

**Information Memorandum on Connected Transaction of Star Petroleum Refining Public Company
Limited with respect to the Investment in Fuel Business**

The Board of Directors' meeting of Star Petroleum Refining Public Company Limited (the "**Company**") No. 4A/2022, held on 6 December 2022, has resolved to approve the investment in the fuel business, subject to obtaining approval of a meeting of shareholders of the Company, which comprises:

- (1) the acquisition of 100% of the total shares in Chevron Lubricants (Thailand) Company Limited (the name of which may 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;
- (2) the acquisition of 2,877,500 ordinary shares and 5,528,430 preference shares, representing 9.91% of total shares in Thai Petroleum Pipeline Company Limited ("**Thappline**") ("**Thappline Shares**") by the Company from CAPHL. Thappline is engaged in fuel transportation business through pipelines; and
- (3) the investment through equity and debt financing in two new private limited companies ("**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 ("**Fuel Business Land**") from Star Holdings Company Limited ("**SHC**").

The acquisition of the Target Shares and the Thappline Shares will be referred to as the "**Acquisition of Shares**" and, together with the investment in New Companies will be collectively referred as the "**Fuel Business Investment Transaction**".

The total value of the Fuel Business Investment Transaction is the sum of (i) USD 90.0 million (equivalent to THB 3,212.4 million¹) comprising: (a) base consideration for Target Shares in an amount of USD 16.8 million (equivalent to THB 599.6 million); (b) consideration for Thappline Shares in an amount of USD 45.0 million (equivalent to THB 1,606.2 million) and (c) investment in shares of the New Companies and loan(s) to be provided to one of the New Companies, in an amount of not exceeding USD 28.2 million (equivalent to THB 1,006.6 million); and (ii) the actual value of net working capital of the fuel business operated by Target as at the closing date of the Acquisition of Shares.

For illustration purposes, the net working capital of the fuel business as at 31 December 2021 was THB 2,350.1 million (equivalent to USD 65.8 million). On this basis, if the value of net working capital of the fuel business as at the closing date of Acquisition of Shares remains at the same level², the total value of the Fuel Business Investment Transaction would be USD 155.8 million (equivalent to THB 5,562.5 million).

The Acquisition of Shares is classified as a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions (including any amendments thereto) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) (including any amendments thereto) (collectively the "**Notifications on Connected Transaction**") as it is an acquisition by the Company of assets from:

¹ The consideration payable by the Company in connection with the Fuel Business Investment Transaction will be made in USD. The THB amount is included for information purposes only. In this document, THB amount converted from USD amount is converted based on the exchange rate of USD 1 to THB 35.693, based on the weighted-average interbank exchange rate published by the Bank of Thailand as at 15 November 2022.

² The value of the net working capital of the fuel business as at the closing date of the Acquisition of Shares may be different from the net working capital of the fuel business as at 31 December 2021.

- (1) CAPHL which is an indirect major shareholder of the Company through the holding of 100% of shares in Chevron South Asia Holdings Private Limited (“**CSAHPL**”), which in turn is the direct major shareholder of the Company holding 60.56% of the total shares with voting rights in the Company; and
- (2) CTN1 and CTN2 which are subsidiaries of Chevron Corporation (“**Chevron**”), where more than 50% of the total shares in each of CTN1 and CTN2 are held by Chevron, which is an indirect major shareholder of the Company, through the indirect holding of 100% of shares in CAPHL (whose shareholding in the Company is as described above).

The value of the Acquisition of Shares (including the value of the net working capital of the fuel business operated by Target as at the closing date of the Acquisition of Shares (on the assumption that this would remain the same as the net working capital as at 31 December 2021³)) is approximately 15.6% of the value of the net tangible assets of the Company, calculated based on the reviewed financial statements of the Company for the 9-month period ended 30 September 2022. Therefore, the Company is required to obtain a shareholders’ approval and comply with the relevant obligations under the Notifications on Connected Transaction prior to closing of the Acquisition of Shares as follows:

- (a) To prepare and disclose the information of the Acquisition of Shares to the Stock Exchange of Thailand (the “**SET**”) in accordance with the Notifications on Connected Transaction immediately;
- (b) To appoint an independent financial advisor to give an opinion on the Acquisition of Shares under the Notifications on Connected Transaction and submit the opinion of the independent financial advisor to the shareholders of the Company;
- (c) To deliver the notice of the shareholders’ meeting to the shareholders not less than 14 days in advance, whereby such notice shall contain minimum information as prescribed in the Notifications on Connected Transaction; and
- (d) To call a shareholders’ meeting in order to consider and approve the Acquisition of Shares, whereby the resolution with respect to the Acquisition of Shares shall be passed by votes of no less than three-quarters of the total votes cast by the shareholders attending the meeting and eligible to vote, without counting the votes cast by interested shareholders.

For information of the shareholders, the total value of the Fuel Business Investment Transaction, comprising the value of the Acquisition of Shares (including the value of the net working capital of the fuel business operated by Target as at the closing date of the Acquisition of Shares (on the assumption that this would remain the same as the net working capital as at 31 December 2021⁴)) and the investment in shares of the New Companies and loan(s) to be provided to one of the New Companies is approximately 18.1% of the value of the net tangible assets of the Company, calculated based on the reviewed financial statements of the Company for the 9-month period ended 30 September 2022.

In addition, given that the Company will acquire more than 50% of shares in the Target, the Company is required to obtain an approval of a meeting of shareholders of the Company under Section 107 of the Public Limited Companies Act B.E. 2535 (as amended) (the “**PLCA**”). Accordingly, the Board of Directors approved to propose to the shareholders to consider and approve the entry into the Fuel Business Investment Transaction by the Company under Section 107 of the PLCA.

³ Please see Footnote 2.

⁴ Please see Footnote 2.

The Company hereby provides the information relating to the Fuel Business Investment Transaction as follows:

1) Date of the Transaction

On 6 December 2022, the Board of Directors of the Company (i) approved the entry into by the Company of the Fuel Business Investment Transaction and the entry into the relevant agreements and documents in relation to the Fuel Business Investment Transaction (where the completion of the Acquisition of Shares and the investment of New Companies are subject to approval of the meeting of shareholders of the Company) and (ii) approved to propose the entry into by the Company of the Fuel Business Investment Transaction to the shareholders' meeting of the Company for consideration and approval. The closing of the Fuel Business Investment Transaction will occur when all conditions precedent as specified in the relevant agreements, including obtaining the approval from the shareholders' meeting of the Company in relation to the Fuel Business Investment Transaction, have been completed or waived (as applicable). The Company expects that the Fuel Business Investment Transaction (which includes the Acquisition of Shares) will be completed within June 2024.

2) Relevant Parties and Their Relationship

The relevant parties relating to the Acquisition of Shares can be summarized as follows:

Transaction	Purchaser	Seller
Acquisition of Target Shares	The Company	CAPHL, CTN1, CTN2
Acquisition of Thappline Shares	The Company	CAPHL
Investment in New Companies	<ul style="list-style-type: none"> The Company will invest in up to 49% of newly issued shares of a new company to be incorporated under Thai law ("NewCo1") and up to 49% of shares in another company to be incorporated under Thai law ("NewCo2"). NewCo2 will invest in at least 51% of shares of NewCo1. Thai co-investor(s) who is(are) not connected person(s) of the Company will jointly invest in at least 51% of shares of NewCo2. In this regard, the Board of Directors will consider selecting the suitable co-investor(s) with financial stability and credibility for the co-investment in NewCo2. Thai co-investor(s) for NewCo2 will not be under the control of the Company. Hence, the Company will not have control over NewCo1 and NewCo2. Subsequently, NewCo1 will acquire the Fuel Business Land from SHC. All shares of NewCo1 and NewCo2 will have one voting right per share. The articles of association of NewCo1 and NewCo2 will consist of a clause specifying that all transactions to be entered into by NewCo1 and NewCo2 must be approved by the resolution of the shareholders' meeting, which shall include the Company's vote. Since the Company only has 49% of the voting rights in NewCo1 and NewCo2, the Company will not have the right to appoint or remove at least half of NewCo1 and NewCo2's board of directors. However, the articles of association of NewCo1 and NewCo2 will consist of a clause specifying that all resolutions in the shareholders' meeting (including resolutions to appoint or remove directors) must be approved by the shareholders' meeting, which shall include the Company's vote. Hence, NewCo1 and NewCo2 will not be considered as the Company's subsidiary according to the Securities and Exchange Act B.E. 2535 (1992) (including any amendments thereto) and the Notification of the Capital Market 	

Transaction	Purchaser	Seller
	Supervisory Board No. TorChor 21/2551 Re: Rules on Connected Transactions (including any amendments thereto).	
	<ul style="list-style-type: none"> Additionally, the Company will enter into an agreement with the other shareholder(s) of NewCo2 to specify the Company's rights to purchase shares of NewCo2 from such shareholder(s). The Company will further consider whether it is necessary to consolidate the financial statements of NewCo1 and NewCo2 into its financial statements. However, regardless of whether the Company will consolidate NewCo1 and NewCo2 to its financial statements as subsidiaries, there will not be any impact on the Company's financial position. 	

The relationship of the connected parties with the Company can be summarized as follows:

Connected Parties	Shareholding Structure	Relationship with the Company
CAPHL (Incorporated in Bermuda)	<ul style="list-style-type: none"> CAPHL holds 100% of shares in of CSAHPL. 	<ul style="list-style-type: none"> CAPHL is an indirect major shareholder of the Company. CAPHL holds 100% of shares in CSAHPL which holds 60.56% of the total issued shares of the Company^{2/}. CTN1 and CTN2 are subsidiaries of Chevron, who is an indirect major shareholder of the Company. SHC is a related person of CAPHL, who is an indirect major shareholder of the Company.
CTN1 (Incorporated in the United States)	<ul style="list-style-type: none"> Chevron^{1/} holds directly and indirectly 100% of shares in CTN1. 	
CTN2 (Incorporated in the United States)	<ul style="list-style-type: none"> Chevron holds directly and indirectly 100% of shares in CTN2. 	
SHC (Incorporated in Thailand)	<ul style="list-style-type: none"> CAPHL directly holds 49% of total issued shares of SHC. 	

Note: 1/ Chevron is a multinational energy corporation listed on the New York Stock Exchange. As at 15 March 2022, Chevron's major shareholders holding more than 5% of the total issued and paid-up shares include The Vanguard Group (8.48%), State Street Corporation (7.21%), and BlackRock, Inc (6.50%) (Source: Chevron Proxy Statement 2022 (www.chevron.com)).
2/ As at 25 August 2022 (which is the latest record date of the Company for the most recent dividend distribution by the Company).

3) General Characteristics of the Transaction

The Company will invest in the fuel business, including:

- (1) the acquisition of Target Shares by the Company from CAPHL, CTN1 and CTN2;
- (2) the acquisition of Thapline Shares by the Company from CAPHL; and
- (3) the investment through equity and debt financing in New Companies which will be incorporated under Thai law and one of the New Companies will acquire the Fuel Business Land from SHC.

The process of the Fuel Business Investment Transaction can be summarized as follows:

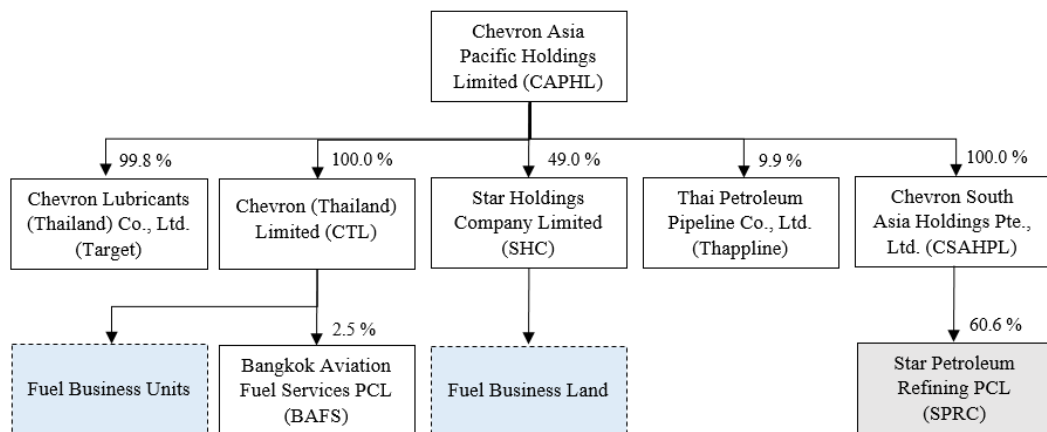
- (1) The Internal Reorganization of the Fuel Business Units (*as defined below*) under CTL

As at the date of the Board of Directors' meeting, the fuel business is operated by CTL. CTL and SHC will carry out a business reorganization by transferring the fuel business and the related assets to Target (the "**Internal Reorganization**"), which will include the transfer of the relevant employees, licenses and permits, contracts, surface assets and other assets associated with the fuel business, as well as 16,000,000 ordinary shares (equivalent to 2.51% of total issued and paid-up shares) in Bangkok Aviation Fuel Services Public Company Limited ("**BAFS**") (the "**Fuel Business**").

Units). After the completion of the Internal Reorganization, Target will operate the fuel marketing and distribution business, including gas station business under “Caltex” and related brands and distribution of fuel products (e.g. gasohol, unleaded gasoline, diesel, jet fuel and asphalt). As at 30 September 2022, the fuel business has 427 gas stations operating under Caltex brand in Thailand, comprising 403 retailer-owned and retailer-operated (RORO) stations and 24 company-owned and retailer-operated (CORO) stations.

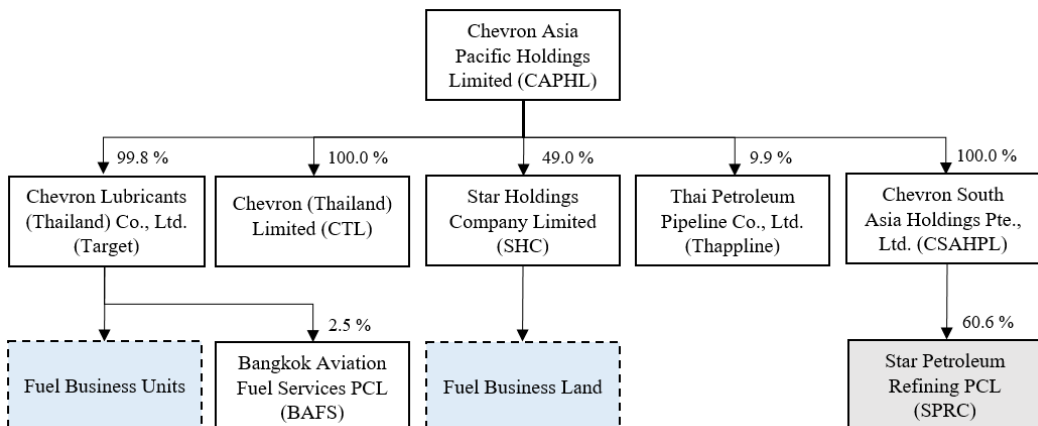
The shareholding structure of Target before and after the Internal Reorganization is as follows:

Shareholding structure of Target **before** the Internal Reorganization



Note: The remaining shares in Target are held by CTN1 and CTN2 (0.1% each)

Shareholding structure of Target **after** the Internal Reorganization



Note: CAPHL, CTN1, and CTN2 will still collectively hold 100% of Target Shares after the Internal Reorganization

(2) The Acquisition of Shares by the Company

Upon the completion of the Internal Reorganization and all conditions precedent as specified in the relevant agreements, including obtaining the approval from the shareholders meeting of the Company in relation to the Fuel Business Investment Transaction, have been satisfied or waived (as applicable), the Company will:

- (1) acquire Target Shares and Thapline Shares; and
- (2) invest in up to 49% of shares in NewCo1 and NewCo2, and provide debt financing to NewCo1 or NewCo2, following which NewCo1 will acquire the Fuel Business Land from

SHC. After the acquisition of Fuel Business Land by NewCo1, NewCo1 will lease Fuel Business Land to Target.

The key terms of the loan agreement and the lease agreement are as follows:

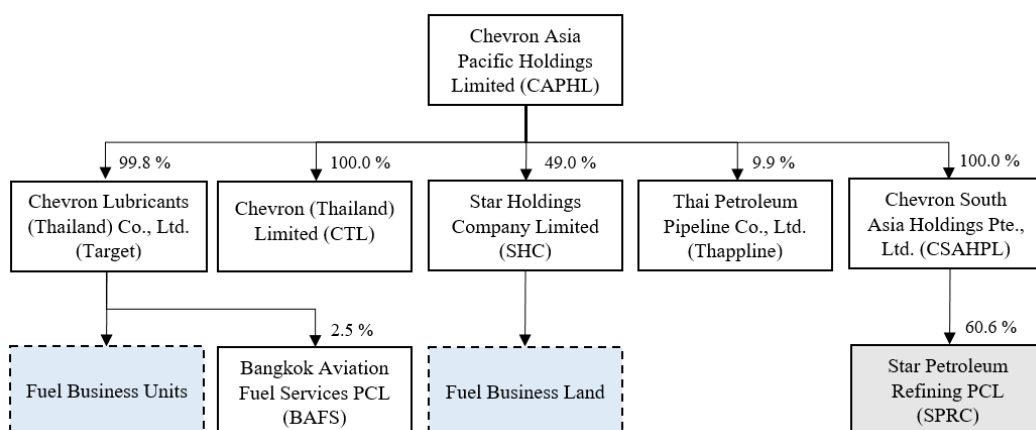
	Loan agreement ^{1/}	Lease agreement
Parties	<ul style="list-style-type: none"> • Lender: The Company • Borrower: NewCo1 or NewCo2 	<ul style="list-style-type: none"> • Lessor: NewCo1 • Lessee: Target
Key terms	<p><u>Total amount of loan(s)</u>: not exceeding USD 28.2 million (equivalent to THB 1,006.6 million)</p> <p><u>Purpose of loan(s)</u>: loan provided to NewCo1 will be used for the purpose of acquisition of the Fuel Business Land and loan provided to NewCo2 (if any) will be for the purposes of investment in shares of NewCo1</p> <p><u>Interest rate</u>: in line with market rate at the time of the loan agreement</p>	<p><u>Term</u>: 3 years with option to extend^{2/}</p> <p><u>Rental fee</u>: in line with market rate at the time of the lease agreement</p>

Note: 1/ The Board of Directors have considered and viewed that the loan to be provided to NewCo1 or NewCo2 as the fund for such company for the acquisition of the Fuel Business Land, which is a necessary asset in conducting the Fuel Business of the Target that will be invested by the Company in this transaction, must be on an arm's length basis with no transfer of benefits. Even though the loan provided to NewCo1 or NewCo2 may not be proportionate to the shareholding stake of the Company in NewCo1 and NewCo2, the granting of loan for such purpose is deemed reasonable, necessary, and facilitative to the Company in finding Thai co-investor(s) to co-invest in NewCo2. Moreover, the Company has also considered and viewed that the granting of loan will not impact the Company's liquidity and financial position. The Company will further obtain approval on the loan terms and conditions from the Board of Directors prior to granting the loan.

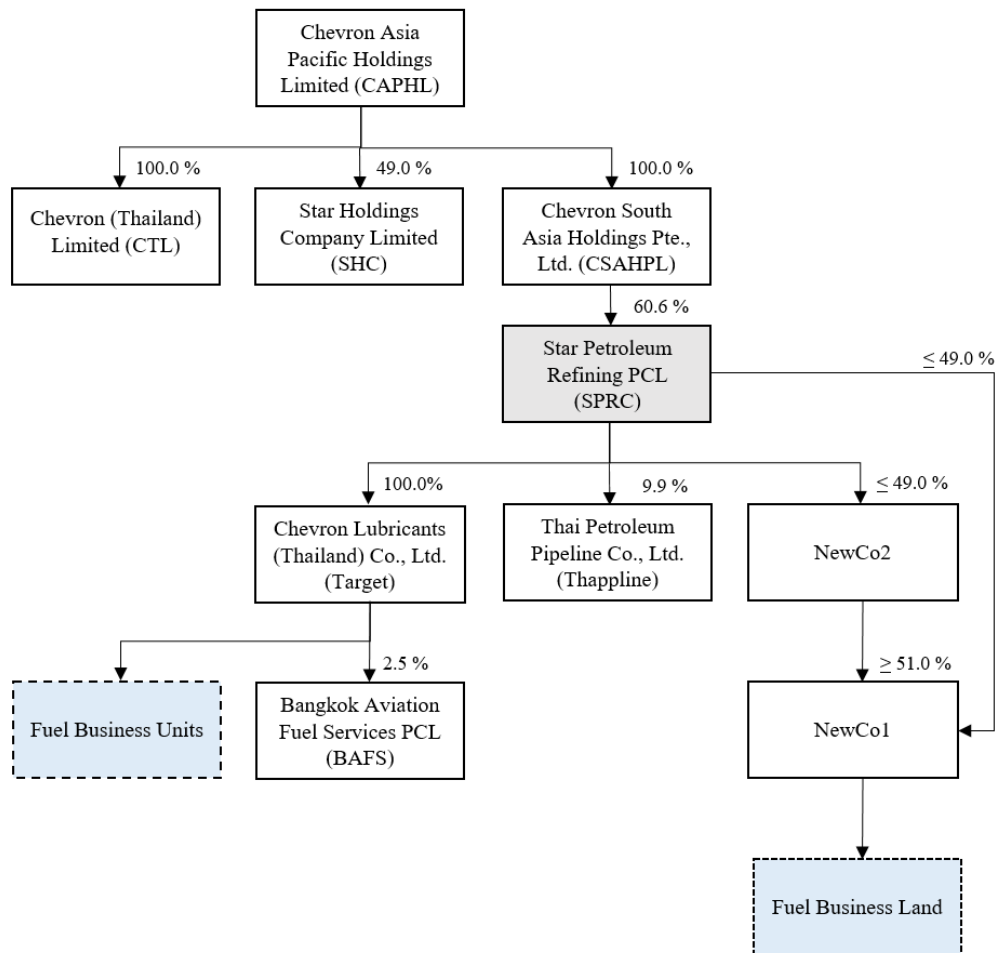
2/ Subject to further discussion between the parties.

The shareholding structure of Target before and after the Fuel Business Investment Transaction is as follows:

Shareholding structure before the Fuel Business Investment Transaction



Shareholding structure **after** the Fuel Business Investment Transaction



4) Conditions for the Transaction

For the purpose of the Fuel Business Investment Transaction (which includes the Acquisition of Shares), the Company has entered into the Framework Agreement (the “**FA**”) and the Agreement for the Sale and Purchase of the Target Shares and Thappline Shares (the “**Shares SPA**”) and, after its incorporation, NewCo1 will enter into the Land Sale and Purchase Agreement (the “**Land SPA**”). The FA has been entered into between the purchaser (i.e. the Company) and the sellers (i.e. CAPHL, CTN1, CTN2, SHC, and CTL) for the purpose of governing the overall transaction steps and relevant definitive agreements.

The key details of the Shares SPA and the Land SPA are as follows:

	Shares SPA	Land SPA
Parties	<ul style="list-style-type: none"> Purchaser: The Company Seller: CAPHL, CTN1, CTN2 	<ul style="list-style-type: none"> Purchaser: NewCo1 Seller: SHC
Sale shares/assets	<ul style="list-style-type: none"> Target Shares (100%) Thappline Shares (9.91%) 	<ul style="list-style-type: none"> Fuel Business Land, including 19 plots of land with a total land area of 81 Rai 3 Ngan 36.1 Sq. Wah, further detail of which is set out in paragraph 6.3. below.
Purchase price and payment date	<ul style="list-style-type: none"> Target Shares 	<ul style="list-style-type: none"> USD 28.2 million⁵ payment on the closing date for the sale and purchase of the Fuel Business Land, which will take place on the

	Shares SPA	Land SPA
	<ul style="list-style-type: none"> (i) Base consideration in an amount of USD 16.8 million⁵; and (ii) On the closing date of the Acquisition of Shares, the Company will pay the sellers an amount based on the estimated net working capital of the fuel business as at the closing date. After the closing date, the parties will prepare and review the final net working capital amount as at the closing date and adjust the payment (if any) to reflect the actual net working capital amount in accordance with the terms and conditions specified in the Shares SPA. <ul style="list-style-type: none"> • Thapline Shares USD 45.0 million on the closing date 	same day as the closing of the Acquisition of Shares.
Key conditions precedent	<ul style="list-style-type: none"> • The Company having obtained a shareholder resolution to approve the Fuel Business Investment Transaction and perform the Company's obligations contemplated by the Share SPA, which include the incorporation of NewCo1 to enter into the Land SPA; and • The completion of Internal Reorganization and the execution by the Target of certain ancillary and operative agreements, the key terms of which are set out in the summary table below. 	
Long stop date	<p>The Shares SPA specifies that key conditions precedent must be fulfilled or waived no longer than 18 months after the date of the FA and the Shares SPA (6 December 2022).</p> <p>In this regard, the Company has considered and viewed that the period of 18 months is appropriate and necessary to procure that conditions precedent (including the Internal Reorganization) be fulfilled. For the period from the signing date of the Shares SPA to the completion of the Acquisition of Shares (Closing Date), the sellers are obligated to ensure that CTL and the Target (after the completion of the Internal Reorganization) do not perform any action that significantly deviates from the ordinary course of business. If such action occurs during the period from the signing date of the Shares SPA to the completion of the Acquisition of Shares (Closing Date), the Company will have the right to claim with respect to such matter from the sellers according to the conditions of the Shares SPA.</p>	
Termination	<ul style="list-style-type: none"> • The Shares SPA and the Land SPA will be terminated upon the termination of the FA. • A party may terminate the FA by giving written notice to the other party following a termination event, which include: <ul style="list-style-type: none"> ○ an insolvency of the other party or its ultimate shareholder; or ○ a change in control of the other party without prior written consent. 	

⁵ In the case that the agreed plots of land located at Songkhla Terminal (the “**Songkhla Terminal Land**”) are not transferred to NewCo1 because the relevant third-party consent is not obtained, the Fuel Business Investment Transaction will proceed on the basis that the Company will not be required to pay consideration for the Songkhla Termination Land and the terminal assets located at Songkhla Terminal. As a result, the total consideration for Target Shares will be reduced in an amount of USD 1.95 million and the purchase price under the Land SPA for the Fuel Business Land will be reduced in an amount of USD 4.34 million.

As mentioned above, Target will enter into the following key ancillary and operative agreements prior to the Acquisition of Shares. A summary of these agreements is as follows:

	Parties	Services	Terms	Termination
Trademark License Agreement (the “TLA”)	<ul style="list-style-type: none"> Service Receiver: Target Service Provider: Chevron Brands International LLC 	<ul style="list-style-type: none"> Exclusive license to use marks (e.g. Caltex, Techron, etc.) for permitted purposes in Thailand 	<ul style="list-style-type: none"> 10 years with option to extend for another 10 years 	<p>The TLA may be terminated if a termination event set out in the TLA occurs, including any of the following events:</p> <ul style="list-style-type: none"> either party materially breaches the TLA; either party provides a written notice of termination to the other party any time after 5 years from the effective date of the TLA; Service Receiver becomes bankrupt, insolvent or goes into liquidation; and A change in control of the Service Receiver and the Service Provider does not provide its written consent or the Service Receiver does not provide notice prior to its change in control.
Marketing Services Agreement (the “MSA”)	<ul style="list-style-type: none"> Service Receiver: Target Service Provider: Chevron Singapore Private Limited 	<ul style="list-style-type: none"> Marketing, technical and other services relating to the retail business in Thailand 	<ul style="list-style-type: none"> 5 years with option to extend for another 5 years (subject to mutual agreement on fees and charges) 	<p>The MSA may be terminated if a termination event set out in the MSA occurs, including any of the following events:</p> <ul style="list-style-type: none"> if the TLA is terminated; other party fails to comply material provision and fails to cure such non-compliance within 90 days after the other party has given notice other party takes any action to appoint a receiver, administrative receiver, administrator, trustee or similar officer over all or a material

	Parties	Services	Terms	Termination
				part of its assets or undertaking; <ul style="list-style-type: none"> • other party has a winding-up or administration petition; • other party gives written notice to the other party 12 months in advance; and • both parties agree to terminate the MSA.
Aviation Marketing and Technical Services Agreement (the “AMSA”)	<ul style="list-style-type: none"> • Service Receiver: Target • Service Provider: Chevron Singapore Private Limited 	<ul style="list-style-type: none"> • Marketing, technical and other services relating to the aviation fuel business in Thailand 	<ul style="list-style-type: none"> • 10 years with option to extend for up to 10 years 	The AMSA may be terminated if a termination event set out in the AMSA occurs, including any of the following events: <ul style="list-style-type: none"> • other party fails to comply with any provisions and fails to cure such non-compliance within 30 days after the other party has given notice; • other party takes any action to appoint a receiver, administrative receiver, administrator, trustee or similar officer over all or a material part of its assets or undertaking; • other party has a winding-up or administration petition • Service Receiver is no longer insured or fails to maintain insurance coverage as required; • either party ceases its business or Service Receiver ceases to hold any required license or permit to conduct its business; and • force majeure has prevented a party from performing its obligations for a period of more than 90 continuous days.

Note: Chevron Brands International LLC and Chevron Singapore Private Limited are affiliates of Chevron

5) Calculation of the Transaction Value

When calculating the size of the Acquisition of Shares pursuant to the criteria as specified under the Notifications on Connected Transaction based on the reviewed financial statements of the Company ended 30 September 2022, the Acquisition of Shares is considered a connected transaction which is the asset or service related transaction having the size of the transaction value of USD 182.8 million (equivalent to THB 6,523.9 million) which is higher than 3% of the value of the net tangible assets of the Company as at 30 September 2022. Details of the calculation are as follows:

(THB million)	Target Shares	Thappline Shares	Total
Transaction Value	4,917.7 ¹	1,606.2	6,523.9
NTA of the Company ²	41,702.5	41,702.5	41,702.5
Percentage of the NTA of the Company	11.8	3.8	15.6

Notes: 1/ Value used for calculating the transaction size of Target Shares is based on the sum of pro forma book value of Fuel Business Units and book value of Target as at 31 December 2021 which is higher than the consideration value of Target Shares including the value of the net working capital of the fuel business operated by Target as at the closing date of the Acquisition of Shares (on the assumption that this would remain the same as the net working capital as at 31 December 2021⁶).

2/ Net tangible asset (NTA) of the Company is calculated based on the reviewed financial statements for the 9-month period ended 30 September 2022.

For information of the shareholders, the total value of the Fuel Business Investment Transaction, comprising the value of the Acquisition of Shares (including the value of the net working capital of the fuel business operated by Target as at the closing date of the Acquisition of Shares (on the assumption that this would remain the same as the net working capital as at 31 December 2021⁷)) and the investment in shares of the New Companies and loan(s) to be provided to one of the New Companies, is approximately 18.1% of the value of the net tangible assets of the Company, calculated based on the reviewed financial statements of the Company for the 9-month period ended 30 September 2022.

6) Details of Assets to be Acquired

6.1. General Information about Target (as-is basis, prior to the Internal Reorganization)

General Information	
Company Name	Chevron Lubricants (Thailand) Company Limited
Registered Number	0105555138899
Date of Incorporation	18 September 2012
Registered Office	1404 Rama III Rd., Chong Nonsi, Yan Nawa, Bangkok, 10120
Country of Incorporation	Thailand
Registered Capital	THB 35,100,000
Total Paid-Up Capital	THB 35,100,000
Number of Shares	351,000 ordinary shares at par value of THB 100 per share.
Type of Business	Target was registered for the purpose of buying, distributing, and selling lubricants. As at 31 December 2021, Target does not have any business activity.
Board of Directors	1. Mrs. Puntip Vaivattana 2. Mr. Santisak Thaipat
Shareholders (as at 29 April 2022)	1. Chevron Asia Pacific Holdings Limited 350,298 shares 2. CT Nominee Holdings (I) LLC, 351 shares 3. CT Nominee Holdings (II) LLC, 351 shares

⁶ Please see Footnote 2.

⁷ Please see Footnote 2.

General Information			
Remarks	<p>It is contemplated that Target will increase its registered and paid-up capital and the number of its shares in connection with the Internal Reorganization. Following such increase of capital, its shares will continue to be held by its existing shareholders.</p> <p>Any change to the registered and paid-up capital and the number of shares of Target will not result in any change of the consideration payable by the Company for 100% of shares in the Target as contemplated by the Fuel Business Investment Transaction.</p>		
Income Statement (THB thousand)	For the year ended 31 December		
	2019	2020	2021
Total Revenues	13.36	4.94	16.97
EBIT	(18.61)	(26.92)	(16.31)
Net Income	(18.61)	(26.92)	(16.31)
Balance Sheet (THB thousand)	As at 31 December		
	2019	2020	2021
Total Current Assets	3,847.17	3,820.15	3,805.74
Total Non-current Assets	-	-	-
Total Assets	3,847.17	3,820.15	3,805.74
Total Current Liabilities	30.00	29.90	31.80
Total Non-current Liabilities	-	-	-
Total Liabilities	30.00	29.90	31.80
Total Equity	3,817.17	3,790.25	3,773.94

Source: Audited financial statements of Target for the years 2020 and 2021

The income statement and balance sheet of Target shown in the above table is based on the as-is basis (i.e. prior to the Internal Reorganization). Given the Fuel Business Units (excluding Thappline Shares and Fuel Business Land) will be transferred from CTL to Target as per the Internal Reorganization, the pro forma financial statements of the Fuel Business Units prepared in accordance to TFRS for NPAs and reviewed by Deloitte Touche Tohmatsu Jaiyos Co., Ltd. are presented in the table below.

Pro Forma Income Statement (THB million)	For the year ended 31 December		
	2019	2020	2021
Total Revenue	123,477.11	83,036.50	86,975.56
Gross Profit	2,587.85	1,515.81	2,476.07
EBIT	780.28	(253.96)	952.40
Pre-tax Income	778.67	(254.58)	951.92
Pro Forma Balance Sheet (THB million)	As at 31 December		
	2019	2020	2021
Trade & Other Receivables	5,381.62	4,207.03	4,993.33
Inventory	2,775.68	2,185.29	2,819.59
Other Current Assets	-	150.21	172.48
Total Current Assets	8,157.30	6,542.53	7,985.40
Property, Plant, and Equipment	879.31	1,168.50	1,383.82
Other Non-current Assets	1,458.39	1,563.60	1,900.93
Total Non-Current Assets	2,337.70	2,732.10	3,284.75
Total Assets	10,495.00	9,274.63	11,270.15
Accounts Payable	6,374.57	4,966.76	5,345.31

Pro Forma Income Statement (THB million)	For the year ended 31 December		
	2019	2020	2021
Provision for Employee Benefit Plans	1,039.97	908.61	775.8
Other Current Liabilities	198.79	213.97	235.07
Total Liabilities	7,613.33	6,089.34	6,356.26

6.2. General Information on Thappline

General Information	
Company Name	Thai Petroleum Pipeline Company Limited
Registered Number	0105534002696
Date of Incorporation	9 January 1991
Registered Office	2/8 Moo. 11 Lamlukka Rd., Latsawai, Lumlukka, Pathum Thani, 12150
Country of Incorporation	Thailand
Registered Capital	THB 8,479,000,000
Total Paid-Up Capital	THB 8,479,000,000
Number of Shares	<ul style="list-style-type: none"> • 28,775,000 ordinary shares at par value of THB 100 per share (1 vote per 1 share) • 13,000,000 Class A preference shares at par value of THB 100 per share (2 votes per 1 share, and the dividend paid will be 2 times of the dividend paid to ordinary shares) • 43,015,000 Class B preference shares at par value of THB 100 per share (1 vote per 1,000 shares, and the dividend paid will be 1 time of the dividend paid to ordinary shares)
Type of Business	Thappline provides transportation and distribution services of oil via pipeline system
Board of Directors	<ol style="list-style-type: none"> 1. Mr. Soonthorn Chursuk 2. Mr. Paisan Udomkulwanich 3. Mr. Racha U-thaichan 4. Mr. Chumchanit Chitman 5. Mr. Chatchawarn Hongcharoenthai 6. Mr. Panun Prachuabmoh 7. Mr. Chuchart Sriwanwit 8. Mr. Pornchai Pongkoontrirut 9. Mr. Chatapong Wungtanagorn 10. Mr. Jaturong Worawitsurawatthana
Shareholders (as at 22 April 2022)	<ol style="list-style-type: none"> 1. PTT Oil and Retail Business Public Company Limited <ul style="list-style-type: none"> ○ 11,661,500 ordinary shares ○ 5,268,896 class A preference shares ○ 17,326,412 class B preference shares 2. ESSO (Thailand) Public Company Limited <ul style="list-style-type: none"> ○ 5,980,000 ordinary shares ○ 2,701,651 class A preference shares ○ 8,836,954 class B preference shares 3. The Shell Company of Thailand Limited <ul style="list-style-type: none"> ○ 4,316,250 ordinary shares ○ 1,950,000 class A preference shares ○ 6,342,646 class B preference shares 4. Chevron Asia Pacific Holdings Limited <ul style="list-style-type: none"> ○ 2,877,500 ordinary shares

General Information			
	<ul style="list-style-type: none"> ○ 1,300,000 class A preference shares ○ 4,228,430 class B preference shares 		
	5. Thai Oil Public Company Limited <ul style="list-style-type: none"> ○ 2,500,000 ordinary shares ○ 1,129,453 class A preference shares ○ 4,165,516 class B preference shares 		
	6. Kuwait Petroleum (Europe) B.V. <ul style="list-style-type: none"> ○ 1,438,750 ordinary shares ○ 650,000 class A preference shares ○ 2,114,042 class B preference shares 		
	7. SUSCO Dealers Company Limited <ul style="list-style-type: none"> ○ 1,000 ordinary shares ○ 1,000 class B preference shares 		
Income Statement (THB million)	For the year ended 31 December		
	2019	2020	2021
Total Revenue	3,637.51	2,965.01	2,583.12
Gross Profit	2,542.82	1,987.70	1,651.95
EBIT	2,287.99	1,754.17	1,400.84
Net Income	1,830.66	1,370.91	1,091.42
Balance Sheet (THB million)	As at 31 December		
	2019	2020	2021
Total Current Assets	4,764.37	4,017.22	3,735.94
Total Non-current Assets	6,727.03	8,089.57	8,099.24
Total Assets	11,491.40	12,106.79	11,835.18
Total Current Liabilities	543.57	571.14	573.78
Total Non-current Liabilities	205.90	1,138.77	1,075.47
Total Liabilities	749.47	1,709.91	1,649.25
Total Equity	10,741.93	10,396.88	10,185.93

Source: Audited financial statements of Thapline for the years 2020 and 2021

6.3. General Information on Fuel Business Land

1. CORO-Khon Kaen Land	
Purchased Property	1 plot of land with a total area of 2 Rai 1 Ngan 33.6 Sq. Wah
Location	Klang Muang Road, Nai Muang Sub-district, Muang Khon Kaen District, Khon Kaen, Thailand
Title Document	Land title deed no. 926
Land Owner	SHC
Appraised Value ⁸	THB 93.36 million
Encumbrance	None
Land Usage	Location of gas station
2. CORO-Bangkok Land	
Purchased Property	1 plot of land with a total area of 1 Rai 80 Sq. Wah
Location	Phahon Yothin Road, Sam Sen Nai (Fang Nuea) Sub-District, Bang Sue District, Bangkok, Thailand
Title Document	Land title deed no. 2385
Land Owner	SHC
Appraised Value ⁸	THB 480.00 million
Encumbrance	None
Land Usage	Location of gas station

3. CORO-Phuket Land	
Purchased Property	3 plots of land with a total area of 2 Rai 1 Ngan 94.1 Sq. Wah
Location	Pa Thong Road, Ka Thu Sub-District, Ka Thu District, Phuket, Thailand
Title Document	Land title deed no. 518, 2315, 2316
Land Owner	SHC
Appraised Value ⁸	THB 93.45 million
Encumbrance	None
Land Usage	Location of gas station
4. CORO-Pathum Thani Land	
Purchased Property	1 plot of land with a total area of 5 Rai 31 Sq. Wah
Location	Phahon Yothin Road, Khlong Nueng Sub-District, Khlong Luang District, Pathum Thani, Thailand
Title Document	Land title deed no. 46569
Land Owner	SHC
Appraised Value ⁸	THB 132.00 million
Encumbrance	None
Land Usage	Location of gas station
5. Songkhla Terminal Land	
Purchased Property	8 plots of land with a total area of 52 Rai 2 Ngan 39.9 Sq. Wah <ul style="list-style-type: none"> 4 plots of land with a total area of 24 Rai 18.6 Sq. Wah (fully-owned by SHC) 4 plots of land with a total area of 28 Rai 2 Ngan 21.3 Sq. Wah (co-owned by SHC and United Industry Development Company Limited (“UID”))
Location	Ranot-Songkhla Road (Highway no. 408), Sathing Mo Sub-District, Singhanakhon District, Songkhla, Thailand
Title Document	Land title deed no.: 1034, 46274 (16370), 47443 (24082), 47444 (24083) (SHC fully owned) 1044, 47445 (24089), 47446 (24090), 48620 (34170) (SHC co-owned)
Land Owner	SHC fully-owned & SHC co-owned with UID
Appraised Value ⁸	THB 150.73 million ⁹
Encumbrance	Servitude under land title deed no. 48620 (34170) comprises of a total area of 1 Rai 1 Ngan 12.1 Sq. Wah, which is given in favour of an adjacent landlocked plot of land (represented by the land title deed no. 21572).
Land Usage	Location for oil terminal
6. Suratthani Terminal Land	
Purchased Property	5 plots of land with a total area of 18 Rai 57.5 Sq. Wah
Location	Paknam Ta Pi Road, Bang Kung Sub-District, Muang Surat Thani District, Surat Thani, Thailand
Title Document	Land title deed no. 6323, 6324, 6454, 6455, Tra Jong 98
Land Owner	SHC co-owned with Bangchak Corporation Public Company Limited
Appraised Value ⁸	THB 86.99 million ⁹
Encumbrance	None
Land Usage	Location for oil terminal

Note: UID is an affiliate of Esso (Thailand) Public Company Limited.

⁸ The appraised values are based on the appraisal report prepared by Siam Imperial Appraisal Co., Ltd. in September 2022, an independent value appraiser approved by the Office of Securities and Exchange Commission.

⁹ The appraised values are proportionate to SHC's effective interest in the land.

7) The Total Value of Consideration and Terms of Payment

The total value of consideration for the Acquisition of Shares will be the sum of (i) the base consideration for Target Shares and Thappline Shares in the amount of USD 61.8 million (equivalent to THB 2,205.8 million) and (ii) the value of the actual net working capital of the fuel business operated by the Target as at the closing date of the Acquisition of Shares.

In addition, as the Acquisition of Shares is part of the Fuel Business Investment Transaction, the total value of consideration for the Fuel Business Investment Transaction will also include the value of the investment in New Companies in an amount of not exceeding USD 28.2 million (equivalent to THB 1,006.6 million).

For illustration purposes, the net working capital of the fuel business as at 31 December 2021 was THB 2,350.1 million (equivalent to USD 65.8 million). On this basis, if the value of net working capital of the fuel business as at the closing date of Acquisition of Shares remains at the same level¹⁰, the total value of the Fuel Business Investment Transaction will be as follows:

	USD million	THB million
Target Shares	16.8	599.6
Thappline Shares	45.0	1,606.2
Total Base Consideration	61.8	2,205.8
Net Working Capital ¹	65.8	2,350.1
Total Consideration for Acquisition of Shares	127.6	4,555.9
Total amount of investment in New Companies	28.2	1,006.6
Total value of the Fuel Business Investment Transaction	155.8	5,562.5

Note: /1 Net working capital is the current assets (excluding the current portion of deferred marketing loan and prepaid charges) less the current liabilities (excluding the current portion of employee benefits). The value of the net working capital is based on the net book value of each item, except for the hydrocarbon inventory (i.e. fuel) which will be based on the market value in accordance with the terms and conditions specified in the Share SPA.

On the closing date of the Acquisition of Shares, the Company will pay the sellers and amount based on the estimated net working capital of the fuel business as at the closing date. After such closing date, the parties will prepare and review the final net working capital amount as at such closing date and adjust the payment to reflect the actual net working capital amount in accordance with the terms and conditions specified in the Shares SPA. The payments will be made in cash in USD in full without any instalments.

8) Basis Used for Determination of Consideration

Basis for determining the value of the consideration is in accordance with result of the negotiation between the Company and Chevron based on sum-of-the-parts (SOTP) valuation by the Company's financial advisor by using appropriate valuation methodology for each business or asset including: (i) discounted cash flow (DCF) method for the fuel business to be transferred to Target (inclusive of Fuel Business Land which are operating assets required for the operation of the fuel business), (ii) dividend discount model (DDM) for Thappline Shares, and (iii) publicly traded market price for BAFS shares.

¹⁰ Please see Footnote 2.

9) Expected Benefits to the Company

The Fuel Business Investment Transaction will benefit the Company and the shareholders as follows:

I. Secure downstream marketing and distribution of the Company's refinery business

The Company's core business involves the refinery of petroleum products. The largest customer of the Company is currently Chevron Group, which accounted for 43.2% of the Company's total revenue in 2021. The investment in fuel business is a strategic vertical business integration that will allow the Company to secure the marketing and distribution of the Company's petroleum products to the end users in Thailand and lessen its reliance on Chevron.

II. Business Expansion and Integration in Downstream Business

The expansion into downstream business will allow the Company to be able to manage and grow the downstream business. This will create opportunities for the Company to also expand and diversify its business into other non-fuel business, e.g. convenience stores, quick service restaurants, auto-related services and other commercial services. In addition, this will allow the Company to realize synergies from efficient integration of refinery and marketing & distribution business, e.g. fuel storage and other costs sharing.

III. Realize revenue and profit from the Fuel Business

After the Fuel Business Investment Transaction, the Company shall be able to immediately realize revenue and profit from the marketing and distribution of fuel products and other related businesses.

10) Sources of Funds

The Company will use internal sources of funds from operating cash flows and/or external sources of funds by borrowing from financial institutions. If the Company decides to use borrowing from financial institutions, such borrowing shall not have any terms and conditions which affect the right of the shareholders such as dividend payment limitation.

11) Nature and Extent of Interests of the Connected Persons

CAPHL is an indirect major shareholder of the Company through 100% holding in CSAHPL, which is the major shareholder of the Company holding more than 10% of the total shares with voting rights of the Company. As of 25 August 2022, CSAHPL holds 60.56% of the total issued and paid-up shares of the Company. CTN1 and CTN2 are subsidiaries of Chevron, where more than 50% of the total shares in each of CTN1 and CTN2 are held by Chevron, which is an indirect major shareholder of the Company. Therefore, the Acquisition of Shares is considered a connected transaction pursuant to the Notifications on Connected Transaction.

The interested directors of the Company to the Acquisition of Shares are as follows:

Name	Position in the Company	Position in Chevron and its affiliates
Mr. Brant Thomas Fish	• Chairman of the Board of Directors	• President, Chevron Singapore Private Limited • Director, GS Caltex Corporation, South Korea
Mr. Brian Monaco Sutton	• Director	• General Manager (Finance), Chevron Singapore Private Limited
Mr. Robert Joseph Dobrik	• Director and Chief Executive Officer	None

Name	Position in the Company	Position in Chevron and its affiliates
Mr. Ranga Rama Kumar Sreeramagiri	<ul style="list-style-type: none"> • Director 	<ul style="list-style-type: none"> • Director, CSAHPL • Vice President and Director, Chevron Singapore Private Limited • Director, Singapore Refinery Company

Note: Chevron Singapore Private Limited, Singapore Refinery Company, and GS Caltex Corporation are affiliates of Chevron.

12) Directors Having an Interest or Being Connected Persons Not Attending the Meeting and Not Entitled to Vote

In the Board of Directors' Meeting of the Company No. 4A/2022, held on 6 December 2022, at which the Board of Directors passes a resolution to approve the investment in the Fuel Business Investment Transaction (subject to obtaining approval of a meeting of shareholders of the Company) which includes the Acquisition of Shares which is considered a connected transaction of the Company, a total of 4 directors of the Company, who were directors having an interest in the Fuel Business Investment Transaction (as shown in paragraph 11), did not attend the meeting when the meeting considered the agenda item regarding the Fuel Business Investment Transaction and did not vote on this agenda item.

13) Opinions of the Board of Directors

The Board of Directors' Meeting of the Company No. 4A/2022 is of the opinion that the Fuel Business Investment Transaction is proven to be fair, made on arm's length and does not lead to benefit transfer. In addition, the Board of Directors is of the view that the Fuel Business Investment Transaction is reasonable and beneficial to both the Company and its shareholders as follows:

1. the Fuel Business Investment Transaction will allow the Company to secure the marketing and distribution of the Company's petroleum products to the end users in Thailand and lessen its reliance on Chevron;
2. the Company will be able to grow the downstream business which will create opportunities for the Company to expand and diversify its business into other non-fuel business as well as allow the Company to realize synergies from efficient integration of refinery and marketing and distribution business; and
3. the Company will realize revenue and profit from the marketing and distribution of fuel products and other related businesses.

As a result, the meeting of the Board of Directors of the Company has approved the Company to enter into the Fuel Business Investment Transaction and related agreements and documents (where the completion of the Acquisition of Shares and the investment of New Companies is subject to approval of the meeting of shareholders of the Company).

14) Opinions of the Audit Committee and/or Directors of the Company which are Different from Those of the Board of Directors

None.

15) Qualifications of the Independent Financial Advisor Appointed to Provide Opinion on the Entering into the Transaction

15.1. Qualifications of Independent Financial Advisor

The Company appointed Capital Advantage Co., Ltd. as the Independent Financial Advisor to give its opinion to the shareholders of the Company on the rationale and benefits of the entry into the connected transaction of the Company as well as the fairness of price and conditions of the

Acquisition of Shares and the opinion on whether the shareholders of the Company should approve or not approve the Acquisition of Shares. Capital Advantage Co., Ltd. is a financial advisor approved by the Office of Securities and Exchange Commission who does not hold any share in the Company and does not have any other relationship with the Company.

15.2. Opinion of Independent Financial Advisor

Please consider the Report of the Independent Financial Advisor's Opinion on the Connected Transaction with respect to the Investment in Fuel Business dated 29 December 2022, attached with the notice calling for the Extraordinary General Meeting of Shareholders No. 1/2023 (Enclosure 3).

16) Appraisal of Asset Price by an Independent Appraiser in Case of Acquisition or Disposal of Asset Having Fundamental Significance in a Form of Asset Value such as Immovable Property

None.

17) Information of the Company

17.1. General Information of the Company

Company Name	Star Petroleum Refining Public Company Limited
Registered Number	0107555000155
Date of Incorporation	7 June 2012
Registered Office	No. 1 I-3B Road, Map Ta Phut, Muang Rayong, Rayong 21150
Country of Incorporation	Thailand
Registered Capital	THB 30,004,442,705
Total Paid-Up Capital	THB 30,004,442,705
Number of Shares	4,335,902,125 ordinary shares at par value of THB 6.92 per share

17.2. Information of Nature of Business Operations of the Company and Business Trends of the Company

17.2.1. Nature of Business Operations of the Company

The Company or we are 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. The Company places our petroleum products primarily in Thai domestic market, mostly through affiliates and/or subsidiaries of Chevron ("**Chevron Group**"), PTT Public Company Limited ("**PTT**"), PTT Oil and Retail Business Public Company Limited ("**PTTOR**") and chemical products to petrochemical companies in Map Ta Phut Industrial Estate.

Crude and Product:

Our refinery is capable of processing a wide range of crude oil, which the Company 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, chemical grade naphtha, mixed C4, reformate and sulfur.

Product Pricing:

Most of the products sold through the agreement to sell products in advance with Chevron Group, PTT, and PTTOR (Offtake Agreement) are benchmarked off the Mean of Platts Singapore (“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.

17.2.2. Business Trends of the Company

The refining margin is expected to be driven by strong middle distillate market in the fourth quarter 2022 despite downward pressure from a slower economic growth. In addition, downside risks to margins will include additional export quota from mainland China. At the end of September, China confirmed new export quotas for transport fuels and Fuel oil speculation by issuing 15 million metric tons of export quotas to refiners. 13.25 million metric ton of the quotas were for transport fuels, while 1.75 million metric tons were for fuel oil. It was also reported that the new quotas can be rolled over to Q1 2023. However, the refinery margins are expected to remain strong year on year largely driven from low inventory of middle distillate around the globe and demand from European imports.

The balance between global liquid demand and supply for the year 2022 is expected to be at 99.6 million barrels per day on demand and 100.6 million barrels per day on supply. On the demand side, demand recovery remains under pressure from China and continues to battle localized outbreaks with restricted movements. In addition, the uncertainty economic circumstance owing to high energy price and rising interest rate have slowed manufacturing activities in several countries. However, rising gas price will support the gas to oil switch, offsetting some of the downside risk to demand. On the supply side, global supply is expected to rise mainly from Organization of the Petroleum Exporting Countries (OPEC+) gradually increasing production throughout the year. The latest decision starting in October was to cut 2 million barrels per day of output with the aim to keep supply demand towards balance to supporting high oil price.

Light distillates crack will continue to face extreme volatility from economic uncertainty amid recession fears and economic woes in parts of Asia are expected to curtail demand despite lower retail prices. However, gasoline demand in Q4 2022 is expected to increase from seasonal boost at the end of the year by holiday festivities. China export and high inventory in Singapore will cap the price gain in this part of the world.

Middle distillates crack, which includes jet and diesel, were expected to remain firm. Furthermore, gas price is expected to remain high, which will keep higher gas to oil switching amid extremely low inventory level and European Union (“EU”) embargo Russian oil will keep the middle distillate cracks elevated. However, the potential additional supply from China will weigh heavily on global refining margins. In addition, jet cracks are estimated to recover gradually in Q4 2022 as heating oil stockpiling and aviation demand recovery from the easing of travel requirements.

The residual fuel oil crack is expected to face further downward pressure with reshuffling of Russian barrels from Europe, resulting in higher refinery utilization to meet the demand of middle distillates. Meanwhile, the slowing global economy has lowered consumption in the industrial sector, as well as bunker requirements. However, the crack could be pushed up from potential demand returns for power generation in Q4 2022.

17.3. Names of the Board of Directors, the Executives, and the First 10 Shareholders of the Company as of 20 December 2022 which is the Record Date for the EGM 1/2023

17.3.1. Names of the Board of Directors

No.	Name	Position
1	Mr. Brant Thomas Fish	<ul style="list-style-type: none"> Chairman of the Board of Directors
2	Mr. Pliu Mangkornkanok	<ul style="list-style-type: none"> Independent Director Vice-Chairman of the Board of Directors Member of the Audit Committee Member of the Human Resources Committee
3	Ms. Kamonwan Wipulakorn	<ul style="list-style-type: none"> Independent Director Chairperson of the Audit Committee Member of the Human Resources Committee
4	Mr. Robert Stair Guthrie	<ul style="list-style-type: none"> Independent Director Chairman of the Nomination, Remuneration and Corporate Governance Committee Member of the Audit Committee
5	Mr. Brian Monaco Sutton	<ul style="list-style-type: none"> Director Member of the Human Resources Committee
6	Mr. Robert Joseph Dobrik	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Director Member of the Nomination, Remuneration, and Corporate Governance Committee

17.3.2. Names of the Executives

No.	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-Processes & 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 Rampagaporn	Manager of Strategic Business Planning

17.3.3. List of the First 10 Major Shareholders

No.	Name	Number of Shares	Shareholding Percentage
1	Chevron South Asia Holdings Private Limited	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%

17.4. Summary of Financial Information, as well as the Explanation and Analysis of Financial Conditions and Operating Results for the Past 3 Years and the 9-Month Period Ended 30 September 2022

Summary of Financial Conditions and the Operating Results for the Year 2019-2021 and for the 9-Month Period Ended 30 September 2022

Income Statement	Unit: USD million					Unit: THB million				
	For the year ended 31 December			For the 9-Month Period Ended 30 September		For the year ended 31 December			For the 9-Month Period Ended 30 September	
	2019	2020	2021	2021	2022	2019	2020	2021	2021	2022
Sales	5,384.49	4,133.82	5,283.72	3,737.04	6,201.65	168,611.49	129,598.69	170,330.86	118,441.08	216,052.19
Liquefied Petroleum Gas and Fuel Subsidies	7.26	18.14	66.26	39.04	101.61	228.23	564.71	2,153.53	1,240.71	3,506.09
Total Revenue	5,391.75	4,151.96	5,349.98	3,776.08	6,303.26	168,839.72	130,163.40	172,484.39	119,681.79	219,558.28
Cost of Sales	(5,498.36)	(4,369.64)	(5,132.90)	(3,622.49)	(5,917.29)	(172,051.15)	(137,168.95)	(165,598.31)	(114,921.49)	(206,817.92)
Gross Profit (Loss)	(106.61)	(217.68)	217.08	153.59	385.97	(3,211.43)	(7,005.55)	6,886.08	4,760.30	12,740.36
Other Income	1.14	2.28	1.91	1.33	1.33	35.83	70.79	61.76	42.17	45.97
Gain (Loss) on Exchange Rate	39.06	9.85	11.26	2.51	(6.16)	1,225.40	319.75	358.74	63.01	(265.77)
Fair Value (Loss) Gain on Derivatives	-	4.59	(13.72)	(10.85)	(21.69)	-	143.90	(432.88)	(336.05)	(751.49)
Profit (Loss) Before Expenses	(66.41)	(200.96)	216.53	146.58	359.45	(1,950.20)	(6,471.11)	6,873.70	4,529.43	11,769.07
Administrative Expenses	(54.73)	(28.78)	(23.58)	(22.93)	(68.97)	(1,689.77)	(910.80)	(748.97)	(725.05)	(2,334.29)
Other Expenses	(0.23)	(0.02)	-	-	-	(7.27)	(0.63)	-	-	-
Finance Costs	(1.49)	(5.64)	(6.60)	(5.07)	(4.99)	(46.07)	(177.33)	(211.83)	(160.44)	(175.13)
Profit (Loss) Before Income Tax	(122.86)	(235.40)	186.35	118.58	285.49	(3,693.31)	(7,559.87)	5,912.90	3,643.94	9,259.65
Income Tax	28.98	48.38	(36.75)	(24.45)	(56.93)	884.61	1,555.03	(1,166.44)	(752.00)	(1,846.01)
Profit (Loss) for the Period	(93.88)	(187.02)	149.60	94.13	228.56	(2,808.70)	(6,004.84)	4,746.46	2,891.94	7,413.64

Balance Sheet	Unit: USD million				Unit: THB million			
	As at 31 December			As at 30 September 2022	As at 31 December			As at 30 September 2022
	2019	2020	2021		2019	2020	2021	
Cash and Cash Equivalents	0.67	54.12	87.66	1.79	20.18	1,634.87	2,944.76	67.98
Trade and Other Receivables	237.12	282.19	393.84	480.33	7,191.50	8,514.60	13,219.21	18,353.56
Inventories	588.71	299.66	490.76	782.77	17,856.49	9,051.70	16,486.03	29,798.30
Value Added Tax Receivables	10.59	-	-	14.76	321.37	-	-	561.73
Other Current Assets	4.44	4.04	2.41	3.82	134.50	121.49	80.87	145.30
Total Current Assets	841.53	640.01	974.67	1,283.47	25,524.04	19,322.66	32,730.87	48,926.87
Prepaid Income Tax	26.21	5.89	0.65	0.53	795.02	177.80	21.88	20.36
Derivative Assets	-	4.60	-	-	-	138.84	-	-
Property, Plant, and Equipment	879.82	799.69	720.95	669.83	26,685.92	24,156.22	24,218.84	25,499.00
Intangible Assets	4.09	3.08	2.77	2.50	124.04	92.95	92.86	95.10
Deferred Tax Assets	29.99	80.70	44.28	19.62	909.65	2,437.78	1,487.63	746.76
Other Non-Current Assets	8.42	7.11	5.17	3.73	255.41	214.83	173.81	142.06
Total Non-Current Assets	948.53	901.07	773.82	696.21	28,770.04	27,218.42	25,995.02	26,503.28
Total Assets	1,790.06	1,541.08	1,748.49	1,979.68	54,294.08	46,541.08	58,725.89	75,430.15
Short-Term Borrowings from Financial Institutions	224.81	-	-	102.71	6,818.89	-	-	3,910.00
Current Portion of Long-Term Borrowings from Financial Institutions	-	45.67	139.31	134.83	-	1,379.64	4,679.74	5,132.57
Trade and Other Payables	447.28	258.91	415.58	550.67	13,566.59	7,820.85	13,960.67	20,962.84
Excise Tax Payable	30.29	39.94	35.68	19.90	918.76	1,206.49	1,198.64	757.55
Value Added Tax Payable	-	10.68	5.35	-	-	322.53	179.57	-
Short-Term Provision	-	-	-	7.06	-	-	-	268.62
Derivative Liabilities	-	-	-	30.81	-	-	-	1,173.10
Other Current Liabilities	0.99	0.35	0.36	0.07	29.88	10.38	12.20	2.67
Total Current Liabilities	703.37	355.55	596.28	846.05	21,334.12	10,739.89	20,030.82	32,207.35
Derivative Liabilities	-	-	9.13	-	-	-	306.55	-
Long-Term Borrowings from Financial Institutions	-	293.22	100.44	-	-	8,857.34	3,374.05	-

Balance Sheet	Unit: USD million				Unit: THB million			
	As at 31 December			As at 30 September 2022	As at 31 December			As at 30 September 2022
	2019	2020	2021		2019	2020	2021	
Employee Benefit Obligations	15.95	17.11	19.16	17.82	483.93	516.76	643.74	678.43
Total Non-Current Liabilities	15.95	310.33	128.73	17.82	483.93	9,374.10	4,324.34	678.43
Total Liabilities	719.32	665.88	725.01	863.87	21,818.05	20,113.99	24,355.16	32,885.78
Issued and Paid-Up Share Capital	864.71	864.72	864.71	864.71	30,004.44	30,004.44	30,004.44	30,004.44
Premium on Share Capital	31.92	31.92	31.92	31.92	977.71	977.71	977.71	977.71
Retained Earnings - Appropriated	87.86	87.86	87.86	87.86	3,000.45	3,000.45	3,000.45	3,000.45
Retained Earnings - Unappropriated	86.25	(109.30)	38.99	131.32	6,167.35	(108.48)	4,595.53	7,072.75
Other Components of Equity	-	-	-	-	(7,673.92)	(7,447.03)	(4,207.40)	1,489.02
Total Equity	1,070.74	875.20	1,023.48	1,115.81	32,476.03	26,427.09	34,370.73	42,544.37
Total Liabilities and Equity	1,790.06	1,541.08	1,748.49	1,979.68	54,294.08	46,541.08	58,725.89	75,430.15

Statement of Cash Flows	Unit: USD million				Unit: THB million			
	For the year ended 31 December			For the 9-Month Period Ended 30 September 2022	For the year ended 31 December			For the 9-Month Period Ended 30 September 2022
	2019	2020	2021		2019	2020	2021	
Net Cash Generated (Used in) From Operating Activities	(123.36)	(41.74)	120.99	28.46	(3,726.26)	(1,447.53)	3,781.85	360.62
Net Cash Generated (Used in) From Investing Activities	(83.26)	(11.11)	(3.21)	(4.21)	(2,598.99)	(349.57)	(103.33)	(146.45)
Net Cash Generated (Used in) From Financing Activities	204.93	106.29	(85.00)	(110.03)	6,207.10	3,346.02	(2,843.96)	(4,010.32)
Net Increase (Decrease) in Cash and Cash Equivalents	(1.69)	53.44	32.78	(85.78)	(118.15)	1,548.92	834.56	(3,796.15)
Cash and Cash Equivalents at the Beginning of the Period	2.27	0.67	54.12	87.66	73.87	20.18	1,634.87	2,944.76
Adjustments from Foreign Exchange Translation	0.09	0.01	0.76	(0.09)	64.46	65.77	475.33	919.37
Cash and Cash Equivalents at the Ending Period	0.67	54.12	87.66	1.79	20.18	1,634.87	2,944.76	67.98

Management Discussion and Analysis

Total Revenue

Total revenue comprises 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.

Comparing the Company's revenue in 2021 to that in 2020, the Company had a sales revenue of USD 5,350 million (THB 172,484 million) in 2021, which increased from USD 4,152 million (THB 130,163 million) in 2020. An increase in global oil price and product crack in 2021 led to an increased sales revenue. On the contrary, sales volume of petroleum products was at 56.0 million barrels in 2021, which was lower than the sales volume in 2020 of 60.6 million barrels as a result of lower product demand from the new wave of COVID-19 in Thailand.

In 2021, the Company sold its petroleum products based on sale revenue to Chevron Group, PTT & PTTOR and other oil and petrochemical companies proportionately at 43%, 41% and 16%, respectively.

Comparing the Company's revenue for the 9-month period in 2022 to that in the 9-month period in 2021, sales revenue for 9M 2022 significantly increase by USD 2,465 million (THB 97,611 million) compared to 9M 2021 due to the increase in global oil price and the sales volume increase from 41.0 million barrels to 48.0 million barrels from recovery of product demand with more mobility after the relaxation of the COVID-19 pandemic.

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, and purchased natural gas and other costs. Cost of sales also includes excise and local government taxes and oil fuel fund contributions that are collected on product sales and are payable to the Government. Lastly, another portion of cost of sales includes repair and maintenance expenditure on property, plant and equipment, depreciation on property, plant and equipment and operating lease rental costs related to production. Cost of sales is determined based on the weighted average method.

Comparing the cost of sales in 2021 to that in 2020, the cost of sales in 2021 increased from that in 2020 due to a global increase in oil price.

Comparing the cost of sales for the 9-month period in 2022 to that in the 9-month period in 2021, cost of sales in 9M 2022 increased by USD 2,295 million (THB 91,896 million) from 9M 2021. This was due to the increase in cost of crude oil on weighted average inventory, a loss from inventory write-down, and also a higher in sales volume compared with the same period in prior year.

Other Income

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

The decrease in other income in 2021 was mainly from the decrease in service income compared to 2020's value.

Comparing the other income for the 9-month period in 2022 to that for the 9-month period in 2021, there is no significant change.

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 to Thai 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 the Company's gain (or loss) on foreign exchange for the year 2021 to that for the year 2020, the Company incurred loss due to foreign exchange in 2021, while exchange gain in prior year due to the depreciation of Thai Baht against U.S. dollars in 2021 comparing to appreciation in 2020. Furthermore, Thai Baht moved stronger the year 2021 than in year 2020, which resulted in U.S. dollar foreign exchange gain on net Baht denominated receivables to U.S. dollar amount.

Comparing the Company's gain (or loss) on foreign exchange for the 9-month period in 2022 to that for the 9-month period in 2021, Thai Baht value continued to decline due to U.S. dollar strengthening on interest rate hike to control the inflation rate which impacted to exchange loss (including the gain or (loss) in derivatives) of USD 28 million (THB 1,017 million) in comparison to that in the same period of prior year of USD 8 million (THB 273 million).

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 the administrative expenses in 2021 to that in 2020, the value in 2021 was lower mainly due to reversal accrue expenses, the Company recovering from the loss of invoice payment from the cyber-attack in 2021, and operating expense control being effective.

Comparing the administrative expense in the 9-month period in 2022 to that in the 9-month period in 2021, administrative expense significantly increased from USD 23 million (THB 725 million) in 9M 2021 to USD 69 million (THB 2,334 million) in 9M 2022 due to the expenses related to Single Point Mooring incident.

Finance Costs

Finance costs include interest expense on short-term loans 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 finance costs in 2021 insignificantly changed from the that in 2020.

Comparing the finance costs for the 9-month period in 2022 to that for the 9-month period in 2021, there is no significant change.

Income Tax Expenses

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

Assets

Comparing the total assets as of 31 December 2021 to the total assets as of 31 December 2020, the total assets as of 31 December 2021 increased by USD 207 million (THB 12,185 million) from 31 December 2020.

- Total current assets significantly increased USD 335 million (THB 13,408 million) mainly due to: (1) an increase in inventory of USD 191 million (THB 7,434 million) mainly from higher inventory price due to an increase in oil price, (2) an increase in trade and other receivables of USD 112 million (THB 4,705 million) due to higher product selling price in December 2021 and also slightly higher sales volume comparing to the sales volume in December 2020, and (3) an increase in cash and cash equivalent of USD 34 million (THB 1,310 million) due to net cash generated from operating profit, partly offset by repayment of long-term borrowings of USD 85 million (THB 2,844 million) during the year.
- On the contrary, non-current assets decreased by USD 127 million (THB 1,223 million) mainly due to a decrease in property, plant and equipment of USD 79 million (but increase by THB 63 million from currency translation) due to depreciation expenses in 2021, and a decrease in deferred tax asset of USD 36 million (THB 950 million) from the utilization of operating loss carryforward from profit in 2021.

Comparing the total assets as of 30 September 2022 to the total assets as of 31 December 2021, the total assets as of 30 September 2022 increased by USD 231 million (THB 16,704 million) from 31 December 2021.

- Total current assets increased USD 309 million (THB 16,196 million) mainly due to (1) an increase in inventory of USD 292 million (THB 13,312 million) mainly from higher inventory price due to increasing in oil price and increasing of inventory volume to support higher crude run and increase in strategic reserve from 4% to 5%; and (2) an increase in trade and other receivables of USD 101 million (THB 5,696 million) due to higher product selling price, higher outstanding oil fuel fund subsidy and advance income tax in September 2022 comparing to December 2021; but partly offset by a decrease in cash and cash equivalent of USD 86 million (THB 2,877 million) due to net cash used in financing activities, mainly from dividend payments to shareholders and repayment of long-term borrowings of and also support of higher working capital, which was partly offset by net cash generated from operating activities.
- On the contrary, non-current assets decreased USD 78 million (but increase by THB 508 million from currency translation) mainly due to a decrease in property, plant and equipment of USD 51 million (but increase by THB 1,280 million from currency translation) due to depreciation expenses in 9M 2022, and a decrease in deferred tax asset of USD 25 million (THB 741 million) from the utilization of operating loss carryforward from profit in 9M 2022

Liabilities

Comparing the total liabilities as of 31 December 2021 to those as of 31 December 2020, the total liabilities as of 31 December 2021 increased by USD 59 million (THB 4,241 million) from 31 December 2020.

- The increment was mainly from an increase in trade and other account payables of USD 157 million (THB 6,140 million) from an increase in crude oil price in December 2021 compared to the price in December 2020; but partly offset by a decrease in long-term borrowing of USD 99 million (THB 2,183 million). The decrease was impacted from loan repayment and exchange rate impact on non-USD borrowing. Also, a decrease in VAT of USD 5 million (THB 143 million) from higher VAT input in December 2021 and excise tax payable of USD 4 million (THB 8 million) from timing of product lifting in late of December 2021 in comparison to that in December 2020.

Comparing the total liabilities as of 30 September 2022 to those as of 31 December 2021, the total liabilities as of 30 September 2022 increased by USD 139 million (THB 8,531 million) from 31 December 2021.

- The increment was mainly from (1) an increase in trade and other account payables of USD 135 million (THB 7,002 million) from an increase in crude oil price and purchase volume in September 2022 comparing to December 2021, and (2) an increase in other current liabilities from short-term provision relating to oil spill incident of USD 7 million (THB 269 million); but partly offset by (1) a decrease in excise tax payable of USD 16 million (THB 441 million) from government reduction in excise tax rate of diesel since February 2022 to control the selling price, and (2) a decrease in long-term borrowing of USD 105 million (THB 2,921 million) but partly offset by an increase in short-term borrowing of USD 103 million (THB 3,910 million) to support working capital.

Shareholders' Equity

Comparing the shareholders' equity as of 31 December 2021 to that as of 31 December 2020, the shareholders' equity as of 31 December 2021 increased by USD 148 million (THB 7,944 million) from the shareholders' equity as of 31 December 2020, resulted from the net profit in 2021.

Comparing the shareholders' equity as of 30 September 2022 to that as of 31 December 2021, the shareholders' equity as of 30 September 2022 increased by USD 92 million (THB 8,174 million) from 31 December 2021 resulted from the net profit in 9M 2022 offset by dividend payment.

Statement of Cash Flow

Comparing statement of cash flow in 2021 to that in 2020, cash and cash equivalents was USD 88 million (THB 2,945 million) at the end of December 2021, which increased from USD 54 million (THB 1,635 million) at the end of December 2020. Details of cash flow activities in 2021 are as follows:

- Net cash generated from operating activities of USD 121 million (THB 3,782 million) which was primarily due to:
 - a) Cash generated from year 2021's net profit of USD 150 million (THB 4,746 million) and non-cash items of USD 124 million (THB 3,943 million);
 - b) Cash generated from operating liabilities of USD 147 million (THB 4,740 million) mainly from an increase in trade and other payables USD 157 million (THB 5,043 million) due to the increase in the price of crude oil purchase in December 2021, but partly offset by a decrease in other current liabilities of USD 9 million (THB 303 million) mainly from higher VAT input in December 2021 in comparison to that in December 2020. Cash generated was partly offset by cash used in operating assets of USD 300 million (THB 9,647 million). The increase in oil price also gave rise to an increase in inventory USD 192 million (THB 6,178 million) and an increase in trade and other receivables of USD 111 million (THB 3,578 million) from higher selling price.
- Net cash used in investing activities of USD 3 million (THB 103 million). An ongoing COVID-19 pandemic in 2021 led to the deferral of capital expenditure and therefore a small investment in year 2021.
- Net cash used in financing activities of USD 85 million (THB 2,844 million) for the principal repayment of long-term borrowings in June, September and December.

Comparing statement of cash flow for the 9-month period ended 30 September 2022 to that in 2021, cash and cash equivalents was USD 2 million (THB 68 million) at the end of September 2022, which decreased from USD 88 million (THB 2,945 million) at the end of December 2021. Details of cash flow activities in 9M 2022 are as follows:

- Net cash generated from operating activities of USD 28 million (THB 361 million) which was primarily due to:
 - a) Cash generated from 9M 2022's net profit of USD 229 million (THB 7,414 million) from strong refining margin and non-cash items of USD 133 million (THB 4,526 million);
 - b) Cash generated from operating liabilities of USD 115 million (THB 4,018 million) mainly from an increase in trade and other payables of USD 136 million (THB 4,733 million) due to the increase in the price and volume of crude oil purchase in September 2022 but partly offset by a decrease in other current liabilities of USD 21 million (THB 714 million) mainly from lower excise tax rate on diesel to control the retail price in September 2022 comparing to that in December 2021. Cash generated was offset by cash used in operating assets of USD 448 million (THB 15,597 million). The increase both in oil price and volume due to higher strategic reserve also gave rise to an increase in inventory USD 368 million (THB 12,817 million) and an increase in trade and other receivables of USD 79 million (THB 2,760 million) from higher selling price and an increase in outstanding oil fuel fund subsidy.
- Net cash used in investing activities of USD 4 million (THB 146 million) mainly in reliability and environmental projects.
- Net cash used in financing activities of USD 110 million (THB 4,010 million) for the principal repayment of long-term borrowings in 9M 2022 USD 83 million (THB 2,953 million) and dividend payment of USD 136 million (THB 4,936 million), partially offset by proceed of short-term borrowing of USD 109 million (THB 3,879 million) to support the increase in working capital.

17.5. Risk Factors

Strategic Risk

Refinery Competitiveness & Long-Term Viability

The Company continues developing our long-term business strategy to capture and address future threat and opportunity which results from changes in energy business environment, evolving trend of the future energy by focusing on the next cycle of investment to ensure company can stay competitive and provide superior return to the shareholders.

The Company uses Solomon Associates refinery benchmarking services to help the Company to develop aspirational targets to improve our operating efficiency and competitiveness. The Company has demonstrated sustained performance meeting our aspirational targets in utilization, efficiency and reliability, which are the first steps in being competitive. To provide continuous improvement in financial returns, The Company 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. The Company also integrate sustainable development in our procedures and operational policy through management system in all area, for example, Environment, Health & Safety Management System, Hydrocarbon Management System, Asset Management System and Administration Management System to drive succession in our key result areas and be long timer competitiveness in refinery business.

Operational Risk

Significant Interruption in the Operations

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

The Company continues drive an organizational efficiency through “Human performance” (“**HP**”) focus on reducing human error, the effectiveness of work process and enhance competency. This is one of the methods that support us to operate incident and injury free. The Human Performance tool helps to identify and eliminate “error traps” from human mistakes and support our family to perform tasks in procedure or skill-based modes. Additionally, the Company develops all leaders to lead effective organization by execute leadership and competency development program to world class standard.

One of the key drivers to be Operational Excellence is Process Safety Management (“**PSM**”). The Company 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 the verification and validation program to strengthen PSM processes and ensure effectiveness of process safety safeguarding. In 2021, The Company passed the PSM External Audit certification by certified auditors accredited by Industrial Estate Authority of Thailand (“**IEAT**”). The audit results demonstrate that The Company fully complies with Process Safety Management (PSM) standard and IEAT’s regulations.

Sing Point Mooring (“**SPM**”) Integrity and Oil Spill Response

Under the IIF culture in The Company, the SPM integrity and emergency response management is also included in the Process Safety Management scope. The Company has relevant policies, operating work instructions, inspection program, and maintenance plan for SPM, plus oil spill response plan, related oil spill response equipment with regular drills, to ensure that we minimize any impact to environment, sea and coastal.

Manage Refinery Production Plan

Refinery margins are primarily impacted by global crude and products market results from supply and demand, much of which are outside of the Company’s control. Moreover, impact from COVID-19 pandemic cause to significant decrease for global product. The Company has put a focus on those areas which we can control, to improve our performance relative to the market and improve our competitiveness, collectively the Manage Production Plan during COVID-19. As stated above, the Company 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. We always set challenging targets to increase our realized margin over benchmark margins, whether in a low or high margin situation, which improves the Company’s competitiveness.

Financial Risk

The Company closely monitors financial performance especially during volatile market. We have a low debt/equity ratio and we have effective systems in place to monitor our financial health, including cash flow projection, capital project expenditure and other activities. Our functional currency is U.S. dollars, as most of our revenues, costs and expense are based on U.S. dollars. This helps to reduce our exposure to interest rate and foreign exchange rate fluctuation.

Trading Risk, Laws and Regulations Relating to the Environment or Product Specification Requirements

The Company closely monitors and follow up all information that relate with regulation or product specification changes. We have the working team to participate 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. The new regulations that relate with our business, for example, EURO V fuels and future asphalt specifications are reviewed and accessed to the economic feasibility to develop project opportunities or mitigation plans including follow up actions for each of these items to ensure these actions are completed as planned.

The Company 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 customer feedbacks and develop key supply performance indicator to ensure we meet both tangible and intangible requirements from the customers.

17.6. Financial Projections in the Present Year (If Any)

None.

17.7. Other Information that May Materially Affect the Decision of Investors (If Any)

None.

18) Connected Person and/or Shareholders Who Is Not Entitled to Vote

The details of the connected person and the description of interests of the interested shareholder who is not entitled to cast a vote on the matter regarding the investment in the Fuel Business Investment Transaction to be proposed to the shareholders for consideration and approval in the Extraordinary General Meeting of Shareholders No. 1/2023 are as follows:

Shareholder	Description of Interests
Chevron South Asia Holdings Private Limited (CSAHPL)	CSAHPL is the major shareholder of the Company currently holding 2,625,888,656 shares (equivalent to 60.56% of the total issued and paid-up capital of the Company (as at the record date of the Company on 20 December 2022)).

19) Proxy Form with at Least One Name of Members of the Audit Committee Being Nominated as Shareholders’ Proxy

The members of the Audit Committee who are nominated as shareholders’ proxies are Mr. Pliu Mangkornkanok, Ms. Kamonwan Wipulakorn, and Mr. Robert Stair Guthrie. The details on the proxy form and the profile of the members of the Audit Committee nominated by the Company to be shareholders’ proxies are set out in the support document for the Extraordinary General Meeting of Shareholders No. 1/2023 (Enclosure 6 and Enclosure 7 respectively).

20) Related Parties Transactions in the Preceding Year and as of the Latest Quarter in the Current Year

Unit: USD million

Related Person	Relationship	Transaction	Transaction Amount	
			2021	9M 2022
1. Chevron U.S.A. Inc. (Singapore Branch)	<ul style="list-style-type: none"> Affiliate of Chevron which directly or indirectly hold 100% of shares 	Purchase of Crude and Feedstock (Feedstock Supply Agreement)	2,180.4	3,045.3
		Purchase of High Speed Diesel Fuel	0.0	-
		Purchase of Mogas Base Fuel 95	0.0	-
		Sales of Product (Purchase and Sale Agreement)	71.4	65.5
2. Chevron Singapore Private Limited	<ul style="list-style-type: none"> Affiliate of Chevron which directly or indirectly hold 100% of shares 	Purchase of LSWR/HSSR (Feedstock Supply Agreement)	8.7	186.2
		Sales of Product (Purchase and Sale Agreement)	104.2	118.7
		Profit Sharing on IMO and Fuel Oil	< 0.1	-
3. Chevron Block B8/32 (Thailand) Ltd.	<ul style="list-style-type: none"> Affiliate of Chevron which directly or indirectly hold 100% of shares 	Purchase of Crude and Feedstock (Feedstock Supply Agreement)	2.1	0.7
4. Chevron Offshore (Thailand) Ltd.	<ul style="list-style-type: none"> Affiliate of Chevron which directly or indirectly hold 100% of shares 	Purchase of Crude and Feedstock (Feedstock Supply Agreement)	14.4	4.2
5. Chevron (Thailand) Exploration and Production Ltd.	<ul style="list-style-type: none"> Affiliate of Chevron which directly or indirectly hold 100% of shares 	Purchase of Crude and Feedstock (Feedstock Supply Agreement)	162.0	82.9
6. Chevron Asia Pacific Shipping Pte.	<ul style="list-style-type: none"> Affiliate of Chevron which directly or indirectly hold 100% of shares 	Purchase of Crude and Feedstock (Feedstock Supply Agreement)	15.5	12.6
		Marine Services Transportation Agreement	0.7	1.9

Related Person	Relationship	Transaction	Transaction Amount	
			2021	9M 2022
7. Chevron Pattani Ltd.	• Affiliate of Chevron which directly or indirectly hold 100% of shares	Purchase of Crude and Feedstock (Feedstock Supply Agreement)	1.1	0.3
8. Chevron Thailand Limited (CTL)	• Affiliate of Chevron which directly or indirectly hold 100% of shares	Sales of Products (Purchase and Sale Agreement)	2,126.3	2,205.1
		Purchase, Sale, and Storage Products Agreement (Fixed Reserve)	0.0	< 0.1
		Purchase of Lubricants Oil	0.1	0.1
9. Advanced Refining Technology (ART)	• Joint Venture 50/50 between Chevron Products Company and Grace Company	Purchase of HVGO Catalyst	0.0	0.5
10. Chevron Oversea Services Corporation (COSC)	• Affiliate of Chevron which directly or indirectly hold 100% of shares	Technical Service Agreement	0.7	0.5
		Technical Service License Agreement	1.7	1.3
		Secondment Agreement Personnel	0.4	0.1
		Memorandum of Understanding – Procedures for a coordinated response to incidents	No cost incurred	No cost incurred
11. Chevron Products Company (A Division of Chevron U.S.A. Inc.)	• Affiliate of Chevron which directly or indirectly hold 100% of shares	Lease of Platinum	0.8	-
12. Singapore Refinery Company (SRC)	• Jointly owned by Chevron Singapore Private Limited and Singapore Petroleum Company	SRC borrow E catalyst as the RFCCU unit tripped and some catalyst losses	0.0	-
13. Chevron Research and Technology Company	• Affiliate of Chevron which directly or indirectly hold 100% of shares	HVGO License Agreement	No cost incurred	No cost incurred
14. Chevron Lummus Global LLC	• Affiliate of Chevron which directly or indirectly hold 50% of shares	DHTU License Agreement	No cost incurred	No cost incurred

Related Person	Relationship	Transaction	Transaction Amount	
			2021	9M 2022
15. Caltex Services Corporation	<ul style="list-style-type: none"> Affiliate of Chevron which directly or indirectly hold 100% of shares 	VDU License Agreement	No cost incurred	No cost incurred
16. Chevron South Asia Holdings Private Limited	<ul style="list-style-type: none"> Affiliate of Chevron which directly or indirectly hold 100% of shares 	Support Agreement	No cost incurred	No cost incurred