. | Mr. Brian Monaco Sutton | Member | |

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

Leadership Team members as of 31 December 2022 are:

Name	Position
1. Mr. Robert Joseph Dobrik	Director and Chief Executive Officer
2. Mr. Steven Lewis Gibson	Deputy Chief Executive Officer – Operations
3. Mrs. Nutsara Somkiatweera	Chief Financial Officer
4. Mr. Sakchai Thamsuruk	Manager of Supply & Planning
5. Mrs. Jariya Wuensche	Acting Manager of Human Resources
6. Mr. Pongkorn Chochuwong	Manager Process Safety and QEHS
7. Mr. Wisit Sukprasert	Manager of Asset Management
8. Mr. Paul Andrew Rushworth	Manager of Production Unit-Processes & Utilities
9. Ms. Chaowasri Luengratanakorn	Manager of Production Unit-Movement & Dispatches
10. Mr. Kittipong Nokdara	Manager of Integrity & Reliability
11. Mr. Konlayuth Chotepatana	Manager of Technology & Engineering
12. Ms. Nattawan Khumwiwat	Corporate Legal Counsel, Company Secretary and Corporate Compliance Officer
13. Mrs. Pornthip Viraphand	Manager of Corporate Affairs
14. Mr. Akasit Rumpagaporn	Manager of Strategic Business Planning

Remarks:

- Leadership Team No.1-14 is according to the definition of management as defined by the Capital Market Supervisory Board.
- There are Management transition as following:
 - Mr. Wichai Chunhasomboon retired from the position of Chief Financial Officer and transferred to the position of Finance Advisor, effective on 31st January 2022. Mrs. Nutsara Somkiatweera is promoted to the position of Chief Financial Officer, effective on 1st February 2022.
 - Mr. Chirasak Mhasuconda is transferred from the position of Manager Human Resources to the position of Human Resource Advisor, effective on 15th February 2022. Mrs. Jariya Wuensche is appointed to Acting Manager of Human Resources position, effective on 15th February 2022.

7.4.2 Management's Remuneration Policy

Management's Remuneration

Total remuneration for Leadership Team members who perform in the position during 2022 as in section 7.4.1 List of Management and position, includes basic salary, bonus, provident fund, welfare and benefit expense. In 2022, total remuneration for executives was Baht 166.3 million. These totals include management manpower costs paid to Chevron under the Personnel Secondment Agreement. Leadership Team also receives other benefits and compensation as employees.

7.4.3 The Compensation of Management

Compensation of Management

The total compensation from Leadership Team members (included current 14 leadership team members and 2 movement members during the year) who perform 14 Leadership Team positions according to the definition of management as defined by the Capital Market Supervisory Board in 2022

Compensation	Number of executives	Amount (Baht)
Salary	16	109,795,631
Bonus	16	45,812,449
Provident Fund	12	5,615,160
Retirement Benefit	15	5,035,639
Total		166,258,879

Remark: Summary 2022 leadership team movement as refer in 7.4.1 Leadership Team members section.



7.5 Information regarding Employees

Number of Employees

The company has 548 total employees as of 31 December 2022. The number of employees includes direct hires and secondees from Chevron.

Department	Number of Employees
Production Unit - Processes and Utilities	155
Production Unit - Movement and Dispatches	100
Asset Management	78
Technology and Engineering	59
Process Safety and QEHS	23
Corporate Service	21
Integrity & Reliability	28
Strategic Business Planning	5
Others	79
Total	548

Employee Compensation

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

In 2022, total compensation, including salary, bonus, overtime pay, provident fund, welfare and benefit paid to the employees and executives was Baht 1,458.9 million. 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 including Housing Allowance, Housing and Automobile Interest Subsidy, Annual Holidays, Maternity Leave, Paternity Leave and Compassionate Leave, Life Insurance and Disability, Medical Coverage. We also provide the Flexible Benefit program that allows individual employees to make selections of benefits to 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 special gift from management at their retirement. The Company has recorded retirement benefits of Baht 54.1 million in 2022.

Provident Fund

The Company provides a provident fund, registered as a juristic person under the Provident Fund Act, B.E. 2530 (1987) for the Company's employees. Participating employees pay a contribution of 3 to 15 percent of the monthly wage to the fund, and the Company contributes 3 to 15 percent of the employee's wage, depending on the employee's years of service. Provident Fund contributions by the Company were Baht 73.0 million in 2022.

Training & Development

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 behavior. We encourage and engage our employees to contribute to the achievement of superior business results.

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

1. To continue the Agile way of work to strengthen the caring and reliability culture via company action plans.
2. Leadership, Successor and Talent development programs through various assigned Agile Project e.g. Coaching & Mentoring, Leadership and Specialist Program, Growth Mindset, etc.
3. Knowledgeable Management structure that encourages employee to promote learning organization and transfer knowledge from various areas both functional and general knowledge.
4. Special assignments both locally and overseas.
5. Promote Coaching & Mentoring Program by young generation employee in 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 & Safety (QEHS) including Business Conduct. In 2022, we conducted these courses by online training via Computer Base Training (CBT) and classroom training.
8. On-the-job learning provided by different assignments and job rotation over a career.
9. Enhanced learning organization through implementation of an online training platform that includes both general and leadership competencies development.
10. Emphasis learning effectiveness through "Community of Practice" program.
11. Succession Plans, Talent Management work processes and selection criteria are used as a tools to support the expected retirement wave in next 5 years, T&I 2025.
12. Implemented rotation program to upskill and reskill tensured staff preparing for more resilience.
13. Implemented 3 modules of the SAP SuccessFactor digital platform to strengthen the effectiveness of the Performance Management System, Successor and Talent management, and Learning and Development processes.
14. Introducing Chevron "WE LEAD" framework to integrate with people programs and strengthen organizational capability.

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 labor union and has 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. Joni M. Shaw Investor Relations and Corporate Planning Manager
- Ms. Chutathip Pachiyankul 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 2022 is Baht 2,955,000 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 3 directors, Mr. Robert Joseph Dobrik, Mr. Pliu Mangkornkanok and Ms. Kamonwan Wipulakorn, who retired at the 2022 Annual General Meeting. They were re-elected by the the 2022 Annual General Meeting of Shareholders held on 8 April 2022 to hold a directorship for another term.

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.

At the NRCG Committee Meeting No. 2/2022 on 11 August 2022, the NRCG had discussion on the succession plan of independent directors, by taking the CG guideline into consideration. Moreover, the NRCG reviewed skill matrix for the directors' self-assessment and will take it into consideration for director's succession plan.



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 2022, one director attended the following courses with IOD:

Ms. Kamonwan Wipulakorn

Board's Role in Merger and Acquisitions 2/2022

Board of Directors Self-Assessment

- **Criteria**

The Board of Directors assessed its 2022 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**

- 7 directors completed the self-assessment for the Board of Directors. The overall result of the 2022 Board of Directors' self-assessment indicates 97% effectiveness.

Audit Committee Self-Assessment

- **Criteria**

The Audit Committee assessed its 2022 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**
 - 3 members of the Audit Committee completed the self-assessment for the Audit Committee. The overall result of the 2022 Audit Committee self-assessment indicates 100% effectiveness.

Nomination, Remuneration and Corporate Governance, Committee Self-Assessment

- **Criteria**

The Nomination, Remuneration and Corporate Governance (NRCG) Committee has assessed its 2022 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**

- 3 members of the NRCG Committee completed the self-assessment for the NRCG Committee. The overall result of the 2022 NRCG Committee self-assessment indicates 97% effectiveness.

Human Resources Committee Self-Assessment

- **Criteria**

The Human Resources Committee assessed its 2022 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**

- 4 members of the Human Resources Committee completed the self-assessment for the Human Resources Committee. The overall result of the 2022 Human Resources Committee self-assessment indicates 99% effectiveness.

Individual Director Self-Assessment

- **Criteria**

Each director assessed himself/herself as a director for his/her 2022 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 2022 individual director self-assessment indicates 98%.

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 Company Secretary to consolidate the result.
 - The Company Secretary shares the CEO assessment result with the Chairman of the Board of Directors for consideration.
 - The Chairman of the Board of Directors 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 2022, meetings of the Board of Directors were held 6 times, including 4 regular quarterly meetings, and 2 special meetings.

Attendance of the Board of Directors Meetings in 2022									
Name of Directors		No. 1 (22 Feb)	No. 2 (8 Apr)	No. 3 (11 May)	No. 4 (11 Aug)	No. 5 (8 Nov)	No. 6 (6 Dec)	Total	Percentage
1	Mr. Brant Thomas Fish	✓	✓	✓	✓	✓	✓	6/6	100%
2	Mr. Pliu Mangkornkanok	✓	✓	✓	✓	✓	✓	6/6	100%
3	Ms. Kamonwan Wipulakorn	✓	✓	✓	✓	✓	✓	6/6	100%
4	Mr. Robert Stair Guthrie	✓	✓	✓	✓	✓	✓	6/6	100%
5	Mr. Brian Monaco Sutton	✓	✓	✓	✓	✓	✓	6/6	100%
6	Mr. Robert Joseph Dobrik	✓	✓	✓	✓	✓	✓	6/6	100%
7	Mr. Ranga Rama Kumar Sreeramagiri	✓	✓	✓	✓	✓	✓	6/6	100%
Director who resigned in 2022									
1	Dr. Verapong Chaiperm ¹	-	-	-	-	n/a	n/a	0/4	0%
The attendance of all directors									91%

¹ Dr. Verapong Chaiperm resigned from the Company's independent director, member of the NRCG Committee and member of the Audit Committee, effective on 1 September 2022.

The Board of Directors Meeting was hybrid so the directors could attend the meeting in person or online via the Microsoft Teams application to accommodate 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 2022					
Director's Name		Board of Directors	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Human Resources Committee
		Total Meetings in 2022			
		6 Meeting	6 Meetings	2 Meetings	5 Meetings
1	Mr. Brant Thomas Fish	6/6	-	-	-
2	Mr. Pliu Mangkornkanok	6/6	6/6	-	5/5
3	Ms. Kamonwan Wipulakorn	6/6	6/6	-	5/5
4	Mr. Robert Stair Guthrie	6/6	6/6	2/2	-
5	Mr. Brian Monaco Sutton	6/6	-	-	5/5
6	Mr. Robert Joseph Dobrik	6/6	-	2/2	5/5
7	Mr. Ranga Rama Kumar Sreeramagiri	6/6	-	2/2	-
Director who resigned in 2021					
1	Dr. Verapong Chaiperm ¹	0/4	0/4	0/2	-

¹ Dr. Verapong Chaiperm resigned from the Company's independent director, member of the NRCG Committee and member of the Audit Committee, effective date 1 September 2022.

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. 1/2022 on 22 February 2022, the NRCG considered the directors' remuneration package for year 2022 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 2022 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 2021 as follows;

Compensation for the Board of Directors for 2022		
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 2022	
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 2022	
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 2022	
Position	Meeting Allowance of Committee Meeting (Only attending members) (Baht/Meeting)
Chairman of the committee	40,000
Member of the committee	30,000

In 2022, the Company paid the compensation to 8 directors which includes the directors who held the directorship position for 12 months ending on 31 December 2022, 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 2022 Annual General Meeting of Shareholders. Total director compensation in 2022 was 16,380,000 baht, comprising of monthly fees in total of 14,060,000 baht and the meeting allowances for the Board of Directors meetings and sub-committee meetings in total of 2,320,000 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 700,000 baht per year.

The compensation that each director received in 2022						
Name	Monthly fee for total 12 months	Total Meeting Allowances received in 2022				Grand total compensation each director received in 2022
		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	150,000	n/a	n/a	n/a	2,310,000
2. Mr. Pliu Mangkornkanok	2,040,000	120,000	180,000	n/a	150,000	2,490,000
3. Ms. Kamonwan Wipulakorn	1,740,000	120,000	240,000	n/a	150,000	2,250,000
4. Mr. Robert Stair Guthrie	1,740,000	120,000	180,000	80,000	n/a	2,120,000
5. Mr. Brian Monaco Sutton	1,740,000	120,000	n/a	n/a	150,000	2,010,000
6. Mr. Robert Joseph Dobrik	1,740,000	120,000	n/a	60,000	200,000	2,120,000
7. Mr. Ranga Rama Kumar Sreeramagiri	1,740,000	120,000	n/a	60,000	n/a	1,920,000
Director who resigned in 2022						
1. Dr. Verapong Chaiperm ¹	1,160,000	0	0	0	n/a	1,160,000

¹ Dr. Verapong Chaiperm resigned from the Company's independent director, member of the NRCG Committee and member of the Audit Committee, with effective date on 1 September 2022.

Mr. Brant Thomas Fish, Mr. Brian Monaco Sutton, Mr. Robert Joseph Dobrik and Mr. Ranga Rama Kumar Sreeramagiri are directors nominated by Chevron. They have declined to receive director compensation, both monthly fees and meeting allowance fees. Total declined fees were 8,360,000 baht, comprising of the monthly fee of 7,380,000 baht and the meeting allowance fee of 980,000 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

The Company does not have subsidiaries and Associated Companies.

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

The Company does not have 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 2022, 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 2022 report are as follow:

Report of the Company's securities held by directors in 2022 (including spouse and minor children) As of 31 December 2022				
Name		Number of Shares		Changing Number of Shares Increase (Decrease)
		As of 31 December 2021	As of 31 December 2022	
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. Brian Monaco Sutton Spouse and minor children	- -	- -	- -
6	Mr. Robert Joseph Dobrik Spouse and minor children	- -	- -	- -
7	Mr. Ranga Rama Kumar Sreeramagiri Spouse and minor children	- -	- -	- -
Director who resigned in 2022				
1	Dr. Verapong Chaiperm ¹ Spouse and minor children	- -	- -	- -

¹ Dr. Verapong Chaiperm resigned from the Company's independent director, member of the NRCG Committee and member of the Audit Committee, with effective date on 1 September 2022.



**Report of the Company's securities held by Leadership Team according to the definition of management as defined by the Capital Market Supervisory Board in 2020 (including spouse and minor children)
As of 31 December 2022**

	Name	Number of Shares		Changing Number of Shares Increase (Decrease)
		As of 31 st December 2021	As of 31 st December 2022	
1	Mr. Robert Joseph Dobrik	-	-	
	Spouse and minor children	-	-	
2	Mr. Steven Lewis Gibson	35,000	35,000	
	Spouse and minor children	-	-	
3	Mrs. Nutsara Somkiatweera	-	-	
	Spouse and minor children	-	-	
4	Mr. Sakchai Thamsuruk	267,100	267,100	
	Spouse and minor children	78,500	78,500	
5	Mrs. Jariya Wuensche	130,800	130,800	
	Spouse and minor children	-	-	
6	Mr. Pongkorn Chochuwong	347,300	347,300	
	Spouse and minor children	-	-	
7	Mr. Wisit Sukprasert	258,800	58,800	(200,000)
	Spouse and minor children	-	-	-
8	Mr. Paul Andrew Rushworth	267,100	267,100	
	Spouse and minor children	-	-	
9	Ms. Chaowasri Luengratanakorn Spouse and minor children	40,000 -	40,000 -	
10	Mr. Kittipong Nokdara	142,600	142,600	
	Spouse and minor children	-	-	
11	Mr. Konlayuth Chotepatana	35,000	35,000	
	Spouse and minor children	-	-	
12	Ms. Nattawan Khumwiwat	205,500	205,500	
	Spouse and minor children	-	-	
13	Mrs. Pornthip Viraphand	167,600	167,600	
	Spouse and minor children	-	-	
14	Mr. Akasit Rumpagaporn	205,500	205,500	
	Spouse and minor children	-	-	



(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.

- **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.
3. Payments on gifts, meals, travel, lodging or entertainment for any Government Official may be made based on following justification;
 - a) Meals & Entertainment that
 - o Conform to normal amenities
 - o Are not extravagant
 - o Conform to customary practices, and
 - o Are not improper or inappropriate entertainment e.g. adult entertainment at massage parlor, karaoke with hostess
 - o Gifts or anything of value should align with normal amenities
 - o Not include cash or other monetary instruments
 - o Be nominal or modest in value
 - o Be given publicly whenever possible
 - b) Transportation & travel expenses should
 - o Include actual and reasonable travel expenses
 - o Not include a per-diem allowance
 - o Not include unusual travel related activities e.g. recreational side trip
 - o Not be extended to relatives, friends or associates of officer
 - c) Hotel & Accommodations should
 - o Be limited to reasonable business necessity
 - o Not extended to relatives, friends or associates of officer
4. The following types of payments shall NOT be made:
 - a) Expenditures for family members or guests accompanying the Government Official.
 - b) Expenditures for additional days of travel to tourist destinations or visits to family or friends.

Furthermore, to maintain the highest ethical integrity, the Company's personnel are prohibited to request, and 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 2023 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.

- **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 and was certified by the CAC in November 2017 validating that the Company has policies and practices against corruption that conform with the CAC's principles.

In December 2020, the Company was re-certified by the CAC and plans to submit for re-certification again in 2023.. The Company conducted 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.

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(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 2022, the Company did not receive any complaints of corruption related to 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.

In 2022, the Company provided the employees training on cybersecurity including 2 sessions in July and December. All employees and contractors who have access to the Company network were required to attend both sessions.

In addition, annually the Company conducts 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.

8.2 Audit Committee Report

8.2.1 Meeting Attendance

In 2022, the Audit Committee held 6 meetings. The committee members attended the meetings as follow:

Attendance of the Audit Committee Meetings in 2022								
	Name of Audit Committee members	No.1 (21 Feb)	No.2 (7 Apr)	No.3 (11 May)	No.4 (10 Aug)	No.5 (7 Nov)	No.6 (6 Dec)	Total
1	Ms. Kamonwan Wipulakorn	✓	✓	✓	✓	✓	✓	6/6
2	Mr. Pliu Mangkornkanok	✓	✓	✓	✓	✓	✓	6/6
3	Mr. Robert Stair Guthrie	✓	✓	✓	✓	✓	✓	6/6
4	Dr. Verapong Chaiperm ¹	-	-	-	-	n/a	n/a	0/4

¹ Dr. Verapong Chaiperm resigned from the Company's independent director, member of the NRCG Committee and member of the Audit Committee, with effective date on 1 September 2022.

8.2.2 The Performance of Audit Committee

In 2022, 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 2022 and discussed with the Chief Financial Officer and the external auditor (PricewaterhouseCoopers ABAS Limited). The review included the material issues, special items, accounting policies and practices, key audit matters, and compliance with Thai Financial Reporting Standards and the Securities and Exchange Commission, Thailand (SEC). 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 2022 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 2022 be endorsed by the Board of Directors for further approval at the Annual General Meeting of Shareholders.
2. **Review of Company's Internal Controls:** The Audit Committee reviewed and endorsed the results of the management and internal auditor's 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). 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 Risk Management Committee was set up at management level to review and monitor risk management activities. The Audit Committee received quarterly reports consisting of reviews of risk assessments, status of operations monitoring, and status of the execution of the risk management plan, from the Company's management. The Audit Committee was satisfied and found the risk management process to be effective and that the risk management plan was followed.
4. **Review of Company's Corporate Governance:** The Board of Directors has reviewed and approved Company's Business Conduct Policy and 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, including reports on compliance with its Anti-Corruption Policy and the U.S. Foreign Corrupt Practices Act (FCPA). In addition, suspected violations or potential violations may be reported to the Audit Committee via email at AuditCommittee@sprc.co.th as a whistle-blowing channel for anyone who discovers or suspects violation or potential violations of the Business Conduct Policy. The Audit Committee completed its review and opined that the Company has sufficient processes for good corporate governance, is in compliance with applicable laws and regulations, and in accordance with the Company's Business Conduct Policy and Anti-Corruption Policy.
5. **Review of Company's Related Party Transactions (RPT):** The Audit Committee considers and reviews related party transactions or transactions with potential conflicts of interest on a quarterly basis to ensure that they are in accordance with applicable laws and regulations of the SET. The Company's Related Party Transactions include: the purchase of crude and feedstock; sale of products, and provision of technical services transactions with Chevron. 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 on an arm's length basis and were



in the best interest of the Company, and have been adequately disclosed in the Related Party Transactions section of this annual report.

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 and PwC 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 2022. In 2022, 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 2022:** 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 2022 Annual General Meeting. The 2022 Annual General Meeting of shareholders has approved PwC to be the Company's external auditor for the year 2022.
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 2022 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.



8.3 Nomination, Remuneration and Corporate Governance Committee Report

8.3.1 Meeting Attendance

In 2022, 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 2022				
	Name of NRCG Committee members	No. 1 (22 Feb)	No. 2 (11 Aug)	Total
1	Mr. Robert Stair Guthrie	✓	✓	2/2
2	Mr. Robert Joseph Dobrik	✓	✓	2/2
3	Mr. Ranga Rama Kumar Sreeramagiri	✓	✓	2/2
4	Dr. Verapong Chaiperm ¹	-	-	0/2

¹ Dr. Verapong Chaiperm resigned from the Company's independent director, member of the NRCG Committee and member of the Audit Committee, with effective date on 1 September 2022.

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

In 2022, the NRCG Committee held 2 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 2022:

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 2023 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. Robert Joseph Dobrik, Mr. Pliu Mangkornkanok and Ms. Kamonwan Wipulakorn completed their directorship term in 2022. 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 2022 Annual General Meeting of Shareholders.

In 2022, one director, Dr. Verapong Chaiperm, resigned from the Company's independent director, member of the NRCG Committee and member of the Audit Committee, with effective date 1 September 2022. The NRCG Committee is leading 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. The NRCG Committee will further propose for the Board's consideration candidates that are considered based on the qualifications, knowledge, expertise and experience that would benefit 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 2022 director's remuneration package by maintaining the same rate as in 2021. The 2022 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 2022 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 2022, there was 1 director who attended the training organized by the Thai Institute of Directors (IOD).
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 2022 the Company was ranked Excellent (5 stars) for the 6th 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 2022, the Human Resources Committee held 6 meetings. The committee members attended the meetings as follow:

Attendance of the Human Resources Committee Meetings in 2022							
Name of Human Resources Committee members		No. 1 (18 Feb)	No. 2 (9 Mar)	No. 3 (10 May)	No. 4 (25 May)	No. 5 (5 Aug)	Total
1	Mr. Robert Joseph Dobrik	✓	✓	✓	✓	✓	5/5
2	Ms. Kamonwan Wipulakorn	✓	✓	✓	✓	✓	5/5
3	Mr. Pliu Mangkornkanok	✓	✓	✓	✓	✓	5/5
4	Mr. Brian Monaco Sutton	✓	✓	✓	✓	✓	5/5

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 one non-executive Directors and two independent directors, who are appointed by the Board, and the CEO. The SPRC Human Resources Manager has been appointed to be the Committee Secretary.

The committee members were Mr. Robert Dobrik, CEO as the Chairman, Mr. Brian Sutton (non-executive director), and Mr. Pliu Mangkornkanok and Mrs. Kamonwan Wipulakorn (independent director). The Committee will meet as required but will typically meet at least four times a year.

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

In 2022, the Committee held 5 meetings on various matters. Below is a summary of key activities undertaken in 2022:

1. Remuneration program: The committee reviewed the management of SPRC's Total Remuneration program and annual Merit Increase. The program is benchmarked against leading Oil & Gas companies in Thailand and other selected markets to ensure the competitiveness of the overall Total Remuneration package and to be seen as a leader in Map Ta Phut that will attract, retain and motivate a talented workforce.

The committee approved a special bonus to recognize the achievements and business performance of SPRC, which were made possible by the SPRC family in 2021.

2. Human Resources Strategy: The Committee reviewed a lookback on People Strategy and action plans from 2021 and endorsed the 2022 People Strategy Master Plan according to revised company KRAs that mandated additional focus on the oil spill incident recovery. The strategic objectives were:

- **Base Business:** Be an Employer of Choice with highly engaged family members.
- **Organization Capability:** Create competitive advantage through robust transition and an organization capability development plan.
- **Workforce Culture:** Strong workforce culture with one passionate and caring family with Agile way of work and highly reliable spirit with growth mindset.

3. Succession Planning and Talent Management: SPRC shared with the committee the list of identified successors and talent in all critical positions across the organization, including senior leadership team members and highlighting current assignments abroad in Chevron to enhance leadership capability. In addition, to strengthen succession plan pipeline for current and future business, SPRC has introduced some targeted Chevron secondees to work and build employees' capability and to support growth business opportunities.

An "Agile Team" was stood up to improve Succession Management" in identifying critical positions and enhancing development opportunities.

4. Effective Capability and Learning Organization: The committee acknowledges the learning and leadership development plan's focus on effectiveness through knowledge and best practice sharing via community of practice (#LearnShareGrowtogether).

Leadership development remains a key focus to continue develop "Be Better Leader". will embed We Lead framework from Chevron practice to leverage leadership development and enhance team's trusting relationships through "Team and Leadership Integration" workshops and "Leadership Enhancement" session series for all formal leadership levels across company.

"We Lead" framework that Chevron use to develop leadership and leading performance culture until current which will be embedded in all people over a multi-year period to sustainably enhance



organization capability, starting from leadership development and an overhaul of the current Performance Management System.

5. Workforce Culture: The committee has reviewed and endorsed action plans to strengthen SPRC family culture and performance through growth mindset and effective decision-making at all employee levels.

6. Digitalization: The committee has reviewed and endorsed action to enhance the efficiency of people management for refinery business and preparing to integrate HR system with new business. SPRC successfully implemented the 1st Phase HR Digitalization Platform SAP SuccessFactor for 3 modules including Performance Management System, Succession Plan and Learning and Development in order to enhance the efficiency and reliability of data for people management of the refinery business and future business growth opportunities.

Future HR digitalization efforts will expand the implementation of core modules including payroll, compensation and benefit, and recruitment.

7. HR preparation for Growth Business: SPRC has worked with its major shareholder counterparts to develop HR high-level milestones to achieve successful integration upon closing.

For 2022, the Human Resources Committee is confident that SPRC's strong Culture, Core Values and organizational capability will continue to support SPRC's pursuit of Operational Excellence for refinery and growth business opportunities. Our goal is to be viewed as an Employer of Choice within our industry creating value for the community, environment, and our shareholders.



9. Internal Controls and Related Party Transactions

9.1 Internal Controls

SPRC processes the internal control system in accordance with the international standard on Committee of Sponsoring Organizations of the Treadway commission (COSO) and uses it as a gear to the achievement on the effectiveness and efficiency of the operational and financial performance goals, safeguarding assets against loss and compliance with the applicable laws and regulations. SPRC's Board of Directors has delegated authority to the Independent Audit Committee to assist and evaluate the effectiveness and efficiency operation in relation to the internal control system. 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.

9.1.1 The sufficiency of Internal Control system

Management and Internal Auditor evaluate the adequacy of the internal control system by using the Assessment Form of Sufficiency of Internal Control following the Securities and Exchange Commission, Thailand (SEC). At the Board of Directors meeting held on 8 November 2022, the Audit Committee reported their review on the internal control system and determined that SPRC's internal controls are adequate and appropriately designed, the operations are efficiently managed with competent employees, and there is good corporate governance.

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

1. **Control Environments:** The Board of Directors and Leadership Team carry out tone at the top regarding to the importance of internal controls. SPRC establishes and maintains a strong control environment and commitment to integrity and ethical values as detailed below.
 - The Board of Directors approved the Business Conduct, Corporate Governance Policy, and Anti-Corruption Policy. Management reinforces these through their directives, actions, and behavior by modeling the importance of integrity and ethical values.
 - SPRC regularly communicates and reinforces the Business Conduct not only to all level of the organization but also to outsourced service providers. The Corporate Compliance Officer (CCO) has been appointed by the Board of Directors and has responsibility for maintaining and promoting the compliance program.
 - The Board of Directors delegates authority and assigns day-to-day responsibilities and decision-making to the Chief Executive Officer (CEO). The CEO designs and evaluates lines of reporting to execute authorities and responsibilities for maintaining effective day-to-day operations with an effective internal control system.
 - Human Resource Management established procedures in relation to the mentoring and training our staff to retain sufficient and competent personnel. On the yearly basis, staff prepare for an Individual Competency Development Plan to identify competency gaps and develop appropriate actions such as on-the-job-training or self-study.
 - SPRC, by the board of directors and management, established appropriate performance measures and team rewards for responsibilities at all levels. Company key results areas are established and evaluated on yearly basis. The performance evaluation process is clearly communicated to all employees.
2. **Risk Assessment:** Risk Assessments are embedded into key business processes to ensure both internal and external factors are considered for the impacts and affects to the achievement of company's objectives. The Risk Assessment process includes the following:



- Board of Directors regularly review the Risk Management Policy.
- The Risk Management Committee had been set up comprised of Leadership that is responsible for overseeing the risk management program, annual risk assessments, and ensuring follow up on the mitigation plans.
- The Risk Management Coordinator communicates and conducts risk assessments for each department on quarterly basis. Each department assesses both internal and external risk factors, including fraud and corruption risk, and ensures there are controls in place to prevent the possibility of fraud (including but not limited to fraudulent financial reporting, loss of assets, material misstatements of financial statements and misappropriation of assets).
- Risk assessments also consider changes in the Business Model and changes in Leadership as they may impact attitudes and philosophies on the internal control system.
- Following the risk assessment, the action plans are identified to manage risk and ensure alignment with the company's objectives. The preventive actions of those risk are implemented, regularly monitored, and reported to the Audit Committee and the Board of Directors on quarterly basis.

3. Control Activities: SPRC establishes the internal control system to mitigate risks at the acceptable level to the achievement of the company's objectives. SPRC designed a variety of transaction control activities including:

- Authorization and Approvals – Manual of Delegated Authorities (MODA) is established for appropriate authorization and the determination of the validity of transactions.
- Physical Controls – 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. Periodic validations are performed and compared with the amounts shown in SAP system.
- Segregation of Duties - Duties are divided or segregated among different people to reduce the risk of error or inappropriate or fraudulent actions. Segregation of duties ensures there is dividing of the responsibility for recording, authorizing and approving transactions.
- Reconciliation – A reconciliation is performed to identify the differences in financial reporting. Any open items are analyzed using an appropriate approach that effectively identifies normal items and exceptions. Exceptions have been researched, traced and escalated.
- SPRC retains records by maintaining documentation to substantiate transactions and compliance with the regulations.
- SPRC performed the 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 conducted. 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 supports the SPRC business processes. The control designed in the SAP system includes the segregation of duties, user permission to SAP module, change management and system configuration.
- All Leadership, Management, and Employees have mandatory training on Cybersecurity Awareness including Information Data Security, Threat prevention, Information System



Security, Mobile Security and LOT, Ransomware, Social Engineering via E-mail, Phishing mail and Responsible use of Internet.

- Control activities are built into system procedures for managing day-to-day transactions. The system procedures define the control process, and role and responsibility of each personnel. The system procedures are communicated and regularly reviewed for continual improvement.
- The Board of Directors has approved the procedures regarding the consideration 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 the best interest of the Company.

4. Information and Communication: Information and communication are part of the framework to support the effectiveness of the internal control system. SPRC carries out the activities regarding information and communication in the following ways:

- SPRC identifies the information needed for the board of directors to understand and support decision making. The information is provided in a timely manner, at least 7 days in advance.
- Power BI is used to process data by obtaining and providing real-time information to support the functioning of internal controls.
- SPRC develops the communication policy and provides relevant information to the Board of Directors, the employees, and the stakeholders to supporting the effectiveness of internal control.
- Internal communication channels are the intranet, Facebook, e-mail, and bulletin boards. Town Hall activity is one channel that facilitates communication from Chief Executive Officer to employees, which allows for two-way communication.
- SPRC facilitates an onboarding workshop to new employees and communicates SPRC vision, mission, acceptable work behaviors, employment regulations, safety, and the management system.
- External communication channels are SPRC's website (www.sprc.co.th), which contains information on SPRC, Corporate Governance, Financial Statements, and other relevant information. The communication channel to external parties includes news releases, opportunity day, annual reports, Facebook and Annual General Meeting.
- Shareholders are allowed to provide agenda items for the Annual General meetings (AGM) and recommend qualified candidates for the election of company directors. In year 2022, the AGM was conducted via live-broadcast.
- Customer feedback on product quality and services provided is one of the communications from external parties that provides information on the internal control system.
- SPRC established a Whistle-blowing channel where the employee and anyone else can 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 the 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 adequacy of internal control systems on the following:

- SPRC performs ongoing evaluations of the business processes on a real-time basis by each function. These activities include a monthly meeting, monitoring of automated monthly reports, and variance analysis.



- SPRC monitors activities by benchmarking with peers and Solomon to provide comparative information.
- Internal audit, as an independent function, develops an internal audit plan where the audit's are selected based on a risk-based approach. The areas of review include compliance, reporting of data quality, and reporting of specific transactions and controls.
- Internal audit communicates both the effective and deficient internal controls to the appropriate personnel who can take corrective action. The audit report is communicated to management and the Audit Committee.
- The monitoring of corrective actions is performed and reported to management and the Audit Committee on quarterly basis.

In year 2022, 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 present and functioning.

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

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.

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

Company's Related Party Transactions (RTP) are with Chevron and its affiliates. Chevron is the company's major shareholder, owning 60.56% of the shares. The related party transactions include the Feedstock Supply agreement, Product sale agreement, and service contracts that are leveraged for technical and operational knowledge and expertise of Chevron and its affiliates.

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



9.2.1 Related Party Transactions Potentially Leading to Conflicts of Interest

9.2.2 Necessity and Reasons for Related Party Transactions

Related Party Transactions with Chevron and its affiliates for following three-years: 2022, 2021, and 2020

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

1. **Transaction with Chevron U.S.A. Inc. (Singapore Branch)** - Affiliate of Chevron which directly or indirectly hold 100% of shares.

Natural of Transactions	Total Amount (US\$ Million)		
	2022	2021	2020
Purchase of Crude and Feedstock (Feedstock Supply Agreement)	4,142.1	2,180.4	1,241.6
Purchase of Mogas Base Fuel 95	0.0	0.0	8.7
Sales of Product (Purchase and Sale Agreement)	233.9	71.4	68.1

Rationale for transactions:

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

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

Natural of Transactions	Total Amount (US\$ Million)		
	2022	2021	2020
Purchase of LSWR/HSSR (Feedstock Supply Agreement)	186.2	8.7	0.0
Sales of Product (Purchase and Sale Agreement)	153.9	104.2	54.1
Profit Sharing on IMO Fuel Oil - Sale HSFO	0	<0.1	2.5

Rationale for transactions:

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

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

Natural of Transactions	Total Amount (US\$ Million)		
	2022	2021	2020
Purchase of Crude and Feedstock (Feedstock Supply Agreement)	0.7	2.1	2.5

Rationale for transactions:

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

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

Natural of Transactions	Total Amount (US\$ Million)		
	2022	2021	2020
Purchase of Crude and Feedstock (Feedstock Supply Agreement)	4.2	14.4	22.0

Rationale for transactions:

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

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

Natural of Transactions	Total Amount (US\$ Million)		
	2022	2021	2020
Purchase of Crude and Feedstock (Feedstock Supply Agreement)	82.9	162.0	217.2

Rationale for transactions:

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

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

Natural of Transactions	Total Amount (US\$ Million)		
	2022	2021	2020
Purchase of Crude and Feedstock (Feedstock Supply Agreement)	37.4	15.5	46.6
Marine Services Transportation Agreement	2.4	0.7	0.7

Rationale for transactions:

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

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

Natural of Transactions	Total Amount (US\$ Million)		
	2022	2021	2020
Purchase of Crude and Feedstock (Feedstock Supply Agreement)	0.3	1.1	0.7

Rationale for transactions:

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

8. Transaction with Chevron Thailand Limited (CTL). Affiliate of Chevron which directly or indirectly holds 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)		
	2022	2021	2020
Sales of Products (Purchase and Sale Agreement)	2,914.5	2,126.3	2,038.4
Purchase, Sale and Storage Products Agreement (Fixed Reserve)	<0.1	0.0	0.0
Purchase of Lubricants Oil	0.2	0.1	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 the Product Supply Agreement including competitively negotiated prices and the same terms and conditions to other offtakes that are 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)		
	2022	2021	2020
Purchase of HVGO Catalyst	0.5	0.0	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 holds 100% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2022	2021	2020
Technical Service Agreement	1.6	0.7	0.7

Technical Service License Agreement	1.8	1.7	1.6
Secondment Agreement Personnel	0.1	0.4	0.9
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 holds 100% of Shares

Natural of Transactions	Total Amount (US\$ Million)		
	2022	2021	2020
Lease of Platinum	0.0	0.8	0.1

Rationale for transaction:

- The Company entered into 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)		
	2022	2021	2020
SRC borrowed E catalyst as the RFCCU unit tripped and some catalyst was lost	0.5	0.0	<0.1

Rationale for transaction:

- The Company supports peer refinery for urgent transactions and vice versa.

13. Transaction with Chevron Research and Technology Company - Affiliate of Chevron which directly or indirectly holds 100% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2022	2021	2020
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 holds 50% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2022	2021	2020
DHTU 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

15. **Transaction with Caltex Service Corporation.** - Affiliate of Chevron which directly or indirectly holds 100% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2022	2021	2020
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 holds 100% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2022	2021	2020
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 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

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

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

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 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).

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 2022**



Independent Auditor's Report

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

My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Star Petroleum Refining Public Company Limited (the Company) as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include 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 financial statements section of my report. I am independent of the Company in accordance with 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 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.

My audit approach - overview



Materiality

The overall materiality: US Dollar 13.90 million which represents 5% of Company's profit before tax.

The overall materiality is determined from profit before tax in US Dollar which is the Company's functional currency as described in the accounting policy in Note 2.3.1.

Audit scope

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

Key audit matters

I identified Revenue recognition as key audit matter.

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Materiality

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

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

Overall materiality	US Dollar 13.90 million (2021: US Dollar 9.30 million)
How I determined it	5% of profit before tax (2021: 5% of profit before tax)
Rationale for the materiality benchmark applied	I chose profit before tax as the critical measure because, in my view, it is the measure against which the performance of the Company is most commonly assessed. The 5% benchmark is a generally accepted auditing practice and there were no significant unusual elements that merited adjustments to this benchmark.

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

How I tailored my audit scope

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. I determine there was one key audit matter: Revenue recognition. The matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.



Key audit matter	How my audit addressed the key audit matter
<p>Revenue recognition</p> <p>In 2022, the Company recognized US Dollar 7,982.48 million in revenue under a purchase and sale agreement as described in Note 21 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 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, 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 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 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 includes 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>

Other information

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

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

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

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

Responsibilities of the directors for the financial statements

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

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

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



Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

Kan Tanthawirat

Kan Tanthawirat
Certified Public Accountant (Thailand) No. 10456
Bangkok
24 February 2023

Tanthaw

Star Petroleum Refining Public Company Limited
Statement of Financial Position
As at 31 December 2022

		Unit: US Dollar		Unit: Baht	
		31 December	31 December	31 December	31 December
	Notes	2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	7	2,174,415	87,660,208	75,525,026	2,944,760,616
Trade and other receivables	8	412,667,091	393,839,471	14,328,109,177	13,219,212,310
Inventories	9	684,129,483	490,759,457	23,762,211,405	16,486,033,359
Other current assets		2,647,082	2,407,812	91,871,328	80,864,925
Total current assets		1,101,618,071	974,666,948	38,257,716,936	32,730,871,210
Non-current assets					
Prepaid income tax		38,728,797	651,414	1,512,647,663	21,882,877
Property, plant and equipment	10	654,565,279	720,951,014	22,735,343,131	24,218,835,325
Intangible assets		3,252,073	2,764,266	112,955,867	92,859,696
Deferred tax assets	13	16,281,785	44,284,150	565,523,374	1,487,633,007
Other non-current assets		2,992,167	5,173,868	103,928,390	173,805,190
Total non-current assets		715,820,101	773,824,712	25,030,398,425	25,995,016,095
Total assets		1,817,438,172	1,748,491,660	63,288,115,361	58,725,887,305

Director _____
(Mr. Brian Monaco Sutton)

Director _____
(Mr. Robert Joseph Dobrik)



Star Petroleum Refining Public Company Limited
Statement of Financial Position
As at 31 December 2022

		Unit: US Dollar		Unit: Baht	
		31 December	31 December	31 December	31 December
	Notes	2022	2021	2022	2021
Liabilities and equity					
Current liabilities					
Short-term borrowings from financial institutions	11	188,937,899	-	6,562,474,500	-
Current portion of long-term borrowings					
from financial institutions	11	91,210,766	139,307,275	3,168,075,711	4,679,743,764
Trade and other payables	12	367,952,153	415,584,080	12,780,266,104	13,960,674,449
Derivative liabilities	4	14,194,063	-	493,002,892	-
Excise tax payable		18,846,971	35,681,309	654,621,252	1,198,638,651
Value added tax payable		-	5,345,381	-	179,566,846
Short-term provision		6,965,741	-	241,944,550	-
Other current liabilities		101,648	363,214	3,530,588	12,201,412
Total current liabilities		688,209,241	596,281,259	23,903,915,597	20,030,825,122
Non-current liabilities					
Derivative liabilities	4	-	9,125,341	-	306,546,651
Long-term borrowings from financial institutions	11	-	100,438,964	-	3,374,048,091
Employee benefit obligations	14	19,495,711	19,163,003	677,154,290	643,740,829
Total non-current liabilities		19,495,711	128,727,308	677,154,290	4,324,335,571
Total liabilities		707,704,952	725,008,567	24,581,069,887	24,355,160,693
Equity					
Share capital					
Authorized share capital	15				
Ordinary shares 4,335,902,125 shares					
at par value of Baht 6.92 each		864,713,808	864,713,808	30,004,442,705	30,004,442,705
Issued and paid-up share capital					
Ordinary shares 4,335,902,125 shares					
paid-up at Baht 6.92 each		864,713,808	864,713,808	30,004,442,705	30,004,442,705
Premium on share capital		31,917,416	31,917,416	977,711,111	977,711,111
Retained earnings					
Appropriated - legal reserve	16	87,865,911	87,865,911	3,000,444,271	3,000,444,271
Unappropriated		125,236,085	38,985,958	7,332,902,822	4,595,530,147
Other components of equity		-	-	(2,606,455,435)	(4,207,401,622)
Total equity		1,109,733,220	1,023,483,093	38,707,045,474	34,370,726,612
Total liabilities and equity		1,817,438,172	1,748,491,660	63,288,115,361	58,725,887,305

The notes to the 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 2022

	Notes	Unit: US Dollar		Unit: Baht	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Sales	6	7,982,476,111	5,283,719,416	281,298,614,499	170,330,857,757
Liquefied Petroleum Gas and fuel subsidies		114,103,862	66,261,976	3,965,749,850	2,153,537,031
Total revenue		8,096,579,973	5,349,981,392	285,264,364,349	172,484,394,788
Cost of sales	18	(7,735,877,577)	(5,132,897,959)	(272,832,700,635)	(165,598,311,928)
Gross profit		360,702,396	217,083,433	12,431,663,714	6,886,082,860
Other income		1,814,442	1,911,344	62,943,303	61,763,349
Gain on exchange rate		11,210,936	11,255,166	376,436,670	358,743,463
Fair value loss on derivatives		(5,068,722)	(13,721,127)	(168,972,241)	(432,882,467)
Profit before expenses		368,659,052	216,528,816	12,702,071,446	6,873,707,205
Administrative expenses	18	(81,648,455)	(23,581,965)	(2,791,273,297)	(748,975,451)
Finance costs		(8,835,869)	(6,599,587)	(316,382,339)	(211,825,905)
Profit before income tax		278,174,728	186,347,264	9,594,415,810	5,912,905,849
Income tax	19	(55,682,718)	(36,748,078)	(1,920,618,566)	(1,166,442,880)
Profit for the year		222,492,010	149,599,186	7,673,797,244	4,746,462,969
Other comprehensive income:					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Currency translation differences		-	-	1,598,946,187	3,239,627,818
Remeasurement of employee benefit obligations, net of tax		-	(1,317,438)	-	(42,450,343)
Other comprehensive income for the year, net of tax		-	(1,317,438)	1,598,946,187	3,197,177,475
Total comprehensive income for the year		222,492,010	148,281,748	9,272,743,431	7,943,640,444
Earnings per share	20				
Basic earnings per share		0.05	0.03	1.77	1.09

The notes to the 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 2022

	Unit: US Dollar				
	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings	
				Appropriated legal reserve	Unappropriated
					Total equity
Beginning balance 1 January 2021		864,713,808	31,917,416	87,865,911	(109,295,790)
Total comprehensive income for the year		-	-	-	148,281,748
Ending balance 31 December 2021		864,713,808	31,917,416	87,865,911	38,985,958
Beginning balance 1 January 2022		864,713,808	31,917,416	87,865,911	38,985,958
Dividends	17	-	-	-	(136,241,883)
Total comprehensive income for the year		-	-	-	222,492,010
Ending balance 31 December 2022		864,713,808	31,917,416	87,865,911	125,236,085
					1,109,733,220

The notes to the 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 2022

Unit: Baht						
Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity	
			Appropriated legal reserve	Unappropriated	Exchange differences on translation	Total equity
Beginning balance 1 January 2021	30,004,442,705	977,711,111	3,000,444,271	(108,482,479)	(7,447,029,440)	26,427,086,168
Total comprehensive income for the year	-	-	-	4,704,012,626	3,239,627,818	7,943,640,444
Ending balance 31 December 2021	30,004,442,705	977,711,111	3,000,444,271	4,595,530,147	(4,207,401,622)	34,370,726,612
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
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

The notes to the 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 2022

Notes	Unit: US Dollar		Unit: Baht	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before income tax	278,174,728	186,347,264	9,594,415,810	5,912,905,849
Adjustments for:				
Finance income	(86,258)	(104,742)	(3,015,548)	(3,363,082)
Finance costs	8,835,869	6,599,587	316,382,339	211,825,905
Depreciation	10 72,596,882	81,222,506	2,556,966,708	2,602,249,083
Amortization	1,295,360	1,302,937	45,678,095	41,818,153
Gain from foreign exchange rate	(9,941,460)	(17,318,760)	(350,249,643)	(557,161,827)
Fair value loss on derivatives	5,068,722	13,721,127	168,972,241	432,882,467
Loss on obsolete materials and supplies	9 467,029	928,367	15,777,193	29,359,226
Loss on write down of inventory to net realizable value	9 41,123,449	-	1,455,063,020	-
Short-term provision	6,965,741	-	241,944,550	-
Retirement benefit expenses	1,641,136	2,323,660	57,640,842	72,639,539
Change in operating assets and liabilities				
Trade and other receivables	(15,584,838)	(111,219,810)	(549,072,573)	(3,578,052,518)
Inventories	(234,960,504)	(192,030,265)	(8,277,940,509)	(6,177,805,658)
Other current and non-current assets	1,857,782	3,383,506	65,451,903	108,850,776
Trade and other payables	(47,494,377)	156,760,818	(1,673,283,883)	5,043,152,287
Retirement benefit paid	14 (690,027)	-	(24,460,100)	-
Other current and non-current liabilities	(22,482,309)	(9,432,042)	(792,078,729)	(303,438,217)
Cash generated from operations	86,786,927	122,484,353	2,848,191,716	3,836,061,983
Interest received	87,498	104,074	3,057,145	3,338,545
Interest paid	(8,916,491)	(6,674,183)	(318,974,743)	(213,462,008)
Income tax return received	-	5,611,664	-	173,254,945
Income tax paid	(64,981,187)	(534,847)	(2,376,703,742)	(17,338,699)
Net cash generated from operating activities	12,976,747	120,991,061	155,570,376	3,781,854,766

The notes to the 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 2022

	Notes	Unit: US Dollar		Unit: Baht	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Cash flows from investing activities					
Purchases of fixed assets and intangible assets		(7,898,179)	(3,211,910)	(278,262,312)	(103,330,367)
Net cash used in investing activities		(7,898,179)	(3,211,910)	(278,262,312)	(103,330,367)
Cash flows from financing activities					
Net proceeds from short-term borrowings from financial institutions	11	187,516,748	-	6,671,794,300	-
Repayments of long-term borrowings	11	(142,500,000)	(85,000,000)	(5,033,182,500)	(2,843,965,000)
Dividends paid to shareholders	17	(136,083,014)	-	(4,936,424,569)	-
Net cash used in financing activities		(91,066,266)	(85,000,000)	(3,297,812,769)	(2,843,965,000)
Net (decrease) increase in cash and cash equivalents		(85,987,698)	32,779,151	(3,420,504,705)	834,559,399
Cash and cash equivalents at the beginning of year		87,660,208	54,122,578	2,944,760,616	1,634,869,479
Adjustment from foreign exchange translation		501,905	758,479	551,269,115	475,331,738
Cash and cash equivalents at the ending of year	7	<u>2,174,415</u>	<u>87,660,208</u>	<u>75,525,026</u>	<u>2,944,760,616</u>
Non-cash Item					
Acquisitions of fixed assets and intangible assets which have not been paid		266,366	266,131	9,251,826	8,940,121

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



Star Petroleum Refining Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

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.

These financial statements were authorized for issue by the Board of Directors on 24 February 2023.

2 Accounting policies

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

2.1 Basis of preparation

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

2.2 Amended financial reporting standards

2.2.1 Amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2022 which are relevant to the Company and the management has assessed that the impacts to the Company were not significant.

Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

The key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

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 2023.

Certain amended TFRSs have been issued that are not mandatory for the current reporting period and have not been early adopted by the Company.

- 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.

2.3 Foreign currency translation

2.3.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Company's management has determined that US Dollar is the Company's functional currency. However, the Company is required to present its financial statements in Baht (the presentation currency) to comply with the regulation of the Department of Business Development, the Company's financial statements are presented by translating from US Dollar to Baht using the method described in Note 2.3.3.

2.3.2 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.

2.3.3 Translation to presentation currency

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

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

2.4 Cash and cash equivalents

In the statement 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.

2.5 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 Company 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 2.7.4.



2.6 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.

2.7 Financial assets

2.7.1 Classification

The Company 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 Company reclassifies debt investments only when its business model for managing those assets changes.

For investments in equity instruments, the Company 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.

2.7.2 Recognition and derecognition

Regular way purchases, acquisitions and sales of financial assets are recognized on trade-date, the date on which the Company 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 Company has transferred substantially all the risks and rewards of ownership.

2.7.3 Measurement

On initial recognition, the Company 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).

2.7.4 Impairment

The Company 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 Company applies the simplified approach to recognize impairment loss from expected credit loss, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

To measure the expected credit losses, the Company grouped trade receivables and contract assets based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The management has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. 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.



2.8 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 are charged to profit or loss when incurred.

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

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

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

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.

2.9 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.

2.10 Impairment of assets

The Company 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.

2.11 Leases - where the Company 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 Company. 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 Company 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 Company 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 Company has reasonable certainty on extension option.

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.

2.12 Financial liabilities

2.12.1 Classification

Borrowings are classified as current liabilities if the Company has no unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.12.2 Measurement

Financial liabilities are initially recognized at fair value and are subsequently measured at amortized cost.

2.12.3 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 Company 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.

2.13 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.

2.14 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.

2.14.1 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.

2.14.2 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, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not 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 tax 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.

2.15 Accounting for employee benefit

2.15.1 Defined contribution plan - provident fund

The Company pays contributions to provident fund in accordance with the Provident Fund Act B.E. 2530. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

2.15.2 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.

2.16 Provisions

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

2.17 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of petroleum products and service in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, return, rebates and discounts. Revenue from sale of petroleum products is recognized when customers have physical possession of products which usually coincides with the title passing to the customers. The Company 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.

2.18 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 Company 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.



2.19 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.

2.20 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.

2.21 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.

2.22 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 Company'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 Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

3.1 Financial risk factor

3.1.1 Market risk

a) Foreign exchange risk

The Company's major business comprises of certain revenue and expenditures which are mostly denominated in US dollars. Considering this, the Company has determined the US dollar as its functional currency. Foreign exchange risks occur when the Company has transactions in currencies other than its functional currency.

Generally, to cover this exchange risk, the Company doesn't enter into any foreign currency forward contract because a substantial portion of the Company's costs and expenses are directly linked to or denominated in US dollars. However, the Company 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 Company's incurred cost when converting the Baht from petroleum product sales into the US dollars required to pay for crude oil and imported feedstock.

The Company borrows both US dollars and foreign currencies from financial institutions to support operations. The long-term borrowing comprises Japanese Yen loan which is equivalent to 22% of total borrowings as at 31 December 2022 (as at 31 December 2021: 50% of total borrowings), the Company has entered into a cross-currency and interest rate swap contract to hedge the risks and obligations of future exchange rates. The Company also has Thai Baht short-term borrowing which is equivalent to 51% of total borrowings as at 31 December 2022 (as at 31 December 2021: none of short-term borrowings from financial institution).

The Company 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. In addition, the Company considers using financial instruments for hedging to manage foreign exchange risk, also considering the appropriate costs, outcomes and risks at each timeframe.

The Company has not adopted hedge accounting.



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Exposure

The Company's exposure to foreign currencies other than the functional currency at 31 December:

	Unit: US Dollar		Unit: Baht	
	2022	2021	2022	2021
Financial assets				
Cash and cash equivalents	2,174,415	87,660,208	75,525,026	2,944,760,616
Trade and other receivables	396,734,849	361,722,581	13,779,989,861	12,151,309,333
Financial liabilities				
Trade and other payables	49,964,676	135,577,957	1,735,448,071	4,554,456,752
Short-term borrowings from financial institutions	141,937,899	-	4,930,000,000	-

Sensitivity

The Company 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 Company's net profit before tax. Given the change in the foreign exchange rate at 31 December, the impact to the Company's profit before tax will be as follows:

	Impact to net profit before tax			
	2022		2021	
	Unit: US Dollar	Unit: Baht	Unit: US Dollar	Unit: Baht
US Dollar 5% appreciation against Baht	(9,857,462)	(342,384,150)	(14,943,120)	(501,982,724)
US Dollar 5% depreciation against Baht	10,895,088	378,424,553	16,516,008	554,820,604

b) Interest rate risk

Exposure

The Company is exposed to variable interest rate risks on its borrowings and on its cross-currency and interest rate swap contract.

As at 31 December 2022, all the Company's borrowings bear variable interest rates and are presented at amortized cost. The Company entered into a cross-currency and interest rate swap contract for 22% of total borrowings (as at 31 December 2021: 50% of total borrowings). The maturity analysis of these borrowings is disclosed in Note 3.1.3.

The Company has not adopted hedge accounting. 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 Company's borrowings and its cross-currency and interest rate swap contract are due within 6 months.

c) Price risk

The changes in crude oil and petroleum products' market prices have directly impacted the Company'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 Company's control. The Company 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 Company's raw material costs and petroleum products' selling price were firm at the final price. Thus, the Company 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.



3.1.2 Credit risk

The Company 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 Company manages risk by performing risk control assessments. It assesses customers' credit quality, taking into account their financial position, past experience and other factors. The Company also regularly monitors the customers' compliance with credit limits.

b) Impairment of financial assets

The Company's financial assets comprise cash and cash equivalents, trade and other receivables and other current assets. 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. 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 Company 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 Company 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. For 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.

The gross settled balance of the cross-currency and interest rate swap contract is due within 1 year, with cash inflows of US Dollar 61,489,348, equivalent to Baht 2,135,743,547 and cash outflows of US Dollar 75,883,411, equivalent to Baht 2,628,746,439 (as at 31 December 2021: Most of the gross settled balance of the cross-currency and interest rate swap contract is due within 2 years, with cash inflows of US Dollar 121,284,450, equivalent to Baht 4,074,296,397 and cash outflows of US Dollar 130,409,791, equivalent to Baht 4,380,843,048).

Contractual maturities of financial liabilities As at 31 December 2022	Unit: US Dollar		
	Within 1 year	1 - 3 years	Total
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 2021	Unit: US Dollar		
	Within 1 year	1 - 3 years	Total
Trade and other payables	414,424,826	-	414,424,826
Other current liabilities	180,944	-	180,944
Borrowings from financial institutions floating rate			
- Principal	139,307,275	100,438,964	239,746,239
- Interest expense	4,037,242	900,777	4,938,019

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Contractual maturities of financial liabilities As at 31 December 2022	Unit: Baht		
	Within 1 year	1 - 3 years	Total
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

Contractual maturities of financial liabilities As at 31 December 2021	Unit: Baht		
	Within 1 year	1 - 3 years	Total
Trade and other payables	13,921,731,745	-	13,921,731,745
Other current liabilities	6,078,420	-	6,078,420
Borrowings from financial institutions floating rate			
- Principal	4,679,743,764	3,374,048,091	8,053,791,855
- Interest expense	135,622,667	30,259,712	165,882,379

Management monitors rolling forecasts of the Company's liquidity reserve (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company'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.

Financing arrangements

The Company has access to the following undrawn credit facilities as at 31 December:

	Unit: US Dollar		Unit: Baht	
	2022	2021	2022	2021
Floating rate				
Expiring within one year				
- Bank loan	136,062,101	190,000,000	4,725,913,000	6,382,651,000

3.2 Capital Management

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

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Loan covenants

Under the terms of certain borrowing facilities, the Company must maintain an interest bearing debt to equity ratio of not more than 100%. As at 31 December 2022, the ratio of an interest bearing debt to equity was 27%.

4 Financial assets and liabilities

Financial assets which comprise cash and cash equivalents and trade and other receivables and financial liabilities which comprise borrowings from financial institutions and other current liabilities are presented 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 has derivative liabilities measured at fair value through profit or loss which comprise cross-currency and interest rate swap contract in amount of US Dollar 14,194,063 or equivalent to Baht 493,002,892 (as at 31 December 2021: derivative liabilities of US Dollar 9,125,341 or equivalent to Baht 306,546,651). The valuation technique used to measure fair value 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.

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Notes to the Financial Statements
For the year ended 31 December 2022

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 the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follow:

Asset retirement obligations

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

6 Segment Information

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

The majority of the Company's revenue came from sale of petroleum products to customers by lifting the petroleum products, which includes LPG, gasoline, jet fuel, diesel, fuel oil, asphalt, and other products to customers via vessel, truck, or pipeline and the Company satisfied its performance obligation at a point in time.

The Company derived 41% of its revenue (2021: 43%) from sales to its related parties. Refer to Note 24 for the amount of revenue from related parties.

Geographical Information

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

	Unit: US Dollar		Unit: Baht	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Sales:				
- Local Sales	7,278,922,575	4,713,180,375	256,159,509,839	151,792,555,669
- Export Sales	703,553,536	570,539,041	25,139,104,660	18,538,302,088
Total Sales	7,982,476,111	5,283,719,416	281,298,614,499	170,330,857,757

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



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7 Cash and cash equivalents

	Unit: US Dollar		Unit: Baht	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Cash on hands	1,440	1,488	50,000	50,000
Deposits held at call with banks	2,172,975	87,658,720	75,475,028	2,944,710,616
	2,174,415	87,660,208	75,525,026	2,944,760,616

During 2022, the interest rates of cash at bank ranged between 0.11% and 0.40% per annum (2021: 0.11% and 0.30% per annum).

8 Trade and other receivables

	Unit: US Dollar		Unit: Baht	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Trade receivables				
- related parties	140,885,001	131,543,695	4,889,327,145	4,410,415,093
- third parties	195,271,935	233,375,476	6,781,400,430	7,837,415,455
	336,156,936	364,919,171	11,670,727,575	12,247,830,548
Other receivables				
- related parties	245,038	410,297	8,427,170	13,648,058
- Liquefied Petroleum Gas (LPG) subsidy	30,307,876	20,496,417	1,052,691,676	688,534,097
- fuel subsidy	32,622,837	6,722,185	1,133,105,322	225,817,686
- third parties	13,334,604	1,291,401	463,157,434	43,381,921
	76,510,155	28,920,300	2,657,381,602	971,381,762
Trade and other receivables	412,667,091	393,839,471	14,328,109,177	13,219,212,310

Outstanding trade receivables can be analyzed as follows:

	Unit: US Dollar		Unit: Baht	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Up to 3 months	336,156,936	364,919,171	11,670,727,575	12,247,830,548
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total trade receivables	336,156,936	364,919,171	11,670,727,575	12,247,830,548
Less: Loss allowance TFRS 9	-	-	-	-
	336,156,936	364,919,171	11,670,727,575	12,247,830,548

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

As at 31 December 2022 and 2021, LPG subsidy and fuel subsidy were outstanding subsidies that the Company was compensated for the difference between the Government's controlled price and the market reference price.

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Notes to the Financial Statements
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9 Inventories

	Unit: US Dollar		Unit: Baht	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Crude oil (net with allowance)	270,258,153	189,629,880	9,387,011,562	6,370,217,592
Petroleum products (net with allowance)	141,760,136	123,182,805	4,923,825,697	4,138,067,649
Materials and supplies (net with allowance)	22,049,856	23,903,115	765,868,671	802,974,945
	434,068,145	336,715,800	15,076,705,930	11,311,260,186
Crude oil in transit (net with allowance)	250,061,338	154,043,657	8,685,505,475	5,174,773,173
Inventories, net	684,129,483	490,759,457	23,762,211,405	16,486,033,359

According to the Ministry of Energy, the Company is required to maintain a minimum oil reserve of 4% of total finished products produced for domestic sales (2021: 4%) and maintain a minimum finished products reserve of 5% of total imported finished products (2021: 5%). The reserve fluctuates upon production plan and volume produced. As at 31 December 2022, the above inventories include US Dollar 210,944,633 or Baht 7,326,845,401 of crude oil and finished products set aside as minimum reserve (2021: US Dollar 127,550,265 or Baht 4,284,783,282).

During 2022, US Dollar 41,123,449 or Baht 1,455,063,020 was debited to the statement of comprehensive income with respect of loss on write-down of inventory to net realizable value (2021: no loss on write-down of inventory to net realizable value).

During 2022, US Dollar 467,029 or Baht 15,777,193 was debited to the statement of comprehensive income with respect to loss on obsolete materials and supplies (2021: debited US Dollar 928,367 or Baht 29,359,226).



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10 Property, plant and equipment

	Unit: US Dollar				
	Land	Buildings	Refinery plant & machinery	Furniture, fixtures and equipment	Construction in progress
At 1 January 2021					
Cost	73,442,578	58,384,284	2,088,156,834	74,291,495	1,663,283
Less: Accumulated depreciation	-	(28,700,809)	(1,403,819,799)	(63,722,886)	-
Net book amount	73,442,578	29,683,475	684,337,035	10,568,609	1,663,283
Year ended 31 December 2021					
Opening net book amount	73,442,578	29,683,475	684,337,035	10,568,609	1,663,283
Additions	-	-	-	-	2,478,540
Assets transferred from construction in progress	-	334,438	1,752,616	221,303	(2,308,357)
Depreciation charge	-	(1,707,538)	(77,812,819)	(1,702,149)	-
Closing net book amount	73,442,578	28,310,375	608,276,832	9,087,763	1,833,466
At 31 December 2021					
Cost	73,442,578	58,718,722	2,089,909,450	74,512,798	1,833,466
Less: Accumulated depreciation	-	(30,408,347)	(1,481,632,618)	(65,425,035)	-
Net book amount	73,442,578	28,310,375	608,276,832	9,087,763	1,833,466
					720,951,014

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	Unit: US Dollar					
	Land	Buildings	Refinery plant & machinery	Furniture, fixtures and equipment	Construction in progress	Total
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)	(1,181,632,618)	(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)	(65,784,367)	-	(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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	Unit: Baht				
	Land	Buildings	Refinery plant & machinery	Furniture, fixtures and equipment	Construction in progress
At 1 January 2021					
Cost	2,218,465,259	1,763,602,394	63,076,535,872	2,244,108,311	69,352,954,330
Less: Accumulated depreciation	-	(866,959,600)	(42,404,903,957)	(1,924,864,441)	(45,196,727,998)
Net book amount	2,218,465,259	896,642,794	20,671,631,915	319,243,870	24,156,226,332
Year ended 31 December 2021					
Opening net book amount	2,218,465,259	896,642,794	20,671,631,915	319,243,870	24,156,226,332
Additions	-	-	-	-	70,431,999
Assets transferred from construction in progress	-	10,271,551	56,658,628	7,308,554	(74,238,733)
Depreciation charge	-	(54,884,284)	(2,492,778,250)	(54,586,549)	-
Exchange differences on translation	248,683,913	98,997,554	2,198,270,458	33,318,442	15,155,700
Closing net book amount	2,467,149,172	951,027,615	20,433,782,761	305,284,317	24,218,835,325
At 31 December 2021					
Cost	2,467,149,172	1,972,532,149	70,206,119,198	2,503,100,955	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	24,218,835,325

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	Unit: Baht				
	Land	Buildings	Refinery plant & machinery	Furniture, fixtures and equipment	Construction in progress
At 1 January 2022					
Cost	2,467,149,172	1,972,532,149	70,206,119,198	2,503,100,955	61,591,460
Less: Accumulated depreciation	-	(1,021,504,534)	(49,772,336,437)	(2,197,816,638)	-
Net book amount	2,467,149,172	951,027,615	20,433,782,761	305,284,317	61,591,460
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
Additions	-	-	-	-	217,539,399
Assets transferred from construction in progress	-	10,422,708	34,509,649	38,715,667	(83,648,024)
Disposal and write-off - Cost	-	-	-	(43,134,019)	-
Disposal and write-off - Depreciation	-	-	-	43,134,019	-
Depreciation charge	-	(60,352,567)	(2,442,431,554)	(54,182,587)	-
Exchange differences on translation	83,768,611	33,065,943	726,322,528	9,221,713	3,556,320
Closing net book amount	2,550,917,783	934,163,699	18,752,183,384	299,039,110	199,039,155
At 31 December 2022					
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

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11 Borrowings

	Unit: US Dollar		Unit: Baht	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Current				
Current portion of long-term borrowings from financial institutions	91,210,766	139,307,275	3,168,075,711	4,679,743,764
Short-term borrowings from financial institutions	188,937,899	-	6,562,474,500	-
Non-Current				
Long-term borrowings from financial institutions	-	100,438,964	-	3,374,048,091
Total borrowings	280,148,665	239,746,239	9,730,550,211	8,053,791,855

The movement of short-term borrowings are as follows:

	Unit: US Dollar		Unit: Baht	
	2022	2021	2022	2021
At 1 January	-	-	-	-
Cash item:				
Net proceeds	187,516,748	-	6,671,794,300	-
Non-cash items:				
Exchange differences on foreign currency	1,421,151	-	49,361,548	-
Exchange differences on translation	-	-	(158,681,348)	-
At 31 December	188,937,899	-	6,562,474,500	-

As at 31 December 2022, short-term borrowings from financial institutions were denominated in US Dollar and Thai Baht which are unsecured, due within 3 months and the interest rates of short-term borrowings ranged between 1.53% and 4.87% per annum.

The movement of long-term borrowings from financial institutions are as follows:

	Unit: US Dollar		Unit: Baht	
	2022	2021	2022	2021
At 1 January	239,746,239	338,896,413	8,053,791,855	10,236,960,305
Cash items:				
Repayment	(142,500,000)	(85,000,000)	(5,033,182,500)	(2,843,965,000)
Non-cash item:				
Exchange differences on foreign currency	(6,035,473)	(14,150,174)	(209,633,101)	(455,225,248)
Exchange differences on translation	-	-	357,099,457	1,115,991,798
At 31 December	91,210,766	239,746,239	3,168,075,711	8,053,791,855

The Company has long-term borrowing agreements with financial institutions denominated in US Dollar at an interest rate of 3-month LIBOR plus margin 1.30% and dominated in Japanese Yen at an interest rate of 3-month TONA plus margin 0.73%.

During 2022, weighted average effective interest rates of long-term borrowings from financial institutions were stated from 2.17% to 2.96% per annum (2021: 1.91% to 2.04% per annum).

The fair values of short-term borrowings and the current portion of long-term borrowings is equivalent to their carrying amount, as the impact of discounting is not significant and the fair values of non-current portion of long-term borrowings from financial institutions is not significantly different from the carrying amount, which the fair value method was disclosed in Note 4.

Maturity of long-term borrowings was described in Note 3.1.3.

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Star Petroleum Refining Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

12 Trade and other payables

	Unit: US Dollar		Unit: Baht	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Trade payables				
- related parties	232,816,098	221,602,977	8,086,517,947	7,444,286,640
- third parties	111,074,112	180,103,199	3,857,992,662	6,050,188,774
	343,890,210	401,706,176	11,944,510,609	13,494,475,414
Other payables				
- related parties	651,696	415,556	22,635,697	13,959,739
- third parties	23,410,247	13,462,348	813,119,798	452,239,296
	24,061,943	13,877,904	835,755,495	466,199,035
Trade and other payables	367,952,153	415,584,080	12,780,266,104	13,960,674,449

13 Deferred income taxes

The analysis of deferred tax assets (liabilities) is as follows:

	Unit: US Dollar		Unit: Baht	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Deferred tax assets	16,281,785	44,284,150	565,523,374	1,487,633,007
Deferred tax liabilities	-	-	-	-
Deferred tax assets net	16,281,785	44,284,150	565,523,374	1,487,633,007

The movement in the deferred tax assets (liabilities) account is as follows:

	Unit: US Dollar		Unit: Baht	
	2022	2021	2022	2021
At 1 January	44,284,150	80,702,869	1,487,633,007	2,437,775,411
Increased to profit or loss (Note 19)	(28,002,365)	(36,748,078)	(930,770,560)	(1,166,442,880)
Increase to other comprehensive income	-	329,359	-	10,612,586
Exchange differences on translation	-	-	8,660,927	205,687,890
At 31 December	16,281,785	44,284,150	565,523,374	1,487,633,007

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Star Petroleum Refining Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

The movement in deferred tax assets and liabilities during the year is as follows:

	1 January 2021	Charge to profit or loss	Charge to other comprehensive income	31 December 2021	Charge to profit or loss	Charge to other comprehensive income	31 December 2022
Deferred tax assets							
Operating loss	75,276,496	(39,380,439)	-	35,896,057	(35,896,057)	-	-
Retirement benefit obligation	3,159,468	464,772	329,359	3,953,599	190,222	-	4,143,821
Loss on obsolete materials and supplies	1,392,788	195,674	-	1,578,462	93,405	-	1,671,867
Depreciation	874,117	156,847	-	1,030,964	(171,327)	-	859,637
Derivative	-	1,825,068	-	1,825,068	1,013,745	-	2,838,813
Short-term provision	-	-	-	-	6,767,647	-	6,767,647
Total	80,702,869	(36,748,078)	329,359	44,284,150	(28,002,365)	-	16,281,785

	1 January 2021	Charge to profit or loss	Charge to other comprehensive income	Exchange differences on translation	31 December 2021	Charge to profit or loss	Charge to other comprehensive income	Exchange differences on translation	31 December 2022
Deferred tax assets									
Operating loss	2,273,862,071	(1,251,014,553)	-	183,005,141	1,205,852,659	(1,192,555,575)	-	(13,197,084)	-
Retirement benefit obligation	95,437,401	14,567,909	10,612,586	12,194,959	132,812,854	6,636,151	-	4,480,409	143,929,414
Loss on obsolete materials and supplies	42,071,676	5,871,845	-	5,081,583	53,025,104	3,155,438	-	1,889,263	58,069,805
Depreciation	26,404,263	5,291,363	-	2,937,433	34,633,059	(5,989,278)	-	1,214,414	29,858,195
Derivative	-	58,840,556	-	2,468,775	61,309,331	33,794,448	-	3,498,121	98,601,900
Short-term provision	-	-	-	-	-	224,288,266	-	10,775,804	235,064,060
Total	2,437,775,411	(1,166,442,880)	10,612,586	205,687,890	1,487,633,007	(930,770,560)	-	8,660,927	565,523,374

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Star Petroleum Refining Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

14 Employee benefit obligations

Net liabilities recognized in the statement of financial position are determined as follows:

	Unit: US Dollar		Unit: Baht	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Present value of unfunded obligation	19,495,711	19,163,003	677,154,290	643,740,829

The movement in the defined benefit obligation over the year is as follows:

	Unit: US Dollar		Unit: Baht	
	2022	2021	2022	2021
At 1 January	19,163,003	17,107,340	643,740,829	516,757,997
Current service cost	1,322,701	1,986,162	46,686,546	63,178,041
Interest cost	318,437	337,698	11,187,015	10,741,862
Loss from change in financial assumptions	-	1,646,798	-	53,062,929
	1,641,138	3,970,658	57,873,561	126,982,832
Exchange differences on foreign currency	(618,403)	(1,914,995)	-	-
Retirement benefit paid	(690,027)	-	(24,460,100)	-
At 31 December	19,495,711	19,163,003	677,154,290	643,740,829

Major Actuarial Assumptions

The Company's financial assumptions

For the year ended 31 December:

	% per annum	
	2022	2021
Discount rate	1.77	1.77
Salary growth rate	5.00	5.00

The Company's demographic assumptions

- Mortality assumption: The mortality rate is from the Thailand Mortality Ordinary 2017 (TMO17) issued by the Office of the Insurance Commission. The TMO17 contains the results of the most recent mortality investigation of policy holders of life insurance companies in Thailand. It is reasonable to assume that these rates would reflect of the mortality rate of the population in Thailand.
- Turnover rate assumption

For the year ended 31 December:

Age	% per annum	
	2022	2021
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.

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Star Petroleum Refining Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

Sensitivity analysis for each significant assumption disclosed:

	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2022	2021	2022	2021	2022	2021
Discount rate	1.00%	1.00%	Decrease by 8.59%	Decrease by 8.98%	Increase by 9.96%	Increase by 10.43%
Salary growth rate	1.00%	1.00%	Increase by 9.67%	Increase by 9.15%	Decrease by 8.46%	Decrease by 8.02%
Turnover rate	1.00%	1.00%	Decrease by 8.87%	Decrease by 9.27%	Increase by 2.97%	Increase by 3.19%

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. (2021: 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 2022	1,112,869	5,505,032	43,054,934	49,672,835
At 31 December 2021	682,113	5,150,226	46,208,974	52,041,313

	Unit: Baht			
	Within 1 year	1 - 5 years	Over 5 years	Total
At 31 December 2022	38,646,877	191,209,020	1,495,448,551	1,725,304,448
At 31 December 2021	22,914,142	173,011,015	1,552,293,433	1,748,218,590

15 Share capital

The total number of authorized ordinary shares with a par value of Baht 6.92 per share (2021: Baht 6.92 per share) is 4,335,902,125 shares (2021: 4,335,902,125 shares). The number of issued and paid-up ordinary shares is 4,335,902,125 shares (2021: 4,335,902,125 shares).

16 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.

17 Dividend paid

At the Annual General Meeting of Shareholders for 2022 held on 8 April 2022, the shareholders approved a resolution to declare the annual dividend payment from the 2021 net profit in the amount of US Dollar 23.39 million or an equivalent of Baht 0.1785 per share, totalling Baht 773.96 million. The dividend was paid to shareholders on 6 May 2022.

At the Board of Director Meeting No. 3 held on 11 August 2022, the Board approved a resolution to declare interim dividend payment from the net profit of the period from 1 January 2022 to 30 June 2022 in the amount of US Dollar 112.85 million or an equivalent of Baht 0.96 per share, totalling Baht 4,162.47 million. The dividend was paid to shareholders on 8 September 2022.



Star Petroleum Refining Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

18 Expenses by nature

The following expenditure items, classified by nature, have been charged in arriving at profit for the year:

	Unit: US Dollar		Unit: Baht	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Changes in inventories of finished goods	(18,236,087)	(51,088,707)	(642,479,218)	(1,643,574,783)
Raw materials and consumables used	7,628,179,500	5,054,197,268	269,037,144,986	163,068,186,829
Staff costs	42,440,053	39,931,905	1,495,213,997	1,284,649,331
Repair and maintenance expenditure on property, plant and equipment	42,626,413	32,549,810	1,501,779,680	1,047,159,936
Depreciation on property, plant and equipment (Note 10)	72,596,882	81,222,506	2,556,966,708	2,602,249,083
Amortization	1,295,360	1,302,937	45,678,095	41,818,153
Oil spill expenses (Note 23)	48,838,120	-	1,636,727,330	-
Recovery from payment to an incorrect account	(214,209)	(1,635,795)	(7,057,646)	(53,201,170)
Total cost of sales and administrative expenses	7,817,526,032	5,156,479,924	275,623,973,932	166,347,287,379

Depreciation and amortization:

	Unit: US Dollar		Unit: Baht	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Recognized as cost of sales	68,786,695	75,316,078	2,422,770,267	2,412,134,746
Recognized as administration expenses	5,105,547	7,209,365	179,874,536	231,932,490
	73,892,242	82,525,443	2,602,644,803	2,644,067,236

19 Income tax expenses

	Unit: US Dollar		Unit: Baht	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Current tax	27,852,439	-	995,910,779	-
Deferred income tax (Note 13)	28,002,365	36,748,078	930,770,560	1,166,442,880
Prior year tax adjustment	(172,086)	-	(6,062,773)	-
	55,682,718	36,748,078	1,920,618,566	1,166,442,880
	Unit: US Dollar		Unit: Baht	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Profit before tax	278,174,728	186,347,264	9,594,415,810	5,912,905,849
Tax calculated at a tax rate of 20% (2021: 20%)	55,634,945	37,269,452	1,918,883,162	1,182,581,170
Expenses more deductible for tax purposes	(61,667)	(81,860)	(2,172,597)	(2,633,511)
Expenses not deductible for tax purposes	281,526	749,520	9,918,461	24,112,801
Reversal of expense not subject to tax	-	(1,189,034)	-	(38,252,419)
Prior year tax adjustment	(172,086)	-	(6,062,773)	-
Exchange differences on translation	-	-	52,313	634,839
Tax charge	55,682,718	36,748,078	1,920,618,566	1,166,442,880

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Star Petroleum Refining Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

20 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	Unit: US Dollar		Unit: Baht	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Profit attributable to shareholders	222,492,010	149,599,186	7,673,797,244	4,746,462,969
Weighted average number of ordinary shares in issue (Shares)	4,335,902,125	4,335,902,125	4,335,902,125	4,335,902,125
Basic earnings per share	0.05	0.03	1.77	1.09

21 Significant contractual agreements

The significant contractual agreements can be summarized as follows:

Land Lease Agreement

On 20 November 1992, the Company entered into a lease agreement for certain parcels of land with the IEAT. The agreement is for a period of thirty years beginning 20 November 1992. The Company's total fee, including interests from the date of the lease to the date of payment, was approximately Baht 302 million. As at 31 December 2022, the Company is in the process of the redetermination of terms in lease contract extension with the lessor.

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 on 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.

On 5 June 2012, the Company entered into a new feedstock supply agreement with PTT whereby PTT will be granted certain rights to offer a supply crude oil to the Company which is based on the term stipulated in the agreement effective upon the first day of trading of the Company shares on the SET which is on 8 December 2015.

Purchase and Sale Agreement

On 10 August 1993, the Company entered into a purchase and sale agreement with PTT and Chevron (Thailand) Limited (CTL). According to this agreement, the Company has committed to sell a portion of the refined petroleum products it produces to PTT and CTL starting on the date commercial operations commenced, 1 July 1996, based on the terms of the agreement.

On 5 June 2012, the agreement was amended which is effective upon the first day of trading of the Company shares on the SET which is on 8 December 2015.

On 15 March 2016, the agreement was amended on its duration, price and dispute mechanism.

On 29 December 2017, the agreement was amended on its duration, minimum offtake volumes, price and type and qualities of products which become effective on 1 January 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.

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Star Petroleum Refining Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

22 Bank guarantees

As at 31 December 2022, the Company has bank guarantees issued on the Company's behalf relating to land use in Map Ta Phut Industrial Estate, electricity, value-added tax and others amounting to US Dollar 2.91 million or Baht 101.09 million. (As at 31 December 2021: US Dollar 3.02 million or Baht 101.59 million).

23 Commitments and contingencies

Commitments

As at 31 December 2022 and 2021, the Company had commitment as follows:

- Purchase of machinery, equipment and installations in progress of approximately US Dollar 7.40 million or Baht 257.03 million (2021: US Dollar 7.83 million or Baht 262.91 million).
- Purchase of raw materials and utilities which include crude oil, hydrogen, natural gas and back-up electricity of approximately US Dollar 1,279.14 million or Baht 44,428.87 million (2021: US Dollar 736.59 million or Baht 24,744.07 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 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 assessment of long-term impacts or any required rehabilitation actions to the impacted areas are ongoing and will have to be assessed by the Government authorities, external experts and communities. To date, the refinery operations are continuing normally.

The Company has established a short-term and long-term recovery plan to assist those who have been affected and is currently working on the recovery under insurance policies from insurers.

The Company has recognized related expenses in the statement of comprehensive income for the year ended 31 December 2022 totalling US Dollar 48.84 million or Baht 1,636.73 million as part of the administrative expenses. Such expenses and provisions mainly consist of the costs incurred for the emergency response to the oil spill incident and financial relief to impacted parties.

As at 31 December 2022, the related expenses already included the provision from the oil spill incident and the Company might incur future additional expenditures.

24 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and affiliates are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The major shareholder of the Company is Chevron South Asia Holding Pte., Ltd. registered in Singapore, which owns 60.56% of the Company's shares. The remaining 39.44% of the shares are widely held. The ultimate parent Company is Chevron Corporation registered in the United States of America.

Related parties	Relationship	Main transactions relating to the Company
Chevron South Asia Holding Pte Ltd.	Major shareholder	Holding the Company's shares
Affiliates	Related parties of the ultimate parent Company	Supplying of crude oil and raw materials to the Company and purchasing of products from the Company

Star Petroleum Refining Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

The following transactions were carried out with related parties:

i) Sales of goods and services

	Unit: US Dollar		Unit: Baht	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Sales of goods with affiliates:				
- Chevron (Thailand) Limited	2,914,538,408	2,126,343,613	102,651,485,005	68,324,013,078
- Other affiliates	387,746,807	175,533,819	13,884,291,910	5,714,037,513
	3,302,285,215	2,301,877,432	116,535,776,915	74,038,050,591
Sales of services with affiliates:	1,388,211	1,090,067	49,469,439	35,286,604

The above transactions were carried out on commercial terms and conditions which is reference from market prices.

ii) Purchases of goods and services

	Unit: US Dollar		Unit: Baht	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Purchases of goods with affiliates:	4,454,272,429	2,384,784,861	157,128,778,930	76,931,711,199
Purchases of services with affiliates:	7,475,724	5,479,098	265,062,647	175,815,562

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 the end of the reporting period in relation to transactions with affiliates are as follows:

	Unit: US Dollar		Unit: Baht	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Account receivables	141,130,039	131,953,992	4,897,754,315	4,424,063,151
Account payables	233,467,794	222,018,533	8,109,153,644	7,458,246,379

iv) Management remuneration

Key management includes directors (executives and non-executive). The compensations paid or payable to management for employment services are as follows:

	Unit: US Dollar		Unit: Baht	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
- Salaries and other short-term employee benefits	5,049,412	5,009,539	176,000,910	160,186,476
- Retirement benefits	143,136	573,501	5,035,639	18,171,170
	5,192,548	5,583,040	181,036,549	178,357,646

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25 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 excise tax, local government tax, oil fuel fund and energy conservation fund ("taxes and funds").

The Office of the Council of State subsequently 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 taxes applicable to a sale of domestic cargoes. The additional amounts of surcharges and penalties related to these taxes is the subject of pending Court proceedings. If the Company is unsuccessful, the amounts will be reimbursed by the reseller.

The Company subsequently 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 continues to contest in pending Tax court litigation the proposed penalties and surcharges and has submitted a separate appeal on 15 December 2022 against the assessment. As a result, as at 31 December 2022, the Company did not record a liability in respect of this case in the financial statements.

26 Event after reporting date

At the Board of Director Meeting No. 1 held on 24 February 2023, the Board approved a resolution of submission to shareholders for approval of 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 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 is subjected to the approval of the Company's shareholders at the annual general meeting to be held on 5 April 2023 and will be paid to shareholders on 3 May 2023.

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										
<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 40%;">Name</th> <th style="text-align: left; width: 30%;">Position</th> <th style="text-align: left; width: 30%;">Signature</th> </tr> </thead> <tbody> <tr> <td>Authorized Person:</td> <td></td> <td></td> </tr> <tr> <td>Mrs. Nutsara Somkiatweera</td> <td>Chief Financial Officer</td> <td></td> </tr> </tbody> </table>			Name	Position	Signature	Authorized Person:			Mrs. Nutsara Somkiatweera	Chief Financial 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 59 years

SPRC's Current Position

- Chairman of the Board of Directors

Appointment date

- Effective on 14 May 2019
- 25 September 2020 (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 - Sept 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 74 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)

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. Mr. Robert Stair Guthrie

Age 76 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)

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



4. Mr. Brian Monaco Sutton

Age 44 years

SPRC's Current Position

- Director
- Member of the Human Resources Committee

Appointment date

- Effective on 10 April 2021

Education

Master Degree	Business Administration (General Management) Darden Graduate School of Business, University of Virginia, USA
Bachelor Degree	Arts, English Language and Literature University of Virginia, USA

Working experience in past 5 years

2021 – Present	Director and Member of the Human Resources Committee Star Petroleum Refining Public Company Limited
2021 – Present	General Manager, Finance, International Fuels & Lubricants Chevron Singapore Pte., Ltd., Singapore
2016 – 2019	Manager, Financial Reporting & Analysis – Corporation Controllers Chevron Corporation, USA
2014 – 2016	Manager, Finance, Deepwater Gulf of Mexico Exploration and Projects Chevron USA Inc., USA

Training records with IOD : none

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

Other current positions

- General Manager, Finance, International Products, Chevron Singapore Pre., Ltd., Singapore

Number of Shares held in the Company : none

Relationship to other Directors or executives in the Company : none



5. Mr. Robert Joseph Dobrik**Age 61 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)

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**


6. Mr. Ranga Rama Kumar Sreeramagiri**Age 61 years****SPRC's Current Position**

- Director
- Member of the the Nomination, Remuneration and Corporate Governance 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

2021 – Present	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 Refinery 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**

- Director, Singapore Refinery Company, Singapore
- Director. Chevron South Asia Holding Pte. Ltd., Singapore
- Vice President and Director, Chevron Singapore Pte. Ltd., Singapore

Number of Shares held in the Company : none**Relationship to other Directors or executives in the Company : none**


7. Ms. Kamonwan Wipulakorn

Age 60 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

2021 – Present	Director, Member of the Executive Committee, Member of the Risk Management Committee and Managing Director Bound and Beyond Public Company Limited
2020 – Present	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 – Present	Independent Director, Chairperson of the Audit Committee and Member of Corporate Governance Committee Total Access Communication Public Company Limited
2011 – 2017	Director and President The Erawan Group 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)



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, Chairperson of the Audit Committee and Member of Corporate Governance Committee, Total Access Communication 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 : Chairperson of the Board of Directors, Dtac TriNet Co., Ltd.

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 61 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)

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 59 years

Current Position in SPRC

- Deputy Chief Executive Officer – Operations

Appointment date

- 17 June 2013

Education

Bachelor Degree	Chemical Engineering University of Sydney, Australia
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Working experience in past 5 years

2013 - Present	Deputy Chief Executive Officer - Operations, 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. Mrs. Nutsara Somkiatweera**Age 53 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 Star Petroleum Refining Public Company Limited
2009 – 2022	Accounting Manager Star Petroleum Refining Public Company Limited

Number of Shares held in the Company : none**Relationship to other Directors or executives in the Company : none**


4. Mr. Sakchai Thamsuruk**Age 55 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

Working experience in past 5 years

2009 - Present Manager of Supply & Planning, SPRC

Number of Shares held in the Company : 0.008%**Relationship to other Directors or executives in the Company : none**


5. Mrs. Jariya Wuensche**Age 46 years****Current Position in SPRC**

- Manager of Human Resources (Acting)

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

2022 - Present	Acting Manager of Human Resources Star Petroleum Refining Public Company Limited
2021 – 2022	Change Management and HR Projects Leader Star Petroleum Refining Public Company Limited
2013 - 2021	Policy and Compensation Manager Star Petroleum Refining Public Company Limited

Number of Shares held in the Company : 0.003%**Relationship to other Directors or executives in the Company : none**


6. Mr. Pongkorn Chochuwong**Age 54 years****Current Position in SPRC**

- Manager Process Safety and QEHS

Appointment date

- 1 June 2014

Education

Bachelor Degree Science in Chemistry
Chiang Mai University

Working experience in past 5 years

2020 – Present	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


7. Mr. Wisit Sukprasert**Age 51 years****Current Position in SPRC**

- Manager of Asset Management

Appointment date

- 1 January 2020

Education

Master Degree	Business Administration Asian University
Bachelor Degree	Electrical Engineering Khon Kean University

Working experiences in past 5 years

2020 – Present	Manager of Asset Management, SPRC
2017 - 2019	Event Manager, SPRC
2012 - 2017	Maintenance Manager, SPRC

Number of Shares held in the Company : 0.001%**Relationship to other Directors or executives in the Company : none**


8. Mr. Paul Andrew Rushworth**Age 53 years****Current Position in SPRC**

- Manager of Production Unit-Processes & Utilities

Appointment date

- 16 March 2020

Education

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

Working experience in past 5 years

2020 – Present	Manager of Production Unit-Processes & Utilities, SPRC
2014 - 2020	Manager of Production Unit-Movement & Dispatches, SPRC
2012 - 2014	Event Manager, SPRC

Number of Shares held in the Company : 0.006%**Relationship to other Directors or executives in the Company : none**


9. Ms. Chaowasri Luengratanakorn**Age 46 years****Current Position in SPRC**

- Manager of Production Unit Movement & Dispatches

Appointment date

- 15 April 2020

Education

Bachelor Degree Chemical Engineering
 King Mongkut Institute of Technology Ladkrabang

Working experience in past 5 years

2020 – Present	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**


10. Mr. Kittipong Nokdara**Age 49 years****Current Position in SPRC**

- Manager of Integrity & Reliability

Appointment date

- 1 April 2020

Education

Master Degree	Welding Engineering King Mongkut's Technology Thonburi University, Thailand
Bachelor Degree	Mechanical Engineering Mahanakorn University, Thailand

Working experience in past 5 years

2020 – Present	Manager of Integrity & Reliability, SPRC
2017 - 2019	Integrity & Rotating Equipment Manager, SPRC
2013 – 2016	Engineering Manager for Event Project, SPRC

Number of Shares held in the Company: 0.003%**Relationship to other Directors or executives in the Company : none**


11. Mr. Akasit Rumpagaporn**Age 53 years****Current Position in SPRC**

- Manager Strategic Business Planning

Appointment date

- 15 September 2020

Education

Master Degree	Science in Computer Engineering Management Assumption University
Bachelor Degree	Science in Chemical Engineering Chulalongkorn University

Working experience in past 5 years

2020 – Present	Manager Strategic Business Planning
2015 - 2020	Manager of Technology & Engineering, SPRC
2011 - 2015	Planning Manager, SPRC

Number of Shares held in the Company : 0.005%**Relationship to other Directors or executives in the Company : none**


12. Mr. Konlayuth Chotepatana**Age 52 years****Current Position in SPRC**

- Manager of Technology & Engineering

Appointment date

- 15 September 2020

Education

Bachelor degree Chemical Engineering,
King Mongkut's University of Technology Thonburi

Working experience in past 5 years

2020 – Present Manager of Technology & Engineering, SPRC
2015 – 2020 Lead Process Engineer, SPRC

Number of Shares held in the Company : 0.001%

Relationship to other Directors or executives in the Company : none



13. Ms. Nattawan Khumwiwat**Age 42 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**


14. Mrs. Pornthip Viraphand**Age 57 years****Current Position in SPRC**

- Manager of Public & Government Affairs

Appointment date

- 1 June 2014

Education

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

Working experience in past 5 years

2014 - Present Manager of Public & Government Affairs, SPRC

Number of Shares held in the Company : 0.004%**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 53 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 Star Petroleum Refining Public Company Limited
2009 – 2022	Accounting Manager Star Petroleum Refining Public Company Limited

Training courses related to Accounting works in 2022

- CFO Refresher (2/2564) – 6 hours



Mrs. Suttanuch Kittipongvises

Age 36 years

Current Position in SPRC

- Accounting Manager

Appointment date

- 1 July 2022

Education

Master Degree	Business Administration - Finance National Institute of Development Administration
Bachelor Degree	Business Administration - Accounting Kasetsart University

Working experience in past 5 years

2022 - Present	Accounting Manager, SPRC
2016 – 2022	Investor Relations Manager, SPRC

Training courses related to Accounting works in 2022

- Actuarial valuation of Employee Benefits (TAS 19)
- Updated Thai Financial Reporting Standards (TFRS)

*Mrs. Suttanuch Kittipongvises meets the qualifications and has Registration certificate as an Accountant with criteria specified by Department of Business Development (DBD).



Profiles of Company Secretary

Ms. Nattawan Khumwiwat

Age 42 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

N/A



Attachment 3: Head of Internal Control Office and Corporate Compliance Officer

Internal Audit Manager (Head of the internal audit function)

Ms. Sukhumal Tonpitak

Age 53 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 42 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 4: Operating Asset and Asset Revaluation

Operating Asset

The Company's Major Assets

As of 31 December 2022, 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	2,551	No
Buildings	59	2,050	No
Refinery plant & machinery	2,091	72,623	No
Furniture, fixtures and equipment	74	2,584	No
Construction in progress	6	199	No
Total cost	2,303	80,007	
<u>Less Accumulated depreciation</u>	(1,649)	(57,272)	
Net book amount after accumulated depreciation	654	22,735	

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 2022, 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	16	573
Work in progress	1	17
Total cost	17	590
<u>Less Accumulated amortization</u>	(14)	(477)
Net book amount after accumulated amortization	3	113

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

In 1992, the Company entered into an agreement with IEAT for the use of land for a period of 30 years from 20 November 1992 to 19 November 2022. 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 1992 to 19 November 2022 which is used for the piperack and product pipelines. Currently, the Company is in the process of the redetermination of terms in lease contract extension with the lessor, 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. The Company has a plan to extend the agreement before it expires.

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 2022 the company has no investment in subsidiaries or associated companies so the company does not have an investment policy in subsidiaries and associated companies.

Asset Revaluation

The company has no Asset Revaluation in 2022.



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.

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’ 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 do 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 performance of duties by the Audit Committee pursuant to the Audit Committee Charter for the year ended 31 December 2022.

The Audit Committee, as appointed by the Board of Directors, comprises 4 independent directors as follows:

- Ms. Kamonwan Wipulakorn (Chairperson of the Audit Committee)
- Mr. Pliu Mangkornkanok
- Mr. Robert Stair Guthrie
- Dr. Verapong Chaiperm

Dr. Verapong Chaiperm resigned as Independent Director, Audit Committee member, and Nomination, Remuneration and Corporate Governance Committee member, due to personal health reasons, effective on 1 September 2022. The Board of Directors will further consider and appoint a new qualified independent director to fill the vacancy.

All Audit Committee members are independent directors, who meet all required qualifications 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). The Audit Committee members have extensive knowledge and diversity in experience and are capable of performing 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 2022, the Audit Committee met six times with attendance by three members and one absent member for the first 4 meetings. Following the resignation of Dr. Verapong Chaiperm, the Audit Committee membership was reduced to 3 members, accordingly the other two meetings were held with full attendance by all remaining members.

The Chief Executive Officer, the Chief Financial Officer, the Company Secretary, and the Internal Audit Manager, as well as representatives of the external auditor are invited to attend meetings of the Audit Committee. When required, other leadership members and management are invited to attend to present and provide information as required by the Audit Committee. After each Audit Committee meeting, the Chairman of the Audit Committee reports to the Board on the key issues that were discussed.

During each committee meeting, the Audit Committee exercised discretion and considered each matter in accordance with its duties and responsibilities as identified in the Audit Committee Charter, such duties and responsibilities include:

1. **Review of Company's Financial Reports:** The Audit Committee reviewed all quarterly statements and the year-end annual financial statement for the year ended 2022 and discussed with the Chief Financial Officer and the external auditor (PricewaterhouseCoopers ABAS Limited). The review included the materials issues, special items, the accounting policies and practices, key audit matters, and compliance with Thai Financial Reporting Standards and requirement of the Securities and Exchange Commission, Thailand (SEC). The external auditor presented their independent and opinion of the financial statements. The Audit Committee was satisfied that the Annual Financial Statement for the year ended 2022 has been produced in accordance with all relevant rules, regulations and accounting standards; was correct, fair, and has appropriate controls and reasonable disclosures. The Audit Committee recommended that the Audited



Financial Statements for the year ended 31 December 2022 be endorsed by the Board of Directors for further approval at the Annual General Meeting of Shareholders.

2. **Review of Company's Internal Controls:** The Audit Committee reviewed and endorsed the results of the management and internal auditor's assessments of the sufficiency of Company's internal controls. The Internal Controls Assessment was based on the COSO's framework (The Committee of Sponsoring Organization of the Treadway Commission) with 17 principles, categorized into 5 components (Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities). Further details of the assessment are described in the Internal Control Section. Furthermore, the Company complies with internal controls 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 Risk Management Committee was set up at management level to review and monitor risk management activities. The Audit Committee received quarterly reports consisting of reviews of risk assessments, status of operations monitoring, and statuses of execution of risk management plan, from Company's management. The Audit Committee was satisfied and found the risk management process to be effective and that the risk management plan has been followed.
4. **Review of Company's Corporate Governance:** The Board of Directors has reviewed and approved Company's Business Conduct Policy and 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, including reports on compliance with its Anti-Corruption Policy and the U.S. Foreign Corrupt Practices Act (FCPA). In addition, suspected violations or potential violations may be reported to the Audit Committee via email at AuditCommittee@sprc.co.th as a whistle-blowing channel for anyone who discovers or suspects violation or potential violations of the Business Conduct Policy. The Audit Committee completed its review and opined that the Company: has sufficient process for good corporate governance, and is in compliance with applicable laws and regulations; in accordance with the Company's Business Conduct Policy and Anti-Corruption Policy.
5. **Review of Company's Related Party Transactions (RPT):** The Audit Committee considers and reviews related party transactions or transactions with potential conflicts of interest on a quarterly basis to ensure that they are in accordance with applicable laws and regulations of the SET. The Company's Related Party Transactions include: the purchase of crude and feedstock; sale of products, and provision of technical services transactions with Chevron. 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 on an arm's length basis and were in the best interest of the Company, and have been adequately disclosed in the Related Party Transactions section of this annual report.
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 and PwC 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 is 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 on key audit matters, materiality 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 2022. In 2022, PwC did not provide any non-audit services to the Company that may 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 that are designed to ensure their independence.
8. **Appointment and remuneration determination of the External Auditor for the year 2022:** The Audit Committee has considered the objectivity, expertise, experience, performance, and independence of PwC. The Audit Committee was satisfied and proposed to re-appoint of PwC with the proposed remuneration fee for the Board's concurrence and the shareholder's approval at the 2022 Annual General Meeting. The 2022 Annual General Meeting of shareholders has approved PwC to be the Company's external auditor for the year 2022.
9. **Audit Committee Self- Assessment:** The Audit Committee conducts self-assessment annually in the areas of a) committee structure and qualification, b) committee meeting, c) roles and responsibilities on financial report, internal control, risk management, governance, internal and external audit functions. The self-assessment result of year 2022 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 addition, in November 2022, all three Audit Committee members attended seminars on Cyber Security; Environmental, Social and Governance; and Human Resource Digital, each organized by PricewaterhouseCoopers ABAS Limited, in order to grow capabilities and understanding to support their duties as Audit Committee members.

During the year 2022 the Audit Committee continued to focus on monitoring the effectiveness and integrity of the Company's governance, internal controls, and risk management process. As a result of their works, the Audit Committee has completed their roles and responsibilities according to the Audit Committee Charter with skill, competence, and due professional care. The Audit Committee opined that the Company has operated business with good corporate governance, sufficient internal controls, effective risk management system, and is in compliance 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.

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)



Control Environment

1. The organization demonstrates a commitment to integrity and ethical values

Question	Yes	No
<p>1.1 Board of Directors and management set business direction which are based on principle of good ethics in carrying out operations, which cover:</p> <p>1.1.1 Execution of day-to-day responsibilities and decision-making of various tasks</p> <p>1.1.2 Interaction with partners, customers, and external parties</p>	✓	
<p>1.2 Statements that are clearly written out for management and employees to carry out and comply with ethics that cover:</p> <p>1.2.1 A suitable code of conduct for management and employees.</p> <p>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 organization²</p> <p>1.2.3 Suitable penalties in place if violate above procedures</p> <p>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 3rd parties for awareness.</p>	✓	
<p>1.3 Processes in place to monitor and assess compliance with Code of Conduct:</p> <p>1.3.1 Monitoring and assessment by internal audit unit or compliance unit</p> <p>1.3.2 Self-assessment of management and employees</p> <p>1.3.3 Assessment by independent external experts</p>	✓	
<p>1.4 Timely response if non-compliance in relation to honesty and ethics is observed</p> <p>1.4.1 Processes in place detect violations within a suitable time period</p> <p>1.4.2 Processes in place that create ability to penalize or deal with violations in a suitable manner and on a timely basis</p> <p>1.4.3 Corrective response in place for actions that conflict with honesty and ethics</p>	✓	

² The company should determine internal control to align with anti-corruption policies and company's risks



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.	✓	
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.	✓	
<p>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</p> <p>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</p> <p>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)</p>	✓	
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.	✓	
<p>10.5 The company completely separates responsibility of the following three duties in order to monitor each appropriately:</p> <p>(1) duty of approval;</p> <p>(2) duty of recording accounting transactions and information; and</p> <p>(3) duty of managing property</p>	✓	



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: <ul style="list-style-type: none"> 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. 	✓	

