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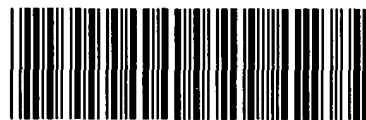
Statement of details of parent law and other
information for an overseas company

Companies House

✓ What this form is for
You may use this form to
accompany your accounts
disclosed under parent law.

✗ What this form
You cannot use this form to
an alteration of parent law
with accounting requirements

MONDAY



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19/12/2022

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COMPANIES HOUSE

Please
house**Part 1 Corporate company name**Corporate name of
overseas company ①

ORIENTAL TRADE WORLDWIDE LIMITED

UK establishment
number

B R 0 2 2 8 8 3

→ Filling in this form

Please complete in typescript or in
bold black capitals.All fields are mandatory unless
specified or indicated by *① This is the name of the company in
its home state.**Part 2 Statement of details of parent law and other
information for an overseas company****A1****Legislation**Please give the legislation under which the accounts have been prepared and
audited.

Legislation ②

Hong Kong

② This means the relevant rules or
legislation which regulates the
preparation of accounts.**A2****Accounting principles**

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☐ No. Go to **Section A3**.☒ Yes. Please enter the name of the organisation or other
body which issued those principles below, and then go to **Section A3**.③ Please insert the name of the
appropriate accounting organisation
or body.Name of organisation
or body ③

Hong Kong Institute of Certified Public Accountants

OS AA01

Statement of details of parent law and other information for an overseas company

A3

Audited accounts

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

☐ No. Go to **Part 3 'Signature'**.

☒ Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.

❶ Please insert the name of the appropriate accounting organisation or body.

Name of organisation or body ❶

Hong Kong Institute of Certified Public Accountants

Part 3

Signature

I am signing this form on behalf of the overseas company.

Signature

Signature

X



X

This form may be signed by:
Director, Secretary, Permanent representative.

OS AA01

Statement of details of parent law and other information for an overseas company



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Arkadii Kostenko

Company name ORIENTAL TRADE WORLDWIDE LIMITED

Address Pitchfield Cottage

Pitch Place Thursley

Post town Godalming

County/Region Surrey

Postcode G U 8 6 Q W

Country

DX

Telephone 01252702651



Important information

Please note that all this information will appear on the public record.



Where to send

You may return this form to any Companies House address:

England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☒ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☒ You have completed all sections of the form, if appropriate.
- ☒ You have signed the form.



Further information

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

ORIENTAL TRADE WORLDWIDE LIMITED
(東貿環球有限公司)

REPORTS AND FINANCIAL STATEMENTS
For the year ended 31 December 2021

ORIENTAL TRADE WORLDWIDE LIMITED (東貿環球有限公司)
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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ORIENTAL TRADE WORLDWIDE LIMITED (東貿環球有限公司)
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The director presents the annual report together with the audited financial statements for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

Oriental Trade Worldwide Limited 東貿環球有限公司 (the "Company") is a company incorporated in Hong Kong and the addresses for both of its registered office and its principal place of business are at 14th Floor, Golden Centre, 188 Des Voeux Road Central, Hong Kong. The principal activities of the Company are engaged in the trading of paper and polymer products.

RESULTS AND APPROPRIATIONS

The results of the Company for the year ended 31 December 2021 are set out in the statement of comprehensive income on page 8.

The director did not recommend the payment of a dividend during the year.

SHARE ISSUED DURING THE YEAR

Details of movements in the share capital and reserves of the Company during the year are set out in the Statement of Changes in Equity of the Company on page 10.

BUSINESS REVIEW

The Company is principally engaged in the trading of paper and polymer products.

The Company's growth continues to rely on its well-known corporate reputation and brand strength, and well-established customer networks.

The Company's objectives are to maximise return for shareholders while balancing the interest of different stakeholders by achieving long-term and sustainable growth.

ORIENTAL TRADE WORLDWIDE LIMITED (東貿環球有限公司)
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

BUSINESS REVIEW – (CONTINUED)

KEY PERFORMANCE INDICATORS ANALYSIS

Financial Position

Compared to previous year ended 31 December 2020 ("FY2020"), the accounts receivable decreased by US\$777,386 were due to settlement of major customers. Accounts payable increased by US\$1,294,092 were resulted from increase in goods in transit for the year.

As at 31 December 2021, the Company's current ratio (current assets/current liabilities) was 1.20 (2020: 6.37). The large decrease was due to the borrowing of new loans from reduction of shares.

Revenue

The Company's sales revenue increased by 88% from US\$19,629,617 for FY2020 to US\$36,882,938 for the year ended 31 December 2021 ("FY2021").

Gross Profit Ratio

The Company's gross profit ratio increased from gross loss in FY2020 to 1.0% in FY2021. The Company managed a stead gross profit ratio despite tougher market conditions and the volatility of the currency exchange rate in current year.

STRATEGY AND FUTURE DEVELOPMENT

Looking ahead, we expect businesses to remain challenging in the year ahead as the trading market is still marked by intense competition.

The Company will continue to be prudent in managing its operations while remaining its cautious posture in managing costs and maintaining a healthy liquidity position.

ORIENTAL TRADE WORLDWIDE LIMITED (東貿環球有限公司)
DIRECTOR'S REPORT - (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

BUSINESS REVIEW – (CONTINUED)

SOLE DIRECTOR

The director of the Company during the year and up to the date of this report was:

Arkadii KOSTENKO

Andrii KAPLANOVSKYI

(Appointed on 26 January 2021 and resigned on 30 August 2021)

There being no provision in the Company's Articles of Association in connection with the retirement of the sole director by rotation, all existing director continues in office for the following year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

ARRANGEMENTS TO PURCHASE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OTHER BODY CORPORATE

At no time during the year was the Company was a party to any arrangement to enable the director of the Company to acquire benefits by means of acquisition of shares, underlying shares or debentures of, the Company or any other body corporate.

DIRECTOR'S MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

There were no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party in which any of the director of the Company had a material interest, whether directly or indirectly, subsisting during or at the end of the financial year.

PERMITTED INDEMNITY PROVISIONS

Indemnity provision within the meaning of permitted indemnity provision under Hong Kong Companies Ordinance (Cap. 622) for the benefit of the directors of the Company or its associated companies is currently in force and was in force throughout the year ended 31 December 2021.

ORIENTAL TRADE WORLDWIDE LIMITED (東貿環球有限公司)
DIRECTOR'S REPORT - (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at the end of the year.

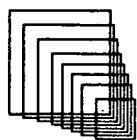
AUDITOR

The accompanying financial statements were audited by Richard Poon & Partners (C.P.A.) Limited who retire and, being eligible, offer themselves for re-appointment. Accordingly, a resolution will be submitted to the annual general meeting to re-appoint Richard Poon & Partners (C.P.A.) Limited as the auditor of the Company.

Approved by



Arkadii KOSTENKO
Sole director
Hong Kong, 25 July 2022



潘偉雄會計師行有限公司
Richard Poon & Partners (C.P.A.) Limited

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF ORIENTAL TRADE WORLDWIDE LIMITED (東貿環球有限公司)
(incorporated in Hong Kong with limited liability)

OPINION

We have audited the financial statements of Oriental Trade Worldwide Limited 東貿環球有限公司 ("the Company") set out on pages 8 to 18, which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

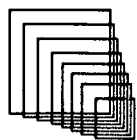
We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the HKICPA's "Code of Ethics for Professional Accountants" ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The sole director is responsible for the other information. The other information comprises the information included in the director's report, but does not include the financial statements and our auditor's report thereon.

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.



潘偉雄會計師行有限公司 Richard Poon & Partners (C.P.A.) Limited

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF ORIENTAL TRADE WORLDWIDE LIMITED (東貿環球有限公司) –
(CONTINUED)

(incorporated in Hong Kong with limited liability)

RESPONSIBILITIES OF DIRECTOR AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The director is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the director 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.

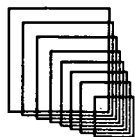
Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgment 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



潘偉雄會計師行有限公司
Richard Poon & Partners (C.P.A.) Limited

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBER OF ORIENTAL TRADE WORLDWIDE LIMITED (東貿環球有限公司) –
(CONTINUED)**

(incorporated in Hong Kong with limited liability)

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS –
(CONTINUED)**

- Conclude on the appropriateness of the directors' 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 Company'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 Company to cease to continue as a going concern.
- 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 those charged with governance 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 the our audit.

RICHARD POON & PARTNERS (C.P.A.) LIMITED

Hong Kong, 25 July 2022

Poon Wai Hung Richard

Practising Certificate Number P02983

ORIENTAL TRADE WORLDWIDE LIMITED (東貿環球有限公司)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	<u>2021</u> US\$	<u>2020</u> US\$
Revenue	(3)	36,882,938	19,629,617
Cost of sales		<u>(36,505,596)</u>	<u>(20,494,646)</u>
Gross profit / (loss)		377,342	(865,029)
Other income	(4)	22,168,782	917,904
Administrative expenses		<u>(438,928)</u>	<u>(22,235,361)</u>
Profit / (loss) before tax	(5)	22,107,196	(22,182,486)
Income tax expense	(6)	<u>-</u>	<u>-</u>
Profit / (loss) for the year		<u>22,107,196</u>	<u>(22,182,486)</u>

The notes on pages 12 to 18 form part of these financial statements.

ORIENTAL TRADE WORLDWIDE LIMITED (東貿環球有限公司)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	<u>2021</u> US\$	<u>2020</u> US\$
CURRENT ASSETS			
Inventory	(8)	1,691,400	-
Accounts receivable		19,261,061	20,038,447
Prepayment and trade deposits		3,389,218	259,291
Bank balances		<u>2,340,931</u>	<u>10,015,779</u>
		<u>26,682,610</u>	<u>30,313,517</u>
CURRENT LIABILITIES			
Accounts payable		3,265,102	1,965,816
Accrued expenses		9,486	11,843
Amount due to a director	(9)	8,326,041	2,756,432
Loan payables	(10)	<u>10,679,064</u>	<u>23,705</u>
		<u>22,279,693</u>	<u>4,757,796</u>
NET ASSETS		<u>4,402,917</u>	<u>25,555,721</u>
CAPITAL AND RESERVES			
Share capital	(11)	2,826,282	46,086,282
Retained earnings / (accumulated losses)		<u>1,576,635</u>	<u>(20,530,561)</u>
TOTAL EQUITY		<u>4,402,917</u>	<u>25,555,721</u>

The financial statements on pages 8 to 18 were approved by the Sole Director on 25 July 2022:



 Arkadii KOSTENKO
 Sole director

The notes on pages 12 to 18 form part of these financial statements.

ORIENTAL TRADE WORLDWIDE LIMITED (東貿環球有限公司)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Retained earnings / (accumulated losses)	Total
	US\$	US\$	US\$
At 1 January 2020	46,886,282	1,651,925	48,538,207
Redemption of shares on 15 April 2020	(800,000)	-	(800,000)
Loss for the year	-	(22,182,486)	(22,182,486)
At 31 December 2020 and 1 January 2021	46,086,282	(20,530,561)	25,555,721
Reduction of share capital (Note)	(43,260,000)	-	(43,260,000)
Profit for the year	-	22,107,196	22,107,196
At 31 December 2021	<u>2,826,282</u>	<u>1,576,635</u>	<u>4,402,917</u>

The notes on pages 12 to 18 form part of these financial statements.

Note:

On 22 June 2021, the Company passed a special resolution to reduce the class B redeemable share from US\$45,260,000 to US\$2,000,000.

ORIENTAL TRADE WORLDWIDE LIMITED (東貿環球有限公司)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	<u>2021</u> US\$	<u>2020</u> US\$
OPERATING ACTIVITIES		
Profit / (loss) before tax	22,107,196	(22,182,486)
Adjustment for:		
(Reversal of) / allowance for doubtful debts	(22,168,782)	22,168,782
Operating cash flows before movements in working capital	(61,586)	(13,704)
Increase in inventory	(1,691,400)	-
Decrease in accounts receivable	(4,053,832)	6,860,396
(Increase) / decrease in trade deposits paid	(3,129,927)	90,765
Increase / (decrease) in accounts payable	1,299,286	(15,065)
Increase in accrued expenses	2,357	3,911
Increase / (decrease) in amount due to a director	(30,391)	(164,160)
Decrease in amount due from a related company	(4,641)	-
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	<u>(7,674,848)</u>	<u>6,762,143</u>
INVESTING ACTIVITIES		
Repayment of loan receivable	-	153,725
NET CASH GENERATED FROM INVESTING ACTIVITIES	<u>-</u>	<u>153,725</u>
FINANCING ACTIVITIES		
Repayment of unsecured loan	-	(5,077)
Payment for redemption of capital	-	(800,000)
NET CASH USED IN FINANCING ACTIVITIES	<u>-</u>	<u>(805,077)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(7,674,848)	6,110,791
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	<u>10,015,779</u>	<u>3,904,988</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>2,340,931</u>	<u>10,015,779</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances	<u>2,340,931</u>	<u>10,015,779</u>

The notes on pages 12 to 18 form part of these financial statements.

ORIENTAL TRADE WORLDWIDE LIMITED (東貿環球有限公司)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL

Oriental Trade Worldwide Limited 東貿環球有限公司 (“the Company”) is a company incorporated in Hong Kong with limited liability. Both of the Company’s registered office and principal place of business are located at 14th Floor, Golden Centre, 188 Des Voeux Road Central, Hong Kong.

The principal activities of the Company are engaged in the trading of paper and polymer products.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (“HKFRS for Private Entities”) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention and going concern basis.

The measurement basis adopted is the historical cost convention.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). These financial statements are presented in United States Dollars (“US\$”), which is the Company’s functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within “finance costs”. All other foreign exchange gains and losses are presented in profit or loss within “other operating income” or “administrative expenses”.

ORIENTAL TRADE WORLDWIDE LIMITED (東貿環球有限公司)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES – (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

Accounts receivable

Most sales are made on the basis of normal credit terms and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of accounts receivable are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the first-in, first-out (FIFO) method. At each reporting date, inventories are assessed for impairment and the carrying amount is reduced to its selling price less costs to complete and sell with the impairment loss recognised immediately in profit or loss.

Accounts payable

Accounts payable are obligations on the basis of normal credit terms and do not bear interest. Accounts payable denominated in a foreign currency are translated into US\$ using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

Borrowings

Borrowings are recognised initially at the transaction price and are subsequently stated at amortised cost. Borrowings are classified as current liabilities as the Company expects to settle the loans in its normal operating cycle.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

ORIENTAL TRADE WORLDWIDE LIMITED (東貿環球有限公司)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES – (CONTINUED)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are generally recognised for all temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled (taxable temporary differences). Deferred tax assets are generally recognised for all temporary differences that will result in amounts that are deductible in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled (deductible temporary differences)—but only to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

Revenue recognition

Revenue is recognised in profit or loss provided it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably, as follows:

- i) Revenue from the sales of goods is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue is measured at the fair value of the consideration received or receivable and is shown net of discounts, rebates, returns and sales-related taxes within the Company.

Interest income from bank deposits is accrued on a time proportion basis on the principal outstanding and at the applicable rate.

ORIENTAL TRADE WORLDWIDE LIMITED (東貿環球有限公司)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES – (CONTINUED)

Dividends

Dividends proposed by director are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) is a member of the key management personnel of the Company or of a parent of the Company;
 - (ii) has control over the Company; or
 - (iii) has joint control or significant influence over the reporting entity or has significant voting power in it.
- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of a third entity.
 - (iv) either 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 Company or an entity related to the Company..
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (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).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. REVENUE

Revenue represents the net invoiced values of goods sold, after deducting allowances for returns and trade discounts during the year and in last year.

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4. OTHER INCOME

	2021	2020
	US\$	US\$
Sundry income	-	413
Exchange gains, net	-	917,491
Reversal of allowance for doubtful debts	22,168,782	-
	<u>22,168,782</u>	<u>917,904</u>

5. PROFIT / (LOSS) BEFORE TAX

Profit before tax is arrived at after charging the following items:

	2021	2020
	US\$	US\$
Auditor's remuneration	6,412	6,190
Allowance for doubtful debts	-	22,168,782
Exchange losses, net	<u>347,868</u>	<u>-</u>

6. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made in the financial statements as the Company's trading activities are conducted outside Hong Kong such that it does not derive any assessable profits subject to Hong Kong Profits Tax in current year and in last year.

Income tax expense for the year can be reconciled to the profit / (loss) before tax as per the statement of comprehensive income as follows:

	2021		2020	
	US\$	%	US\$	%
Profit / (loss) before tax	<u>22,107,196</u>		<u>(22,182,186)</u>	
Tax at the Hong Kong Profits Tax of 16.5%	3,647,687	16.5	(3,660,061)	(16.5)
Tax effect of (profits) / losses not subject to Hong Kong Profits Tax	<u>(3,647,687)</u>	<u>(16.5)</u>	<u>3,660,061</u>	<u>16.5</u>
Tax expense and effective tax rate for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Company does not have significant un-recognised deferred taxation arising during the year or as at the end of reporting period (2020: Nil).

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7. BENEFITS AND INTERESTS OF DIRECTOR

a) Sole director's remuneration, retirement benefits and termination benefits

Sole director's remuneration, retirement benefits and termination benefits are set out as follows:

	<u>2021</u>	<u>2020</u>
	US\$	US\$
Emoluments paid or receivable in respect of a person's service as a director of the Company :		
Fees	-	-
Salaries, allowances, benefits in kind and bonus	34,442	3,456
Retirement benefits contributions	-	396
	<u>34,442</u>	<u>3,852</u>

b) Consideration provided to third parties for making available sole director's services

No consideration was provided to third parties for making available director's services of the Company during the year and last year.

c) Information about loans, quasi-loans and other dealings in favour of sole director, controlling bodies corporate by and connected entities with such directors

No loans, quasi-loans and other dealings in favours of directors; controlling bodies corporate by and connected entities with such directors existed during the year and last year.

d) Director's material interests in transactions, arrangements or contracts

No other transactions, arrangements and contracts of significance in relation to the Company's business to which the Company, any of its associated companies was a party and in which director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year and in last year.

8. INVENTORY

	<u>2021</u>	<u>2020</u>
	US\$	US\$
Finished Goods	<u>1,691,400</u>	<u>-</u>

9. AMOUNT DUE TO A DIRECTOR

The amount due to a director is unsecured, interest free and repayable on demand.

10. AMOUNT DUE TO A FORMER SHAREHOLDER

The amount due to a former shareholder is unsecured, interest free and repayable on demand.

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11. SHARE CAPITAL

	2021		2020	
	Number of shares	US\$	Number of shares	US\$
Ordinary Shares Issued and fully paid: At the beginning of year and at the end of the year	6,404,949	826,282	6,404,949	826,282

	2021		2020	
	Number of shares	US\$	Number of shares	US\$
Class B Redeemable Shares Issued and fully paid: At the beginning of year	4,526	45,260,000	4,606	46,060,000
Redemption of shares on 15 April 2020	-	-	(80)	(800,000)
Reduction of share capital	(4,326)	(43,260,000)	-	-
At the end of the year	200	2,000,000	4,526	45,260,000

12. MATERIAL RELATED PARTY TRANSACTIONS

During the year, the Company does not enter into any material transaction with related party other than those transactions and balances disclosed elsewhere in these financial statements.