Honye Financial Services Ltd

(Incorporated and registered under the Companies Law (as revised) of The Cayman Islands and registered number 336262)

Annual Report 2023

For the Year Ended
31 July 2023

Contents

FINANCIAL AND OPERATIONAL SUMMARY

The loss for the year to 31 July 2023 was £297,677 (2022: £294,632). This primarily reflects the day-to-day administrative expenses and due diligence into prospective targets.

The loss per share was £0.012 (2022: £0.012).

At 31 July 2023, the Company had cash of £303k (2022: £569k)., derived from the subscription and admission to the Standard Listing segment of the London Stock Exchange in December 2018.

CHAIRMAN'S STATEMENT

Honye Financial Services Ltd (“Honye”) was formed as a special purpose company ("SPAC") to undertake one or more acquisitions of a company or businesses in the financial services and in particular the fintech sector principally in Europe and Asia.

As a result of the investigation of the many opportunities on 9 June 2021 the Company announced it had signed non-binding heads of agreement with the shareholders of Zoyo Capital Limited (“Zoyo”) which set out the key terms for the proposed acquisition of the entire issued share capital of Zoyo. It is anticipated that it will be satisfied entirely by the issue of new Honye shares to the Zoyo shareholders.

Although we have experienced significant delay due to the pandemic travel restrictions, the due diligence and negotiation of the various definitive agreements has progressed well as has the preparation of the prospectus required for the purposes of the reverse takeover. However, there are still a number of steps necessary before being able to complete the acquisition and apply for the suspension of the trading in the Company’s shares to be lifted. Honye continues its cautious approach to investment and identification of suitable acquisition candidate(s), its running costs are low, and its asset is still cash in the bank.

Due to delays in the acquisition transaction, the company has incurred significant expenses, resulting in a depletion of its cash reserves. While the company made efforts to keep operational overhead low, the majority of its expenditures have been directed towards the acquisition process itself. In order to ensure the continuation of the acquisition and cover operational overhead, it became necessary for the company to raise further capital.

The Company has successfully secured a £275k loan from Tang Investment No 1 Ltd. (“Tang”). On receipt, this loan will provide the necessary support for the remaining work involved in the acquisition process and will help cover operational expenses during this critical period. Tang is principally funded by a consortium of private investors based in Southeast Asia. The Company also expects Tang to make a material investment in the fundraising to be carried out in connection with the RTO.

We are confident that this additional capital injection will enable us to complete the Reverse Takeover (RTO) process and maintain operations for the upcoming 12 months.

Shaun Wootton

Shaun Carew-Wootton
Non-Executive Chairman

1 April 2024

DIRECTORS' REPORT

The Directors present this report on the Company, together with the audited financial statements of the Company for the year from 1 August 2022 to 31 July 2023.

Principal activities

The Company was formed to undertake acquisitions in a company or businesses principally in the financial services and fintech sectors. In particular, the initial focus will be to acquire companies which have the potential of growing in the Asian market. Post-acquisition, the Company will generate returns for shareholders through raising new capital through the enlarged listed entity, and operational improvement, economics of scale, and the subsequent performance of the acquired business.

Dividends

The Directors do not propose a dividend for the year ended 31 July 2023.

Post balance sheet events

There have been no material events that have occurred since the year end that require further disclosure.

Directors

The Directors of the Company who have served during the year and at the date of this report are:

Director Name	Role	Date of Appointment/ resignation
Xu, Wanbao	Executive Director	18 July 2018
Shaun Carew-Wootton	Independent non-executive director	7 December 2018
Yu Xing Liu	Executive Director	7 April 2020
John Treacy	Independent non-executive director	19 May 2022

Donations

No political or charitable donations have been made in the year.

Provision of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditors

The Company's auditor is Shipleys LLP, 10 Orange Street, Haymarket, London WC2H 7DQ.

By order of the board

Wanbao Xu Wanbao Xu
Executive Director
1 April 2024

CORPORATE GOVERNANCE REPORT

Introduction
The Board recognises the importance and value for the Company and its shareholders of good corporate governance. The Company Statement on Corporate Governance is set out below.

Board

The Board is currently comprised of:

Shaun Carew-Wootton, *Independent Non-Executive Chairman*
Wanbao Xu, *Executive Director*
Yu Xing Liu, *Executive Director*
John Treacy, *Independent Non-Executive Director*

Mr Wanbao Xu is also considered as a main shareholder by virtue of his indirect significant securities in the Company as at 31 July 2023.

The terms and conditions of appointment of the non-executive directors are available for inspection at the Company's registered office.

For the year ending 31 July 2023 there were six Board Meetings and all directors were in attendance. There were 10 separate committee meetings of the independent non-executive directors during the year.

The executive directors work full time for the Company committing such time as may be required to service the needs of the Company. The non-executive Directors are contractually committed to one day per month to fulfil their obligations to the Company but would commit such other time as may be necessary to service the needs of the Company.

The Company has no business or trade and so the skills required for the directors to carry out their duties, at this stage, are limited to corporate governance.

Shaun Carew-Wootton, the Non-Executive Chairman, Shaun has over 35 years' experience in business, involved in hospitality, telecoms, aviation, property development and finance. Co Investor in a number of business start-ups (Fintech, Telecom, Property and App). A Board member and consultant to several enterprises with global growth acceleration.

With a wealth of connections in the private equity and capital markets in Europe and Asia. Shaun works with a small number of Asian families to provide an independent family office solution for their UK investments and trophy purchases.

In his capacity as Non-Executive Chairman, Shaun Carew-Wootton has assumed responsibility for leading the Board effectively and ensuring the Company has appropriate corporate governance in place and that these standards are observed and applied in the Company. When the Company makes an acquisition, the Board will review the corporate governance to ensure it adapts to take account of the newly acquired business.

Corporate Governance Statement
As a company with a Standard Listing the Company is not required to comply with the provisions of the UK Corporate Governance Code. Nevertheless, the directors are committed to maintaining high standards of corporate governance and propose, so far as is practicable given the Company's size and nature, to voluntarily adopt and comply with the QCA Code (available on the QCA's website (www.theqca.com)). However, at present, due to the size of the Company, the directors acknowledge that adherence to certain other provisions of the QCA Code may be delayed until such time as the directors

CORPORATE GOVERNANCE REPORT (CONTINUED)

are able to fully adopt them. In particular, action will be required in the following areas:

- in keeping with the QCA Code provisions on board composition, the Company has separated the roles of chairman and executive director. As the Company grows, the Board will seek to appoint additional independent directors, one of whom will be appointed as senior independent director;
- the Company is currently too small to have an audit committee, a remuneration committee or a nominations committee established and the appointments to such committees will be revisited upon the completion of an Acquisition along with incorporating terms of reference for them;
- the QCA Code recommends that companies publish key performance indicators which align with strategy and feedback through regular meetings with shareholders and directors. The Company will not comply with this provision until after such time as it has made an Acquisition; and
- given the Company's size, it has not yet developed a corporate and social responsibility policy, an emissions and environmental policy or diversity policy. One will be put in place at the appropriate time.

In line with the QCA Code, the Company holds timely board meetings as issues arise which require the attention of the Board. The Board is responsible for the management of the business of the Company, setting the strategic direction of the Company and establishing the policies of the Company. It is the directors' responsibility to oversee the financial position of the Company and monitor the business and affairs of the Company, on behalf of the Shareholders, to whom they are accountable. The primary duty of the directors is to act in the best interests of the Company at all times. The Board also addresses issues relating to internal control and the Company's approach to risk management.

The Board as a whole will be responsible for sourcing acquisitions and ensuring that opportunities are in conformity with the Company's strategy. The Board will meet periodically to: (i) discuss possible acquisition opportunities for the Company; (ii) monitor the deal flow and acquisitions in progress; and (iii) review the Company's strategy and ensure that it is up-to-date and appropriate for the Company and its aims.

The directors are responsible for internal controls in the Company and for reviewing effectiveness. Due to the size of the Company, all key decisions are made by the Board. The directors have reviewed the effectiveness of the Company's internal controls during the year under review and consider that there have been no material losses, contingencies or uncertainties due to weaknesses in the controls.

Share Dealings

The Company has voluntarily adopted a dealing code and procedures manual which complies with the Market Abuse Regulation and will take all reasonable steps to ensure compliance by the directors and any relevant individuals.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Climate risk management

The Chairman and the Board oversees and has ultimate responsibility for the Company's sustainability initiatives, disclosures, and reporting. This includes, but is not limited to, climate risks and opportunities. As a cash shell, the Company is exempt from providing the disclosures required by the Taskforce on Climate-related Financial Disclosures ("TCFD"), however this section provides an overview of the Company's approach to managing the very limited climate risks it currently faces.

The executive management team have day-to-day responsibility for assessing and managing climate-related risks and opportunities. We are committed to minimising the Company's impact on the environment. As it is presently constituted, the Company's environmental impact is minimal and climate-related risks and opportunities are extremely limited until it acquires another business. At present, the Company has no operating investments and only 2 full-time employees. These employees perform largely information-based roles, and they all work from home as the Company does not maintains business premises.

The only environmental impact currently is from business travel, which has been extremely limited in the past two years and is expected to continue to be lower than previously because of the post-pandemic shift towards virtual tools. The Company's overall environmental impact is therefore minimal. The Company's approach is therefore to seek to maintain lean working arrangements, use technology to minimise business travel and encourage employees to recycle, minimise energy wastage, and do their part to ensure that the Company acts responsibly. If the Company continues to operate as it is presently constituted it is therefore difficult to identify any climate related risks in the short, medium, or long term that could significantly impact the business. For this reason, the Company does not presently feel it is appropriate or necessary to apply metrics or targets to assess climate related risks beyond the Greenhouse gas reporting presented below.

Clearly, the Company does not intend to continue operating in its present form indefinitely, we intend to make acquisitions that will profoundly change the scale and climate-related risk profile of the business and the process for identifying and managing them. It is not possible to reach any sensible conclusions today about which risks the Company may be exposed to in the future without knowing what businesses it will acquire.

While it is not possible to know today what climate related risks it will inherent, the Company is conscious that such risks and opportunities will exist in any potential acquisition and considers that the most important objective is to ensure these are properly understood in the due diligence phase of any transaction so appropriate decisions can be taken on risk mitigation tools. The Company's Board have concluded that the most appropriate way to address this is to ensure that climate-related risk is specifically scoped in when undertaking due diligence on acquisition targets.

Greenhouse gas emissions

Considering the non-material environmental impacts of the Company's business as described in this report, management takes the view that greenhouse gas emissions are the most important metric to track and against which future targets may be set. We have compiled our greenhouse gas ("GHG") emissions in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 ("SECR").

Calculations follow the GHG Protocol Corporate Accounting and Reporting Standard (revised edition). The GHG reporting period aligns with the financial statements and boundaries are defined using the financial control approach. GHG emissions are broken down into three categories; reporting is required only on scope 1 and 2: Scope 1 emissions: Direct emissions from sources owned or controlled by the Company. Scope 2 emissions: Indirect emissions attributable to the Company due to its consumption of purchased electricity. Scope 3 emissions: Other indirect emissions associated with activities that support or supply the Company's operations.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Company has no Scope 1 emissions. The Company's Scope 2 and Scope 3 emissions for the year to 31 July 2023 and comparative previous period are immaterial due to homeworking arrangements and restrictions on travel which were imposed in response to the COVID-19 pandemic. No further energy and carbon information is disclosed as the Group is exempt on the grounds of being a low energy user within the meaning of SECR. At the present time, the Company does not consider it appropriate to set emissions reduction targets, particularly given the low levels of emissions already achieved.

The Company does not currently hold any investments. When investments are held, the Company will keep under review whether it would be appropriate to support investee companies in tracking metrics and setting targets.

Annual General Meeting

Individual shareholders will be given the opportunity to put questions to the Chairman and to other members of the Board that may be present at the AGM.

The Company will ensure a quorum is present to allow the formal business of the AGM to be transacted. Voting on all resolutions will be taken by way of a poll whereby shareholder votes are counted according to the number of shares held by each shareholder. Notice of the AGM will be sent to shareholders before the meeting, which is planned to be on 18 March 2023 at 201 Bishopsgate, Spitalfields, London EC2M 3AB. Details of proxy votes for and against each resolution, together with the votes withheld are announced to the London Stock Exchange and are published on the Company's website as soon as practical after the meeting.

Shaun Wootton

Shaun Carew-Wootton

Non-Executive Chairman

1 April 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Cayman Islands Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the United Kingdom (“IFRS”). 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 of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for causing to be kept proper books of account with respect to:

- all sums of money received and expensed by the Company and the matters in respect of which the receipt and expenditure takes place;
- all sales and purchases of goods by the Company; and
- the assets and liabilities of the Company.

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.

Shaun Wootton

Shaun Carew-Wootton

Non-Executive Chairman

1 April 2024

Independent auditor's report to the members of Honye Financial Services Ltd

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2023 and of the Company's loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

We have audited the financial statements of Honye Financial Services Ltd (the 'Company') for the year ended 31 July 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the Board, we were appointed to audit the financial statements for the year ended 31 July 2023. This is our second period of engagement covering the year to 31 July 2023. We remain 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 Financial Reporting Council's (FRC's) Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Material uncertainty related 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. We considered going concern to be a key audit matter.

We draw your attention to note 4b of the financial statements, which indicates that the Company is in the process of a Reverse Take Over '(RTO'). Should the RTO not go ahead, the Company's ability to meet its cashflow requirements could be difficult given that the Company is non trading. As stated in Note 4b, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting and in response to the key audit matter included:

- In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to affect the Company's financial resources or ability to continue operations over this period was the availability of capital to meet operating costs and other financial commitments.
- Obtained forecast used to support the going concern assessment and challenged Directors' assumptions and judgements applied in the forecast for consistency with our understanding of the business, observations of historic trends and other corroborative information.
- Performed retrospective and stress testing of the forecast.
- Reviewed the going concern disclosures included in the financial statements and assessed whether the disclosures were appropriate and sufficient in accordance with accounting standards and applicable regulations.
- We have discussed with management and the Board the company's strategy to secure short term financing to as is required.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage	83% of Company administrative expenses, 100% of Company liabilities and 100% of Company total assets
Key audit matters	2023 Completeness, existence and accuracy of administrative expenses √ Going concern √
Materiality	£14,844 based on 5% of loss before tax

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

All our audit work was carried out in the UK by our audit team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. In addition to the matter described in the material uncertainty related to going concern section of our report, we have determined the matters below to be the key audit matters to be communicated in our report.

Key audit matter	How the scope of our audit addressed the key audit matter
Completeness, existence and accuracy of administrative expenses The Company has not started earning any revenue and hence administrative expenses form the most significant assessed risk of misstatements. Therefore, completeness, existence and accuracy of administrative expenses is considered to be a significant risk and key audit matter.	Obtained the list of expenses and agreed the total to the trial balance. Selected a sample of expenses and: agreed the amount to supplier invoices. Obtained understanding of the nature of the expenses and evaluated whether the expense represented a genuine business cost of the Company in the period. Agreed to the bank statements the payment of the invoices or traced to creditor/accrual listing for unpaid expenses. Checked the name of the suppliers for indication of related parties that have not been identified by management. Obtained the list of suppliers' invoices received post year. For a sample of invoices selected, obtained the business rationale of the expenses and the period the services cover to determine if the invoices have been accounted for in the correct accounting period. Selected a sample of cash movements around year end, obtained an understanding of business rationale of the transaction and supporting documentation to ensure expenses were accounted for in the correct accounting period. For Directors' fees, we have obtained the service agreements with each Director and re-calculated the charge for the year based on the agreed amount per the agreements. We have obtained Directors' remuneration confirmation. **Key observations** From our procedures performed above, we have not identified any material misstatements relating to administrative expenses.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	2023 £	2022 £
Materiality	14,884	13,229
Basis for determining materiality	5% of loss before tax	5% of loss before tax
Rationale for the benchmark applied	The Company is still in its early stages of development and incurring cost relating to potential investments opportunities. In addition, it has not earned any income and hence the loss before tax i.e. the net total expenditure incurred during the year has been considered as the most appropriate measure as it is the main factor of particular interest to the users of the financial statements at this stage.	
Performance materiality	£11,163 at 75% of materiality	£9,922 at 75% of materiality
Basis for determining performance materiality	On the basis of our risk assessments, together with our assessment of the overall control environment, the complexity of the Company's financial statements, and Directors' attitude toward proposed adjustments, we set performance materiality at 75% of materiality.	

Reporting threshold

We agreed with the Board that we would report to them all individual audit differences in excess of £744.

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 financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, 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.

Extent to which the audit was 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risk of irregularities.

We obtained an understanding of the legal and regulatory framework and identified the key laws and regulations applicable to Company and the industry in which it operates and considered the risk of acts by the Company, which would be contrary to applicable laws and regulations, including fraud. The most significant of these for the Company's business is FCA Listing and DTR rules.

Our tests included, but are not limited to:

- Enquiring of management and those charged with governance of any non-compliance with Listing Rules;
- Reading minutes of meetings of those charged with governance;
- Considering the design and implementation of the controls in monitoring compliance with laws and regulations.

We assess the susceptibility of the financial statements to material misstatement including fraud and considered the key fraud risk areas to be the completeness, existence and accuracy of administration expenses and management override.

Our tests included, but were not limited to:

- The procedures set out in the Key Audit Matters section above;
- Testing journals, based on risk assessment criteria as well as an unpredictable sample and evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud, and
- evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with the terms of the engagement letter dated 31 August 2022. 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.

Benjamin Bidnell (Senior Statutory Auditor)
For and on behalf of Shipleys LLP

Chartered Accountants and statutory auditors
10 Orange Street
London
United Kingdom
WC2H 7DQ
Date: April 2024

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2023

Continuing operations	**Note**	**Year Ended 31/07/2023 £**	**Year Ended 31/07/2022 £**
Administrative expenses			
- Professional fees		(218,497)	(388,558)
- Directorship fees		(72,000)	(97,667)
- Other expenses		(7,180)	(1,330)
Total Administrative expenses		(297,677)	(487,555)
Other income		-	192,923
Operating loss		(297,677)	(294,632)
Loss before taxation		(297,677)	(294,632)
Taxation	**10**	-	-
Total comprehensive loss attributable to equity holders of the Company for the period		(297,677)	(294,632)
Loss per share – basic and diluted (pence per share)	**11**	(1.2)	(1.2)

The notes on pages 19 to 25 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 JULY 2023

	Note	As at 31/07/2023 £	As at 31/07/2022 £
Assets			
Current assets			
Cash and cash equivalents	**12**	302,807	568,921
Other debtors		41,167	29,313
Total current assets		343,974	598,234
Total assets		343,974	598,234
Equity and liabilities			
Capital and reserves attributable to owners of the company			
Ordinary shares	**14**	246,714	246,714
Share premium		2,252,892	2,252,892
Accumulated losses	**15**	(2,510,977)	(2,213,300)
Total equity		(11,371)	286,306
Current liabilities			
Trade and other payables	**13**	355,345	311,928
Total current liabilities		355,345	311,928
Total equity and liabilities		343,974	598,234

These financial statements were authorised for issue by the Board of Directors on 1 April 2024 and signed on behalf by:

Wanbao Xu

Wanbao Xu
Executive Director

The notes on pages 19 to 25 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2023

	Note	Share capital	Share premium	Accumulated Losses	Total equity
		£	£	£	£
Balance as at 31 July 2021		**246,714**	**2,252,892**	**(1,918,668)**	**580,938**
Total comprehensive loss for the year		-	-	(294,632)	(294,632)
Balance as at 31 July 2022		**246,714**	**2,252,892**	**(2,213,300)**	**286,306**
Total comprehensive loss for the financial year		-	-	(297,677)	(297,677)
Balance as at 31 July 2023	**14**	**246,714**	**2,252,892**	**(2,510,977)**	**(11,371)**

The notes on pages 19 to 25 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2023

	Year Ended 31/07/2023 £	Year Ended 31/07/2022 £
Cash flows from operating activities		
Loss before taxation	(297,677)	(294,632)
Decrease in receivables	(11,854)	(3,076)
Increase/(decrease) in payables	43,417	(297,239)
Net cash used in operating activities	**(266,114)**	**(594,947)**
Cash flows from financing activities		
Director's loan	-	34,327
Net cash generated from financing activities	-	34,327
Net decrease in cash and cash equivalents	**(266,114)**	**(560,620)**
Cash and cash equivalents at beginning of the period	568,921	1,129,541
Cash and cash equivalents at end of the year	**302,807**	**568,921**

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The notes on pages 19 to 25 form an integral part of these condensed financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated and registered in the Cayman Islands as a private company limited by shares on 25 April 2018 under the Companies Law (as revised) of The Cayman Islands, with the name Honye Financial Services Limited, and registered number 336262.

The Company's registered office is located at Ogier Global (Cayman) Limited, 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9901, Cayman Islands.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is to undertake acquisitions in a company or businesses principally in the financial services and fintech sectors. In particular, the initial focus will be to acquire companies which have the potential of growing in the Asian market. Post-acquisition, the Company will generate returns for shareholders through raising new capital through the enlarged listed entity, and operational improvement, economics of scale, and the subsequent performance of the acquired business.

3. RECENT ACCOUNTING PRONOUNCEMENTS

The new standards that have been adopted in the financial statements for the year have not had significant effect on the company.

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for the period beginning 1 August 2023:
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The Directors do not believe these standards and interpretations will have a material impact on the financial statements once adopted.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom and prepared on a going concern basis, under the historic cost convention.

The financial information is presented in Pounds Sterling (£), which is the Company's functional currency. A summary of the principal accounting policies of the Company are set out below.

The company has not prepared consolidated financial statements on the basis that the non-trading investment subsidiary Honye Trading Limited is immaterial to the results of the combined group.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered the impact of the Covid-19 pandemic on the Company, in the context of its operations and the market it operates in.

As the Company has no existing business and its management operates remotely the practical impact of COVID -19 on the Company has been minimal and it is able to continue to monitor the acquisition opportunities without discernible disruption. At this stage, the Directors do not envisage a long-term impact to the Company resulting from the Covid-19 pandemic but will continue to monitor the situation and continue to expand its search for appropriate acquisition opportunities.

On 9 June 2021, the Company announced it had signed non-binding heads of agreements for a potential acquisition which, if concluded would constitute a Reverse Take Over ("RTO") under the Listing Rules. The RTO transaction is progressing and moving to a conclusion.

Taking account of the costs incurred in relation to the RTO transaction and reviewing its cash requirements over the next twelve months, the directors are concerned that, if the RTO and its accompanying fundraise do not complete, there could be uncertainty for the Company's future as a going concern.

To enhance the financial stability and ensure sufficient liquidity of the company, Our Chairman, Shaun Wootton, has proactively sourced an unsecured loan of £275,000 with a three-year term from Tang Investment No1 Limited. In addition, the executive director, Liu Yu Xing (Terry), has consented to defer the repayment of a director's loan, amounting to £34,326.43, until after the completion of the Reverse Takeover (RTO). Furthermore, the consultant L&S Capital Ltd has agreed to further deferred the outstanding invoices of £100,163 to 31 December 2025.

This strategic initiative is to secure the necessary funds to complete the final stages of our RTO process and to ensure operations for the next 12 months.

While the Company has enough capital resource to continue operating for the next 12 months, if the currently proposed RTO does not happen, the Board recognises that at the end of that 12-month period, if no other RTO is identified and engaged with, it will need to consider its options. Although all the prevailing circumstances at the time will first need to be taken into account before any decision is made, the obvious options are either a placing or open offer to raise more cash to extend the company's liquidity runway or to call a shareholders' meeting to approve the delisting of the Company from the standard list and return whatever cash is left to the shareholders.

We are optimistic that the RTO transaction will be concluded successfully in the next couple of months but in the event that the RTO is not successful the Company will ensure it has adequate financial resources before embarking on an alternative acquisition.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Foreign currency translation

The financial statements of the Company are presented in the currency of the primary environment in which the Company operates (its functional currency).

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 and loss.

d) Financial instruments

A financial asset or a financial liability is recognised only when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value.

Financial assets are subsequently classified into the following specified categories: Financial assets measured at fair value through profit and loss (FVTPL), Financial assets measured at amortised cost and Financial assets measured at fair value through other comprehensive income. The Company's financial assets measured at amortised cost comprise cash and cash equivalents in the statement of financial position.

Financial liabilities

The Company’s financial liabilities include trade and other payables. Financial liabilities are recognised when the Company becomes a party to the contractual provision of the instrument. All financial liabilities are recognised initially at their fair value, net of transaction costs, and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost. The Company derecognises financial liabilities when, and only when, the Company’s obligation are discharged, cancelled or they expire.

e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks and other short term (having original maturity within 3 months) highly liquid investments that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

f) Administrative expenses

Administrative expense includes professional fees, directorship fees and other expenses, which are recognised on an accruals basis as services are provided to the Company.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

Preparation of financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

It is the Directors' view that there are no significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect on the amount recognised in the financial information for the period.

6. FINANCIAL RISK MANAGEMENT

a) Objectives and policies

The Company is exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The risk management policies employed by the Company to manage these risks are discussed below. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

b) Currency risk

Currency risk is not considered to be material to the Company as majority of bank transactions were incurred in Pounds Sterling (£).

c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Concentrations of credit risk exist to the extent that the Company's cash were all held with DBS bank. Per Standard & Poor's - the Short Term Deposit Rating is A-1+.

e) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

f) Interest rate risks

The Company has limited exposure to interest rate risk on its cash positions. Such exposures are managed as efficiently as possible, given that working capital needs to be maintained. The effect of a 100 basis points increase/decrease in interest rates would not have a material impact on pre-tax profits or equity.

7. SEGMENT REPORTING

IFRS 8 defines operating segments as those activities of an entity about which separate financial information is available and which are evaluated by the Board of Directors to assess performance and determine the allocation of resources. The Board of Directors are of the opinion that under IFRS 8 the Company has only one operating segment and one geographic market in the UK. The Board of Directors assess the performance of the operating segment using financial information which is measured and presented in a manner consistent with that in the Financial Statements. Segmental reporting will be reviewed and considered in light of the development of the Company's business over the next reporting period. Honye Financial Services Limited has no activities at present other than reviewing possible investment opportunities.

8. AUDITORS' REMUNERATION

The following remuneration was received by the Company's auditors:

	Year ended 31/07/2023 £	Year ended 31/07/2022 £
Remuneration for the audit of the Company's financial statements	18,000	18,000
Non-audit services	-	-

9. DIRECTORS' EMOLUMENTS

	Year Ended 31/07/2023 £	Year Ended 31/07/2022 £
Key management emoluments		
Remuneration	72,000	97,667

The annual remuneration of the key management was as follows, with no other cash or non-cash benefits.

	Year Ended 31/07/2023 £	Year Ended 31/07/2022 £
Executive Directors		
Wanbao Xu	-	-
Yu Xing Liu	-	-
Non-executive Directors		
Gareth Edwards (resigned on 28 April 2022)	-	45,000
Shaun Carew-Wootton	48,000	48,000
John Treacy (appointed on 19 May 2022)	24,000	4,667
Total	72,000	97,667

Included within trade and other payables is £41,667 (2022: £29,667), which relates to unpaid directors' remuneration.

10. TAXATION

The Company is incorporated in the Cayman Islands, and its activities are subject to taxation at a rate of 0%.

11. LOSS PER SHARE

The Company presents basic and diluted earnings per share information for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the reporting period. Diluted earnings per share are determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

There is no difference between the basic and diluted earnings per share, as the Company has no potential ordinary shares.

	Year Ended 31/07/2023 £	Year Ended 31/07/2022 £
Loss attributable to ordinary shareholders (£)	(297,677)	(294,632)
Weighted average number of shares	24,671,350	24,671,350
Loss per share (expressed as pence per share)	**(1.2)**	**(1.2)**

12. CASH AND CASH EQUIVALENTS

	31/07/2023 £	31/07/2022 £
Cash at bank	302,807	568,921

13. TRADE AND OTHER PAYABLES

	31/07/2023 £	31/07/2022 £
Trade and other payables	321,018	277,601
Director’s current account	34,327	34,327
Total	355,345	311,928

14. SHARE CAPITAL

	Number	Nominal Value £
Authorised Ordinary shares of £0.01 each	1,000,000,000	10,000,000
Issued and fully paid	24,671,350	246,714
As at 31 July 2022 and 31 July 2023	24,671,350	246,714

All of the issued Ordinary Shares are in registered form and the Registrar is responsible for maintaining the Company's share register. There are no restrictions on the distribution of dividends and the repayment of capital.

The ISIN number of the Ordinary Shares is KYG4598W1024 and SEDOL number is BGR5JO2.

15. RESERVES

	Accummulated Losses £
At 31 July 2022	(2,213,300)
Loss for the year	(297,677)
At 31 July 2023	(2,510,977)

Share capital represents the nominal value of the issued share capital.

Share premium represents the credited difference in price between the par value, or face value of shares, and the total value a company received for issued shares.

Accumulated losses represents accumulated comprehensive losses for the period.

16. SUBSEQUENT EVENTS

There have been no material events that have occurred since the year end that require further disclosure.

17. CAPITAL MANAGEMENT

The Company actively manages the capital available to fund the Company, comprising equity and reserves. The Company's objectives when maintaining capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders.

The capital structure of the Company as at 31 July 2023 consisted of Ordinary Shares and equity attributable to the shareholders of the Company, totalling £(11,371) (2022: £286,306) (disclosed in the statement of changes in equity).

The Company reviews the capital structure on an on-going basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Company will balance its overall capital structure through the payment of dividends, new share issues and the issue of new debt or the repayment of existing liability.

18. RELATED PARTY TRANSACTIONS

During the year the directors paid business expenses on behalf of the company totalling £nil (2022: £34,327). As at the balance sheet date the amount of £34,327 (2022: £34,327) was owed by the company to the director.

The remuneration of the Directors, the key management personnel of the Company, is set out in note 9.

19. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.