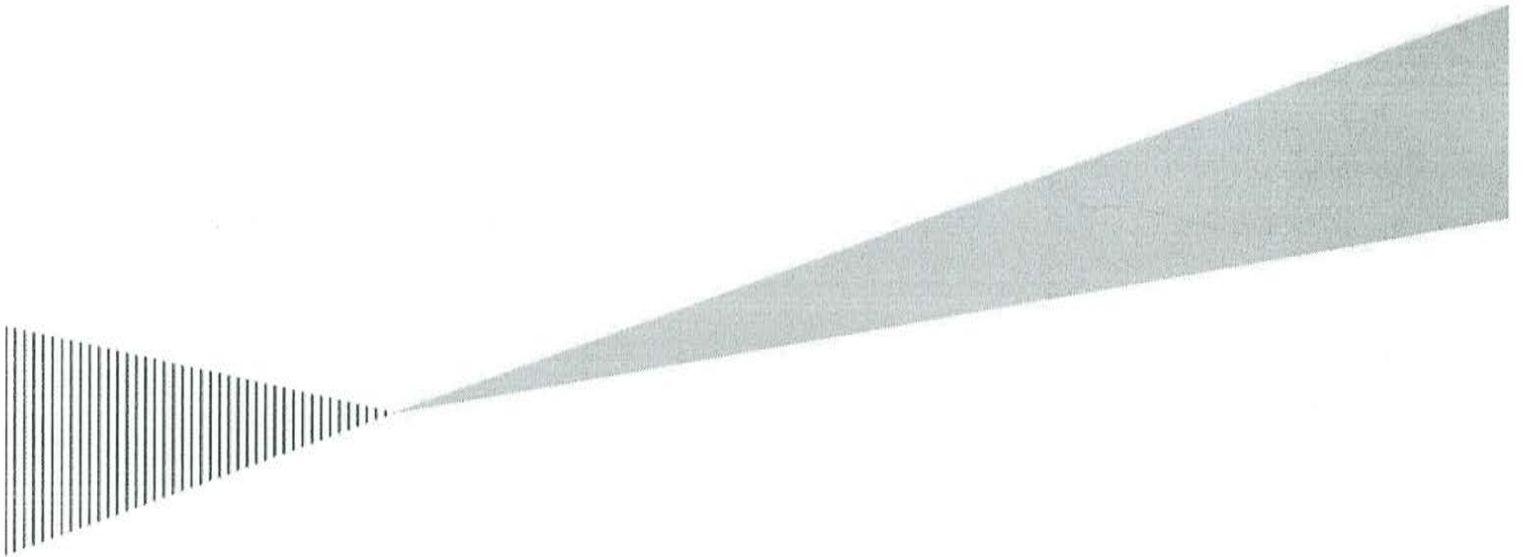


PTT International Trading USA, Inc.
Financial Statements and
Report of Independent Auditors
As of and for the years ended December 31, 2024 and 2023



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Report of Independent Auditors

To the Management of PTT International Trading USA, Inc.,

Opinion

We have audited the financial statements of PTT International Trading USA Inc., (the "Company"), which comprise the statements of financial position at December 31, 2024 and 2023, and the related statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company on December 31, 2024, and 2023, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore there is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



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working world**

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, which raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst & Young LLP

Ernst & Young LLP
Houston, Texas
29 April 2025

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Statements of Financial Position
December 31, 2024 and 2023

	Notes	<u>2024</u> USD	<u>2023</u> USD
ASSETS			
Non-Current Assets			
Property and equipment, net	3	\$ 607,934	\$ 851,392
Right-of-use asset, net	4	254,541	337,094
Deferred corporate income tax	7	283,588	-
Total Non-Current Assets		<u>1,146,063</u>	<u>1,188,486</u>
Current Assets			
Cash	1	500,000	500,000
Accounts receivable - trade		64,174,401	-
Loan receivable - related party	2	45,508,695	31,554,608
Derivative financial assets	5	10,915,785	12,853,978
Loan interest receivable - related party	2	200,178	131,907
Prepaid expenses	1	46,242	58,367
Corporate income tax receivable	7	-	6,901,643
Total Current Assets		<u>121,345,301</u>	<u>52,000,503</u>
Total Assets		<u>\$ 122,491,364</u>	<u>\$ 53,188,989</u>
EQUITY AND LIABILITIES			
Equity			
Contributed equity	6	\$ 5,000,000	\$ 5,000,000
Retained earnings		54,101,569	45,390,771
Total Equity		<u>59,101,569</u>	<u>50,390,771</u>
Non-Current Liabilities			
Lease liabilities, net of current portion	4	203,026	289,946
Deferred corporate income tax	7	-	432,863
Total non-current liabilities		<u>203,026</u>	<u>722,809</u>
Current liabilities			
Accounts payable - trade	1	58,278,966	25,222
Accounts payable - related parties	8	2,720,577	1,234,616
Accrued expenses - trade	1	749,580	453,752
Corporate income tax payable	7	1,009,009	-
Derivative financial liabilities	5	329,000	264,961
Current portion of lease liabilities	4	99,637	96,858
Total Current Liabilities		<u>63,186,769</u>	<u>2,075,409</u>
Total Equity and Liabilities		<u>\$ 122,491,364</u>	<u>\$ 53,188,989</u>




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PTT International Trading USA Inc.
Statements of Comprehensive Income
Years Ended December 31, 2024 and 2023

	Notes	2024 USD	2023 USD
Sales	1	\$ 1,067,976,451	\$ 1,061,454,392
Cost of Sales	8	1,050,990,389	1,026,837,715
Gross Profit		16,986,062	34,616,677
Operating Expenses			
Salaries and payroll tax expense		2,278,899	2,155,415
Employee benefits expense		284,167	240,887
Professional fees		614,774	607,149
Office and related expenses		1,019,133	1,105,236
Depreciation of property and equipment	3	216,650	211,602
Depreciation of right-of-use asset	4	82,554	82,554
Travel, entertainment and accommodations		797,848	775,288
Insurance expense		51,220	128,824
Total Operating Expenses		5,345,245	5,306,955
Net Income from Operations		11,640,817	29,309,722
Other Income (Expense) and Gain (Loss)			
Interest income	2	2,242,440	1,075,993
Interest on lease liabilities	4	(12,821)	(18,149)
(Loss) gain on foreign currency exchange	1	(79)	595
Gain on disposal of investment property		4,539	-
Total Other Income		2,234,079	1,058,439
Net Income before Income Taxes		13,874,896	30,368,161
Income Tax Expense	7	(1,744,098)	(7,596,578)
Net Comprehensive Income		\$ 12,130,798	\$ 22,771,583

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PTT International Trading USA Inc.
 Statements of Changes in Equity
 Years Ended December 31, 2024 and 2023

	<u>Notes</u>	<u>Contributed Equity</u> USD	<u>Retained Earnings</u> USD	<u>Total Equity</u> USD
Balance at December 31, 2022	6	\$ 5,000,000	\$ 24,649,188	\$ 29,649,188
Dividends	6	-	(2,030,000)	(2,030,000)
Net income		-	22,771,583	22,771,583
Balance at December 31, 2023	6	5,000,000	45,390,771	50,390,771
Dividends	6	-	(3,420,000)	(3,420,000)
Net income		-	12,130,798	12,130,798
Balance at December 31, 2024	6	<u>\$ 5,000,000</u>	<u>\$ 54,101,569</u>	<u>\$ 59,101,569</u>



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PTT International Trading USA Inc.
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	Notes	2024 USD	2023 USD
Cash Flows from Operating Activities			
Net income		\$ 12,130,798	\$ 22,771,583
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation of property and equipment	3	216,650	211,602
Depreciation of right-of-use asset	4	82,553	82,554
Deferred tax (benefit) expense	7	(716,451)	432,863
Net unrealized gain (loss) on derivative financial assets	5	1,289,036	(1,731,450)
Increase (decrease) in cash attributable to changes in operating assets and liabilities:			
Accounts receivable - trade	8	(703,403)	26,714,937
Accounts receivable - related party		(63,471,358)	3,371,225
Accrued interest receivable - related party	2	(68,271)	(101,245)
Derivative financial assets	5	978,157	7,912,114
Prepaid expenses	1	12,125	10,003
Corporate income tax receivable	7	6,901,643	(3,252,568)
Accounts payable - trade	1	58,253,744	(9,487)
Accounts payable - related parties	8	1,485,961	(25,201,640)
Accrued expenses	1	295,828	23,215
Accrued expenses - related parties	8	-	(145,967)
Derivative financial liabilities	5	(264,961)	(5,407,714)
Accrued corporate income tax	7	1,009,009	(1,812,415)
Net Cash Provided by Operating Activities		<u>17,431,420</u>	<u>23,867,610</u>
Cash Flows used in Investing Activities			
Proceeds from disposal of property and equipment	3	26,808	-
Purchase of property and equipment	3	-	(65,994)
Loans to related party, net	2	(13,954,087)	(21,296,181)
Net Cash Used in Investing Activities		<u>(13,927,279)</u>	<u>(21,362,175)</u>
Cash Flows used in Financing Activities			
Repayment of lease liabilities	4	(84,141)	(75,435)
Dividends paid	6	(3,420,000)	(2,030,000)
Net Cash Used in Financing activities		<u>(3,504,141)</u>	<u>(2,105,435)</u>
Net Increase in Cash		-	400,000
Cash at Beginning of Year		<u>500,000</u>	<u>100,000</u>
Cash at End of Year		<u>\$ 500,000</u>	<u>\$ 500,000</u>



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Note 1. Business Operations, Summary of Significant Accounting Policies, and Judgements

Nature of Business

PTT International Trading USA Inc. (the "Company") was incorporated in State of Delaware on April 2, 2020. The Company's registered office in the State of Delaware is 1209 Orange Street, Corporation Trust Center, Wilmington, Delaware, 19801, United States of America. The Company's principal place of business is located at 3009 Post Oak Boulevard, Suite 999, Houston, Texas, 77056, United States of America. The Company is involved in international trade covering crude oil, petrochemical, and petroleum products, liquefied natural gas, international chartering, and derivatives trading. The Company is a wholly owned subsidiary of PTT Public Company Limited (the "Parent"). The Parent's principal activity is the operation of its petroleum business in Thailand. The largest shareholder of the Parent is the Ministry of Finance – Thailand.

Presentation Currency

The financial statements are presented in United States Dollars ("USD") and rounded to the nearest USD.

Foreign Currency

The Company has certain transactions that are payable in other currencies. Transaction gains and losses resulting from rate fluctuations are recognized as a foreign exchange transaction gain (loss) on currency exchange as a period cost.

Basis of Presentation and Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Adoption of New and Amended Standards

In the current year, the Company applied several new and amended IFRS accounting standards with an effective date that begins on or after January 1, 2024. Their adoption has not had any material impact on the disclosures or on amounts reported in these financial statements.

- Amendments to IAS 1 *Classification of Liabilities as Current or Non-current* clarifies its requirements for the presentation of liabilities in the statements of financial position..
- Amendments to IFRS 16 *Lease Liability in a Sale and Leaseback* add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.
- Amendments to IAS 1 *Non-current Liabilities with Covenants* clarifies that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date.

 
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New and Revised Standards Issued but Not Effective

At the date of authorization of these financial statements, the Company has not applied the revised IFRS accounting standards that have been issued and adopted but are not yet effective. The Company does not expect the adoption of the amended standards listed below to have a material impact on the Company's financial statements in future periods of adoption:

- Amendments to IAS 21 *Lack of Exchangeability* clarifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments are effective from annual reporting periods beginning on or after January 1, 2025. Early application of the amendment is permitted.
- IFRS 19 *Subsidiaries without Public Accountability* specifies the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. An entity electing to apply this standard applies the requirements in other IFRS Accounting Standards, except for the disclosure requirements. IFRS 19 is effective for annual reporting periods beginning on or after January 1, 2027. Early application is permitted.
- IFRS 18 *Presentation and Disclosure in Financial Statements* sets out overall requirements for the presentation and disclosure in financial statements. It requires an entity to present a complete set of financial statements at least annually, with comparative amounts for the preceding year. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. Early application is permitted.
- Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* aims to enhance the classification and measurement requirements of financial instruments. These amendments are designed to address diversity in accounting practices, making the requirements more understandable and consistent. The amendments are effective for annual reporting periods beginning on or after January 1, 2026.

Use of Estimates

The preparation of the Company's financial statements requires management to make judgements, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Income Taxes

The Company is subject to federal, state, and local income taxes. Management uses judgement to estimate income taxes. The Company uses the asset and liability method to calculate deferred tax assets and liabilities. Deferred taxes are recognized based on the temporary differences between the financial reporting and income tax bases of assets and liabilities using enacted federal and state income tax rates.

The Company files income tax returns in the U.S. federal jurisdiction and state and local jurisdictions. The Company is subject to federal, state, and local examinations by taxing authorities beginning with tax year 2021.


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PTT International Trading USA Inc.
Notes to Financial Statements
December 31, 2024 and 2023

Cash

The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash.

Concentration of Credit Risk

The Company maintains an operating cash account and two other cash accounts both subject to a cash pooling agreement (see Note 2) with a financial institution which, at times, may exceed limits of the Federal Deposit Insurance Corporation ("FDIC") of \$250,000 per depositor, per financial institution. At December 31, 2024, and December 31, 2023, there was a balance of \$250,000 in excess of FDIC limits.

Prepaid Expenses

Prepaid expenses principally comprise amounts paid in advance for costs to be incurred in the ordinary course of business. Prepaid expenses are classified as current assets if payment due is expected within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets. Prepaid expenses are recorded at the carrying value which the Company approximates to be fair value.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Autos	-	5 years
Furniture and fixtures	-	7 years
Leasehold improvements	-	5 years or lease duration if shorter

The useful life and depreciation method are reviewed annually to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment. Leasehold Improvements are depreciated over the remaining term of the office lease which is shorter than the estimated useful life of the asset.

Leases

(A) Right-of-use asset

The Company, as a lessee, assesses whether a contract is, or contains, a lease at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to lease arrangements in which it is the lessee based on lease payments, except for short-term leases (i.e., those leases that have a lease term of 12-months or less from the commencement date and do not contain a purchase option) and leases of low-value assets such as office equipment. Lease payments on short-term leases and leases of low-value assets are recognized as expense over the term of the lease.

Right-of-use assets are stated at cost, less accumulated depreciation and any impairment value. Depreciation of right-of-use assets is computed on a straight-line basis over the shorter of their estimated useful lives and the lease term (see Note 4).

(B) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made (see Note 4). In addition,

PTT International Trading USA Inc.
Notes to Financial Statements
December 31, 2024 and 2023

the carrying amount of lease liabilities are remeasured if there is a change in the lease term or a change in the lease payments.

Accounts Payable - Trade

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recorded at the carrying amount which the Company approximates to be the fair value.

Accrued Expenses

Accrued expenses principally comprise amounts outstanding for ongoing costs incurred in the ordinary course of business. Accrued expenses are classified as current liabilities if payment due is expected within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Accrued expenses are recorded at the carrying value which the Company approximates to be fair value.

Revenue Recognition

(A) Sale of goods

The Company is primarily involved in the international trade of crude oil, petrochemical, and petroleum products, liquefied natural gas. Revenues represent revenues from contracts with customers. The Company's revenue arrangements generally consist of a single performance obligation to deliver the promised goods. The transaction price for these services is determined based on the volume, destination, and the credit terms agreed with the individual customer prior to accepting the contract. This varies from customer to customer with the standard credit terms not to exceed 30 days from the date of the invoice. Sales are recognized when the product is transferred to the customer at the point of delivery, the customer has full control over the products, and there are no unfulfilled obligations that would affect the customer's acceptance of the products.

(B) Derivative financial instruments

Revenue includes exchange traded contracts, commodity swap contracts, and forward physical contracts of which profit or loss is recognized on the deal date.

Derivative financial instruments are initially recognized at fair value on the date in which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative (see Note 5).

	<u>2024</u>	<u>2023</u>
	USD	USD
Revenue		
Sale of goods	\$ 1,069,265,487	\$ 1,059,722,942
Net unrealized (loss) gain on derivative financial assets	(1,289,036)	1,731,450
	<u>1,067,976,451</u>	<u>1,061,454,392</u>
Total sales	\$ 1,067,976,451	\$ 1,061,454,392

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PTT International Trading USA Inc.
Notes to Financial Statements
December 31, 2024 and 2023

Note 2. Loan Receivable – Related Party

On June 1, 2021, the Company entered a "Cash Pooling Agreement" with a related party (the "pool leader"). The agreement calls for participation in a cash sweep scheme through the banks liquidity management system where, at a specified time of each business day, the Company's bank account will be swept, and the funds transferred to the pool leader's account to create a zero-balance in the Company's account. This then creates a loan receivable from/payable to related party. Interest is charged at a variable rate and may be adjusted at any time by the pool leader. The maximum amount of the participant loan outstanding should not exceed \$40,000,000 at any time, unless approved by the pool leader. The agreement runs for one year with an automatic annual renewal unless either party wishes to terminate the agreement. As at December 31, 2024 and 2023, cash subject to the cash pooling agreement was swept to a zero balance.

As at December 31, 2024 and 2023, the net effect of the cash balance sweep resulted in a related party loan receivable balance of \$45,508,695 and \$31,554,608, respectively.

For the years ended December 31, 2024 and 2023, the Company recognized interest income in the amount of \$2,242,440 and \$1,075,993, respectively. Interest income includes accrued interest receivable in the amount of \$200,178 and \$131,907 as of December 31, 2024 and 2023, respectively.

Note 3. Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
	USD	USD
Autos	\$ 175,865	\$ 216,762
Furniture and fixtures	125,241	125,241
Leasehold improvements	786,008	786,008
	<u>1,087,114</u>	<u>1,128,011</u>
Less accumulated depreciation	<u>(479,180)</u>	<u>(276,619)</u>
Property and equipment, net	<u>\$ 607,934</u>	<u>\$ 851,392</u>

There were no property and equipment additions in 2024. The 2023 additions amounted to \$65,994. During 2024 there was a disposition of an automobile at cost \$40,897, and accumulated depreciation \$7,498. Depreciation expense recognized during December 31, 2024 and 2023 were \$215,650 and \$211,602, respectively.




PTT International Trading USA Inc.
Notes to Financial Statements
December 31, 2024 and 2023

Note 4. Leases

(A) Right-of-use asset

The Company leases office space in Houston, Texas under a sublease agreement with a related party. The Company has the option to extend the lease up to an additional twelve months. The Company is not reasonably certain it will exercise the renewal option. The right-of-use asset for the office space is depreciated over the remaining lease term, excluding the renewal option, which expires in January 2028.

	<u>2024</u>	<u>2023</u>
	USD	USD
Right-of-use asset	\$ 462,239	\$ 462,239
Less accumulated depreciation	<u>(207,698)</u>	<u>(125,145)</u>
Right-of-use asset, net	<u>\$ 254,541</u>	<u>\$ 337,094</u>

(B) Lease liabilities

At December 31, 2024, future maturities of lease liabilities payable to the related party for the right-of-use asset above, are as follows:

<u>Years Ending</u> <u>December 31,</u>	
2025	\$ 99,637
2026	102,522
2027	<u>100,504</u>
	<u>\$ 302,663</u>

Note 5. Fair Values of Derivative Financial Assets and Liabilities

The Company has derivative financial assets and liabilities, consisting of exchange traded contracts, commodity swap contracts, and forward physical contracts, which are used to manage its exposure to commodity price fluctuations by providing a set price on its future obligations. Accounting for derivative instruments and hedging activities requires that all derivatives be recognized as either an asset or liability on the statements of financial position at fair value.

The fair value of commodity swaps is estimated based on the difference between fixed and variable commodity price calculated by reference to an agreed upon notional principal amount. The fair value of commodity forward contracts is determined by reference and quoted market/futures prices at the close of business on the end of the reporting period. The fair value of futures is determined by reference to quoted futures prices of recognized future market at the close of business on the end of the reporting period.




PTT International Trading USA Inc.
Notes to Financial Statements
December 31, 2024 and 2023

As of December 31, 2024 and 2023, the fair value of the derivative financial assets was \$10,915,785 and \$12,853,978, respectively. As of December 31, 2024 and 2023, the fair value of the derivative financial liabilities was \$329,000 and \$264,961, respectively (see Note 8).

Net unrealized gains and losses on derivatives are included in revenues reported on the statements of income (see Note 1).

(A) Fair value hierarchy

The Company categorizes fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs to the valuation methodology are unobservable.

The fair value measurement level of the asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Derivative financial assets				
Exchange traded contracts	\$ 8,009,485	\$ -	\$ -	\$ 8,009,485
Commodity swaps	-	2,906,300	-	2,906,300
	<u>\$ 8,009,485</u>	<u>\$ 2,906,300</u>	<u>\$ -</u>	<u>\$ 10,915,785</u>
Derivative financial liabilities				
Forward physical contracts	\$ -	\$ 329,000	\$ -	\$ 329,000



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PTT International Trading USA Inc.
Notes to Financial Statements
December 31, 2024 and 2023

	December 31, 2023			
	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Derivative financial assets				
Exchange traded contracts	\$ 12,677,727	\$ -	\$ -	\$ 12,677,727
Forward physical contracts and commodity swaps	-	176,251	-	176,251
	<u>\$ 12,677,727</u>	<u>\$ 176,251</u>	<u>\$ -</u>	<u>\$ 12,853,978</u>
Derivative financial liabilities				
Forward physical contracts	\$ -	\$ 264,961	\$ -	\$ 264,961

The following is a description of the valuation methodology used for derivative financial assets measured at fair value at December 31, 2024 and 2023:

- In determining the fair value of the exchange traded contracts, the Company utilizes the quoted unadjusted prices in active markets for identical assets or liabilities that can be accessed at the measurement date. These are considered Level 1.
- In determining the fair value of the commodity swap contracts and the forward physical contracts, the Company uses a valuation technique with market observable inputs. The most frequently applied valuation technique is estimating based on the difference between fixed and variable commodity price calculated by reference to an agreed upon notional principal amount. Since the Company only uses observable inputs in the valuation of the derivative assets and liabilities, they are considered Level 2.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Company believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorizations (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers between Level 1 and Level 2 during 2024 and 2023.

(B) Derivative financial instruments risk management objectives and policies

The Company is exposed to market risks arising from its operations and use of derivative financial instruments. The Company is affected by the price volatility of the products it trades which are generally sold as commodities in the world market. The Company uses derivative financial instruments to manage commodity price risk.

The derivative financial instruments of the Company consist of exchange traded contracts, commodity swap contracts, and forward physical contracts:

- Exchange traded contracts are purchased and sold to hedge potential market price fluctuations associated with certain forward contracts.




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- Commodity swap contracts are purchased and sold to hedge potential market price fluctuations associated with certain forward contracts.
- Forward physical contracts are for physical sales and purchases of commodities at a specified price at a future date.

The Company's Board of Directors determines the appropriate hedging activities to be undertaken by the Company with the aim of prudently managing the market risk associated with transaction undertaken in the normal course of business.

Note 6. Contributed Equity and Capital Management

The Company has the authority to issue 5,000 shares of common stock with a par value of \$1 per share. At both December 31, 2024 and 2023, all shares of common stock were issued and outstanding. Shares of common stock have equal voting rights, and the holder of the common stock is entitled to receive dividends when and if declared by the Directors.

At both December 31, 2024 and 2023, contributed equity consists of fully paid share capital and share premium of \$5,000,000.

For the purpose of the Company's capital management, capital includes issued capital, and all other equity reserves attributable to equity holders of the Company. The primary objective of the Company's capital management is to maximize the value to the Parent.

In 2021, the Company entered into an agreement, which expires on February 29, 2024, with a financial institution to establish an uncommitted line of credit. In March 2022, the credit facility was modified from \$75,000,000 to \$5,000,000 of availability to be used for trade finance purposes. The credit facility is payable on demand and bears interest at the rate agreed upon by the Company and financial institution at the time of such loan. The credit facility is collateralized by substantially all assets of the Company. There were no borrowings as of December 31, 2023.

In 2021, the Company entered into an agreement, which expires on September 30, 2025, with a financial institution to establish an uncommitted line of credit. The credit facility provides for up to \$220,000,000 of availability to be used for general corporate purposes. The credit facility is payable on demand and bears interest at the rate agreed upon by the Company and financial institution at the time of such loan. The credit facility is collateralized by substantially all assets of the Company. There were no borrowings as of December 31, 2024 and 2023.

In 2024, the Company entered into an agreement, which expires on September 30, 2025, with a financial institution to establish an uncommitted line of credit. The credit facility provides for up to \$200,000,000 of availability to be used for general corporate purposes. The credit facility is payable on demand and bears interest at the rate agreed upon by the Company and financial institution at the time of such loan. The credit facility is collateralized by substantially all assets of the Company. There were no borrowings as of December 31, 2024 and 2023.

During the year ended December 31, 2024 and 2023 the Company paid dividends of \$3,420,000 and \$2,030,000 respectively. No other changes were made in the objectives, policies, or processes for managing capital during the year ended December 31, 2024.



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Note 7. Provision for Income Taxes

	<u>2024</u>	<u>2023</u>
	USD	USD
Current		
Federal	\$ 2,007,409	\$ 6,017,521
State and local	<u>20,277</u>	<u>1,146,194</u>
	<u>2,027,686</u>	<u>7,163,715</u>
Deferred		
Federal	(270,698)	363,605
State and local	<u>(12,890)</u>	<u>69,258</u>
	<u>(283,588)</u>	<u>432,863</u>
Total provision for income taxes	<u>\$ 1,744,098</u>	<u>\$ 7,596,578</u>

As of December 31, 2024 and 2023, the deferred corporate tax asset is made up primarily of the future tax benefit on unrealized losses and gains on derivative financial assets and liabilities.

In determining the realizability of the Company's net deferred tax asset, the Company considered several factors, including estimated future taxable income and the industry in which it operates. Based on this information, the Company has determined that it is more likely than not the deferred tax asset will be realized in the current period.

The effective tax rate for both years ended December 31, 2024 and 2023, was 13% and 25%, respectively, due to the combined impact of federal and state income taxes, and the effect of federal return to provision adjustments in the current year.

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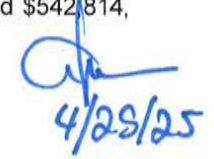
Note 8. Related Parties

In addition to the related party information disclosed elsewhere in these financial statements, significant transactions with related parties, as of and for the years ended December 31, 2024 and 2023, were as follows:

	December 31, 2024			
	Expenses to Related Parties	Purchases from Related Parties	Amounts Owed from Related Parties	Amounts Owed to Related Parties
	USD	USD	USD	USD
Parent				
PTT Public Company Limited	\$ 499,511	\$ 174,035,464	\$ 63,471,358	\$ 472,165
Related Parties				
PTT International Trading Pte. Ltd.	15,201.00	155,298,538	-	-
GC International Corporation	178,119.00	-	-	-
Thai Oil Public Company Limited	35,387	-	-	725,631
PTT Oil and Retail Business Public Company Limited	-	-	-	101,465
PTT Global Chemical Public Company Limited	-	-	-	776,686
IRPC Public Company Limited	-	-	-	484,659
Thai Paraxylene Company Limited (TPX)	-	-	-	11,765
PTT Philippines Trading Corporation	-	-	-	79,872
PTT Philippines Corporation	-	-	-	67,698
PTT Digital Solutions Company Limited	4,563	-	-	307
Other	-	-	-	329
Key Management Personnel				
Other directors' fees	38,319	-	-	-
	<u>\$ 771,100</u>	<u>\$ 329,334,002</u>	<u>\$ 63,471,358</u>	<u>\$ 2,720,577</u>
	December 31, 2023			
	Expenses to Related Parties	Purchases from Related Parties	Amounts Owed from Related Parties	Amounts Owed to Related Parties
	USD	USD	USD	USD
Parent				
PTT Public Company Limited	\$ 542,814	\$ 737,863,308	\$ -	\$ 999,906
Related Parties				
PTT International Trading Pte. Ltd.	-	52,999,240	-	-
Other related parties	-	219,917	-	234,710
Key Management Personnel				
Other directors' fees	23,694	-	-	-
	<u>\$ 566,508</u>	<u>\$ 791,082,465</u>	<u>\$ -</u>	<u>\$ 1,234,616</u>

The Company entered into a commodity swap contract with a related party, in which the Company and related party agree to exchange, at specified intervals, the difference between fixed and variable commodity prices as calculated by reference to an agreed-upon notional principal amount. As of December 31, 2024 and 2023, the fair value of the commodity swap contract was positive as of December 31, 2024 and negative as of December 31, 2023, and recorded in derivative financial assets and liabilities, respectively, on the statement of financial position (see Note 5). Revenue for the year ended December 31, 2024 and 2023 includes realized gains from the settlements of swaps with a related party, PTT Plc of \$4,193,516 and \$21,065,457, respectively. Amounts owed from related parties as of December 31, 2024 are recorded in the accounts receivable balance.

Pursuant to a secondment agreement, available employees of the Parent and its affiliates, were seconded to the Company in 2024 and 2023 to provide operating and other services with respect to the Company's business. In exchange, the Company reimbursed the Parent for the services provided by the seconded employees. For the years ended December 31, 2024 and 2023, reimbursed expenses to the Parent were \$345,214 and \$542,814,

 
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respectively. Of this amount, \$330,898 and 30,719 were payable to the Parent and recorded in accounts payable – related parties in the statements of financial position as of December 31, 2024 and 2023, respectively.

The Company pays director fees directly to key management personnel of the Parent. For the years ended December 31, 2024 and 2023, expenses to related parties for director fees were \$38,319 and \$23,694, respectively.

In addition to related party information disclosed elsewhere in the financials, Company had sales to related parties, PTT Public Company Limited, of \$634,672,706, PTT International Trading Pte. Ltd., of \$9,897,459, and PTT International Trading London Ltd., of \$55,846 in year 2024. Company had sales to related parties, PTT Public Company Limited of \$47,576,315, PTT International Trading Pte. Ltd., of \$70,099,849, and PTT MEA Limited, of \$27,643,835 in year 2023.

Note 9. Concentrations

The Company had one related party who accounted for 59% of sales for the year ended December 31, 2024. One customer accounted for 99% of accounts payable for the year ended December 31, 2024. One related party accounted for 99% of accounts receivable for the year ended December 31, 2024.

The Company had three customers who accounted for 60% of sales for the year ended December 31, 2023. One related party accounted for 79% of accounts payable for the year ended December 31, 2023.

Note 10. Events After the Reporting Period

The Company has evaluated subsequent events through April 29, 2025, the date these financial statements were authorized for issuance by the Board of Directors of the Company. All subsequent events requiring recognition or disclosure have been incorporated in these financial statements.

 
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