



## **HRC WORLD PLC**

(England & Wales Company No. 10829936)

### **INTERIM CONDENSED FINANCIAL STATEMENTS**

For the six months period ended  
30 September 2020

# **HRC WORLD PLC**

## **Chairman's Statement**

I am glad to announce the interim results of HRC World Plc (the Company). In the last few months, the Company has been focussing its efforts into creating and realigning its brand equity in the food and beverage businesses that the Company has some investments in.

The company is currently managing several food and beverage businesses namely HRC Café, HRC Express, HRC SkyLounge, Havana Dining as well as end-to-end support of an online food delivery services for a third party operator in Malaysia.

The Company is also in midst of designing and producing its own line of merchandise for direct and online sale. The Company expects to launch the merchandise within the next two months.

As anticipated, all food and beverage businesses had been affected and the Company had placed certain measures to reduce cost and operating hours.

The Covid-19 global pandemic presented significant challenges to all companies and businesses worldwide. Although the F&B industry had been badly affected, the Company had managed to adapt well to the challenges faced.

The main objective of the Company is to minimally sustain all business operations until such time the Covid-19 related issues are resolved and the economy starts recovering.

**SHAILEN GAJERA**  
Chairman

**30 November, 2020**

# HRC WORLD PLC

## Director's Statement

For the reporting period under review, the Group reported a net loss of \$843,000. At 30 September 2020, the Group had cash in bank of \$179,000.

There are a number of potential risks and uncertainties which may have material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The directors do not consider any changes on the principal risks and uncertainties since the publication of the annual report for the year ended 31 March 2020, which contained a detailed explanation of the risks relevant to the Group, is also available at <https://www.hrcplc.co.uk/>

The Board looks forward to providing further updates to the shareholders in due course.

## Responsibility Statement

The Directors are responsible for preparing the Condensed Interim Financial Statements in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority ('DTR') and with International Accounting Standard 34 on Interim Financial Reporting (IAS 34).

The directors confirm that, to the best of their knowledge, this condensed consolidated interim financial statements have been prepared in accordance with IAS 34, as adopted by the European Union. The interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

**Director**  
**30 November, 2020**

# HRC WORLD PLC

## Condensed Consolidated Statement of Comprehensive Income

	<i>Note</i>	Six months ended 30 Sep 2020 \$000 (Unaudited)	Six months ended 30 Sep 2019 \$000 (Unaudited)
Revenue	3	22	-
Cost of sales		-	-
Gross profit		22	-
Other income		8	11
General and administrative expenses		(280)	(375)
<b>Loss from operation</b>		<b>(250)</b>	<b>(364)</b>
Share of losses from equity accounted associates		(662)	-
<b>Loss before tax</b>		<b>(912)</b>	<b>(364)</b>
Income tax	4	-	-
<b>Loss for the period</b>		<b>(912)</b>	<b>(364)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Translation of foreign operations		69	-
<b>Total comprehensive loss for the period</b>		<b>(843)</b>	<b>(364)</b>
<b>Earnings per share from continuing operation attributable to the owners of the company</b>			
Loss per share (basic and diluted) cent/share	8	(0.66)	(0.26)

# HRC WORLD PLC

## Condensed Consolidated Statements of Financial Position

	Note	30 Sep 2020 \$000 (Unaudited)	31 Mar 2020 \$000 (Audited)
<b>Non-current assets</b>			
Investment in associates	5	2,755	2,000
		<b>2,755</b>	<b>2,000</b>
<b>Current assets</b>			
Trade and other receivables	6	59	55
Cash and cash equivalents		179	1,692
		<b>238</b>	<b>1,747</b>
<b>Current liabilities</b>			
Trade and other payables	7	367	314
Amount due to related company		-	25
Amount due to a shareholder	11	30	30
Amount due to director	11	145	84
		<b>542</b>	<b>453</b>
<b>Net Current (Liabilities)/Asset</b>		<b>(304)</b>	<b>1,294</b>
<b>Net Assets</b>		<b>2,451</b>	<b>3,294</b>
<b>Capital and reserve</b>			
Share capital	9	1,849	1,849
Share premium		1,808	1,808
Other equity	10	(15,000)	(15,000)
Merger reserve		12,799	12,799
Retained earnings		995	1,838
<b>Total Equity</b>		<b>2,451</b>	<b>3,294</b>

# HRC WORLD PLC

## Condensed Consolidated Statement of Changes in Equity

	Share capital \$000	Share premium \$000	Merger reserve \$000	Treasury shares \$000	Retained earnings \$000	Total Equity \$000
<i>(Unaudited)</i>						
<b>Balance at 31 March 2020</b>	<b>1,849</b>	<b>1,808</b>	<b>12,799</b>	<b>(15,000)</b>	<b>1,838</b>	<b>3,294</b>
Loss for the period	-	-	-	-	(843)	(843)
Total comprehensive loss for the period	-	-	-	-	(843)	(843)
<b>Balance at 30 September 2020</b>	<b>1,849</b>	<b>1,808</b>	<b>12,799</b>	<b>(15,000)</b>	<b>995</b>	<b>2,451</b>
<b>Balance at 31 March 2019</b>	<b>1,849</b>	<b>1,808</b>	<b>12,799</b>	<b>-</b>	<b>2,618</b>	<b>19,074</b>
Loss for the period	-	-	-	-	(364)	(364)
Total comprehensive loss for the period	-	-	-	-	(364)	(364)
Acquisition of treasury shares	-	-	-	(15,000)	-	(15,000)
<b>Balance at 30 September 2019</b>	<b>1,849</b>	<b>1,808</b>	<b>12,799</b>	<b>(15,000)</b>	<b>2,254</b>	<b>3,710</b>
<i>(Audited)</i>						
<b>Balance at 31 March 2019</b>	<b>1,849</b>	<b>1,808</b>	<b>12,799</b>	<b>-</b>	<b>2,618</b>	<b>19,074</b>
Loss for the year	-	-	-	-	(780)	(780)
Total comprehensive loss for the year	-	-	-	-	(780)	(780)
Acquisition of treasury shares	-	-	-	(15,000)	-	(15,000)
<b>Balance at 31 March 2020</b>	<b>1,849</b>	<b>1,808</b>	<b>12,799</b>	<b>(15,000)</b>	<b>1,838</b>	<b>3,294</b>

# HRC WORLD PLC

## Condensed Consolidated Statement of Cash Flows

	Six Months ended 30 Sep 2020 \$000 (Unaudited)	Six Months ended 30 Sep 2019 \$000 (Unaudited)
<b>Cash flow from operating activities</b>		
Loss before tax	(912)	(364)
<i>Adjustment for:</i>		
Share of losses from associates	662	-
<b>Operating cash flows before movements in working capital</b>	<b>(250)</b>	<b>(364)</b>
Decrease/(increase) in receivables	(4)	5,019
Increase in trade and other payables	28	111
Decrease in amount due from shareholder	-	(792)
Increase in amount due to directors	61	18
<b>Cash generated from/(absorbed in) operating activities</b>	<b>(165)</b>	<b>3,992</b>
Interest paid	-	-
<b>Net cash used in operating activities</b>	<b>(165)</b>	<b>3,992</b>
<b>Cash flows from investing activities</b>		
Investment in associated companies	(1,417)	-
<b>Net cash generated from investing activities</b>	<b>(1,417)</b>	<b>-</b>
<b>Net increase in cash &amp; cash equivalents</b>	<b>(1,582)</b>	<b>3,992</b>
Effect of exchange differences	69	-
Cash and equivalent at beginning of period	1,692	17
<b>Cash and equivalent at end of period</b>	<b>179</b>	<b>4,009</b>

# HRC WORLD PLC

## Notes to the interim Financial Information

### 1. General information

The Company is a public limited company with registered number 10829936. It was incorporated on 21 June 2017 as a public limited company in England and Wales and was issued a certificate to commence trade on 19 July 2017.

Shares of the Company are traded on the Nasdaq First North Growth Market Denmark. The Company's nature of operations is to act as the holding company and management of a group of subsidiaries in high quality food and beverage business.

On 5 February 2020 the Company entered into equity participation of a Malaysian home-grown executive café and express fast-food kiosk based in Kuala Lumpur as well as into a business/executive lounge and music & dance club through the subscription of 2,547,000 shares in HMRC Sdn Bhd and 6,300,000 shares in HRC East Sdn Bhd, representing 45% equity in both the Malaysian entities at par value for total of RM8,847,000 (in Malaysian Ringgit), equivalent to about US\$2,090,000.

In addition the Company acquired 45% interest in Havana Café, a fine dining franchised restaurant on 17 September 2020. The consideration for the investment was RM5,867,500 (approx. US\$1,417,000).

During the period the Company entered into a Restaurant Management Agreement (RMA) with each of the entities. The RMA provides for the Company to make available (1) restaurant marketing and promotion support services, (2) tourist based customer acquisition services, and (3) music & event based revenue development. The Company does not involved in the day-to-day operations of the businesses under the RMA but allows the Company to charge periodical management fees as a percentage of revenue for management services provided to each of the business.

### 2. Accounting policies

#### Basis of preparation

The consolidated financial information, which has not been audited, has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use by the European Union, and effective, or issued and early adopted, as at the date of these statements. The consolidated financial information has been prepared under the historical cost convention as modified for financial assets carried at fair value.

This consolidated financial information is for the six month period ended 30 September 2020. It does not include all of the information required for full annual financial statements and should be read in conjunction with the annual report for the period ended 31 March 2020 and any public announcements made by the Company during the interim reporting period.

This interim financial information has been prepared in accordance with the accounting policies consistently with those of the annual report for period ended 31 March 2020.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profits or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.



**Notes to the Interim Financial Information  
(continued)**

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Intra-group transactions, balances, income and expenses are eliminated on consolidation. Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

**Presentational currency**

The financial information has been presented in US Dollars (“\$”), the Group’s presentational currency, and rounded into thousands (\$000) unless otherwise stated. The directors have chosen to present financial information in US Dollars due to the international exposure and shareholders of the entity.

**3. Revenue**

The Group’s revenues are derived from management fees according to Restaurant Management Agreement between the Group’s operating subsidiary company HRC World Sdn Bhd with the customers. Beginning July 2020, revenue contributions are from customers located in Malaysia.

There are no seasonal factors that materially affect the operations of the Group.

**4. Income Tax expense**

The tax charge on the results has been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

**5. Investment in associates**

During the period the Group invested RM5,857,500 (equivalent to US\$1,417,000) representing 40% equity in Havana Café, a franchised fine dining restaurant operating in Malaysia.

Associated companies have been included in the consolidated financial statements using the equity method.

The carrying amount of equity-accounted investments has changed as follow:

	<b>Six months ended 30 Sep 2020 \$000</b>
Beginning of the period	2,000
Addition	1,417
Loss for the period	(662)
End of period	<u>2,755</u>

## HRC WORLD PLC

### Notes to the Interim Financial Information (continued)

#### 6. Trade and other receivables

	30 Sep 2020 \$000	31 Mar 2020 \$000
Trade receivables	22	-
Other receivables	37	55
	<b>59</b>	<b>55</b>

#### 7. Trade and other payables

	30 Sep 2020 \$000	31 Mar 2020 \$000
Accruals	32	31
Other payables	335	283
	<b>367</b>	<b>314</b>

#### 8. Basic and diluted earnings/ (loss) per share

	Six months ended 30 Sep 2020	Six months ended 30 Sep 2019
Loss for the period, used in the calculation of total basic and diluted loss per share ( <b>\$000</b> )	(912)	(364)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	138,845,096	138,845,096
Basic and diluted earnings/(loss) per share attributable to owners of the parent (\$)	(0.0066)	(0.0026)

Basic earnings/(loss) per share is based on the weighted average number of ordinary shares in issue during the period. Diluted loss per share would assume conversion of all potentially dilutive ordinary shares. The Group has no potentially dilutive ordinary shares.

#### 9. Share capital

Analysis of issued share capital:

	Share capital \$000	Share premium \$000
<u>Issued and fully paid 150,000,000 ordinary shares of €0.01 each</u>		
At 31 March 2020 and 30 September 2020	1,849	1,808

## HRC WORLD PLC

### Notes to the Interim Financial Information (continued)

#### 10. Treasury shares

The amount arose from settlement in 2019 with respect to disposal of subsidiary group, by way of transferring 11,154,904 ordinary shares of the Company held by the beneficial owner at €1.19 each amounting to €13,274,336 which equivalent to US\$15,000,000.

#### 11. Significant related party transactions

	30 Sep 2020 \$000	31 Mar 2020 \$000
<b>Amount due from a related company</b>		
Associated companies		
HMRC Sdn Bhd	-	(9)
HRC East Sdn Bhd	-	(15)
<b>Amounts due to shareholders</b>		
VCB AG	(30)	(30)
<b>Amounts due to director</b>		
Shailen Gajera	(141)	(84)
Simon Retter	(4)	-

#### 12. Subsequent events

There has been no events to report since the date of the interim report.

#### 13. Nature of the financial information

The financial information presented above does not constitute statutory accounts for the period under review.