

Company Registration No. 200010108W

## PTT International Trading Pte Ltd and Its Subsidiary

Annual Financial Statements  
31 December 2021



## PTT International Trading Pte Ltd and Its Subsidiary

### General information

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#### Directors

Disathat Panyarachun	
Donnaya Senanarong	
Supasachi Hongsinlark	
Jaturong Worawitsurawatthana	(Resigned on 3 November 2021)
Patricia Mongkhonvanit	
Chanamas Sasnanand	(Appointed on 11 January 2021)
Pongpun Amornvivat	(Appointed on 1 December 2021)
Chienvit Udomwatwong	(Resigned on 4 January 2021)

#### Company Secretary

Seow Han Chiang Winston

#### Registered Office

391A Orchard Road  
#12-01/04, #12-05 & #12-10, Tower A Ngee Ann City  
Singapore 238873

#### Auditor

Ernst & Young LLP

#### Bankers

Sumitomo Mitsui-Banking Corporation  
The Hongkong and Shanghai Banking Corporation Ltd  
Standard Chartered Bank  
Siam Commercial Bank  
Mizuho Corporate Bank, Ltd  
JP Morgan Chase Bank, N.A.  
United Overseas Bank Singapore  
Citibank N.A., Singapore  
Deutsche Bank A.G., Singapore  
Oversea-Chinese Banking Corporation Limited  
DBS Bank Ltd  
Bank of America, N.A.  
China Merchant Bank  
MUFG Bank  
Banco Santander, S. A.  
BNP Paribas SA

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## **PTT International Trading Pte Ltd and Its Subsidiary**

### **Directors' statement**

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The directors are pleased to present their statement to the member together with the audited consolidated financial statements of PTT International Trading Pte Ltd (the Company) and its subsidiary (collectively, the Group) and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2021.

#### **Opinion of the directors**

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

#### **Directors**

The directors of the Company in office at the date of this statement are:

Disathat Panyarachun	
Donnaya Senanarong	
Supasachi Hongsinlark	
Jaturong Worawitsurawatthana	(Resigned on 3 November 2021)
Patricia Mongkhonvanit	
Chanamas Sasnanand	(Appointed on 11 January 2021)
Pongpun Amornvivat	(Appointed on 1 December 2021)
Chienvit Udomwatwong	(Resigned on 4 January 2021)

#### **Arrangements to enable Directors to acquire shares or debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

**PTT International Trading Pte Ltd and Its Subsidiary****Directors' statement****Directors' interests in shares or debentures**

The following directors who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), an interest in shares or debentures of the Company and related corporations as stated below:

	<u>Directly held</u>	
	<b>At the beginning of financial year or date of appointment</b>	<b>At the end of financial year</b>
<b>Holding company</b>		
<b><i>PTT Public Company Limited</i></b>		
Donnaya Senanarong	98,400	98,400
Pongpun Amornvivat	8,000	8,000
Patricia Mongkhonvanit	3,000	3,000
Supasachi Hongsinlark	129,000	129,000
<b>Related corporations</b>		
<b><i>PTT Exploration &amp; Production Public Co., Ltd.</i></b>		
Supasachi Hongsinlark	5,000	5,000
Pongpun Amornvivat	2,325	2,325
<b><i>Thai Oil Public Co., Ltd.</i></b>		
Donnaya Senanarong	2,000	2,000
Supasachi Hongsinlark	2,000	2,000
Pongpun Amornvivat	43,000	43,000
<b><i>IRPC Public Co., Ltd.</i></b>		
Patricia Mongkhonvanit	7,500	7,500
Pongpun Amornvivat	100	25,100
<b><i>PTT Global Chemical Public Co., Ltd.</i></b>		
Donnaya Senanarong	125	125
Supasachi Hongsinlark	307	307
Pongpun Amornvivat	248	248
<b><i>Global Power Synergy Public Company Limited</i></b>		
Pongpun Amornvivat	37,638	37,638
<b><i>PTT Oil and Retail Business Public Company Limited</i></b>		
Pongpun Amornvivat	10,000	10,000
Patricia Mongkhonvanit	–	500
Supasachi Hongsinlark	–	1,245
Donnaya Senanarong	–	1,500
<b><i>Ubon Bio Ethanol Public Co., Ltd.</i></b>		
Pongpun Amornvivat	416,600	416,600

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

**PTT International Trading Pte Ltd and Its Subsidiary**

**Directors' statement**

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**Auditor**

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:



Disathat Panyarachun  
Chairman



Supasachi Hongsinlark  
Director

Singapore  
14 February 2022

## **PTT International Trading Pte Ltd and Its Subsidiary**

### **Independent auditor's report For the financial year ended 31 December 2021**

#### **Independent auditor's report to the member of PTT International Trading Pte Ltd**

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### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of PTT International Trading Pte Ltd (the "Company") and its subsidiary (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2021, and the statements of comprehensive income, statements of changes in equity and cash flows statements of the Group and Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, and the financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and financial performance, changes in equity and cash flows of the Company for the year ended on that date.

#### **Basis for opinion**

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). 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 independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other information**

Management is responsible for other information. The other information comprises the Directors' statement set out on pages 1 to 3 and the General information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **PTT International Trading Pte Ltd and Its Subsidiary**

### **Independent auditor's report For the financial year ended 31 December 2021**

#### **Independent auditor's report to the member of PTT International Trading Pte Ltd**

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#### **Responsibilities of Management and Directors for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Group's financial reporting process.

#### **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 from 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 a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

**PTT International Trading Pte Ltd and Its Subsidiary**

**Independent auditor's report  
For the financial year ended 31 December 2021**

**Independent auditor's report to the member of PTT International Trading Pte Ltd**

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**Auditor's responsibilities for the audit of the financial statements (cont'd)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

*Ernst & Young LLP*

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore  
14 February 2022



**PTT International Trading Pte Ltd and Its Subsidiary**

**Consolidated and company statements of comprehensive income  
For the financial year ended 31 December 2021**

	Notes	Group 2021 US\$	Group 2020 US\$	Company 2021 US\$	Company 2020 US\$
<b>Revenue</b>	3	15,315,970,177	8,553,491,400	15,242,961,648	8,553,491,400
Cost of sales		(15,280,775,907)	(8,498,104,818)	(15,208,197,568)	(8,498,104,818)
<b>Gross profit</b>		35,194,270	55,386,582	34,764,080	55,386,582
Other income	4	3,020,630	8,517,657	7,619,853	8,520,057
Interest income	5	1,084,592	3,285,948	1,084,586	3,272,141
Administrative expenses	6	(3,998,541)	(7,677,898)	(3,546,629)	(7,638,258)
Personnel expenses	7	(12,394,720)	(10,625,618)	(12,258,598)	(10,596,885)
Other operating expenses		(244,285)	(28,274)	(244,046)	(28,345)
Finance costs	8	(2,689,911)	(5,679,901)	(2,689,076)	(5,679,901)
<b>Profit before taxation</b>	9	19,972,035	43,178,496	24,730,170	43,235,391
Taxation	10	(1,683,697)	(2,652,134)	(1,683,697)	(2,651,999)
<b>Profit after taxation</b>		18,288,338	40,526,362	23,046,473	40,583,392
<b>Other comprehensive income:</b>					
- Net fair value gain/(loss) on equity instruments at fair value through other comprehensive income		1,224	(2,701)	1,224	(2,701)
<b>Total comprehensive income for the year</b>		18,289,562	40,523,661	23,047,697	40,580,691

*The accompanying accounting policies and explanatory information form an integral part of the financial statements.*

## PTT International Trading Pte Ltd and Its Subsidiary

### Balance sheets As at 31 December 2021

	Notes	Group 2021 US\$	Group 2020 US\$	Company 2021 US\$	Company 2020 US\$
<b>Share capital and reserve</b>					
Share capital	11	3,986,897	3,986,897	3,986,897	3,986,897
Fair value reserve		3,914	2,690	3,914	2,690
Retained earnings		158,997,918	144,003,580	158,460,210	138,707,737
		<b>162,988,729</b>	<b>147,993,167</b>	<b>162,451,021</b>	<b>142,697,324</b>
<b>Non-current assets</b>					
Property, plant and equipment	12	173,405	235,360	134,096	235,360
Right-of-use assets	13	956,064	1,262,514	886,993	1,262,514
Investment in a subsidiary	14	–	–	1,500,000	54,469
Investment securities	15	1,019,149	1,017,925	19,149	1,017,925
		<b>2,148,618</b>	<b>2,515,799</b>	<b>2,540,238</b>	<b>2,570,268</b>
<b>Current assets</b>					
Inventory	17	112,701,552	98,034,411	112,701,552	98,034,411
Trade receivables	16	1,052,273,097	676,374,311	981,569,906	676,374,311
Other debtors, deposits and others	18	42,266,444	100,311,170	42,224,108	100,307,144
Amounts due from related companies - trade	19	83,741,785	47,893,880	83,741,785	47,893,880
Amounts due from related companies - non-trade	20	104,365,007	65,072,007	103,858,654	59,711,700
Amounts due from holding company - trade	19	162,542,697	60,191,995	162,542,697	60,191,995
Amounts due from holding company - non-trade	20	850	–	850	–
Amounts due from a subsidiary - trade	21	–	–	29,278,232	5,017
Derivative financial instruments	29	31,240,087	26,918,374	30,866,087	26,918,374
Cash and bank balances	22	22,958,657	7,204,146	22,902,347	7,204,146
		<b>1,612,090,176</b>	<b>1,082,000,294</b>	<b>1,569,686,218</b>	<b>1,076,640,978</b>

## PTT International Trading Pte Ltd and Its Subsidiary

### Balance sheets As at 31 December 2021

	Notes	Group 2021 US\$	2020 US\$	Company 2021 US\$	2020 US\$
<b>Current liabilities</b>					
Trade advances	23	34,237	28,301,237	34,237	28,301,237
Trade creditors	24	397,031,956	131,449,409	397,031,956	131,449,409
Trade accruals	24	504,371,145	465,934,018	504,371,145	465,934,018
Bills payable	25	170,757,086	34,835,608	170,757,086	34,835,608
Other creditors and accruals		3,786,580	2,874,097	3,764,326	2,865,254
Amounts due to related companies - trade	19	209,414,839	56,166,911	168,024,839	56,166,911
Amounts due to related companies - non-trade	20	13,731	3,524	7,344	3,363
Amounts due to holding company - trade	19	89,072,787	87,053,021	89,072,787	87,053,021
Amounts due to holding company - non-trade	20	53,773	369,208	53,773	369,208
Derivative financial instruments	29	18,099,275	52,624,324	18,099,275	52,624,324
Advances from broker	24	55,933,692	72,340,725	55,933,692	72,340,725
Lease liabilities	27	777,528	1,066,769	721,539	1,066,769
Tax payable		1,703,112	3,249,674	1,703,112	3,249,674
		1,451,049,741	936,268,525	1,409,575,111	936,259,521
<b>Net current assets</b>		161,040,435	145,731,769	160,111,107	140,381,457
<b>Non-current liabilities</b>					
Deferred tax liability	26	23,193	23,193	23,193	23,193
Lease liabilities	27	177,131	231,208	177,131	231,208
		200,324	254,401	200,324	254,401
<b>Net assets</b>		162,988,729	147,993,167	162,451,021	142,697,324

*The accompanying accounting policies and explanatory information form an integral part of the financial statements.*

**PTT International Trading Pte Ltd and Its Subsidiary**

**Statements of changes in equity  
For the financial year ended 31 December 2021**

<b>Group</b>	<b>Notes</b>	<b>Share capital US\$</b>	<b>Fair value reserve US\$</b>	<b>Retained earnings US\$</b>	<b>Total Equity US\$</b>
At 1 January 2020		3,986,897	5,391	105,185,218	109,177,506
Net change in fair value of equity instrument at FVOCI		–	(2,701)	–	(2,701)
Profit for the year		–	–	40,526,362	40,526,362
Total comprehensive income for the year		–	(2,701)	40,526,362	40,523,661
Dividends	11	–	–	(1,708,000)	(1,708,000)
Balance at 31 December 2020		3,986,897	2,690	144,003,580	147,993,167
At 1 January 2021		3,986,897	2,690	144,003,580	147,993,167
Net change in fair value of equity instrument at FVOCI		–	1,224	–	1,224
Profit for the year		–	–	18,288,338	18,288,338
Total comprehensive income for the year		–	1,224	18,288,338	18,289,562
Dividends	11	–	–	(3,294,000)	(3,294,000)
Balance at 31 December 2021		3,986,897	3,914	158,997,918	162,988,729

**PTT International Trading Pte Ltd and Its Subsidiary**

**Statements of changes in equity  
For the financial year ended 31 December 2021**

<b>Company</b>	<b>Notes</b>	<b>Share capital US\$</b>	<b>Fair value reserve US\$</b>	<b>Retained earnings US\$</b>	<b>Total Equity US\$</b>
At 1 January 2020		3,986,897	5,391	99,832,345	103,824,633
Net change in fair value of equity instrument at FVOCI		–	(2,701)	–	(2,701)
Profit for the year		–	–	40,583,392	40,583,392
Total comprehensive income for the year		–	(2,701)	40,583,392	40,580,691
Dividends	11	–	–	(1,708,000)	(1,708,000)
Balance at 31 December 2020		3,986,897	2,690	138,707,737	142,697,324
At 1 January 2021		3,986,897	2,690	138,707,737	142,697,324
Net change in fair value of equity instrument at FVOCI		–	1,224	–	1,224
Profit for the year		–	–	23,046,473	23,046,473
Total comprehensive income for the year		–	1,224	23,046,473	23,047,697
Dividends	11	–	–	(3,294,000)	(3,294,000)
Balance at 31 December 2021		3,986,897	3,914	158,460,210	162,451,021

*The accompanying accounting policies and explanatory information form an integral part of the financial statements.*

## PTT International Trading Pte Ltd and Its Subsidiary

Consolidated and company cash flows statements  
For the financial year ended 31 December 2021

	Group		Company	
	2021 US\$	2020 US\$	2021 US\$	2020 US\$
<b>Cash flows from operating activities</b>				
Profit before taxation	19,972,035	43,178,496	24,730,170	43,235,391
Adjustments for:				
Depreciation of property, plant and equipment	107,007	112,569	105,430	112,430
Depreciation of right-of-use assets	1,452,615	3,967,503	1,383,545	3,967,503
(Write off)/provision for doubtful debts	(41,862)	3,722,519	(41,862)	3,722,519
Interest expense	2,689,911	5,679,901	2,689,076	5,679,901
Interest income	(1,084,592)	(3,285,948)	(1,084,586)	(3,272,141)
Revaluation of inventories to fair value	2,550,594	(11,002,646)	2,550,594	(11,002,646)
Revaluation of derivatives to fair value	(38,846,762)	31,145,948	(38,472,762)	31,145,948
Gain on disposal of subsidiary	–	–	(5,297,959)	–
<b>Operating profit before working capital changes</b>	(13,201,054)	73,518,342	(13,438,354)	73,588,905
(Increase)/decrease in inventories	(17,217,735)	224,377,126	(17,217,735)	224,377,126
(Increase)/decrease in trade and other debtors, prepayments and deposits	(317,812,198)	325,017,276	(247,070,698)	324,000,253
Increase/(decrease) in trade creditors and accruals	276,634,450	(273,846,005)	276,621,039	(273,845,814)
Increase/(decrease) in bills payable	135,921,478	(264,307,030)	135,921,478	(264,307,030)
Net change in balances with related and holding companies	(22,529,992)	(113,637,148)	(98,053,386)	(109,128,019)
<b>Cash flows generated from/(used in) operations</b>	41,794,949	(28,877,439)	36,762,344	(25,314,579)
Interest received	1,084,592	3,285,948	1,084,586	3,272,141
Interest paid	(2,627,620)	(5,546,015)	(2,626,784)	(5,546,015)
Tax paid	(3,230,259)	(1,755,662)	(3,230,259)	(1,755,527)
<b>Net cash flows generated from/(used in) operating activities</b>	37,021,662	(32,893,168)	31,989,887	(29,343,980)

**PTT International Trading Pte Ltd and Its Subsidiary****Consolidated and company cash flows statements  
For the financial year ended 31 December 2021**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Cash flows from investing activities</b>				
Disposal of fixed assets	–	288	–	148
Purchase of fixed assets	(45,052)	(3,400)	(4,166)	(3,400)
Investment in subsidiary	–	–	(1,500,000)	–
Transfer of investment securities	–	–	1,000,000	–
Disposal of subsidiary	–	–	5,352,428	–
<b>Net cash flows generated/(used in) investing activities</b>	<b>(45,052)</b>	<b>(3,112)</b>	<b>4,848,262</b>	<b>(3,252)</b>
<b>Cash flows from financing activities</b>				
Dividends paid to stockholders	(3,294,000)	(1,708,000)	(3,294,000)	(1,708,000)
Payment to broker	(16,407,033)	(86,591)	(16,407,033)	(86,591)
Lease liabilities payment	(1,521,066)	(4,365,724)	(1,438,915)	(4,365,724)
<b>Net cash flows used in financing activities</b>	<b>(21,222,099)</b>	<b>(6,160,315)</b>	<b>(21,139,948)</b>	<b>(6,160,315)</b>
<b>Net increase/(decrease) in cash and bank balances for the year</b>	<b>15,754,511</b>	<b>(39,056,595)</b>	<b>15,698,201</b>	<b>(35,507,547)</b>
Cash and bank balances at beginning of year	7,204,146	46,260,741	7,204,146	42,711,693
<b>Cash and bank balances at end of year</b>	<b>22,958,657</b>	<b>7,204,146</b>	<b>22,902,347</b>	<b>7,204,146</b>

*The accompanying accounting policies and explanatory information form an integral part of the financial statements.*

## **PTT International Trading Pte Ltd and Its Subsidiary**

### **Notes to the financial statements For the financial year ended 31 December 2021**

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#### **1. Corporate information**

PTT International Trading Pte Ltd (the "Company") is a private limited company domiciled and incorporated in Singapore. The address of the Company's registered office and its principal place of business is 391A Orchard Road, #12-01/04, #12-05 & #12-10, Tower A Ngee Ann City, Singapore 238873.

The Company's immediate holding company is PTT Public Company Limited, a company incorporated in Thailand. The Company's related parties are all subsidiaries of PTT Public Company Limited.

The principal activities of the Company are the marketing and trading of petrochemicals, crude, coal and petroleum products. The principal activities of the subsidiary is disclosed in Note 14 to the financial statements.

#### **2. Summary of significant accounting policies**

##### **2.1 *Basis of preparation***

The consolidated financial statements of the Group and the financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States dollars ("USD" or "US\$").

##### **2.2 *Changes in accounting policies***

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 January 2021. The adoption of these standards and interpretations did not have material effect on the financial performance or position of the Group.



## PTT International Trading Pte Ltd and Its Subsidiary

### Notes to the financial statements For the financial year ended 31 December 2021

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#### 2. Summary of significant accounting policies (cont'd)

##### 2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 103 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to FRS 16 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to FRS 37 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to FRS 1 <i>Classification of Liabilities as Current or Non-Current</i>	1 January 2023

The directors expect that the adoption of the other standards above will have no material impact on the Group's consolidated financial statements in the year of initial application.

##### 2.4 *Significant accounting judgements and estimates*

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of each reporting period. 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.

###### *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

###### Fair value of financial instruments

Where the fair values of financial instruments recorded on the statement of financial position cannot be derived from active markets, they are determined using valuation techniques. The inputs into these valuation techniques are derived from observable market data. The most frequently applied valuation techniques are swap models, using present value calculations. The models incorporate various inputs including forward value and related index.

**PTT International Trading Pte Ltd and Its Subsidiary****Notes to the financial statements  
For the financial year ended 31 December 2021**

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**2. Summary of significant accounting policies (cont'd)****2.5 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to profit or loss in the financial year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of property, plant and equipment.

Depreciation is computed on a straight-line basis over the estimated useful life of the assets as follows:

Office equipment	-	5 years
Furniture and fixtures	-	5 to 10 years

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, plant and equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

**PTT International Trading Pte Ltd and Its Subsidiary****Notes to the financial statements  
For the financial year ended 31 December 2021**

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**2. Summary of significant accounting policies (cont'd)****2.6 Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**(a) Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office equipment	-	5 years
Building	-	1 to 3 years
Warehouse	-	1 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2.9.

**PTT International Trading Pte Ltd and Its Subsidiary****Notes to the financial statements  
For the financial year ended 31 December 2021**

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**2. Summary of significant accounting policies (cont'd)****2.6 Leases (cont'd)***Group as a lessee (cont'd)***(b) Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**(c) Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**2.7 *Investment in a subsidiary***

A subsidiary is an entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities. In the Company's separate financial statements, investment in a subsidiary are accounted for at cost less impairment losses.

## **PTT International Trading Pte Ltd and Its Subsidiary**

### **Notes to the financial statements For the financial year ended 31 December 2021**

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#### **2. Summary of significant accounting policies (cont'd)**

##### **2.8 *Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at the end of the reporting period. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting period as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains or losses resulting from intra-group transactions are eliminated in full.

The subsidiary is consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

**PTT International Trading Pte Ltd and Its Subsidiary****Notes to the financial statements  
For the financial year ended 31 December 2021**

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**2. Summary of significant accounting policies (cont'd)****2.9 Impairment of non-financial assets**

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written-down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charged is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**2.10 Financial instruments****(a) Financial assets****Initial recognition and measurement**

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

**PTT International Trading Pte Ltd and Its Subsidiary****Notes to the financial statements  
For the financial year ended 31 December 2021**

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**2. Summary of significant accounting policies (cont'd)****2.10 Financial instruments (cont'd)****(a) Financial assets (cont'd)**Subsequent measurement

Subsequent measurement depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

**(i) Amortised cost**

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

**(ii) Fair value through other comprehensive income (FVOCI)**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

**(iii) Fair value through profit or loss**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

## PTT International Trading Pte Ltd and Its Subsidiary

### Notes to the financial statements For the financial year ended 31 December 2021

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#### 2. Summary of significant accounting policies (cont'd)

##### 2.10 *Financial instruments (cont'd)*

###### (a) *Financial assets (cont'd)*

###### Subsequent measurement (cont'd)

###### *Investments in equity instruments*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under FRS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

###### *Derivatives*

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

###### Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.



## PTT International Trading Pte Ltd and Its Subsidiary

### Notes to the financial statements For the financial year ended 31 December 2021

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#### 2. Summary of significant accounting policies (cont'd)

##### 2.10 *Financial instruments (cont'd)*

###### (b) *Financial liabilities*

###### Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

###### Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

###### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

##### 2.11 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group recognises loss allowance based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**PTT International Trading Pte Ltd and Its Subsidiary****Notes to the financial statements  
For the financial year ended 31 December 2021**

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**2. Summary of significant accounting policies (cont'd)****2.12 Inventories**

The inventories are principally acquired with the purpose of selling in the near future and generating a profit from fluctuations in price or broker-traders' margin. These inventories are measured at fair value less cost to sell. When such inventories are measured at fair value less cost to sell, the changes in fair value are recognised in profit or loss in the financial year of the change.

**2.13 Cash and bank balances**

Cash and bank balances comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

**2.14 Taxes****(a) Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**(b) Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

**PTT International Trading Pte Ltd and Its Subsidiary****Notes to the financial statements  
For the financial year ended 31 December 2021**

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**2. Summary of significant accounting policies (cont'd)****2.14 Taxes (cont'd)****(b) Deferred tax (cont'd)**

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the financial year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

**(c) Sales tax**

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

**PTT International Trading Pte Ltd and Its Subsidiary****Notes to the financial statements  
For the financial year ended 31 December 2021**

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**2. Summary of significant accounting policies (cont'd)****2.15 Revenue***Sale of goods*

Revenue from sale of goods is recognised upon the satisfaction of a performance obligation, usually upon delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

*Shipping and insurance related activities*

When goods are sold on a CFR or CIF basis, the Group is responsible for providing these services (shipping and insurance) to the customer, sometimes after the date at which Group has lost control of the goods. Revenue related to the provision of shipping and insurance related activities is recognised over time as the service is rendered.

**2.16 Interest income and expense**

Interest income and expense are recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt. Surcharge interest income and expense are accreted with reference to the contractual rates arising from long-term supply contracts.

**2.17 Employee benefits***Defined contribution plan*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Group makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the financial period in which the related service is performed.

**2.18 Foreign currencies**

The accounting records of the Group are maintained in USD, as the USD is the functional currency.

Transactions in foreign currencies during the financial year are recorded in USD using exchange rates approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities at the end of the reporting period are translated into USD at exchange rates approximating those ruling at that date. All resultant exchange differences are recognised in profit or loss.

**PTT International Trading Pte Ltd and Its Subsidiary****Notes to the financial statements  
For the financial year ended 31 December 2021**

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**2. Summary of significant accounting policies (cont'd)****2.19 *Derivative financial instruments***

The Group uses derivative financial instruments to manage its risks associated with commodity price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

**(a) *Commodity forward contracts***

Commodity forward contract for physical sales and purchases of commodities are measured at fair value. Unrealised gains or losses are reported in profit or loss. Fair value is determined by reference to quoted market/futures prices at the close of business on the end of the reporting period.

**(b) *Commodity swap contracts***

Commodity swap contracts are purchased and sold to hedge potential market price fluctuations associated with certain forward contracts. For those commodity swap contracts purchased and sold and still held at financial year end, they are valued based on the difference between fixed and variable commodity price calculated by reference to an agreed upon notional principal amount.

**(c) *Futures contracts***

Futures contracts are measured at fair value. Unrealised gains or losses are reported in profit or loss. Fair value is determined by reference to quoted futures prices of recognised futures market at the close of business on the end of the reporting period.

Initial margin deposits and variation margins on futures contracts are included in current assets or current liabilities as appropriate.

**(d) *Options***

Options are purchased and sold to hedge potential market price fluctuations associated with certain forward contracts. For those options purchased and sold and still held at financial year end, they are valued at the market value prevailing at the end of the reporting period and any gains or losses arising are recognised in profit or loss.

## **PTT International Trading Pte Ltd and Its Subsidiary**

### **Notes to the financial statements For the financial year ended 31 December 2021**

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## **2. Summary of significant accounting policies (cont'd)**

### **2.20 Related parties**

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group if that person:
  - (i) Has control or joint control over the Group;
  - (ii) Has significant influence over the Group; or
  - (iii) Is a member of the key management personnel of the Group or of a parent of the Group.
  
- (b) An entity is related to the Group if any of the following conditions applies:
  - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a); or
  - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements  
For the financial year ended 31 December 2021**

**3. Revenue**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	US\$	US\$	US\$	US\$
Sale of goods	15,409,014,556	8,458,768,007	15,336,380,027	8,458,768,007
Realised (loss)/gain on derivative financial instruments	(131,163,942)	127,182,141	(131,163,942)	127,182,141
Unrealised gain/(loss) on derivative financial instruments	43,616,903	(5,123,193)	43,616,903	(5,123,193)
Fair value loss on commodity forwards	(5,497,340)	(27,335,555)	(5,871,340)	(27,335,555)
	<u>15,315,970,177</u>	<u>8,553,491,400</u>	<u>15,242,961,648</u>	<u>8,553,491,400</u>

US\$86,612,382 (2020: US\$88,043,701) of sales of goods includes revenue related to provision of shipping and insurance related activities which are recognised over time.

**4. Other income**

Other income mainly pertains to gain on disposal of subsidiary and settlement fee from trade cancellation and breach of contract.

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	US\$	US\$	US\$	US\$
Related parties	941,968	251,931	5,541,811	254,331
Third parties	2,078,662	8,265,726	2,078,042	8,265,726
	<u>3,020,630</u>	<u>8,517,657</u>	<u>7,619,853</u>	<u>8,520,057</u>

**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements  
For the financial year ended 31 December 2021**

**5. Interest income**

	Group		Company	
	2021 US\$	2020 US\$	2021 US\$	2020 US\$
Banks and financial institutions	43,951	45,681	43,945	45,681
Ultimate holding company/related company	71,211	271,270	71,211	263,556
Other third parties	969,430	2,968,997	969,430	2,962,904
	<b>1,084,592</b>	<b>3,285,948</b>	<b>1,084,586</b>	<b>3,272,141</b>

Interest income from banks, financial institutions, ultimate holding company and related company is recognised using the effective interest method. Interest income from other third parties is recognised at the contractual rate.

**6. Administrative expenses**

	Group		Company	
	2021 US\$	2020 US\$	2021 US\$	2020 US\$
Legal and professional fees	443,535	625,400	242,728	613,413
Depreciation of property, plant and equipment	107,007	112,569	105,430	112,430
Depreciation of right-of-use assets-other	820,549	755,044	751,479	755,044
Entertainment	186,312	114,736	185,281	114,736
Subscription fees	1,393,640	1,355,839	1,390,267	1,355,839
Office rental	–	12,941	–	–
Travelling expense	31,925	31,395	14,449	31,395
Telecommunication	84,170	91,477	83,676	89,759
Withholding tax expense	197,965	246,077	92,965	246,077
Others	733,438	4,332,420	680,354	4,319,565
	<b>3,998,541</b>	<b>7,677,898</b>	<b>3,546,629</b>	<b>7,638,258</b>



**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements  
For the financial year ended 31 December 2021**

**7. Personnel expenses**

	Group		Company	
	2021 US\$	2020 US\$	2021 US\$	2020 US\$
Salaries and bonuses	10,589,583	8,930,057	10,507,495	8,906,974
CPF contributions	507,489	417,566	507,489	417,566
Depreciation of right-of-use assets - staff	632,066	848,692	632,066	848,692
Other staff expenses	665,582	429,303	611,548	423,653
	<b>12,394,720</b>	<b>10,625,618</b>	<b>12,258,598</b>	<b>10,596,885</b>

This includes key management's remuneration shown in Note 28.

**8. Finance costs**

	Group		Company	
	2021 US\$	2020 US\$	2021 US\$	2020 US\$
Interest expense:				
- Banks and financial institutions	1,898,162	2,580,319	1,898,162	2,580,319
- Related companies	54,186	26,702	54,186	26,702
- Other third parties	705,144	2,946,233	705,144	2,946,233
- Lease liabilities	32,419	126,647	31,584	126,647
	<b>2,689,911</b>	<b>5,679,901</b>	<b>2,689,076</b>	<b>5,679,901</b>

Interest expense other than surcharge expense is recognised using the effective interest method. Interest expense from other third parties is recognised at the contractual rate.

**9. Profit before taxation**

Profit before taxation is stated after charging/(crediting):

	Group		Company	
	2021 US\$	2020 US\$	2021 US\$	2020 US\$
Depreciation (Note 12)	107,007	112,569	105,430	112,429
Depreciation of right of use assets - vessels and warehouses	–	2,363,767	–	2,363,767
Realised foreign exchange gain	(96,992)	(55,222)	(96,998)	(55,216)
Rental expense	295,045	90,695	266,913	77,754

The rental expense for the Group includes US\$295,045 (2020: US\$90,695) recorded in other staff expenses shown in Note 7.

**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements  
For the financial year ended 31 December 2021**

**10. Taxation**

The Company was awarded Global Trader Programme (“GTP”) status by International Enterprise Singapore (“IES”) with effect from 1 January 2019 for a period of 5 years. The financial statements are prepared on the basis that all terms and conditions contained in the Letter of Offer dated 18 December 2018 to be met within the qualifying period. The Company’s trading of approved commodities and products are taxed at concessionary rate of 5%.

***Major components of income tax expense***

The major components of income tax expense for years ended 31 December 2021 and 2020 are:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Current income taxation	1,607,348	2,567,766	1,607,348	2,567,631
Under provision in respect of previous years	76,349	84,368	76,349	84,368
Income tax expense recognised in profit or loss	1,683,697	2,652,134	1,683,697	2,651,999

***Relationship between tax expense and accounting profit***

A reconciliation between taxation and the product of accounting profit multiplied by the applicable tax rate for the periods from 1 January to 31 December was as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Profit before taxation	19,972,035	43,178,496	24,730,170	43,235,391
Tax at the applicable tax rate 17% (2020: 17%)	3,395,246	7,340,344	4,204,129	7,350,016
Adjustments:				
Non-deductible expenses	17,923	340,000	17,923	340,000
Income not subject to tax	(963,341)	(1,032)	(963,341)	(1,032)
Tax exemption	808,422	(12,733)	(461)	(12,733)
Effect of concessionary tax rate	(1,638,353)	(5,093,123)	(1,638,353)	(5,093,123)
Under provision of tax payable for prior years	76,349	84,368	76,349	84,368
Others	(12,549)	(5,690)	(12,549)	(15,497)
	1,683,697	2,652,134	1,683,697	2,651,999

**PTT International Trading Pte Ltd and Its Subsidiary****Notes to the financial statements  
For the financial year ended 31 December 2021**

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**11. Share capital and dividends**

<b>Group and Company</b>	
<b>2021</b>	<b>2020</b>
US\$	US\$

**Issued and fully paid:**

At beginning and end of year:

6,100,000 (2020: 6,100,000) ordinary shares	3,986,897	3,986,897
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The holders of ordinary shares are entitled to receive dividends as and when declared by the Group and Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

<b>Group and Company</b>	
<b>2021</b>	<b>2020</b>
US\$	US\$

**Dividends declared and paid during the year:**

Dividends on ordinary shares:

Final dividend of US\$0.54 per share for the year ended 31 December 2021 (US\$0.28 per share for year ended 31 December 2020)	3,294,000	1,708,000
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**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements**  
**For the financial year ended 31 December 2021**

**12. Property, plant and equipment**

<b>Group</b>	<b>Office equipment US\$</b>	<b>Furniture and fixtures US\$</b>	<b>Total US\$</b>
<b>Cost</b>			
At 1 January 2020	684,221	1,307,296	1,991,517
Additions	3,400	–	3,400
Disposal	(16,923)	(520)	(17,443)
At 31 December 2020 and at 1 January 2021	670,698	1,306,776	1,977,474
Additions	36,570	8,482	45,052
Disposal	(27,962)	(84,956)	(112,918)
Balance at 31 December 2021	679,306	1,230,302	1,909,608
<b>Accumulated depreciation</b>			
At 1 January 2020	615,920	1,030,780	1,646,700
Charge for 2020	29,835	82,734	112,569
Disposal	(16,635)	(520)	(17,155)
At 31 December 2020 and at 1 January 2021	629,120	1,112,994	1,742,114
Charge for 2021	24,443	82,564	107,007
Disposal	(27,962)	(84,956)	(112,918)
Balance at 31 December 2021	625,601	1,110,602	1,736,203
<b>Net book value</b>			
At 31 December 2020	41,578	193,782	235,360
At 31 December 2021	53,705	119,700	173,405

**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements  
For the financial year ended 31 December 2021**

**12. Property, plant and equipment (cont'd)**

<b>Company</b>	<b>Office equipment US\$</b>	<b>Furniture and fixtures US\$</b>	<b>Total US\$</b>
<b>Cost</b>			
At 1 January 2020	655,496	1,222,340	1,877,836
Additions	3,400	–	3,400
Disposal	(16,161)	(520)	(16,681)
At 31 December 2020 and at 1 January 2021	642,735	1,221,820	1,864,555
Additions	4,166	–	4,166
Disposal	–	–	–
Balance at 31 December 2021	646,901	1,221,820	1,868,721
<b>Accumulated depreciation</b>			
At 1 January 2020	587,475	945,823	1,533,298
Charge for the year	29,695	82,735	112,430
Disposal	(16,013)	(520)	(16,533)
At 31 December 2020 and at 1 January 2021	601,157	1,028,038	1,629,195
Charge for the year	23,180	82,250	105,430
Balance at 31 December 2021	624,337	1,110,288	1,734,625
<b>Net book value</b>			
At 31 December 2020	41,578	193,782	235,360
At 31 December 2021	22,564	111,532	134,096

**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements**  
**For the financial year ended 31 December 2021**

**13. Right-of-use assets**

<b>Group</b>	<b>Warehouse US\$</b>	<b>Building US\$</b>	<b>Equipment US\$</b>	<b>Total US\$</b>
<b>Cost</b>				
At 1 January 2020	4,727,534	4,061,078	34,021	8,822,633
Additions	–	441,035	–	441,035
Disposal	(4,727,534)	(843,029)	–	(5,570,563)
At 31 December 2020 and 1 January 2021	–	3,659,084	34,021	3,693,105
Additions	–	1,105,696	46,655	1,152,351
Disposal	–	(1,065,611)	(34,021)	(1,099,632)
Balance at 31 December 2021	–	3,699,169	46,655	3,745,824
<b>Accumulated depreciation</b>				
At 1 January 2020	2,363,767	1,549,670	12,371	3,925,808
Charge for the year	2,363,767	1,591,365	12,371	3,967,503
Disposal	(4,727,534)	(735,186)	–	(5,462,720)
At 31 December 2020 and 1 January 2021	–	2,405,849	24,742	2,430,591
Charge for the year	–	1,449,522	3,093	1,452,615
Disposal	–	(1,065,611)	(27,835)	(1,093,446)
Balance at 31 December 2021	–	2,789,760	–	2,789,760
<b>Net book value</b>				
At 31 December 2020	–	1,253,235	9,279	1,262,514
<b>Net book value</b>				
At 31 December 2021	–	909,409	46,655	956,064

## PTT International Trading Pte Ltd and Its Subsidiary

Notes to the financial statements  
For the financial year ended 31 December 2021

## 13. Right-of-use assets (cont'd)

Company	Warehouse US\$	Building US\$	Equipment US\$	Total US\$
<b>Cost</b>				
At 1 January 2020	4,727,534	4,061,078	34,021	8,822,633
Additions	–	441,035	–	441,035
Disposal	(4,727,534)	(843,029)	–	(5,570,563)
At 31 December 2020 and 1 January 2021	–	3,659,084	34,021	3,693,105
Additions	–	967,555	46,655	1,014,210
Disposal	–	(1,065,611)	(34,021)	(1,099,632)
Balance at 31 December 2021	–	3,561,028	46,655	3,607,683
<b>Accumulated depreciation</b>				
At 1 January 2020	2,363,767	1,549,670	12,371	3,925,808
Charge for the year	2,363,767	1,591,365	12,371	3,967,503
Disposal	(4,727,534)	(735,186)	–	(5,462,720)
At 31 December 2020 and 1 January 2021	–	2,405,849	24,742	2,430,591
Charge for the year	–	1,380,452	3,093	1,383,545
Disposal	–	(1,065,611)	(27,835)	(1,093,446)
Balance at 31 December 2021	–	2,720,690	–	2,720,690
<b>Net book value</b>				
At 31 December 2020	–	1,253,235	9,279	1,262,514
<b>Net book value</b>				
At 31 December 2021	–	840,338	46,655	886,993

**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements  
For the financial year ended 31 December 2021**

**14. Investment in a subsidiary**

				<b>Company</b>		
		<b>2021</b>		<b>2020</b>		
		US\$		US\$		
Unquoted equity shares, at cost		1,500,000		54,469		
Name of Company	Principal activities	Country of incorporation and place of business	Effective equity interest held by the Group		Cost of investments	
			2021 %	2020 %	2021 US\$	2020 US\$
PTT MEA Ltd <sup>1</sup>	Holding Company and marketing and trading of crude and petroleum products	Dubai, United Arab Emirates	100	–	1,500,000	–
PTT International Trading DMCC <sup>2</sup>	Operator for product accumulation and storage for reshipment and sale in South East Asia	Dubai, United Arab Emirates	–	100	–	54,469

<sup>1</sup> Newly incorporated on 21 February 2021 and audited by AMCA Auditing in the respective country.

<sup>2</sup> Audited by member firm of Ernst & Young Global in the respective country.

On 29 January 2021, the Company has fully liquidated its fully-owned subsidiary PTT International Trading DMCC.



**PTT International Trading Pte Ltd and Its Subsidiary****Notes to the financial statements  
For the financial year ended 31 December 2021****15. Investment securities**

<b>Group</b>	<b>2021 US\$</b>	<b>2020 US\$</b>
Investments in equity instruments at fair value through other comprehensive income:		
Cost	1,000,000	1,000,000
Net change in fair value	–	–
	<u>1,000,000</u>	<u>1,000,000</u>
Investments in mutual fund at fair value through other comprehensive income:		
Cost	15,235	15,235
Net change in fair value	3,914	2,690
	<u>19,149</u>	<u>17,925</u>
Total investment securities	<u>1,019,149</u>	<u>1,017,925</u>
<b>Company</b>	<b>2021 US\$</b>	<b>2020 US\$</b>
Investments in equity instruments at fair value through other comprehensive income:		
Cost	1,000,000	1,000,000
Net change in fair value	–	–
Transfer to PTT MEA Ltd	(1,000,000)	–
	<u>–</u>	<u>1,000,000</u>
Investments in mutual fund at fair value through other comprehensive income:		
Cost	15,235	15,235
Net change in fair value	3,914	2,690
	<u>19,149</u>	<u>17,925</u>
Total investment securities	<u>19,149</u>	<u>1,017,925</u>

## PTT International Trading Pte Ltd and Its Subsidiary

### Notes to the financial statements For the financial year ended 31 December 2021

#### 16. Trade receivables

Current trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

At the end of the reporting period, trade receivables arising from export sales amounting to US\$470,350,244 are arranged to be settled via letters of credit issued by reputable banks in countries where the customers are based. Trade receivables from customers that are insured by trade credit insurance underwritten by a reputable insurer amounted to US\$66,680,496 at the end of the reporting period.

	Group		Company	
	2021 US\$	2020 US\$	2021 US\$	2020 US\$
Receivables from third-party customers	1,056,575,727	680,715,899	985,872,536	680,715,899
Allowance for expected credit losses	(4,302,630)	(4,341,588)	(4,302,630)	(4,341,588)
	<u>1,052,273,097</u>	<u>676,374,311</u>	<u>981,569,906</u>	<u>676,374,311</u>

#### **Expected credit losses**

The movement in allowance for expected credit losses on trade receivables computed based on lifetime ECL is as follows:

	Group and Company	
	2021 US\$	2020 US\$
Movement in allowance accounts:		
At 1 January	4,341,588	1,844,435
Charge for the year	–	3,722,519
Write off	(38,958)	(1,225,366)
At 31 December	<u>4,302,630</u>	<u>4,341,588</u>

US\$4,302,630 (2020: US\$4,341,588) of the expected credit loss allowance relates to impaired trade receivables.

The Group and Company estimates the expected credit loss by reference to past collection experience and management assessment of the risk of default that considers current conditions and future economic conditions. The effects of the conditions in the historical period that are not relevant to the future contractual cash flows were removed in deriving the loss rates.

An allowance has been made for estimated irrecoverable amounts from the sale of goods to third parties of US\$4,302,630 (2020: US\$4,341,588) on credit impaired trade receivables i.e. those that are more than 90 days past due. Management has determined that trade receivables that are less than 90 days past due were non-credit impaired and the corresponding expected credit losses were insignificant. Therefore, no loss allowance was made on these assets.

**PTT International Trading Pte Ltd and Its Subsidiary****Notes to the financial statements  
For the financial year ended 31 December 2021****17. Inventory**

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	US\$	US\$
Commodity inventories carried at fair value less cost to sell	<u>112,701,552</u>	<u>98,034,411</u>

Commodity inventories were measured using quoted market prices categorised as Level 2.

**18. Other debtors, deposits and others**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	US\$	US\$	US\$	US\$
Advance payments - trade	11,281	25,001,700	850	25,001,700
Due from broker	28,520,096	72,582,374	28,520,096	72,582,374
Deposits	451,751	332,937	433,524	328,911
GST receivables	12,800,547	1,522,556	12,797,831	1,522,556
Prepaid assets	477,974	807,239	467,012	807,239
Others	4,795	64,364	4,795	64,364
	<u>42,266,444</u>	<u>100,311,170</u>	<u>42,224,108</u>	<u>100,307,144</u>

Advance payments include balances upon which a surcharge at LIBOR plus a credit spread is levied.

**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements  
For the financial year ended 31 December 2021**

**19. Amounts due from/(to) holding company and related companies - trade**

The amounts due from/(to) holding company and related companies - trade are trade in nature, unsecured, interest-free and payable when due.

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	US\$	US\$	US\$	US\$
Receivables from related companies	83,744,903	47,896,998	83,744,903	47,896,998
Receivables from holding company	162,542,697	60,194,899	162,542,697	60,194,899
Allowance for expected credit losses	(3,118)	(6,022)	(3,118)	(6,022)
	246,284,482	108,085,875	246,284,482	108,085,875

***Expected credit losses***

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	<b>2021</b>	<b>2020</b>
	US\$	US\$
Movement in allowance accounts:		
At 1 January	6,022	6,022
Charge for the year	-	-
Write off	(2,904)	-
At 31 December	3,118	6,022

US\$3,118 (2020: US\$6,022) of the expected credit loss allowance relates to impaired trade receivables.

The Group and Company estimates the expected credit loss by reference to past collection experience and management assessment of the risk of default that considers current conditions and future economic conditions. The effects of the conditions in the historical period that are not relevant to the future contractual cash flows were removed in deriving the loss rates.

An allowance has been made for estimated irrecoverable amounts from the sale of goods to related companies of US\$3,118 (2020: US\$6,022) on credit impaired trade receivables i.e. those that are more than 90 days past due. Management has determined that trade receivables that are less than 90 days past due were non-credit impaired and the corresponding expected credit losses were insignificant. Therefore, no loss allowance was made on these assets.

**PTT International Trading Pte Ltd and Its Subsidiary****Notes to the financial statements  
For the financial year ended 31 December 2021****20. Amounts due from/(to) holding company and related companies - non-trade**

The amounts due to holding company and related companies - non-trade other than cash pooling balances are non-trade in nature, unsecured, interest-free and repayable on demand. Cash pooling balances are non-trade in nature, interest-bearing and repayable on demand.

**21. Amounts due from a subsidiary**

The amounts due from a subsidiary are trade in nature, unsecured, interest-free and repayable on demand.

**22. Cash and bank balances**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Cash and bank balances	22,958,657	7,204,146	22,902,347	7,204,146
	<u>22,958,657</u>	<u>7,204,146</u>	<u>22,902,347</u>	<u>7,204,146</u>

Cash and bank balances earns interest at floating rates based on daily bank deposit rates.

**23. Trade advances**

These relates to the prepayments received in relation to the long-term commodity forward sale contract entered into by the Group. Trade advances include balances upon which a surcharge at LIBOR plus a credit spread is levied.

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Current	34,237	28,301,237	34,237	28,301,237
Non-current	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements**  
**For the financial year ended 31 December 2021**

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**24. Trade creditors and accruals - trade and advances from broker**

Trade creditors and accruals are trade in nature and non-interest bearing. Trade payables are normally settled on terms of 30 to 60 days.

Advances from broker are interest free and arise from the utilisation of short-term funding facilities provided by the broker for the purpose of entering into margined positions.

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	US\$	US\$	US\$	US\$
Trade creditors	397,031,956	131,449,409	397,031,956	131,449,409
Trade accruals	504,371,145	465,934,018	504,371,145	465,934,018
Advances from brokers	55,933,692	72,340,725	55,933,692	72,340,725
	<b>957,336,793</b>	<b>669,724,152</b>	<b>957,336,793</b>	<b>669,724,152</b>

**25. Bills payable**

The bills payable have an average maturity of 30 to 90 days with effective interest rate of 0.56217% (2020: 1.15643%) per annum.

**26. Deferred tax liability**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	US\$	US\$	US\$	US\$
The deferred tax liability arises as a result of:				
Excess of net book value over tax written-down value of property, plant and equipment	23,193	23,193	23,193	23,193

**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements  
For the financial year ended 31 December 2021**

**27. Lease liabilities**

***Lease liabilities***

Set out below are the carrying amounts of lease liabilities and movements during the year:

	<b>Group 2021 US\$</b>	<b>Group 2020 US\$</b>
<b>Cost</b>		
At 1 January	1,297,977	5,203,862
Additions	1,152,351	441,035
Disposal	(7,022)	(107,843)
Accretion of interest	32,419	126,647
Lease payments	(1,521,066)	(4,365,724)
At 31 December	<u>954,659</u>	<u>1,297,977</u>
Current	777,528	1,066,769
Non-current	177,131	231,208
	<u>777,528</u>	<u>1,066,769</u>
	<u>177,131</u>	<u>231,208</u>
	<u>954,659</u>	<u>1,297,977</u>
	<b>Company 2021 US\$</b>	<b>Company 2020 US\$</b>
<b>Cost</b>		
At 1 January	1,297,977	5,203,862
Additions	1,014,210	441,035
Disposal	(6,186)	(107,843)
Accretion of interest	31,584	126,647
Lease payments	(1,438,915)	(4,365,724)
At 31 December	<u>898,670</u>	<u>1,297,977</u>
Current	721,539	1,066,769
Non-current	177,131	231,208
	<u>721,539</u>	<u>1,066,769</u>
	<u>177,131</u>	<u>231,208</u>
	<u>898,670</u>	<u>1,297,977</u>

**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements  
For the financial year ended 31 December 2021**

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**27. Lease liabilities (cont'd)**

***Lease liabilities (cont'd)***

The following are the amounts recognised in profit of loss:

	<b>Group 2021 US\$</b>	<b>Group 2020 US\$</b>
Depreciation expense of right-of-assets	1,452,615	3,967,503
Interest expense of lease liabilities	32,419	126,647
Expense relating to short-term leases	12,780,052	7,857,057
	<hr/>	<hr/>
Total amount recognised in profit or loss	14,265,086	11,951,207
	<hr/> <hr/>	<hr/> <hr/>
	<b>Company 2021 US\$</b>	<b>Company 2020 US\$</b>
Depreciation expense of right-of-assets	1,383,545	3,967,503
Interest expense of lease liabilities	31,584	126,647
Expense relating to short-term leases	12,779,714	7,857,057
	<hr/>	<hr/>
Total amount recognised in profit or loss	14,194,843	11,951,207
	<hr/> <hr/>	<hr/> <hr/>

**28. Related party transactions**

In addition to the related party information disclosed elsewhere in the financial statements, significant transactions with related parties, on terms agreed between the parties, were as follows:

	<b>2021 US\$</b>	<b>Group 2020 US\$</b>
<b><i>Income</i></b>		
Sales to related companies	917,592,957	504,018,796
Sales to holding company	2,547,786,410	980,568,117
<b><i>Expenses</i></b>		
Purchases from holding company	1,120,601,430	818,650,671
Purchases from related companies	1,988,269,624	1,127,603,734
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**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements  
For the financial year ended 31 December 2021**

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**28. Related party transactions (cont'd)**

	<b>Company</b>	
	<b>2021</b>	<b>2020</b>
	US\$	US\$
<b><i>Income</i></b>		
Sales to subsidiary company	29,278,232	–
Sales to related companies	917,592,957	504,018,796
Sales to holding company	2,547,786,410	980,568,117
<b><i>Expenses</i></b>		
Purchases from holding company	1,048,023,091	818,650,671
Purchases from related companies	1,988,269,624	1,127,603,734

***Key management employee benefits***

Key managements' remuneration and short-term employee benefits paid amounted to US\$421,742 (2020: US\$304,339).

**29. Fair values of financial assets and liabilities**

All carrying amount of financial assets and liabilities at the end of the reporting period that were not measured at fair value approximate their fair values due to the relatively short-term maturity of these financial instruments.

(a) ***Derivative financial instruments***

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 to quoted market/futures prices at the close of business as at end of the reporting period.

The fair value of options is valued at the market value prevailing at the end of the reporting period.

The fair value of futures is determined by reference to quoted futures prices of recognised futures market at the close of business on the end of the reporting period.

**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements  
For the financial year ended 31 December 2021**

**29. Fair values of financial instruments (cont'd)**

(a) ***Derivative financial instruments (cont'd)***

As at 31 December 2021, the fair value of derivative financial instruments for trading purposes are presented in the following table:

	Notional amount sold US\$	Notional amount purchased US\$	Group Year end positive fair value US\$	Year end negative fair value US\$
<b>2021</b>				
Commodity swaps:				
Related parties	33,288,974	134,300,984	8,800,670	5,031,038
Others	18,680,920	14,856,100	304,797	1,477,050
Commodity forwards:				
Related parties	2,907,901,889	3,109,149,145	8,827,024	1,399,560
Others	4,413,856,668	4,816,206,480	3,762,767	6,001,662
Futures contracts:				
Others	4,005,981,139	3,670,031,681	8,345,582	3,846,172
Commodity options:				
Related parties	12,000,000	27,864,000	1,199,247	343,793
	11,391,709,590	11,772,408,390	31,240,087	18,099,275
<b>2020</b>				
Commodity swaps:				
Related parties	11,968,100	50,943,674	6444,560	2,511,432
Others	28,788,692	33,447,800	619,200	1,243,208
Commodity forwards:				
Related parties	521,678,868	381,980,164	2,625,393	–
Others	4,935,063,424	4,515,286,610	13,312,114	5,251,598
Futures contracts:				
Others	1,020,034,344	806,448,225	–	40,795,469
Commodity options:				
Related parties	83,556,000	123,127,500	3,914,326	2,821,147
Others	2,100,000	2,790,000	2,781	1,470
	6,603,189,428	5,914,023,973	26,918,374	52,624,324

**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements  
For the financial year ended 31 December 2021**

**29. Fair values of financial instruments (cont'd)**

(a) *Derivative financial instruments (cont'd)*

	<b>Notional amount sold US\$</b>	<b>Company Notional amount purchased US\$</b>	<b>Year end positive fair value US\$</b>	<b>Year end negative fair value US\$</b>
<b>2021</b>				
Commodity swaps:				
Related parties	33,288,974	134,300,984	8,800,670	5,031,038
Others	18,680,920	14,856,100	304,797	1,477,050
Commodity forwards:				
Related parties	2,907,901,889	3,009,330,745	8,827,024	1,399,560
Others	4,313,664,268	4,816,206,480	3,388,767	6,001,662
Futures contracts:				
Others	4,005,981,139	3,670,031,681	8,345,582	3,846,172
Commodity options:				
Related parties	12,000,000	27,864,000	1,199,247	343,793
	<b>11,291,517,190</b>	<b>11,672,589,990</b>	<b>30,866,087</b>	<b>18,099,275</b>
<b>2020</b>				
Commodity swaps:				
Related parties	11,968,100	50,943,674	6444,560	2,511,432
Others	28,788,692	33,447,800	619,200	1,243,208
Commodity forwards:				
Related parties	521,678,868	381,980,164	2,625,393	–
Others	4,935,063,424	4,515,286,610	13,312,114	5,251,598
Futures contracts:				
Others	1,020,034,344	806,448,225	–	40,795,469
Commodity options:				
Related parties	83,556,000	123,127,500	3,914,326	2,821,147
Others	2,100,000	2,790,000	2,781	1,470
	<b>6,603,189,428</b>	<b>5,914,023,973</b>	<b>26,918,374</b>	<b>52,624,324</b>

**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements  
For the financial year ended 31 December 2021**

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**29. Fair values of financial instruments (cont'd)**

(b) ***Fair value hierarchy***

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

Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;

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

Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

	<b>Group</b>			
	<b>Quoted prices in active markets for identical instruments (Level 1) US\$</b>	<b>Significant other observable inputs (Level 2) US\$</b>	<b>Significant unobservable inputs (Level 3) US\$</b>	<b>Total US\$</b>
<b>2021</b>				
<b><i>Financial assets</i></b>				
Commodity swaps and options	–	10,304,714	–	10,304,714
Futures contracts	8,345,582	–	–	8,345,582
Commodity forwards	–	12,589,791	–	12,589,791
Investment securities	19,149	–	1,000,000	1,019,149
<hr/>				
<b><i>Financial liabilities</i></b>				
Commodity swaps and options	–	6,851,881	–	6,851,881
Futures contracts	3,846,172	–	–	3,846,172
Commodity forwards	–	7,401,222	–	7,401,222
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## PTT International Trading Pte Ltd and Its Subsidiary

Notes to the financial statements  
For the financial year ended 31 December 2021

## 29. Fair values of financial instruments (cont'd)

## (b) Fair value hierarchy (cont'd)

	Group			Total US\$
	Quoted prices in active markets for identical instruments (Level 1) US\$	Significant other observable inputs (Level 2) US\$	Significant unobservable inputs (Level 3) US\$	
<b>2020</b>				
<b>Financial assets</b>				
Commodity swaps and options	–	10,980,867	–	10,980,867
Futures contracts	–	–	–	–
Commodity forwards	–	15,937,507	–	15,937,507
Investment securities	17,925	–	1,000,000	1,017,925
<b>Financial liabilities</b>				
Commodity swaps and options	–	6,577,257	–	6,577,257
Futures contracts	40,795,469	–	–	40,795,469
Commodity forwards	–	5,251,598	–	5,251,598
<b>2021</b>				
<b>Financial assets</b>				
Commodity swaps and options	–	10,304,714	–	10,304,714
Futures contracts	8,345,582	–	–	8,345,582
Commodity forwards	–	12,215,791	–	12,215,791
Investment securities	19,149	–	–	19,149
<b>Financial liabilities</b>				
Commodity swaps and options	–	6,851,881	–	6,851,881
Futures contracts	3,846,172	–	–	3,846,172
Commodity forwards	–	7,401,222	–	7,401,222

## PTT International Trading Pte Ltd and Its Subsidiary

Notes to the financial statements  
For the financial year ended 31 December 2021

## 29. Fair values of financial instruments (cont'd)

## (b) Fair value hierarchy (cont'd)

	Quoted prices in active markets for identical instruments (Level 1) US\$	Company		Total US\$
		Significant other observable inputs (Level 2) US\$	Significant unobservable inputs (Level 3) US\$	
<b>2020</b>				
<b>Financial assets</b>				
Commodity swaps and options	–	10,980,867	–	10,980,867
Futures contracts	–	–	–	–
Commodity forwards	–	15,937,507	–	15,937,507
Investment securities	17,925	–	1,000,000	1,017,925
<b>Financial liabilities</b>				
Commodity swaps and options	–	6,577,257	–	6,577,257
Futures contracts	40,795,469	–	–	40,795,469
Commodity forwards	–	5,251,598	–	5,251,598

During the reporting period, there was no transfer of investment between the different levels.

*Level 2 fair value measurements*

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Commodity swaps

Fair valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include estimating based on the difference between fixed and variable commodity price calculated by reference to an agreed upon notional principal amount.

Commodity options and forwards

Commodity options and forwards are fair valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and option models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties.

**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements  
For the financial year ended 31 December 2021**

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**29. Fair values of financial instruments (cont'd)**

(b) ***Fair value hierarchy (cont'd)***

*Level 3 fair value measurements*

Investment securities classified within Level 3 has significant unobservable inputs, as they trade infrequently. The Group measured its investment securities using recent transaction prices. The Group categorised its investments as Level 3 financial instruments.

The following table shows the information about the fair value measurements using significant unobservable inputs (Level 3):

	<b>Fair value as at 31 December 2021 US\$</b>	<b>Valuation techniques</b>	<b>Unobservable inputs</b>	<b>Range (median)</b>
<b>Financial assets at fair value through other comprehensive income:</b>				
Unquoted equities:				
- ICE Futures Abu Dhabi Holdings	1,000,000	Recent transaction	N/A	N/A

*Valuation process for Level 3 investments*

The valuation of Level 3 investments are reviewed on an annual basis by the management on an annual basis. The management consider the appropriateness of the valuation techniques.

The movement in Level 3 instruments for the financial years ended 31 December 2021 is presented in Note 15.

*Changes in valuation technique*

There were no changes in valuation techniques during the financial period.

(c) ***Amounts and loans due to/(from) holding company, subsidiary and related companies, trade receivables and other debtors, trade creditors, bills payable and other creditors and advances from broker***

The carrying amounts of these financial assets and liabilities at the end of the reporting period approximates their fair values due to the relatively short-term maturity of these financial instruments or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

## PTT International Trading Pte Ltd and Its Subsidiary

### Notes to the financial statements For the financial year ended 31 December 2021

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#### 30. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and commodity price risk. Risk management is reviewed and agreed by the Board of Directors of the Group and the Company under policies approved by Trading Risk Management Committee ("TRMC") of its holding company, PTT Public Company Limited ("PTT PLC"). The Group and the Company identifies, evaluates and hedges financial risks in close co-operation with PTT PLC. TRMC provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investing excess liquidity.

##### (a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and cash equivalents and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. Credit valuation adjustments for significant counterparty credit risk relating to derivatives have been made. However, there is no assurance there will be no other losses due to counterparties' failure to meet their obligations in the future.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group does not offer credit terms without the approval of Trading Credit Committee of PTT PLC. Trading Credit Committee of PTT PLC has adopted a policy to enter into trade credit insurance for customers to mitigate heightened credit risks arising from revenue growth strategies.



**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements  
For the financial year ended 31 December 2021**

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**30. Financial risk management objectives and policies (cont'd)**

(a) **Credit risk (cont'd)**

*Credit risk concentration profile*

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade exposure at the end of the reporting period is as follows:

	<b>Group</b>			
	<b>2021</b>		<b>2020</b>	
<b>By country</b>	US\$'000	% of total	US\$'000	% of total
Singapore	612,641	47	448,704	57
Thailand	305,453	24	85,301	11
Hong Kong	3,528	–	26,459	3
Malaysia	108,461	8	29,546	4
Philippines	48,055	4	24,548	3
Vietnam	26,170	2	26,342	3
Korea	491	–	–	–
Indonesia	69,295	5	–	–
Switzerland	15,724	1	75,183	10
Other countries	115,106	9	65,238	9
	<b>1,304,924</b>	<b>100</b>	<b>781,321</b>	<b>100</b>

(b) **Liquidity risk**

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities.

As at the end of the reporting period, all of the Group's loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statements.

**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements  
For the year ended 31 December 2021**

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**30. Financial risk management objectives and policies (cont'd)**

(b) **Liquidity risk (cont'd)**

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on the contractual undiscounted payments:

<b>Group</b>	<b>One year or less US\$</b>	<b>One year to five years US\$</b>	<b>Total US\$</b>
<b>2021</b>			
Trade and other payables	905,223,918	–	905,223,918
Amounts due to related and holding company	298,555,130	–	298,555,130
Advances from broker	55,933,692	–	55,933,692
Bills payable	170,757,086	–	170,757,086
Derivative financial instrument	18,099,275	–	18,099,275
Lease liabilities	777,528	177,131	954,659
	<hr/>		
Total	1,449,346,629	177,131	1,449,523,760
	<hr/>		
<b>Company</b>			
Trade and other payables	905,201,664	–	905,201,664
Amounts due to related and holding company	257,158,743	–	257,158,743
Advances from broker	55,933,692	–	55,933,692
Bills payable	170,757,086	–	170,757,086
Derivative financial instrument	18,099,275	–	18,099,275
Lease liabilities	721,539	177,131	898,670
	<hr/>		
Total	1,407,871,999	177,131	1,408,049,130
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**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements  
For the year ended 31 December 2021**

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**30. Financial risk management objectives and policies (cont'd)**

(b) **Liquidity risk (cont'd)**

<b>Group</b>	<b>One year or less US\$</b>	<b>One year to five years US\$</b>	<b>Total US\$</b>
<b>2020</b>			
Trade and other payables	628,558,761	–	628,558,761
Amounts due to related and holding company	143,592,664	–	143,592,664
Advances from broker	72,340,725	–	72,340,725
Bills payable	34,835,608	–	34,835,608
Derivative financial instrument	52,624,324	–	52,624,324
Lease liabilities	1,066,769	231,208	1,297,977
	<hr/>		
Total	933,018,851	231,208	933,250,059
	<hr/> <hr/>		
<b>Company</b>			
Trade and other payables	628,549,918	–	628,549,918
Amounts due to related and holding company	143,592,503	–	143,592,503
Advances from broker	72,340,725	–	72,340,725
Bills payable	34,835,608	–	34,835,608
Derivative financial instrument	52,624,324	–	52,624,324
Lease liabilities	1,066,769	231,208	1,297,977
	<hr/>		
Total	933,009,847	231,208	933,241,055
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**PTT International Trading Pte Ltd and Its Subsidiary****Notes to the financial statements  
For the financial year ended 31 December 2021**

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**30. Financial risk management objectives and policies (cont'd)****(c) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings and cash and bank balances. The Group's cash balances are placed with reputable banks and financial institutions, which generate interest income for the Group. The Group manages its interest rate risks by placing such balances on varying maturities and interest rate terms.

*Sensitivity analysis for interest rate risk*

At the end of the reporting period, if the interest rate has been 15 basis points lower/higher with all other variables held constant, the Group's profit/(loss) net of taxation would have been US\$2,408 (2020: US\$3,591) higher/lower, arising mainly as a result of lower/higher interest expense on short-term loans and borrowings.

**(d) Foreign currency risk**

The Group's sales and purchases are denominated primarily in US\$. This creates a natural hedge for its transactions and as a result the foreign currency risk is not significant.

**(e) Commodity price risk**

The Group and the Company is exposed to movements in the prices of the products it trades which are generally sold as commodities in the world market. Strategic price hedges are taken out from time-to-time.

The Group and the Company enters into commodity swaps, in which the Group and the Company agrees to exchange, at specified intervals, the difference between fixed and variable commodity price calculated by reference to an agreed-upon notional principal amount. These swaps are designed to hedge against the Group's exposure to adverse fluctuations in commodity price.

The Directors determine the appropriate hedging activities to be undertaken by the Group with the aim of prudently managing the market risk associated with transaction undertaken in the normal course of business. All treasury risk management activities are carried out under strict supervision by the Directors.

At the end of the reporting period, if commodities price moved by 1.0% (2020: 1.0%) higher/lower with all other variables held constant, the Group's profit/(loss) net of taxation would have changed by US\$334,346 (2020: US\$545,800) lower/higher. This effect would have been mitigated by the Group's physical sales and purchases commitments as well as the inventory held at the end of the reporting period.

**PTT International Trading Pte Ltd and Its Subsidiary**

**Notes to the financial statements  
For the financial year ended 31 December 2021**

**30. Financial risk management objectives and policies (cont'd)**

(f) *Changes in liabilities arising from financing activities*

	<b>1 January 2021 US\$</b>	<b>Cash flows US\$</b>	<b>31 December 2021 US\$</b>
Advances from broker	72,340,725	(16,407,033)	55,933,692
	<u>72,340,725</u>	<u>(16,407,033)</u>	<u>55,933,692</u>
	<b>1 January 2020 US\$</b>	<b>Cash flows US\$</b>	<b>31 December 2020 US\$</b>
Advances from broker	72,427,316	(86,591)	72,340,725
	<u>72,427,316</u>	<u>(86,591)</u>	<u>72,340,725</u>

The changes in lease liabilities arising from financing activities is presented in note 27.

**31. Capital management**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Company and Group comply with PTT Public Company Limited (PTTPLC) Group's finance policy as its 100% owned subsidiaries. Consisting of capital structure, capital increase, dividend policy, internal and external funding as well as financial management. The finance policy is applied to all subsidiaries to strengthen the Group's finance management capability to achieve international standards and to promote good governance, including clear, concise and transparent operation with performance level comparable to leading players in the industry.

The Group is not subject to any externally imposed capital requirements. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

**PTT International Trading Pte Ltd and Its Subsidiary****Notes to the financial statements  
For the financial year ended 31 December 2021****31. Capital management (cont'd)**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	US\$'000	US\$'000
Loans and borrowings	226,691	107,176
Trade and other payables	905,190	600,258
Other liabilities	34	28,301
Less: Cash and bank balances	(22,959)	(7,204)
<b>Net debt</b>	<b>1,108,956</b>	<b>728,531</b>
Share capital and reserves	162,989	147,993
<b>Total capital</b>	<b>162,989</b>	<b>147,993</b>
<b>Capital and net debt</b>	<b>1,271,945</b>	<b>876,524</b>
<b>Gearing ratio</b>	<b>87%</b>	<b>83%</b>

**32. Authorisation of financial statements for issue**

The consolidated financial statements of the Group for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 14 February 2022.