

Honye Financial Services Ltd

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

Unaudited Condensed Interim Financial Statements

**For the Six Months Ended
31 January 2025**

Honye Financial Services Ltd

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for the six months ended 31 January 2025

CHAIRMAN'S STATEMENT

We recently published our Interim Financial Statements for the six months ending 31 January 2025.

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. Throughout this period, the Company continued to work to complete the prospectus submission with the FCA and finalise the RTO. The RTO project has experienced a number of delays, primarily caused by the delays from several investors.

In March 2024, the Company signed a £275,000 loan note with Tang Investment No. 1 Ltd ("Tang"), which was subsequently cancelled in April 2025. In addition, the Company entered into an investment agreement for £1.5 million with Mr. Abdullah Alnuwaysir ("AA"). This investment represented the first stage of the parties' intention to develop a long-term partnership, which included the Company assisting in procuring Zoyo, and granting AA a white-label licence to use Zoyo's technology. Under the original agreement, upon receipt of the investment funds, the Company intended to loan £500,000 to Zoyo. After signing the Investment Agreement, the Company, Zoyo, and AA worked closely to finalise the delivery of investment funds. As part of these discussions, AA and Zoyo entered into a White-Label License Agreement (the "License Agreement"). Subsequently, the parties agreed to amend the original Investment Agreement to reduce the total investment amount from £1.5 million to £1.0 million in Honye, reallocating the £500,000 reduction as a technology setup fee under the License Agreement. Upon receipt, the £1.0 million investment will provide critical working capital support to the Company.

In addition to the above, the Company issued a Convertible Loan Note Instrument of up to £1.5 million on 4 April 2025, to provide additional working capital, particularly to facilitate the completion of the RTO transaction with Zoyo Group. To date, the first tranche of £500,000 of Convertible Loan Notes has been subscribed to by Ms. Gu Qian, an ultra-high-net-worth individual based in Asia. This funding has provided essential support for the remaining work involved in the acquisition process and helped cover operational expenses during this critical period.

Furthermore, the Company entered into a Subscription Agreement with Mr. Weng Jianxiong (the "Investor") on 9 April 2025. Under the terms of the Subscription Agreement, Mr. Weng has agreed to subscribe for £2.5 million upon the completion of the RTO. In addition, the Subscription Agreement allows for the Investor to subscribe for Convertible Loan Notes, with the Company having executed such notes on 4 April 2025. This has further strengthened the Company's financial position.

Mr. Weng's subscription of £2.5 million, together with the £500,000 subscription for Convertible Loan Notes, represents a significant milestone in the Company's RTO. This strategic investment provides a strong financial foundation for the successful completion of the transaction. We are confident that this additional capital injection will enable us to complete the final steps of the RTO process and maintain sufficient working capital for operations.

We appreciate that the RTO has been delayed longer than anyone would have wanted, however we are all now optimistic that the transaction now has the momentum and support to see it across the line.



Shaun Carew-Wootton

Non-Executive Chairman

Honye Financial Services Ltd

21 May 2025

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Continuing operations	Note	6 months ended 31/01/2025 Unaudited £	6 months ended 31/01/2024 Unaudited £
Administrative expenses		(103,863)	(118,227)
Other income		-	-
Operating loss		<u>(103,863)</u>	<u>(118,227)</u>
Loss before taxation		<u>(103,863)</u>	<u>(118,227)</u>
Taxation	9	<u>-</u>	<u>-</u>
Total comprehensive loss attributable to equity holders of the Company for the period		<u>(103,863)</u>	<u>(118,227)</u>
Loss per share – basic and diluted (pence per share)	10	0.42	0.48

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 31/01/2025 Unaudited £	As at 31/07/2024 Audited £
Assets			
Current assets			
Cash and cash equivalents	11	25,457	94,284
Other debtors		23,988	9,438
Total current assets		49,445	103,722
Total assets		49,445	103,722
Equity and liabilities			
Capital and reserves attributable to owners of the company			
Ordinary shares	13	246,714	246,714
Share premium		2,252,892	2,252,892
Accumulated losses		(3,054,130)	(2,950,267)
Total equity		(554,524)	(450,661)
Current liabilities			
Trade and other payables	12	603,969	554,383
Total current liabilities		603,969	554,383
Total equity and liabilities		49,445	103,722

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CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 JANUARY 2025

	Note	Share capital £	Share premium £	Accumulated Losses £	Total equity £
Balance at 1 August 2024	13	246,714	2,252,892	(2,950,267)	(450,661)
Total comprehensive loss for the financial period		-	-	(103,863)	(103,863)
Balance at 31 January 2025 (Unaudited)		246,714	2,252,892	(3,054,130)	(554,524)

FOR THE PERIOD ENDED 31 JANUARY 2024

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

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

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CONDENSED STATEMENT OF CASH FLOWS

	6 months ended 31/01/2025 Unaudited £	6 months ended 31/01/2024 Unaudited £
Cash flows from operating activities		
Loss before taxation	(103,863)	(118,227)
<i>Adjustment for:</i>		
Decrease/(increase) in receivables	(14,550)	(21,933)
(Decrease)/Increase in payables	49,586	(22,339)
Net cash used in operating activities	(68,827)	(162,499)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	-
Net cash generated from financing activities	-	-
Net decrease in cash and cash equivalents	(68,827)	(162,499)
Cash and cash equivalents at beginning of the period	94,284	302,807
Cash and cash equivalents at end of the period	25,457	422,082

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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 2024:

- Financial Instruments (Amendments to IFRS 9);
- Presentation of Financial Statements (Amendments to IAS 1);
- Fair Value Measurement (Amendments to IFRS 13); and
- Consolidated Financial Statements (Amendments to IFRS 10)

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 2024 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 delays in fundraising, which consequently delayed the RTO, in the context of the Company's operations and the market in which it operates.

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. As of today, The RTO transaction is progressing and moving to a conclusion.

The Company has experienced a number of delays in fundraising, which was necessary to secure sufficient working capital to complete the RTO. On 28 March 2024, the Company issued a loan note instrument for £275,000, which was subscribed by Tang Investment No. 1 Limited ("Tang"); however, this was subsequently cancelled in April 2025.

The Company also entered into an Investment Agreement with Mr. Abdullah Alnuwaysir for £1,500,000 as pre-RTO

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funding. However, due to strategic cooperation details involving the Middle East region, the funds were not received yet. In April 2025, the Company and the investor mutually agreed to amend the Investment Agreement. Under the revised terms, the original £1,500,000 investment in the Company was reduced to £1,000,000, with the £500,000 reduction reallocated as a technology setup fee under a white-label license agreement arranged between the investor and the RTO target company, Zoyo.

4 April 2025, the Company issued a Convertible Loan Note ("CLN") for up to £1,500,000, of which £500,000 was subscribed by Ms. Gu Qian. The Company has received the full proceeds from this subscription. This funding has alleviated the Company's cash flow pressures and provided critical support for covering the remaining costs associated with the completion of the RTO. Furthermore, on 9 April 2025, the Company entered into a Subscription Agreement with Mr. Weng Jianxiong (the "Investor"). Under the terms of the Subscription Agreement, Mr. Weng has agreed to subscribe for £2.5 million upon the completion of the RTO. In addition, the Subscription Agreement allows for the Investor to subscribe for Convertible Loan Notes, with the Company having executed such notes on 4 April 2025. This has provided additional assurance for the Company's funding needs.

Most of the funding in Mr Weng's subscription is contingent upon completion of the RTO. The timely completion of the RTO is critical to the Company's financial stability. Failure to finalize the transaction within the current financial year may result in funding constraints. However, if the company needs additional capital, it can draw a proportion of the cash from Mr Weng according to the CLN provision in his subscription agreement.

Directors have prepared cash flow forecasts that demonstrate funds available for the next 12 on the basis that the Directors and the consultant L&S Capital Limited have agreed to extend the fees repayment terms. If the currently proposed RTO does not happen, the Board recognizes 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.

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

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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.

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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 31/01/2025 £	6 months ended 31/01/2024 £
Key management emoluments		
Remuneration	36,000	36,000

As at 31 January 2025, 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 £225,045 (31.07.2024: £189,045), 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 31/01/2025	6 months ended 31/01/2024
Loss attributable to ordinary shareholders (£)	(103,863)	(118,227)

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Weighted average number of shares	24,671,350	24,671,350
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Loss per share (expressed as pence per share)	(0.42)	(0.48)
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11. CASH AND CASH EQUIVALENTS

	31/01/2025 £	31/07/2024 £
Cash at bank equivalents	25,457	94,284

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

12. TRADE AND OTHER PAYABLES

	31/01/2025 £	31/07/2024 £
Trade and other payables	573,777	524,191
Amounts due to a director	30,192	30,192
Total	603,969	554,383

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 2025 and 31 July 2024 - £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

On 23 August 2024, the company announced that it has entered into an investment agreement with a professional financier and private investor based in Asia, Mr. Abdullah Alnuwaysir ("AA"). The Investor has agreed to invest £1,500,000 at a price of £0.405 per share (the "Investment Funds"), subscribing for 3,700,703 new ordinary shares (the "Investor Shares"). As part of this agreement, the Company agreed to assist in procuring its RTO target Zoyo, and granting AA an initial 12-month white-label licence to use Zoyo's technology. As a result, AA and Zoyo entered into a White-Label License Agreement. On 15 April 2025, the Company and AA agreed to amend the investment agreement and reduce the total investment amount from £1.5 million to £1.0 million, reallocating the £500,000 reduction as a technology setup fee under the License Agreement.

On 4 April 2025, the Company has issued a Convertible Loan Note instrument of up to £1.5 million which has a term of three years and interest at a rate of 6% per annum. To date, the first tranche of £500,000 of Convertible Loan Notes has been subscribed to by Ms. Gu Qian.

On 9 April 2025, the Company has entered into a Subscription Agreement with Mr. Weng Jianxiong (the "Investor"). Under the terms of the Subscription Agreement, Mr. Weng has agreed to subscribe for £2.5 million at £0.23 upon the completion of the RTO. In addition, the Subscription Agreement allows for the Investor to subscribe for Convertible Loan Notes, with the Company having executed such notes on 4 April 2025.

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On 9 April 2025, The Company and Tang Investment No 1 Limited have mutually agreed to cancel the £275,000 Loan Note Instrument which was issued on 28 March 2024.

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

As at the 31 January 2025, transaction with the directors mainly arose business expenses paid on behalf of the company, the amount of £30,192 (31.07.2024: £30,192) 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.