Honye Financial Services Ltd

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

Annual Report 2019

For the period from incorporation on 25 April 2018 to 31 July 2019

Contents

FINANCIAL AND OPERATIONAL SUMMARY

The loss for the period to 31 July 2019 was £678,195. This primarily reflects the transaction costs associated with the listing of Honye Financial Services Ltd on the London Stock Exchange ("LSE") and fundraising as well as day-to-day administrative expenses.

The loss per share was £0.054.

At 31 July 2019, the Company had cash of £1.9 million, 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. The Company raised gross proceeds of approximately £2.5 million (net proceeds of approximately £2 million) by way of a subscription from its founding director and other investors and its Ordinary Shares were admitted to trading on the Official List of the London Stock Exchange (by way of a Standard Listing) ("Admission") on 7 December 2018.

The Company has been actively searching for and analysing potential acquisitions but has not, so far, found one which satisfies our criteria. Honye will continue to explore other possibilities and as news of our area of focus has become more widely known, potential opportunities are being brought to the Company's attention.

The fintech sector has continued to grow since Honye's Admission and with it the number of potential acquisition targets, your Board are committed to identifying a suitable reverse candidate before the second anniversary of Admission later this year.

As the Corona Virus continues to infect a greater part of the UK population every day its impact on the wider economy is hard to predict, but it is clear it will be profound. Honye is well placed as it is holding cash, having failed so far to find a suitable target for acquisition or investment. We would hope that as the future becomes more settled over the next few months more opportunities will present themselves and that after prolonged periods of working from home the Fintech world will become even more deeply embedded in everyone's day to day lives than before. We are optimistic but will approach any prospective companies to invest in or acquire with renewed caution.

Gareth Edwards
Non-Executive Chairman

23 March 2020

DIRECTORS' REPORT

The Directors present their first report on the Company, together with the audited financial statements of the Company for the period from 25 April 2018 to 31 July 2019.

Principal activities

The Company was formed to undertake acquisitions in a company or businesses principally in Europe and Asia.

Dividends

The Directors do not propose a dividend for the period ended 31 July 2019.

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 period and at the date of this report are:

Director Name	Role	Date of Appointment	Date of Resignation
Shao, Zhiying	Director	25 April 2018	18 July 2018
Li, Jingqi	Director	25 April 2018	18 July 2018
Xu, Wanbao	Executive Director	18 July 2018	
Gareth Maitland Edwards	Independent Non-executive Director	7 December 2018	
Shaun Carew-Wootton	Independent non-executive director	7 December 2018	

Donations

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

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 auditors are 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 auditors are aware of that information.

Independent auditors

The Company's auditor is BDO LLP, 150 Aldersgate Street, London, EC1A 4AB.

By order of the board

Wanbao Xu 徐万宝

Executive Director

23 March 2020

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 available set out below.

Board

The Board is currently comprised of:

Gareth Edwards, *Independent Non-Executive Chairman*
Shaun Carew-Wootton, *Independent Non-Executive Director*
Wanbao Xu, *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 2019.

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

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 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 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 control 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 systems during the period 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 (EU) No 596/2014 and will take all reasonable steps to ensure compliance by the Directors and any relevant individuals.

Annual General Meeting

At every AGM individual shareholders are given the opportunity to put questions to the Chairman and to other members of the Board that may be present. Notice of the AGM is sent to shareholders before the meeting, which is planned to be on 27 April 2020 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.

Gareth Edwards

Non-Executive Chairman

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 European Union ("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.

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

Opinion

We have audited the financial statements of Honye Financial Services (the 'Company') for the period from 25 April 2018 to 31 July 2019 which comprise the statement of comprehensive income, statement of changes in equity, statement of financial position, 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 the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of The Companies Law (as revised) of The Cayman Islands.

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 are 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 FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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) 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. These matters were 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 these matters.

Key audit matter	How we addressed the key audit matter in the audit
Completeness and accuracy of expenditure This is the first year of operation of the company and a large amount of set up and operating costs were incurred. Given that the company has not started earning revenue, administrative expenses form the most significant assessed risk of material misstatements in the financial statements. Therefore, completeness and accuracy of administrative expenses is considered to be a significant risk.	Audit procedures were designed to mitigate the risk of misstatement relating to the completeness and accuracy of administrative expenses. For accuracy, the entire administrative expenses population per ledger were traced to expense invoices or supporting documentation to ensure that the amounts on the invoices agree with the expenses ledger. For completeness, the full period of bank transactions were obtained (e.g. from the bank statements) and checked against expense ledger to ensure all transactions have been recorded.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, and in evaluating the effect of misstatements and omissions on our audit and on the financial statements. For the purposes of determining whether the financial statements are free from material misstatement we define materiality as the level of misstatement, including omissions that could influence the economic decisions of a reasonably knowledgeable user of the financial statements.

We determined materiality to be £33,900 which was determined by reference to a benchmark of approximately 5% of the loss before tax. Loss before tax has been considered the most appropriate measure as we consider that this will be of particular interest to the users of the financial statements.

Performance materiality was set at £23,000, which was based on 68% of financial statements' materiality. This lower level of materiality is applied in performance of the audit when determining the nature and extent of testing applied to individual balances and classes of transactions. In setting performance materiality, we had regard to the financial statement materiality and the risk and control environment. Performance materiality has been set in a range between £23,000 and £15,300.

We agreed with the Board that we would report all individual audit differences identified during the course of our audit in excess of £680.

An overview of the scope of our audit

We carried out a full scope audit. We tailored the scope of our audit to ensure that we performed sufficient audit procedures to be able to give an opinion on financial statements, taking into consideration the operations of the Company, the accounting policies and controls and the wider industry in which the Company operates.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 statement set out on page 7, 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.

A further description of our responsibilities for the audit of the financial statements is located 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 our engagement letter dated 25 November 2019. 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, for our audit work, for this report, or for the opinions we have formed.

Kelly Sheppard

Kelly Sheppard (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
24 March 2020
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF COMPREHENSIVE LOSS

Continuing operations	Note	Period from 25 April 2018 to 31 July 2019
		£
Administrative expenses		(678,195)
Operating loss		**(678,195)**
Loss before taxation		**(678,195)**
Taxation	**9**	-
Total comprehensive loss attributable to equity holders of the Company for the period		**(678,195)**
Loss per share – basic and diluted (£ per share)	**10**	(0.054)

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2019

	Note	31 July 2019
		£
Assets		
Current assets		
Cash and cash equivalents	11	1,863,098
Total current assets		**1,863,098**
Total assets		**1,863,098**
Equity and liabilities		
Capital and reserves		
Ordinary shares	13	246,414
Share premium		2,248,692
Accumulated losses		(678,195)
Total equity		**1,816,911**
Liabilities		
Current liabilities		
Trade and other payables	12	46,187
Total current liabilities		**46,187**
Total equity and liabilities		**1,863,098**

These financial statements were authorised for issue by the Board of Directors on 23 March 2020 and signed on behalf by:

Wanbao Xu 徐万宝
Executive Director

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 JULY 2019

	Note	Share capital £	Share premium £	Accumulated losses £	Total equity £
Issue of shares on incorporation on 25 April 2018	**13**	35,970	-	-	35,970
Share repurchase		(35,970)	-	-	(35,970)
Issue of shares during the period	**13**	246,414	2,248,692	-	2,495,106
Total comprehensive loss for the financial period		-	-	(678,195)	(678,195)
Balance at 31 July 2019		**246,414**	**2,248,692**	**(678,195)**	**1,816,911**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

	Period from 25 April 2018 to 31 July 2019
	£
Cash flows from operating activities	
Loss before taxation	(678,195)
Adjustment for:-	
Increase in payables	46,187
Net cash used in operations	**(632,008)**
Cash flows from financing activities	
Proceeds from issue of ordinary shares on incorporation	35,970
Share repurchase	(35,970)
Proceeds from issue of ordinary shares	2,495,106
Net cash generated from financing activities	**2,495,106**
Net increase in cash and cash equivalents	**1,863,098**
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of the period	**1,863,098**

The accompanying notes form an integral part of these 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 seek acquisition opportunities.

3. RECENT ACCOUNTING PRONOUNCEMENTS

(a) New interpretations and revised standards effective for the period ended 31 July 2019

The Company has adopted the new interpretations and revised standards effective for the period ended 31 July 2019. New standards impacting the Company that will be adopted in the annual financial statements for the period ended 31 July 2019, and which have given rise to changes in the Company's accounting policies are:

- IFRS 16 Leases

Effective 1 January 2019, IFRS 16 has replaced IAS 17 Leases and IFRIC 4 Determining whether an Arrangement Contains a Lease.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. As the Company does not have significant leasing activities acting as a lessee or lessor, the Directors do not anticipate any significant impact from the adoption of these new standards.

(b) Standards and interpretations in issue but not yet effective

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to 31 July 2019 that the Company has decided not to adopt early. The following amendments are effective for the period beginning 1 January 2020:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Material)
- IFRS 3 Business Combinations (Amendment – Definition of Business)
- Revised Conceptual Framework for Financial Reporting

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 European Union 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. No comparative figures have been presented as the financial information covers the period from incorporation of the Company on 25 April 2018 to 31 July 2019.
A summary of the principal accounting policies of the Company are set out below.

b) Going concern

The Company meets its day-to-day working capital requirements through cash generated from the capital it has raised on admission to the London Stock Exchange and subsequently it has £1.8 million in cash as at 31 July 2019 which is sufficient for its present needs. The Company is likely to need to raise additional funds for planned acquisitions and this will likely be obtained through further transactions through the market.

Taking its cash position into account, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and for a period of not less than 12 months from the date of signing the financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the interim financial statements.

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.

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.

Honey Financial Services Limited has no activities at present other than reviewing possible investment opportunities.

8. DIRECTORS' EMOLUMENTS

	Period from 7 December 2018 to 31 July 2019
	£
Remuneration	68,316

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

Executive Director	**£**
Wanbao Xu	33,333
Non-executive Directors	
Gareth Edwards	19,435
Shaun Carew-Wootton	15,548

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 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.

	Period ended 31 July 2019 £
Loss attributable to ordinary shareholders (£)	(678,195)
Weighted average number of shares	12,610,613
Loss per share (expressed as GBP per share)	**(0.054)**

11. CASH AND CASH EQUIVALENTS

	As at 31 July 2019 £
Cash at bank	1,863,098

12. TRADE AND OTHER PAYABLES

	As at 31 July 2019 £
Other payables	46,189

13. SHARE CAPITAL

	Number	Nominal Value £
Authorised		
Ordinary shares of £0.01 each	1,000,000,000	10,000,000
Issued and fully paid		
On Admission – 24,641,350 shares of £0.01 each		
As at 31 July 2019	24,641,350	246,414

The Company was incorporated and registered in The Cayman Islands as a private company limited by shares on 25 April 2018. On incorporation, the Company had an authorised share capital of US$50,000 divided into 50,000 ordinary shares of a par value of US$1 each. This has been converted to Pounds Sterling (£) using the closing exchange rate £/US$ 1.39 on the date of incorporation on 25 April 2018. Pursuant to special resolution passed on 29th November 2018, the Company resolved:

- to redenominate its share capital from US$ to GBP;
- to increase its authorised share capital to £10,000,000 divided into 1,000,000,000 Ordinary Shares (£0.01 each at Par value);
- a further 50,000 Ordinary Shares were issued for $50,000, the proceeds of which were used to buy back the 50,000 shares of US$1 each at Par value in connection with redenomination of share capital.

As at admission on 7 December 2018, £246,414 of Ordinary Shares in nominal value has been issued and fully paid (divided into 24,641,350 issued Ordinary Shares of £0.01 each at Par value).

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

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

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 capital structure of the Company as at 31 July 2019 consisted of Ordinary Shares and equity attributable to the shareholders of the Company, totalling £1,816,911 (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.

16. RELATED PARTY TRANSACTIONS

The remuneration of the Directors, the key management personnel of the Company, is set out in note 8.

During the period, Mr Wanbao Xu, the Executive Director, paid a total of £114,135 of expenses on behalf of the company. This amount has been settled before 31 July 2019.

Fush Financial Investment Co Ltd, a company owned by Mr Wanbao Xu, is considered as a significant shareholder by holding 68.53% of the Ordinary shares as at 31 July 2019

17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party of the Company is Mr Wanbao Xu.