



HRC World plc

(England & Wales Company No. 10829936)

UNAUDITED PRELIMINARY CONSOLIDATED RESULTS FOR 15 MONTHS PERIOD ENDED 31 MARCH 2018

Consolidated Statement of Comprehensive Income
For 15 Months Period ended 31 March 2018

	(Unaudited) 1 January 2017 to 31 March 2018 US\$'000	(Restated) 1 January 2016 to 31 December 2016 US\$'000
Turnover	7,417	424
Cost of sales	(6,132)	(394)
Gross profit	1,285	30
Other income	5	34
Listing cost	(325)	-
General and administrative expenses	(4,947)	(1,925)
Loss from operations	(3,982)	(1,861)
Finance costs	(1,638)	(2,233)
Loss before tax	(5,620)	(4,094)
Income tax expense	-	-
Loss for the period attributable to the owners of the Company	(5,620)	(4,094)
Items that may be reclassified subsequently to profit or loss:		
Other comprehensive income		
Translation of foreign operation	234	(79)
Total comprehensive income for the period attributable to the owners of the Company	(5,386)	(4,173)
Loss per share (basic and diluted) cent/share	(15.2)	n/a

Consolidated Statement of Financial Position

As at 31 March 2018

	(Unaudited) At 31 March 2018 US\$'000	(Restated) At 31 December 2016 US\$'000
Non-current assets		
Property, plant and equipment	2,886	2,119
Intangible assets	1,211	1,450
	4,097	3,569
Current assets		
Inventories	178	280
Trade receivable	400	-
Prepayments and other receivables	1,055	513
Amount due from related companies	1,885	1,681
Cash and cash equivalents	456	2,223
	3,974	4,697
Current Liabilities		
Trade payables	244	686
Interest payables	-	2,233
Accrual and other payables	1,437	183
Amount due to a shareholder	245	7
Amount due to director	103	103
	2,029	3,212
Net Current Asset/Liabilities	1,945	1,485
Total Assets less Current Liabilities	6,042	5,054
Non-Current Liabilities		
Loan from a shareholder	-	8,483
Net Assets / (Liabilities)	6,042	(3,429)
Capital and reserve		
Share capital	1,849	-
Share premium	1,808	-
Translation reserve	156	(79)
Merger reserve	11,999	800
Accumulated losses	(9,770)	(4,150)
Total Equity	6,042	(3,429)

Consolidated Statement of Changes in Equity to 31 March 2018

	Share capital US\$'000	Share premium US\$'000	Merger reserve US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
As at 1 January 2016	-	-	1	-	(983)	(982)
Correction of error (see note below)	-	-	-	-	927	927
Restated total equity at the beginning of the financial year	-	-	1	-	(56)	(55)
Issuance of the shares of subsidiary undertakings	-	-	799	-	-	799
Exchange differences on translating foreign operations	-	-	-	(79)	-	(79)
Loss for the period	-	-	-	-	(4,094)	(4,094)
As at 31 December 2016	-	-	800	(79)	(4,150)	(3,429)
Issuance of shares on group reconstruction	1,849	1,830	11,199	-	-	14,878
Exchange differences on translating foreign operations	-	-	-	234	-	234
Issuance costs	-	(22)	-	-	-	(22)
Loss for the period	-	-	-	-	(5,620)	(5,620)
As at 31 March 2018	1,849	1,808	11,999	156	(9,770)	6,042

Note Correction of Error: Within the unaudited results for the six months ended 30 June 2017 the Group restated its financial position at 1st January 2016 to adjust the revenue expenditure of \$950,000 made to the franchisor in respect of the development fees and technical service costs incurred in 2015. The correction is reflected in the carrying value of the intangible assets and an annual amortisation charge of \$95,000.

Consolidated Statement of Cash Flows**For the 15 Months Period ended 31 March 2018**

	(Unaudited) 2018 US\$	(Audited) 2016 US\$
Cash flow from operating activities		
Loss before tax	(5,620)	(4,094)
<i>Adjustment for:</i>		
Bank interest incomes	(1)	(1)
Loan Interest expense	1,638	2,233
Depreciation of property, plant, equipment	795	95
Amortisation of intangible assets	195	152
Exchange difference on translating foreign operation	-	-
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Operating cash flows before movements in working capital	(2,993)	(1,615)
Decrease/(Increase) in inventories	102	(280)
Increase in trade and other receivables	(942)	(513)
Increase in amount due from related companies	(204)	(1,481)
Increase in trade and other payables	1,259	796
Increase in amount due to shareholders	238	-
Increase in amount due to a director	-	(1,907)
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<i>Cash used in operations</i>	(2,540)	(5,000)
Interest incomes	1	1
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Net cash used in operating activities	(2,539)	(4,999)
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Cash flows or investing activities		
Payments for acquisition of property, plant, and equipment	(1,562)	(2,214)
Payments for acquisition of intangible assets	-	(676)
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Net cash used in investing activities	(1,147)	(2,890)
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Cash flows from financing activities		
Proceed from Loan from a shareholder	-	9,282
Proceed from issuing ordinary shares	1,919	-
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Net cash generated from financing activities	1,919	9,282
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Net (decrease)/increase in cash & cash equivalents	(1,767)	1,393
Cash and equivalent at beginning of period	2,223	830
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Cash and equivalent at end of period	456	2,223
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1. The consolidated net loss per share for the 15 months period ended 31 March 2018 was US\$ 0.152 per share.
2. 150,000,000 shares were outstanding at the close of the financial period ended 31 March 2018.
3. During the 15- month period ended 31 March 2018 the Group raised new capital from investors and underwent a reconstruction under which shareholder loans were capitalised, thereby strengthening the Company's capital base. The Company is still in a relatively early stage of development as its existing restaurants and stores become established in each new location and as new sites are identified. The expansion and development will need to continue before profitability is achieved.
4. The Audited Consolidated Annual Report and Accounts for the 15-month period ended 31 March 2018 is expected to be published on 23 July 2018.

The unaudited interim results for the 6-month period ending 30 September 2018 are expected to be published on 28 September 2018.

5. The Company is not in a position to allocate profits as a loss was recorded for the Financial Period.
6. The Independent Auditor's Report for Ada Holdings Limited, a Hong Kong incorporated company and the former parent company to the Group, for the year ended 31 December 2016 contained a paragraph titled "Material uncertainty relating to going concern" referring the Group's net loss for the year then ended, the excess of current liabilities over total assets at 31 December 2016 and the fact that the Company's then shareholder had undertaken to provide financial support to allow the Group to meet its debts as they fall due. This 'Emphasis of Matter' paragraph stated that...*"these matters indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter"*.

Whereas the Group's consolidated net assets were positive at 31 March 2018, as a result of the issue of new shares and a debt conversion during the period under review, the early stage nature of the Group's activities mean that the underlying business is still loss making and a fund-raise is expected by the Company within the next 12 months. As a result, the Directors anticipate an Emphasis of Matter statement being included in the Independent Auditor's Report within the Group's 2018 Audited Report and Accounts.

7. The planned date of the annual general meeting of the shareholders is 15th September 2018
8. The Audited Consolidated Annual Report for the period ended 31 March 2018 is expected to be published on 23 July 2018 on the Company Website at www.hrcplc.co.uk and will be available from the Company Secretary upon request by the shareholders.
9. The Board of Directors of the Company hereby approves this announcement of the Unaudited Preliminary Consolidated Results for the 15 months period ended 31 March 2018.

By order of the Board
Shailen Gajera
Executive Director
30 June 2018