



HRC World plc

(England & Wales Company No. 10829936)

INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended
30 September 2021

HRC WORLD PLC
CHAIRMAN'S STATEMENT

I am glad to announce the interim results of HRC World Plc (the Company). The company continues to provide restaurant management services to several food and beverage ("F&B") businesses namely HRC Café, HRC Express, HRC SkyLounge and Havana Dining in Malaysia.

Since the beginning of Covid-19 pandemic, all food and beverage businesses had been adversely affected. The Company continued to implement suitable initiatives to reduce cost and has been operating in line with the operations of its associate companies.

As highlighted in earlier announcements, 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 and managed to provide required support to various business outlets.

Just as before, the main objective of the Company remains to minimally sustain all business operations until such time the Covid-19 related issues are entirely resolved and the economy bounces back.

SHAILEN GAJERA
Chairman
31 December 2021

HRC WORLD PLC

DIRECTOR'S STATEMENT

For the reporting period under review, the Group reported a net profit of \$55,000. At 30 September 2021, the Group had cash in bank of \$136,000.

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 2021, 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 United Kingdom. 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.

Shailen Gajera
Director
31 December 2021

HRC WORLD PLC
Condensed Consolidated Statement of Comprehensive Income

	<i>Note</i>	Six months ended 30 Sep 2021 \$000 (Unaudited)	Six months Ended 30 Sep 2020 \$000 (Unaudited)
Revenue	3	72	22
Cost of sales		-	-
Gross profit		72	22
Other income		151	8
General and administrative expenses		(167)	(280)
Profit / (Loss) from operation		56	(250)
Share of losses from equity accounted associates		-	(662)
Profit / (Loss) before tax		56	(912)
Income tax	4	-	-
Profit / (Loss) for the period		56	(912)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Translation of foreign operations		(1)	69
Total comprehensive income/(loss) for the period		55	(843)
Earnings per share from continuing operation attributable to the owners of the company			
Earnings/(loss) per share (basic and diluted) cent/share	7	0.004	(0.66)

HRC WORLD PLC
Condensed Consolidated Statements of Financial Position

	Note	30 Sep 2021 \$000 (Unaudited)	31 Mar 2021 \$000 (Audited)
Non-current assets			
Investment in associates		-	-
		-	-
Current assets			
Trade and other receivables	5	69	61
Cash and cash equivalents		136	36
		205	97
Current liabilities			
Trade and other payables	6	106	358
Amount due to a shareholder	10	30	30
Amount due to director	10	21	193
		157	581
Net Current Asset/(Liabilities)		48	(484)
Net Assets/(Liabilities)		48	(484)
Capital and reserve			
Share capital	8	1,849	1,849
Share premium		1,808	1,808
Other equity	9	(14,523)	(15,000)
Merger reserve		12,799	12,799
Translation Reserve		-	1
Accumulated Losses		(1,885)	(1,941)
Total Equity		48	(484)

HRC WORLD PLC
Condensed Consolidated Statement of Changes in Equity

	Share capital \$000	Share premium \$000	Merger reserve \$000	Translation reserves \$000	Treasury shares \$000	Retained earnings \$000	Total Equity \$000
<i>(Unaudited)</i>							
Balance at 31 March 2021	1,849	1,808	12,799	1	(15,000)	(1,941)	(484)
Profit for the period	-	-	-	-	-	56	56
Exchange differences on translation of foreign operation				(1)	-	-	(1)
Disposal of treasury shares	-	-	-	-	477	-	477
Total comprehensive loss for the period	-	-	-	(1)	477	56	532
Balance at 30 September 2021	1,849	1,808	12,799	-	(14,523)	(1,885)	48
Balance at 31 March 2020	1,849	1,808	12,799	-	(15,000)	1,838	3,294
Loss for the period	-	-	-	-	-	(843)	(843)
Total comprehensive loss for the period	-	-	-	-	-	(843)	(843)
Balance at 30 September 2020	1,849	1,808	12,799	-	(15,000)	995	2,451
<i>(Audited)</i>							
Balance at 01 April 2020	1,849	1,808	12,799	-	(15,000)	1,838	3,294
Loss for the period	-	-	-	-	-	(3,779)	(3,779)
Exchange difference on Translation of foreign Operations	-	-	-	1	-	-	1
Total comprehensive loss for the period	-	-	-	1	-	(3,779)	(3,778)
Balance at 31 March 2021	1,849	1,808	12,799	1	(15,000)	(1,941)	(484)

HRC WORLD PLC
Condensed Consolidated Statement of Cash Flows

	Six Months ended 30 Sep 2021 \$000 (Unaudited)	Year ended 31 Mar 2021 \$000 (Audited)
Cash flow from operating activities		
Profit / (Loss) before tax	56	(3,779)
<i>Adjustment for:</i>		
Profit from disposal of treasury shares	(151)	-
Share of losses from associates	-	650
Impairment loss of net investment in associate	-	2,767
	<hr/>	<hr/>
Operating cash flows before movements in working capital	(95)	(362)
Increase in trade and other receivables	(8)	(6)
(Decrease) in amount due from related companies	(143)	(25)
Decrease/(increase) in trade and other payables	(109)	44
(Increase)/Decrease in amount due to directors	(172)	109
	<hr/>	<hr/>
Cash (used in)/generated from operations	(432)	122
	<hr/>	<hr/>
<i>Net cash used in operating activities</i>	<i>(527)</i>	<i>(240)</i>
Cash flows from investing activities		
Proceeds from disposal of treasury shares	628	
Investment in associated companies	-	(1,417)
	<hr/>	<hr/>
<i>Net cash generated from/(used in) investing activities</i>	<i>628</i>	<i>(1,417)</i>
	<hr/>	<hr/>
Net increase/(decrease) in cash & cash equivalents	101	(1,657)
Effect of exchange differences	(1)	1
Cash and equivalent at beginning of period	36	1,692
	<hr/>	<hr/>
Cash and equivalent at end of period	136	36

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 the 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 United Kingdom, 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 2021. 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 2021 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 2021.

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.

HRC WORLD PLC
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 revenue are derived from management fees according to Restaurant Management Agreement between the Group 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. Trade and other receivables

	30 Sep 2021	31 Mar 2021
	\$000	\$000
Deposit and Prepayment	69	61
Other receivables	-	-
	69	61

6. Trade and other payables

	30 Sep 2021	31 Mar 2021
	\$000	\$000
Accruals	42	59
Amount due to related company	-	143
Other payables	64	215
	106	358

HRC WORLD PLC
Notes to the Interim Financial Information
(continued)

7. Basic and diluted earnings/ (loss) per share

	Six months ended 30 Sep 2021	Year ended 30 March 2021
Profit/ (Loss) for the period, used in the calculation of total basic and diluted loss per share (\$000)	55	(3,779)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	139,200,096	138,845,096
Basic and diluted earnings/(loss) per share attributable to owners of the parent (\$)	(0.04)	(2.72)

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.

8. 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 2021 and 30 September 2021	1,849	1,808

9. 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.

In July 2021, the Company disposed of 355,000 treasury shares at EUR 1.50 each to raise EUR 532,000 (US\$628,000) and the proceeds applied for working capital.

HRC WORLD PLC
Notes to the Interim Financial Information
(continued)

10. Significant related party transactions

	At 30 Sep 2021 \$000	At 31 Mar 2021 \$000
Transactions with associated companies		
Management services charge from		
- HMRC Sdn Bhd	14	22
- HRC East Sdn Bhd	29	43
- Havana Café Sdn Bhd	29	29
Amount due to related company		
Xiamen Properties Sdn Bhd		
	-	143
Amount due to associate companies		
- HMRC Sdn Bhd	(1)	-
- HRC East Sdn Bhd	(24)	-
Amount due to shareholders		
VCB A.G		
	(30)	(30)
Amount due to director		
Shailen Gajera		
	(10)	(193)
Md Khussairiee Ahmad		
	(11)	-

11. Subsequent events

The Company had on 30 December 2021, divested part of its shareholdings in each of the associate companies namely Havana Café Sdn Bhd, HMRC Sdn Bhd and HRC East Sdn Bhd for a total sum of MYR 8,191,775.00. The Company's equity stake in Havana Café Sdn Bhd is therefore reduced from 40% to 19%. Similarly the Company's stake in HMRC Sdn Bhd and HRC East Sdn Bhd is reduced from 45% to 19%.

12. Nature of the financial information

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