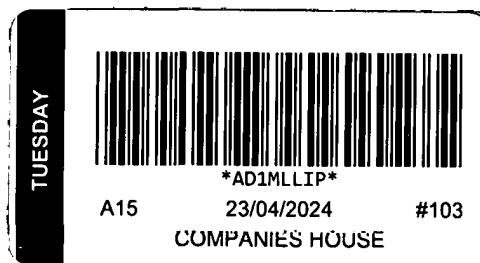


Company Registration No. 10443326 (England & Wales)

PTT International Trading London Ltd

Annual Financial Statements
31 December 2023



PTT International Trading London Ltd

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PTT International Trading London Ltd

Company information

Directors

Pattaraporn Vorasaph
Kritch Chairuangyoth (Resigned on 1 February 2023)
Panporn Sasananan (Appointed on 1 February 2023)
Donnaya Senanarong
Worawan Kanchanakeaw (Resigned on 1 July 2023)
Jittipan Prarusudamkerng (Appointed on 1 July 2023)
Pongpun Amornvivat (Resigned on 1 June 2023)
Kraipit Premmani (Appointed on 1 June 2023)

Company Secretary

Vistra Company Secretaries Limited

Registered Office

3rd Floor St James's Square
London, United Kingdom
SW1Y 4AL

Registered Number

10443326 (England and Wales)

Bankers

Bangkok Bank Public Co Ltd, London
Standard Chartered Bank, Singapore
JP Morgan Chase Bank, NA, London
JP Morgan Chase Bank, NA, Singapore
Mizuho Bank Ltd, Singapore
MUFG Bank Ltd, Singapore Branch
United Overseas Bank Limited
Bank of America N.A. Singapore
BNP Paribas Singapore
Sumitomo Mitsui Singapore

Auditor

Ernst & Young LLP
2 St Peters Square
Manchester
M2 3DF

PTT International Trading London Ltd

Strategic report For the financial year ended 31 December 2023

The directors present their Strategic report of the company for the year ended 31 December 2023.

Business Review

The company is wholly owned by PTT Public Company Limited (PTT PLC) and is the flagship for international trading business of PTT PLC in the Western corridor. The company was incorporated on 24 October 2016.

The principal activity of the company is the marketing and trading of crude oil and petroleum products. This physical trading is also supported by a derivative trading desk, which helps to mitigate the risks and limits the exposure to market volatility. The company purchases or acquires competitively priced supply of crude oil and petroleum products to feed into the PTT group system, and helps optimising the trading activities of the group. The company also seeks out and presents to the group new business flow opportunities by means of new investment and business partnership.

The directors are delighted to report revenue of US\$3,026 million (2022: US\$3,103 million), profit before taxation operating profit of US\$20 million (2022: US\$52 million), and profit after tax of US\$15 million (2022: US\$42 million).

Business objective and strategy

The company's objective is to expand trading activity in the western market. The company will play the main role in connecting the trading network for our valued customers, partners and the PTT Group.

The company operates under global book management scheme by optimising benefits among our head office in Bangkok and the eastern trading flagship in Singapore. The company, therefore, contributes to this global book by focusing its activities to the west.

Principal risks and uncertainties

There continues to be global uncertainty within the macroeconomic environment as a result of the war in Ukraine, rising inflation and interest rates and the cost of living crisis. Raw material and other input costs also remain high although the energy prices have started to decline. The Board of Directors are in charge of agreeing and applying risk management principles and policies while also ensuring that management has an effective internal control system. Management remains responsible for the actual assessment and compliance of the risks facing the company within the policies and principles approved by the Board. Management considers the following risks to be important:

Risk management

Traders need to follow strictly the trading limits as set out by the Board of Directors; all trades are reviewed and monitored to ensure their compliance with the guidelines given to the company by head office. All counterparties are also vetted and pre-approved by the Credit and Management teams prior to concluding the first trading transaction with them.

PTT International Trading London Ltd

**Strategic report
For the financial year ended 31 December 2023**

Principal risks and uncertainties (cont'd)

Credit risk

The company's business is in the global oil market so its trade receivables and market exposures are mainly with international oil companies, financial institutions and other trading houses. The company operates a strict credit risk management policy, which in reality means that very few counterparties are given open credit. Exposures which exceed the authorised levels are minimised by the use of Letters of credit, and receivables may be discounted with financial institutions, effectively selling down the risk to the financial institutions. In the financial period under review, the company did not suffer any credit losses.

Operational and other risks

Operational risk is the exposure to losses that may occur as a consequence of carrying out physical operations and from inadequate internal processes and systems. The company regularly and thoroughly assesses its operational risk levels and maintains systems and teams in place to prevent operational errors; should errors occur, the systems in place ensure quick detection in order to minimise the consequences and impacts on the company. Any failure in the business process triggers a revised risk assessment and a full review of the relevant procedures in order to improve them and prevent a repetition in the future.

Legal risk

Our in house and also external legal advisors are involved in every significant transaction. They provide invaluable and essential advice to senior management on all business issues to ensure that the business of the company is conducted in a manner that complies with all legal and statutory requirements.

Liquidity risk management

Liquidity management is essential to ensure sufficient cash is available to the company to meet all contractual obligations as they fall due. Management ensure that sufficient credit lines are available with the banks in order to enable all financial requirements to be met by the company in a timely manner. This is closely monitored and consistently tracked by the finance and credit teams of the company.

PTT International Trading London Ltd

**Strategic report
For the financial year ended 31 December 2023**

Section 172 (1) Statement

The Directors fulfil their Section 172 duties through effective governance, open discussion and decisions made at Board meetings. A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequence of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

The directors have complied with their duties under Section 172 of the Companies Act 2006 through the employee, supplier and customer engagement and described above.

On behalf of the Board of Directors:



Kraipit Premmani
Chairman

16 April 2024

PTT International Trading London Ltd

Directors' report For the financial year ended 31 December 2023

The directors present their report with the financial statements of PTT International Trading London Ltd (the "Company") for the financial year ended 31 December 2023.

Dividends

During the period, dividends paid was US\$3,751,200 (2022: US\$521,000).

The company's profit for the year, after taxation, was US\$14,995,127 (2022: US\$41,824,690).

Directors

The directors who served during the year and up to the date of this report were:

Pattaraporn Vorasaph
Kritch Chairuangyoth (Resigned on 1 February 2023)
Panporn Sasananan (Appointed on 1 February 2023)
Donnaya Senanarong
Worawan Kanchanakeaw (Resigned on 1 July 2023)
Jittipan Prarusudamkerng (Appointed on 1 July 2023)
Pongpun Amornvivat (Resigned on 1 June 2023)
Kraipit Premmani (Appointed on 1 June 2023)

Going concern

The Directors have considered the Company's current and future prospects, its availability of financing, and are satisfied that the Company can continue to pay its liabilities as they fall due for a period until 30 April 2025. The company utilises the pooled bank account held by PTT Treasury Center Company Limited in order to manage its day to day working capital requirements. At 31 March 2024 the company was in a receivable position with the pooled bank account of \$47.43 million. In addition to this the company has \$5.0 million in a standalone bank account which is sufficient to fund the operations of the company during the going concern period in the unlikely event that no income is generated. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and have no reason to believe that a material uncertainty exists that may cast significant doubt over the ability of the Company to continue as a going concern. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all the relevant audit information and to establish that the company's auditors are aware of that information.

PTT International Trading London Ltd

**Directors' report
For the financial year ended 31 December 2023**

Streamlined Energy & Carbon Reporting (SECR)

A new requirement from the Department for Business, Energy and Industrial Strategy (BEIS) requires large unquoted companies to disclose their UK energy use and carbon emissions in their Directors' Report if they have consumed, in the UK, more than 40,000 kWh of energy in the reporting period for periods beginning on or after April 1, 2019.

PTT International Trading London Ltd is not affected by this disclosure requirement, as its consumption is less than 40,000 kWh.

Auditor

The auditors, Ernst & Young LLP are deemed to be appointed under section 487(2) of the Companies Act 2006.

The auditors, Ernst & Young LLP, will be proposed for re-appointment at the forthcoming Annual General meeting.

On behalf of the Board of Directors:



Kraipit Premmani
Chairman

16 April 2024

PTT International Trading London Ltd

**Directors' responsibilities statement
For the financial year ended 31 December 2023**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable United Kingdom law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with the UK-adopted International Accounting Standards.

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

In preparing those financial statements, the directors are required to:

- present fairly the financial position, financial performance and cash flows of the Company;
- select suitable accounting policies in accordance with IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in the UK-adopted International Accounting Standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- state whether the Company financial statements have been prepared in accordance with the UK-adopted International Accounting Standards;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PTT International Trading London Ltd

Independent Auditor's Report To The Members of PTT International Trading London Ltd

Opinion

We have audited the financial statements of PTT International Trading London Ltd for the year ended 31 December 2023 which comprise of the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows, and the related notes 1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period until 30 April 2025.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

PTT International Trading London Ltd

Independent Auditor's Report To The Members of PTT International Trading London Ltd

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

PTT International Trading London Ltd

Independent Auditor's Report To The Members of PTT International Trading London Ltd

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 ISAs (UK) 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company. Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations.
- We understood how PTT International Trading London Ltd is complying with those frameworks by making and corroborating enquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by consider the risk of management override and determining that revenue recognition may present a fraud risk.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

PTT International Trading London Ltd

Independent Auditor's Report To The Members of PTT International Trading London Ltd

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Ernst & Young LLP
BA1E83DA643B4AC...

Anne Schmitt
(Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

19 April 2024

PTT International Trading London Ltd

Statement of Comprehensive Income
For the financial year ended 31 December 2023

	Notes	2023 US\$	2022 US\$
Revenue	3	3,026,443,507	3,102,907,135
Cost of sales		(3,006,001,319)	(3,048,608,024)
Gross profit		20,442,188	54,299,111
Other income	4	317,409	842,727
Interest income	5	3,764,932	813,854
Administrative expenses	6	(1,148,115)	(689,813)
Personnel expenses	7	(2,127,066)	(2,276,639)
Other non-operating income/(expense)		81,766	(2,212)
Finance costs	8	(1,063,569)	(1,272,155)
Profit before taxation		20,267,545	51,714,873
Taxation	10	(5,272,418)	(9,890,183)
Profit after taxation		14,995,127	41,824,690
Profit for the year		14,995,127	41,824,690

All the activities of the company are from continuing activities.

The notes form part of these financial statements.

PTT International Trading London Ltd

Statement of financial position
As at 31 December 2023

	Notes	2023 US\$	2022 US\$
Share capital and reserve			
Share capital	11	10,513,513	10,513,513
Retained earnings		88,133,296	76,889,369
		98,646,809	87,402,882
Non-current assets			
Property, plant and equipment	12	567,121	63,274
Right-of-use assets	13	771,476	1,014,105
		1,338,597	1,077,379
Current assets			
Trade and other receivables	14	632,659,018	194,632,209
Other debtors, deposits and prepayments	15	435,770	1,020,053
Corporation tax receivable		287,192	–
Amounts due from holding company - trade	16	5,004,600	916,474
Amounts due from related companies - trade	16	81,798,705	65,215,955
Amounts due from related companies - non-trade	16	99,875,464	101,914,688
Cash and bank balances	17	178,879	587,771
Derivative financial instruments	23	49,507,789	27,088,695
		869,747,417	391,375,845
Current liabilities			
Amounts due to holding company - trade	16	17,844,100	504,641
Amounts due to holding company - non-trade	16	23,141	22,085
Amounts due to related companies- trade	16	4,147,873	7,012,772
Amounts due to related companies- non-trade	16	42,083	–
Trade creditors	18	494,900,508	225,755,413
Trade accruals	18	137,268,687	43,781,421
Other creditors and accruals	22	898,385	637,810
Loan from financial institution	21	80,742,652	–
Provision for taxation		–	2,083,600
Advance from Broker	18	24,723,598	24,230,915
Lease liabilities	20	222,238	35,277
Derivative financial instruments	23	10,840,372	–
		771,653,637	304,063,935
Non-current liabilities			
Lease liabilities	20	785,568	986,407
Net current assets		98,093,780	87,311,910
Total net assets		98,646,809	87,402,882

Signed on 16 April 2024 by:


Kraipit Premmani
Chairman*The notes form part of these financial statements.*

PTT International Trading London Ltd

Statement of changes in equity
For the financial year ended 31 December 2023

	Share capital US\$	Retained earnings US\$	Total US\$
At 1 January 2022	10,513,513	35,585,679	46,099,192
<i>Changes in equity</i>			
Dividends paid	–	(521,000)	(521,000)
Total comprehensive income for the year	–	41,824,690	41,824,690
At 1 January 2023	10,513,513	76,889,369	87,402,882
<i>Changes in equity</i>			
Dividends paid	–	(3,751,200)	(3,751,200)
Total comprehensive income for the year	–	14,995,127	14,995,127
At 31 December 2023	10,513,513	88,133,296	98,646,809

The notes form part of these financial statements.

PTT International Trading London Ltd

Statement of cash flows
For the financial year ended 31 December 2023

	2023 US\$	2022 US\$
Cash flows from operating activities		
Profit before taxation	20,267,545	51,714,873
Adjustments:		
Depreciation of fixed assets and right-of-use assets	325,781	200,989
Write-back for impairment	–	(6,619)
Interest income	(3,764,932)	(813,854)
Interest expense	1,063,569	1,272,155
Gain on termination of lease	(25,298)	–
Revaluation of derivative financial instruments to fair value	(16,583,322)	(11,365,535)
Operating profit before working capital changes	1,283,343	41,002,009
Increase in trade and other debtors, prepayments and deposits	(437,442,526)	(40,842,506)
Increase in trade creditors and accruals	363,385,618	88,224,876
Net change in balances with related and holding companies	890,647	(9,189,437)
Cash flows (used in)/generated from operations	(71,882,918)	79,194,942
Interest paid	(1,003,353)	(1,264,496)
Interest received	3,764,932	813,854
Income tax paid	(7,643,210)	(7,806,584)
Net cash flows (used in)/generated from operating activities	(76,764,549)	70,937,716
Cash flows from investing activity		
Purchase of property, plant and equipment	(602,568)	–
Net cash flows used in investing activity	(602,568)	–
Cash flows from financing activities		
Dividends paid	(3,751,200)	(521,000)
Proceeds/(Repayment of) from short term loan	80,742,652	(70,013,457)
Payment of lease liabilities	(33,227)	(194,939)
Net cash flows generated from/(used in) financing activities	76,958,225	(70,729,396)
Net (decrease)/increase in cash and cash equivalents for the year	(408,892)	208,320
Cash and cash equivalents at beginning of year	587,771	379,451
Cash and cash equivalents at end of year	178,879	587,771

The notes form part of these financial statements.

PTT International Trading London Ltd

Notes to the financial statements For the financial year ended 31 December 2023

1. Corporate information

PTT International Trading London Ltd (the "Company") is a private company, limited by shares, domiciled and incorporated in London. The address of the Company's registered office and its principal place of business is 3rd Floor, 30 St. James's Square, London, United Kingdom, SW1Y 4AL.

The Company's immediate holding company and ultimate parent of the group is PTT Public Company Limited, a company incorporated in Thailand. The Company's related parties are all subsidiaries of PTT Public Company Limited. The financial statements of PTT Public Company Limited are available at its registered office situated at 555 Vibhavadi Rangsit Road, Chatuchak, Bangkok 10,900, Thailand.

The principal activities of the Company are the marketing and trading of crude oil and petroleum products.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements were authorized for issue by the Board of Directors on 20 March 2024. The financial statements of the Company have been prepared in accordance with the UK-adopted International Accounting Standards.

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 Going concern

The Directors have considered the Company's current and future prospects, its availability of financing, and are satisfied that the Company can continue to pay its liabilities as they fall due for a period until 30 April 2025. The Company utilises the pooled bank account held by PTT Treasury Center Company Limited in order to manage its day to day working capital requirements. At 31 March 2024 the company was in a receivable position with the pooled bank account of \$47.43 million. In addition to this the company has \$5.0 million in a standalone bank account which is sufficient to fund the operations of the company during the going concern period in the unlikely event that no income is generated. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and have no reason to believe that a material uncertainty exists that may cast significant doubt over the ability of the Company to continue as a going concern. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

2.3 New standards, interpretations and amendments adopted by the Company

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 January 2023. The adoption of these standards and interpretations did not have material effect on the financial performance or position of the Company.

The notes form part of these financial statements.

PTT International Trading London Ltd

**Notes to the financial statements
For the financial year ended 31 December 2023**

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

2.4 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to IAS 1 Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IFRS 16 Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements	1 January 2024
Amendments to IAS 21 Lack of exchangeability	1 January 2024
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2024

The amendments to the definition of material is not expected to have a significant impact on the Company's financial statements.

2.5 Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the 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.

2.6 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

The notes form part of these financial statements.

PTT International Trading London Ltd

**Notes to the financial statements
For the financial year ended 31 December 2023**

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

2.7 Leases

The Company 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.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company 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 Company 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:

Building - 1 to 5 years

If ownership of the leased asset transfers to the Company 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 2.10.

(b) Lease liabilities

At the commencement date of the lease, the Company 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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.

The notes form part of these financial statements.

PTT International Trading London Ltd

**Notes to the financial statements
For the financial year ended 31 December 2023**

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

2.7 Leases (cont'd)

Company as a lessee (cont'd)

(b) Lease liabilities (cont'd)

In calculating the present value of lease payments, the Company 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 Company 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.

2.8 Financial instrument

(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 Company 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 Company 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.

The notes form part of these financial statements.

PTT International Trading London Ltd

**Notes to the financial statements
For the financial year ended 31 December 2023**

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

2.8 *Financial instruments (cont'd)*

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

Subsequent measurement

Subsequent measurement depends on the Company'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 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.

The notes form part of these financial statements.

PTT International Trading London Ltd

**Notes to the financial statements
For the financial year ended 31 December 2023**

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

2.8 Financial instruments (cont'd)

(a) Financial assets (cont'd)

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.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company 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.

The notes form part of these financial statements.

PTT International Trading London Ltd

Notes to the financial statements For the financial year ended 31 December 2023

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

2.9 *Impairment of financial assets*

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

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

2.10 *Impairment of non-financial assets*

The Company 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 Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. 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.

The notes form part of these financial statements.

PTT International Trading London Ltd

**Notes to the financial statements
For the financial year ended 31 December 2023**

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

2.10 Impairment of non-financial assets (cont'd)

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.

2.11 Cash and bank balances

Cash and bank balances comprise demand deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12 Taxes

(a) 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 Company 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 taxable temporary differences, except where the deferred tax liability arises from the initial recognition 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 accounting profit nor taxable profit or loss.

The notes form part of these financial statements.

PTT International Trading London Ltd

**Notes to the financial statements
For the financial year ended 31 December 2023**

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

2.12 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, the 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 accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets 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 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 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.

(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.

The notes form part of these financial statements.

PTT International Trading London Ltd

**Notes to the financial statements
For the financial year ended 31 December 2023**

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

2.13 Revenue

(a) *Sale of goods*

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good to the customer, which is when the customer obtains control of the good. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(b) *Interest*

Interest income is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

(c) *Derivative financial instruments*

Derivative financial instruments include commodity swaps, futures, options and commodity forward of which profit or loss arising are recognised on deal date.

For off-balance sheet derivative financial instruments outstanding at the end of each reporting period for trading purposes, the derivative financial instruments are estimated based on the difference between fixed and variable commodity price calculated by reference to an agreed upon notional principal amount. The resultant gains or losses are recognised in profit or loss.

2.14 Foreign currencies

The accounting records of the Company are maintained in USD and 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.

2.15 Derivative financial instruments

The Company 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.

The notes form part of these financial statements.

PTT International Trading London Ltd

**Notes to the financial statements
For the financial year ended 31 December 2023**

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

2.15 Derivative financial instruments (cont'd)

(b) *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.

(c) *Swaps*

Swaps 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 OTC swaps are included in current assets or current liabilities as appropriate.

(d) *Options*

Options 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 OTC options are included in current assets or current liabilities as appropriate.

3. Revenue

	2023	2022
	US\$	US\$
Sale of goods	3,034,278,573	3,079,922,026
Realised (loss)/gain on derivative financial instruments	(24,418,388)	11,619,574
Unrealised gain on derivative financial instruments	17,270,973	10,803,555
Unrealised (loss)/gain on forward commitments	(687,651)	561,980
	<u>3,026,443,507</u>	<u>3,102,907,135</u>

4. Other income

	2023	2022
	US\$	US\$
Service fee income	317,409	842,727
	<u>317,409</u>	<u>842,727</u>

The notes form part of these financial statements.

PTT International Trading London Ltd

Notes to the financial statements
For the financial year ended 31 December 2023

5. Interest income

	2023 US\$	2022 US\$
Bank Interest income	3,467	2,258
Cash concentration interest income received from related party	3,761,465	811,596
	<u>3,764,932</u>	<u>813,854</u>

6. Administrative expenses

	2023 US\$	2022 US\$
Legal and professional fees	110,327	155,496
Depreciation	325,781	58,232
Entertainment	49,690	42,030
Subscription fees	165,146	104,850
Office rental	47,106	14,550
Travelling expense	89,756	66,116
Telecommunication	12,151	12,944
Other expenses	280,238	180,595
Auditor's remuneration - Audit services	67,920	55,000
	<u>1,148,115</u>	<u>689,813</u>

7. Personnel expenses

	2023 US\$	2022 US\$
Wages, salaries and bonus	1,446,940	723,252
Social Security costs	223,182	331,696
Other staff costs	456,944	1,221,691
	<u>2,127,066</u>	<u>2,276,639</u>

The notes form part of these financial statements.

PTT International Trading London Ltd

Notes to the financial statements
For the financial year ended 31 December 2023
7. Personnel expenses (cont'd)

The average monthly number of employees during the year was as follows:

	2023 US\$	2022 US\$
Director	5	5
Managing Director	1	1
Trader	2	2
Operations	1	1
Administration	1	1
Chartering	1	1
	<u>11</u>	<u>11</u>
Director's remuneration	<u>303,920</u>	<u>272,158</u>

Information regarding the highest paid director for the year ended 31 December 2023 is as follows:

	2023 US\$	2022 US\$
Director's remuneration	<u>135,119</u>	<u>238,074</u>

Prior year adjustments to Notes to Financial Statement

The Company identified an error in the disclosure of Directors' Remuneration in the prior year, as the disclosures only reflected fees rather than total remuneration. The impact of the correction is as follows:

	As disclosed US\$	As restated US\$
Notes to the Financial Statement		
Total Directors' remuneration	42,429	272,158
Highest paid Director	11,213	238,074

8. Finance costs

	2023 US\$	2022 US\$
Banks and financial institutions	839,416	1,173,737
Related parties	163,936	90,760
Lease interest	60,217	7,658
	<u>1,063,569</u>	<u>1,272,155</u>

The notes form part of these financial statements.

PTT International Trading London Ltd

Notes to the financial statements
For the financial year ended 31 December 2023

9. Profit before income tax

	2023 US\$	2022 US\$
The profit before income tax is stated after charging:		
Cost of inventories recognised as expense	3,006,001,319	3,048,608,024
Depreciation - owned assets	325,781	200,989
Auditors' remuneration	67,920	55,000
Foreign exchange differences	3,583	68,071

10. Taxation

Analysis of Tax Charge

	2023 US\$	2022 US\$
Current tax on profits for the year	5,126,435	9,807,062
Adjustments in respect of previous period	145,983	83,121
	5,272,418	9,890,183

A reconciliation between taxation and the product of accounting profit multiplied by the applicable tax rate for the financial year ended 31 December 2023 was as follows:

	2023 US\$	2022 US\$
Profit before taxation	20,267,545	51,714,873
Tax at the applicable tax rate 25% (2022: 19%)	5,066,886	9,825,826
Adjustments:		
Non-deductible expenses	59,549	35,556
Under provision of tax payable for prior years	145,983	83,121
Others	—	(54,320)
Current income tax expense	5,272,418	9,890,183

The notes form part of these financial statements.

PTT International Trading London Ltd**Notes to the financial statements
For the financial year ended 31 December 2023****11. Share capital and reserves**

	2023		2022	
	No. of shares	US\$	No. of shares	US\$
Share capital				
<i>Issued and fully paid:</i>				
At beginning of year (GBP Ordinary Shares) GBP £1 per share	420,000	513,513	420,000	513,513
At beginning of year (USD Ordinary Shares) US\$1 per share	10,000,000	10,000,000	10,000,000	10,000,000
At end of year	10,420,000	10,513,513	10,420,000	10,513,513

The Company's share capital that the directors are authorised to issue in accordance with the provisions of the Articles of Association is 10,000,000 ordinary shares of GBP £1 each, and 16,000,000 ordinary shares of USD \$1 each.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

	2023 US\$	2022 US\$
Dividends declared and paid during the year:		
Dividends on ordinary shares:		
Final dividend of US\$0.36 per share (2022: US\$0.05) per share	3,751,200	521,000

Retained earnings

The retained earnings represent the net profit of all current and prior periods' retained profits and losses.

The notes form part of these financial statements.

PTT International Trading London Ltd

Notes to the financial statements
For the financial year ended 31 December 2023

12. Property, plant and equipment

	Office equipment US\$
Cost	
At 1 January 2022	115,054
Additions	—
	<hr/>
At 1 January 2023	115,054
Additions	602,568
Disposal	(4,516)
	<hr/>
At 31 December 2023	<u>713,106</u>
Accumulated depreciation	
At 1 January 2022	42,439
Charge for the year	9,341
	<hr/>
At 1 January 2023	51,780
Charge for the year	98,721
Disposal	(4,516)
	<hr/>
At 31 December 2023	<u>145,985</u>
Net book value	
At 31 December 2022	<u>63,274</u>
	<hr/>
At 31 December 2023	<u>567,121</u>

The notes form part of these financial statements.

PTT International Trading London Ltd

Notes to the financial statements
For the financial year ended 31 December 2023
13. Right-of-use assets

	Right-of-use assets US\$
Cost	
At 1 January 2022	996,526
Additions	984,863
Disposal	(712,689)
	<hr/>
At 1 January 2023	1,268,700
Additions	-
Disposal	(283,837)
	<hr/>
At 31 December 2023	984,863
	<hr/>
Accumulated depreciation	
At 1 January 2022	754,356
Charge for the year	191,648
Disposal	(691,409)
	<hr/>
At 1 January 2023	254,595
Charge for the year	227,060
Disposal	(268,268)
	<hr/>
At 31 December 2023	213,387
	<hr/>
Net book value	
At 31 December 2022	1,014,105
	<hr/>
At 31 December 2023	771,476
	<hr/>

14. Trade and other receivables

Trade receivables are in the ordinary course of business, and are non-interest bearing and are normally due on 30 to 120 days' terms. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

	2023 US\$	2022 US\$
Trade receivables	632,659,018	194,632,209
	<hr/>	<hr/>

The notes form part of these financial statements.

PTT International Trading London Ltd

Notes to the financial statements
For the financial year ended 31 December 2023
14. Trade and other receivables (cont'd)***Expected credit losses***

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

	2023	2022
	US\$	US\$
Movement in allowance accounts:		
At 1 January	921,564	928,183
Credit for the year	-	(6,619)
At 31 December	<u>921,564</u>	<u>921,564</u>

US\$921,564 (2022: US\$921,564) of the expected credit loss allowance relates to impaired trade receivables.

The 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\$921,564 (2022: US\$921,564) 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.

15. Other debtors, deposits and prepayments

	2023	2022
	US\$	US\$
Deposits	45,006	119,628
VAT receivables	90,463	85,101
Prepaid expenses	300,301	437,922
Amount due from broker	-	377,402
	<u>435,770</u>	<u>1,020,053</u>

The notes form part of these financial statements.

PTT International Trading London Ltd

**Notes to the financial statements
For the financial year ended 31 December 2023**

16. Amounts due from/(to) holding company and related companies

All amounts due from/(to) the holding company or related companies whether trade or non-trade in nature are unsecured and repayable when due.

	2023 US\$	2022 US\$
Amount due from Group Companies		
Amounts due from holding company - trade	5,004,600	916,474
Amounts due from related companies - trade	81,798,705	65,215,955
Amounts due from related companies - non-trade	99,875,464	101,914,688
	<u>186,678,769</u>	<u>168,047,117</u>
Amount due to Group Companies		
Amounts due to holding company - trade	17,844,100	504,641
Amounts due to holding company - non-trade	23,141	22,085
Amounts due to related company - non-trade	42,083	-
Amounts due to related company - trade	4,147,873	7,012,772
	<u>22,057,197</u>	<u>7,539,498</u>

17. Cash and bank balances

	2023 US\$	2022 US\$
Cash and bank balances	178,879	587,771

18. Trade creditors and accruals and advances from brokers

Trade creditors and accruals are in the ordinary course of business, and are, non-interest bearing and are normally settled on 30 to 60 days' terms.

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.

	2023 US\$	2022 US\$
Trade creditors	494,900,508	225,755,413
Trade accruals	137,268,687	43,781,421
Advances from brokers	24,723,598	24,230,915
	<u>656,892,793</u>	<u>293,767,749</u>

The notes form part of these financial statements.

PTT International Trading London Ltd

Notes to the financial statements
For the financial year ended 31 December 2023

19. 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:

	2023	2022
	US\$	US\$
Income		
Sales to holding company	411,038,896	473,976,357
Sales to related company	647,027,710	787,076,367
<hr/>		
Expenses		
Purchases from holding company	431,232,833	811,910,130
Purchases from related company	279,321,126	213,174,048
<hr/>		

20. Lease liabilities

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

	2023	2022
	US\$	US\$
Cost		
At 1 January	1,021,684	245,382
Additions	–	984,863
Accretion of interest	60,216	7,659
Termination	(40,867)	(21,281)
Payments	(33,227)	(194,939)
<hr/>		
At 31 December	1,007,806	1,021,684
<hr/>		
Current	222,238	35,277
Non-current	785,568	986,407
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The notes form part of these financial statements.

PTT International Trading London Ltd

**Notes to the financial statements
For the financial year ended 31 December 2023**

21. Loans and borrowings

The Company has Trust Receipt (TR) with United Overseas Bank, Singapore. The TR has floating interest rates and a maturity date of 2 January 2024. The TR was fully paid on 3 January 2024. Interest is set at a margin above the US Dollar SOFR rate.

Reconciliation of movements of loans and borrowings to cash flows arising from financing activities:

	2023 US\$	2022 US\$
At the beginning of the year	–	70,013,457
Proceeds from borrowings	80,742,652	–
Repayment	–	(70,013,457)
	<hr/>	<hr/>
At the end of the year	80,742,652	–

Interest – bearing borrowings

	2023 US\$	2022 US\$
Trust receipt-current	80,742,652	–

The maturity date of the trust receipt is ranging from 11 December 2023 to 3 January 2024 (2022: Nil) and bears interest rate ranging from 5.794490% to 5.85000% (2022: Nil).

In the prior year, the Company entered into a Loan Facility Agreement with PTT Treasury Center Company Limited. The loan facility has floating interest rates and a maturity date of 7 January 2022. Interest is set at a margin above the US Dollar LIBOR rate.

22. Other creditors and accruals

	2023 US\$	2022 US\$
Other accruals	898,385	637,810
	<hr/>	<hr/>
	898,385	637,810

The notes form part of these financial statements.

PTT International Trading London Ltd

Notes to the financial statements
For the financial year ended 31 December 2023

23. Financial instruments

(a) *Fair values of financial instruments*

All carrying amount of financial assets and liabilities at the end of the reporting period approximates their fair value due to the relatively short-term maturity of these financial instruments.

Derivatives

The fair value of commodity price swaps is estimated based on the difference between fixed and variable commodity price calculated by reference to an agreed upon notional principal amount.

The fair value of commodity forward contracts is determined by reference and quoted market/futures prices at the close of business on the end of the reporting period.

The fair value of 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 future market at the close of business on the end of the reporting period.

As at 31 December 2023, the fair value of financial derivatives for trading purposes in the balance sheet are presented in the following table:

	Year end positive fair value US\$	Year end negative fair value US\$
2023		
<i>Forward commitments</i>		
Third parties	301,544	–
<i>Derivatives</i>		
Swaps - holding and related companies	50,000	–
Options	8,713,750	8,519,177
Futures	40,442,495	2,321,195
	49,507,789	10,840,372
2022		
<i>Forward commitments</i>		
Third parties	289,195	–
Holding and related companies	700,000	–
<i>Derivatives</i>		
Swaps - holding and related companies	379,900	–
Futures	25,719,600	–
	27,088,695	–

The notes form part of these financial statements.

PTT International Trading London Ltd

Notes to the financial statements
For the financial year ended 31 December 2023
23. Financial instruments (cont'd)**(b) Fair value hierarchy**

The Company 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 Company 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.

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
2023				
Financial assets				
Derivative swaps	–	50,000	–	50,000
Fair value commitment - forward contracts	–	301,544	–	301,544
Futures contracts	40,442,495	–	–	40,442,495
Options	8,713,750	–	–	8,713,750
Financial liabilities				
Futures contracts	–	2,321,195	–	2,321,195
Derivative swaps	–	–	–	–
Options	–	8,519,177	–	8,519,177
2022				
Financial assets				
Derivative swaps	–	379,900	–	379,900
Fair value commitment - forward contracts	–	989,195	–	989,195
Futures contracts	25,719,600	–	–	25,719,600
Financial liabilities				
Futures contracts	–	–	–	–
Derivative swaps	–	–	–	–
Options	–	–	–	–

The notes form part of these financial statements.

PTT International Trading London Ltd

**Notes to the financial statements
For the financial year ended 31 December 2023**

23. Financial instruments (cont'd)

(c) 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:

Derivative swaps

Derivative swaps are 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.

Forward commitments

Commodity forward contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation technique is forward pricing, using present value calculations.

Commodity options

Commodity options are fair valued using a valuation technique with market observable inputs. The Company applies valuation techniques option pricing models. The key inputs for valuations include future prices, volatility, price correlation, counterparty credit risk and market liquidity, as appropriate. The models incorporate various inputs including the credit quality of counterparties.

(d) Amounts due from/(to) holding company and related companies, loan from related company, derivative financial instruments, trade receivables, other debtors and deposits, trade creditors and other creditors and accruals

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.

Financial risk management objectives and policies

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 Company under policies approved by Trading Risk Management Committee ("TRMC") of its holding company, PTT Public Company Limited ("PTT PLC"). 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.

The notes form part of these financial statements.

PTT International Trading London Ltd

**Notes to the financial statements
For the financial year ended 31 December 2023**

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

(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 Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents and derivatives), the Company minimises 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.

Credit risk concentration profile

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Company does not offer credit terms without the approval of Trading Credit Committee of PTT PLC.

The Company 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 Company's trade exposure at the end of the reporting period is as follows:

	2023		2022	
	US\$	% of total	US\$	% of total
By country				
Thailand	82,498,564	11.5%	1,616,333	1%
Morocco	581,326,674	80.7%	147,103,573	56%
Singapore	55,946,299	7.8%	108,927,085	42%
United States	263,313	—	3,871,263	2%
Others	349,037	—	167,948	—
	720,383,887	100%	261,686,202	100%

(b) Liquidity risk

Liquidity risk is the risk that 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 Company's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities.

The notes form part of these financial statements.

PTT International Trading London Ltd

Notes to the financial statements
For the financial year ended 31 December 2023
23. Financial risk management objectives and policies (cont'd)**(b) Liquidity risk (cont'd)**

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

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

	2023			Total US\$
	One year or less US\$	One year to five years US\$	Over five years US\$	
Trade creditors and accruals	632,169,195	–	–	632,169,195
Other creditors and accruals	898,385	–	–	898,385
Amounts due to related and holding company	22,057,197	–	–	22,057,197
Loan from financial institution	80,742,652	–	–	80,742,652
Advance from Brokers	24,723,598	–	–	24,723,598
Total	760,591,027	–	–	760,591,027

	2022			Total US\$
	One year or less US\$	One year to five years US\$	Over five years US\$	
Trade creditors and accruals	269,536,834	–	–	269,536,834
Other creditors and accruals	637,810	–	–	637,810
Amounts due to related and holding company	7,539,498	–	–	7,539,498
Advance from Brokers	24,230,915	–	–	24,230,915
Total	301,945,057	–	–	301,945,057

The notes form part of these financial statements.

PTT International Trading London Ltd

**Notes to the financial statements
For the financial year ended 31 December 2023**

23. 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 Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their loans and borrowings and cash and bank balances. The Company's cash balances are placed with reputable banks and financial institutions, which generate interest income for the Company. The Company 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 point lower/higher with all other variables held constant, the Company's profit/(loss) net of taxation would have been US\$22,493 (2022: US\$62,737) higher/lower, arising mainly as a result of lower/higher interest expense on short-term loans and borrowings.

(d) Foreign currency risk

The Company's sales and purchases are denominated primarily in US\$. This creates a natural hedge for its transactions as the receipts and payments from its receivables and payables are settled within a short period of time.

(e) Commodity price risk

The Company is exposed to movements in the prices of the products it trades which are generally sold as commodities in the world market.

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

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

During the year, if commodities price index moved by 1.0% higher and lower with all other variables held constant, the Company's profit would have respectively increased and decreased by US\$204,442 (2022: US\$542,991). This effect would have been mitigated by the Company's physical sales and purchase commitments.

The notes form part of these financial statements.

PTT International Trading London Ltd

Notes to the financial statements
For the financial year ended 31 December 2023

23. Financial risk management objectives and policies (cont'd)*(f) Capital management*

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

The Company and its group comply with PTT Public Company Limited (PTT PLC) 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 among the Group 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 monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to maintain the gearing ratio at less than 100%.

	Company	
	2023	2022
	US\$	US\$
Trade and other payables	738,533,830	294,405,559
Less: Cash and bank balances	(178,879)	(587,771)
Net debt	738,354,951	293,817,788
Share capital and reserves	98,646,809	87,402,882
Total capital	98,646,809	87,402,882
Capital and net debt	837,001,760	381,220,670
Gearing ratio	88%	77%

24. Ultimate parent company

The company was a subsidiary undertaking of PTT Public Company Limited, a company incorporated in Thailand, which held 100% of the company's issued share capital at the reporting date.

The largest group of undertakings for which group accounts are drawn up is that headed by PTT Public Company Limited. The address group accounts can be obtained from is shown in Note 1.

The notes form part of these financial statements.