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28 April 2023

Honye Financial Services Ltd
(the "Company" or "Honye")

Half Yearly results for the period ended 31 January 2023

CHAIRMAN'S STATEMENT

We recently published our Interim Financial Statements for the six months ending 31 January 2023

The Company remains committed in the process of the Reverse Takeover Transaction following the Company's announcement of signing non-binding heads of agreement with the shareholders of Zoyo Capital Limited ("Zoyo") on 9 June 2021 and has established a wholly owned subsidiary, Honye Trading Limited to assist with the process. Honye Trading Limited has agreed contracts with a equities trading platform white label provider, allowing the Company to gain beneficial market intelligence prior to launching the Zoyo app post RTO.

Honye Trading Limited, now is regulated under "Authorised Representative" status and the Honye directors, Shaun Carew-Wootton and Mr Yu Xing Liu (Terry) are regulated persons on the FCA register.

The Covid-19 has had no impact on the current phase of work.

Your Board throughout this period has continued to work to complete the prospectus submission with the FCA and finalise the RTO.

The Company listing remains suspended on the standard segment of the Official List and trading on the Main

Market of the London Stock, pending the publication of a prospectus providing further detail on Zoyo and the Company as enlarged by the Acquisition, or an announcement that the RTO is not proceeding.

Shaun Carew-Wootton

Non-Executive Chairman

Honye Financial Services Ltd

28 April 2023

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Continuing operations	Note	6 months ended 31/01/2023 Unaudited £	6 months ended 31/01/2022 Unaudited £
Administrative expenses		(128,050)	(268,352)
Other income	9	-	192,922
Operating loss		<u>(128,050)</u>	<u>(75,430)</u>
Loss before taxation		<u>(128,050)</u>	<u>(75,430)</u>
Taxation	10	<u>-</u>	<u>-</u>
Total comprehensive loss attributable to equity holders of the Company for the period		<u>(128,050)</u>	<u>(75,430)</u>
Loss per share – basic and diluted (pence per share)	11	0.52	0.31

CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	As at 31/01/2023 Unaudited £	As at 31/07/2022 Audited £
Assets			
Current assets			
Cash and cash equivalents	12	422,082	568,921
Prepayments		37,981	29,313
Total current assets		<u>460,063</u>	<u>598,234</u>
Total assets		<u>460,063</u>	<u>598,234</u>
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		(2,341,350)	(2,213,300)
Total equity		<u>158,256</u>	<u>286,306</u>
Current liabilities			
Trade and other payables	13	301,807	311,928
Total current liabilities		<u>301,807</u>	<u>311,928</u>
Total equity and liabilities		<u>460,063</u>	<u>598,234</u>

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JANUARY 2023**

	Note	Share capital £	Share premium £	Accumulated Losses £	Total equity £
Balance at 1 August 2022	14	246,714	2,252,892	(2,213,300)	286,306
Total comprehensive loss for the financial period		-	-	(128,050)	(128,050)
Balance at 31 January 2023 (Unaudited)		246,714	2,252,892	(2,341,350)	158,256

FOR THE PERIOD ENDED 31 JANUARY 2021

	Share capital £	Share premium £	Accumulated Losses £	Total equity £
Balance at 1 August 2021	246,714	2,252,892	(1,918,668)	580,938
Total comprehensive loss for the financial period	-	-	(75,430)	(75,430)
Balance at 31 January 2022 (Unaudited)	246,714	2,252,892	(1,994,098)	505,508

CONDENSED STATEMENT OF CASH FLOWS

	6 months ended 31/01/2023 Unaudited £	6 months ended 31/01/2022 Unaudited £
Cash flows from operating activities		
Loss before taxation	(128,050)	(75,430)
<i>Adjustment for:</i>		
Decrease/(increase) in receivables	(8,668)	(2,679)
(Decrease)/Increase in payables	(10,121)	(293,485)
Net cash used in operating activities	(146,839)	(371,594)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	-
Net cash generated from financing activities	-	-
Net decrease in cash and cash equivalents	(146,839)	(371,594)
Cash and cash equivalents at beginning of the period	568,921	1,129,541
Cash and cash equivalents at end of the period	422,082	757,947

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.

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 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 4, IFRS 7, IFRS 9, IFRS 16, IAS 39, and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

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

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 2022 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 following the lifting of the Zero Covid-19 policy announced by the Chinese government in December 2022 and the recent invasion of the Ukraine 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 on the

Company has been minimal and it is able to continue to work on the RTO without discernible disruption. At this stage, the Directors do not envisage a long-term impact to the Company resulting from the Covid-19 pandemic or the Ukrainian war but will continue to monitor the situation.

The Company continue with the 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.

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.

The Board recognizes that unplanned for costs can arise and that existing costs can rise unexpectedly. The Board has planned its finances on the basis of current known projected costs. Should the RTO not happen, as there is no trading income, the prospect of unexpected costs and cost increases give rise to material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and therefore that they may be unable to realise their assets and discharge their liabilities in the normal course of business. The financial statements do not include adjustments that will result if the Company were unable to continue as a going concern. Should such an eventuality arise the Board will immediately explore the possibility of an urgent fundraise with its brokers.

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 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

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 31/01/2023 £	6 months ended 31/01/2022 £
Key management emoluments		
Remuneration	36,000	54,000

As at 31 January 2023, the annual remuneration of the key management was as follows, with no other cash or non-cash benefits.

	£
Non-executive Directors	
John Treacy	24,000
Shaun Carew-Wootton	48,000

Included within trade payable and accruals is £47,667 (31.07.2022: £29,667), which relates to unpaid directors' remuneration.

9. OTHER INCOME

On 24 February 2022, the Directors, Mr Wanbao Xu and Mr Yu Xing Liu, agreed to vary the terms of their service agreements and:

- notwithstanding any accruals made in respect of deferred salary in the Company's accounts, to waive the payment to them of any such accrued sums up to the date hereof;
- that their salaries shall be reduced to NIL per calendar month from 1 August 2021 until completion of the Company completing an acquisition.

As a result of Mr Wanbao Xu and Mr Yu Xing Liu waiving their unpaid salaries, their accrued salaries as at 31 July 2021 amounted to £192,922 was reversed and credited to the income statement in year ended 31 July 2022.

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 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 31/01/2023	6 months ended 31/01/2022
Loss attributable to ordinary shareholders (£)	(128,050)	(75,430)
Weighted average number of shares	24,671,350	24,671,350
Loss per share (expressed as pence per share)	(0.52)	(0.31)

12. CASH AND CASH EQUIVALENTS

	31/01/2023 £	31/07/2022 £
Cash at bank equivalents	422,082	568,921

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

13. TRADE AND OTHER PAYABLES

	31/01/2023 £	31/07/2022 £
Trade and other payables	267,480	277,601
Amounts due to a director	34,327	34,327
Total	301,807	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		
As at 31 January 2023 and 31 July 2022 - £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.

15. SUBSEQUENT EVENTS

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

16. 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 January 2023 consisted of Ordinary Shares and equity attributable to the shareholders of the Company, totalling £158,256 (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 debt.

17. RELATED PARTY TRANSACTIONS

As at the 31 January 2023, 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.

18. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.