

# Honye Financial Services Ltd

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

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Unaudited Condensed Interim  
Financial Statements

For the Six Months Ended  
31 January 2024

**Honye Financial Services Ltd**  
**Unaudited Condensed Interim Financial Statements**  
for the six months ended 31 January 2024

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**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.

On 28 March 2024, the Company signed a loan agreement for £275k with Tang Investment No 1 Ltd. ("Tang"). The purposes of this loan is to 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. As of today, the company has not yet received the funds from Tang. Tang is arranging for the funds to be transferred for the completion of the transaction. To ensure sufficient operating capital, the company is also seeking alternative funding solutions and will promptly announce any developments.

Shaun Carew-Wootton

Non-Executive Chairman

Honye Financial Services Ltd

2 June 2024

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**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

<b>Continuing operations</b>	<b>Note</b>	<b>6 months ended 31/01/2024 Unaudited £</b>	<b>6 months ended 31/01/2023 Unaudited £</b>
Administrative expenses		(118,227)	(128,050)
Other income		-	-
<b>Operating loss</b>		<u>(118,227)</u>	<u>(128,050)</u>
<b>Loss before taxation</b>		<u>(118,227)</u>	<u>(128,050)</u>
Taxation	<b>9</b>	<u>-</u>	<u>-</u>
<b>Total comprehensive loss attributable to equity holders of the Company for the period</b>		<u>(118,227)</u>	<u>(128,050)</u>
Loss per share – basic and diluted (pence per share)	<b>10</b>	0.48	0.52

The notes on pages 6 to 10 form an integral part of these condensed interim financial statements.

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**CONDENSED STATEMENT OF FINANCIAL POSITION**

	Note	As at 31/01/2024 Unaudited £	As at 31/07/2023 Audited £
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	140,308	302,807
Prepayments		63,100	41,167
<b>Total current assets</b>		<u>203,408</u>	<u>343,974</u>
<b>Total assets</b>		<u>203,408</u>	<u>343,974</u>
<b>Equity and liabilities</b>			
<b>Capital and reserves attributable to owners of the company</b>			
Ordinary shares	13	246,714	246,714
Share premium		2,252,892	2,252,892
Accumulated losses		(2,629,204)	(2,510,977)
<b>Total equity</b>		<u>(129,598)</u>	<u>(11,371)</u>
<b>Current liabilities</b>			
Trade and other payables	12	333,006	355,345
<b>Total current liabilities</b>		<u>333,006</u>	<u>355,345</u>
<b>Total equity and liabilities</b>		<u>203,408</u>	<u>343,974</u>

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**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 JANUARY 2024**

	Note	Share capital £	Share premium £	Accumulated Losses £	Total equity £
<b>Balance at 1 August 2023</b>	13	246,714	2,252,892	(2,510,977)	(11,371)
Total comprehensive loss for the financial period		-	-	(118,227)	(118,227)
<b>Balance at 31 January 2024 (Unaudited)</b>		246,714	2,252,892	(2,629,204)	(129,598)

**FOR THE PERIOD ENDED 31 JANUARY 2023**

	Share capital £	Share premium £	Accumulated Losses £	Total equity £
Balance at 1 August 2022	246,714	2,252,892	(2,213,300)	286,306
Total comprehensive loss for the financial period	-	-	(128,050)	(128,050)
<b>Balance at 31 January 2023 (Unaudited)</b>	246,714	2,252,892	(2,341,350)	158,256

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**CONDENSED STATEMENT OF CASH FLOWS**

	6 months ended 31/01/2024 Unaudited £	6 months ended 31/01/2023 Unaudited £
<b>Cash flows from operating activities</b>		
Loss before taxation	(118,227)	(128,050)
<i>Adjustment for:</i>		
Decrease/(increase) in receivables	(21,933)	(8,668)
(Decrease)/Increase in payables	(22,339)	(10,121)
<b>Net cash used in operating activities</b>	<b>(162,499)</b>	<b>(146,839)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	-	-
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(162,499)</b>	<b>(146,839)</b>
Cash and cash equivalents at beginning of the period	302,807	568,921
<b>Cash and cash equivalents at end of the period</b>	<b>140,308</b>	<b>422,082</b>

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# Honye Financial Services Ltd

## Unaudited Condensed Interim Financial Statements

### for the six months ended 31 January 2024

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#### NOTES TO THE UNAUDITED CONDENSED INTERIM 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 business principally in Europe and Asia.

##### 3. RECENT ACCOUNTING PRONOUNCEMENT

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

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).

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 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

These interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the United Kingdom and prepared under the historic cost convention. The comparative figures as at 31 July 2023 have been extracted from the Company's Financial Statements for that financial year, but do not constitute these accounts.

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.

###### 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 well but is not yet close to a conclusion.

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Taking account of the costs incurred in relation to the RTO transaction and reviewing its cash requirements during the current financial period, 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, 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.

In addition, the Company signed a loan agreement of £275,000 with a three-year term with Tang Investment No1 Limited. The loan agreement was signed on 28 March 2024. As of today, the company has not yet received the funds from Tang. Tang is arranging for the funds to be transferred for the completion of the transaction. To ensure sufficient operating capital, the company is also seeking alternative solutions and will promptly announce any developments.

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 is proactively sourcing necessary funds to continue operating for the next 12 months, if it fails to do so or the current proposed RTO does not happen, the Board 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.

#### 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*

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The Company's financial liabilities include other payables and accruals. 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 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.

## 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+.

#### d) 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.

#### e) 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

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### 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. DIRECTORS' EMOLUMENTS

	6 months ended 31/01/2024 £	6 months ended 31/01/2023 £
<b>Key management emoluments</b>		
Remuneration	36,000	36,000

As at 31 January 2024, the annual remuneration of the key management was as follows, with no other cash or non-cash benefits.

	£
<b>Non-executive Directors</b>	
John Treacy	12,000
Shaun Carew-Wootton	24,000

Included within Prepayment is £12,000 (31.07.2023: £nil), which relates to prepaid director's remuneration.

Included within Trade payable and accruals is £50,667 (31.07.2023: £41,667), which relates to unpaid directors' remuneration.

### 9. TAXATION

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

### 10. LOSS PER SHARE

The Company presents basic and diluted earnings per ordinary share information for its ordinary shares. Basic earnings per share is calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the reporting period.

There is no difference between the basic and diluted loss per share.

	6 months ended 31/01/2024	6 months ended 31/01/2023
Loss attributable to ordinary shareholders (£)	(118,227)	(128,050)
Weighted average number of shares	24,671,350	24,671,350

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Loss per share (expressed as pence per share)	(0.48)	(0.52)
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**11. CASH AND CASH EQUIVALENTS**

	31/01/2024	31/07/2023
	£	£
Cash at bank equivalents	140,308	302,807
Cash at bank earns interest at floating rates based on daily bank deposit rates.		

**12. TRADE AND OTHER PAYABLES**

	31/01/2024	31/07/2023
	£	£
Trade and other payables	298,680	321,018
Amounts due to a director	34,326	34,327
Total	333,006	355,345

**13. SHARE CAPITAL**

	Number	Nominal Value
		£
Authorised Ordinary shares of £0.01 each	1,000,000,000	10,000,000
Issued and fully paid		
As at 31 January 2024 and 31 July 2023 - £0.01 each	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.

**14. SUBSEQUENT EVENTS**

As at 2 June 2024, the company entered into a loan agreement with Tang Investment No 1 Limited, with an amount of £275,000. The loan is unsecured with interest rate of 6.25% per annum and maturity date of 5 April 2027. Mr Shaun Carew-Wootton, non-executive Chairman of the Company, is also director and sole shareholder of the Lender.

**15. 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 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 debt.

**16. RELATED PARTY TRANSACTIONS**

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As at the 31 January 2024, transaction with the directors mainly arose business expenses paid on behalf of the company, 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 8.

**17. ULTIMATE CONTROLLING PARTY**

There is no ultimate controlling party.