



STAR PETROLEUM REFINING PUBLIC COMPANY LIMITED

บริษัท สตาร์ ปิโตรเลียม รีไฟน์นิ่ง จำกัด (มหาชน)

เลขทะเบียนนิติบุคคล 0107555000155

(Translation)

Date 29 December 2022

Re: Invitation to the Extraordinary General Meeting of Shareholders No. 1/2023

To: Shareholders of Star Petroleum Refining Public Company Limited

Enclosures: **Documents relating to the agenda being considered**

1. Copy of minutes of the Annual General Meeting of Shareholders for the Year 2022 held on 8 April 2022
2. Information Memorandum on the connected transaction of Star Petroleum Refining Public Company Limited regarding the investment in the fuel business (QR Code)
3. Opinion of the independent financial advisor on the connected transaction of Star Petroleum Refining Public Company Limited regarding the investment in the fuel business (QR Code)

Documents for attendance of the meeting

4. Registration and voting procedure
5. Articles of Association of the Company in relation to the Extraordinary General Meeting of Shareholders No. 1/2023 and voting requirements
6. Proxy Form B
7. Details of the members of the Audit Committee proposed to serve as a proxy of shareholders
8. Measure and guidance for attending the Extraordinary General Meeting of Shareholders No. 1/2023 under the Coronavirus Disease (COVID-19) Pandemic Situation
9. Map of the meeting venue

The meeting of the Board of Directors of Star Petroleum Refining Public Company Limited (the “**Company**”) No. 4A/2022 held on 6 December 2022, resolved to hold the Extraordinary General Meeting of Shareholders No. 1/2023 on Tuesday, 31 January 2023 at 09:30 hrs. at Landmark Ballroom, 7th Floor, The Landmark Bangkok Hotel, 138 Sukhumvit Road, Khlong Toei, Bangkok, 10110, to consider the following agenda:

Agenda item 1

To certify the minutes of the Annual General Meeting of Shareholders for the Year 2022 held on 8 April 2022

Objective and rationale: The Company held the Annual General Meeting of Shareholders for the Year 2022 on 8 April 2022 and the copy of the minutes of such meeting is sent to the shareholders together with this invitation, details of which are provided in Enclosure 1.

The minutes of the Annual General Meeting of Shareholders for the Year 2022 held on 8 April 2022 is presented to the shareholders to certify.

Opinion of the Board: The Board of Directors considered and recommended the shareholders to certify the minutes of such meeting.

Vote required: A majority of the votes of the shareholders attending and eligible to vote shall be required for passing the resolution.

Agenda item 2

To consider and approve the investment in the fuel business

Objective and rationale: The Company has a plan to expand its core business, i.e. the refinery of petroleum products, which is an upstream business to the downstream business so that the Company will be able to access the end users and secure the customer base of the petroleum products business. Therefore, the Company plans to invest in the fuel business in accordance with such business expansion plan. The business expansion in form of a vertical integration will allow the Company to realize synergies from efficient integration of refinery and marketing and distribution business, including efficient management of fuel storage and retail distribution of petroleum products as well as optimizing other costs sharing. Investment in fuel business will create opportunities for the Company to also diversify its business into other non-fuel business as additional revenue streams.

The investment in the fuel business comprises the following transactions:

1. the acquisition of 100% of the total shares in Chevron Lubricants (Thailand) Company Limited (the name of which is intended to be changed prior to the closing date of the acquisition) ("**Target**") ("**Target Shares**") by the Company from Chevron Asia Pacific Holdings Limited ("**CAPHL**"), CT Nominee Holdings (I) LLC ("**CTN1**"), and CT Nominee Holdings (II) LLC ("**CTN2**"). Target is a company incorporated in Thailand which will acquire the fuel business currently operated by Chevron (Thailand) Limited ("**CTL**") and related assets from CTL;
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 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 Thapline 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) 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

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 such value.

shareholder of the Company holding 60.56% of the total shares with voting rights of 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:

- (d) to prepare and disclose the information of the Acquisition of Shares to the Stock Exchange of Thailand in accordance with the Notifications on Connected Transaction immediately;
- (e) 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;
- (f) 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
- (g) 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

³ Please see Footnote 2.

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.

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.

Furthermore, the Fuel Business Investment Transaction is classified as an asset acquisition by the Company under the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (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 Acquisition and Disposition of Assets B.E. 2547 (2004) (including any amendments thereto) (collectively, the “**Notifications on Acquisition or Disposal**”), having the highest transaction value of approximately 14.2% pursuant to the calculation based on value of net tangible assets derived from the reviewed financial statements of the Company for the 9-month period ended 30 September 2022. However, given that the highest transaction size is below 15% and there will be no issuance of securities in consideration for any acquisition of assets by the Company, the Company is not required to comply with any requirement under the Notifications on Acquisition or Disposal.

Opinion of the Board:

The Board of Directors (excluding the interested directors), considers the details of the Fuel Business Investment Transaction and resolved to approve the Company to entry into the Fuel Business Investment Transaction, including the entry into relevant agreements and documents (where the completion is subject to the approval of the meeting of shareholders of the Company) and to propose to the meeting of shareholder for consideration and approval the Fuel

⁴ Please see Footnote 2.

Business Investment Transaction, as well as other relevant matters as the entry into such transaction is proven to be reasonable, made on arm's length and does not lead to benefit transfer as well as being 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 which is the Company's main customer;
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 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 and distribution business, e.g. fuel storage and other costs sharing; and
3. the Company will realize revenue and profit from the marketing and distribution of petroleum products and other related services.

In this regard, in order for the shareholders to obtain the complete and sufficient information to support their decision, the shareholders should carefully study (a) the Information Memorandum on the Connected Transaction of Star Petroleum Refining Public Company Limited regarding the Investment in the Fuel Business, details of which are provided in Enclosure 2 and (b) the opinion of independent financial advisor, details of which are provided in Enclosure 3, as well as other relevant information.

Vote required:

The votes of no less than three-quarters of the total votes cast by the shareholders attending the meeting and eligible to vote, excluding the votes cast by interested shareholders (i.e. CSAHPL) which holds 2,625,888,656 shares equivalent to 60.56% of the total issued and paid-up shares of the Company (as of 20 December 2022)), shall be required for passing the resolution.

Agenda item 3

Other business, if any

The Company has determined 20 December 2022 as the date to determine the shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2023 (Record Date).

The Company has made available the invitation letter to the Extraordinary General Meeting of Shareholders No. 1/2023 together with the supporting documents on the Company's website in advance since 29 December 2022 so that shareholders will have sufficient time to review the information prior to receiving the documents in hard copies.

The Company would like to invite all shareholders to attend the Extraordinary General Meeting of Shareholders No. 1/2023 on the specified date, time and venue. The registration for the meeting will start from 7.30 hrs.

For shareholders who wish to appoint proxy(ies) to attend the meeting and vote on behalf of them, please fill in the details and sign Proxy Form B, which is available in Enclosure 6 or downloadable on www.sprc.co.th, and submit such form, together with supporting documents as specified in Enclosure 4 before attending the meeting.

A shareholder may appoint the member of the Audit Committee as his or her proxy to attend the meeting and vote on his or her behalf by sending the proxy form and other supporting documents to the Company by 20 January 2023.

To: Investor Relation

Star Petroleum Refining Public Company Limited

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

Brief details of the members of the Audit Committee proposed to serve as a proxy of shareholders are specified in Enclosure 7.

The Company will conduct the meeting in compliance with the Articles of Association of the Company, details of which are provided in Enclosure 5.

For your benefits, if you have any question regarding the meeting and agenda items, please submit your question at CompanySecretary@sprc.co.th before the meeting date.

The Company has serious concerned over the health and safety of shareholders and attendees, including persons involving with arranging the meeting. Therefore, the Company would like to request all shareholders and attendees to strictly follow the measure and guidelines for attending the Extraordinary General Meeting of Shareholders No. 1/2023 under the Coronavirus Disease 2019 (COVID 19), details of which are provided in Enclosure 8.

This invitation letter is issued on 29 December 2022 in Rayong Province, Thailand.

By the resolution of the Board of Directors

Yours sincerely,



(Mr. Robert Joseph Dobrik)

Chief Executive Officer