HRC World plc

(England & Wales Company No. 10829936)

Report and Consolidated Financial Statements for
15 months period ended 31 March 2018

Contents

Officers and Advisors

Directors
Thong Teong Bun - *Non-Executive Chairman*
Alex George - *Chief Executive Officer (appointed 15 February 2018)*
Shailen Gajera - *Executive Director*
Simon Retter - *Independent NED*

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Registrar
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Chairman's Statement

Dear Fellow Shareholders,

It is my pleasure to present you HRC World's Annual Report for the period ended 31 March 2018. We have successfully completed our Initial Public Offering on the 1 February 2018 with an admission for trading of Ordinary Shares in the Nasdaq First North, Copenhagen, Denmark (Admission). At the same time, the Group was formed through the acquisition by the Company of the subsidiaries, namely HRC Asia Ltd, HRCL (CC) Ltd, Ada Holdings Limited and its Wholly Foreign Owned Enterprises (WFOEs) in China, representing Hard Rock Café in Shanghai, Hangzhou, Chengdu as well as a project management company based in Shanghai.

The Group has already established 2 Hard Rock Cafés, namely, Hard Rock Café Shanghai and Hard Rock Café Hangzhou, with a 3rd Café in Chengdu expected to open in Q3'2018.

On 15 February 2018, Mr Alex George was appointed as the CEO cum Executive Director of the Group. Simultaneously, the founder cum Managing Director of the Group was re-designated as Group Adviser. With this the Company started taking control of the Group operations and business.

The Group has been in discussion with a unit of China Construction Eighth Engineering Division Corp. Ltd. ("CCEED"), a subsidiary of China State Construction Engineering Corporation Limited ("CSCEC") to roll out its franchise throughout China. In 2016, CSCEC was the largest construction company in the world by revenue and as we have announced on 8 February 2018, the Group is very excited to be teaming up with such an important partner and we are confident that with this collaboration the opening of up to 38 Hard Rock Cafés across China will become a reality in the shortest possible time. We believe with the advent of the One Belt One Road initiative by China, the confluence of the "Silk Route" of East meets West could not be more apt than with the opening of Hard Rock Cafés across China.

On 15 March 2018, the Group announced its incorporation of HRC Music Plc, as a wholly-owned subsidiary to spearhead the music videos and content business in support of its business in China. HRC Music will leverage on HRC World's business in developing well-known music-centric, themed food and beverage cafés across China that strategically promotes live music and bands. HRC Music is uniquely placed to tap into the growing music content industry in China to drive traffic to its cafés. HRC Music has a multi-pronged strategy to produce a music reality themed show for the purpose of discovering new bands and solo artists that will be housed as resident bands and singers for its cafés while securing IP and Distribution Rights for the music and video content. HRC Music will also collaborate with top tier local and regional TV & radio broadcasters, media entertainment houses, telecommunication companies, etc. to broadcast HRC Music content on multi-cast platforms via all delivery formats available. HRC World's Management team in collaboration with music industry experts will manage and drive this new venture.

Financial and Statutory Information

The Group generated a total of USD 7.417 mil in revenue from the operations with Cost of Sales of US$ 6.132 million, resulting in Gross Profit of US$ 1.285 million. However, after deducting all expenses and considering that the Group is still in business expansion stage, it recorded a loss for period of US$ 6.559 million (compared to FY 2016 loss of US$ 4.094 mil).

Outlook

The Group is fully focused on maximising its brand equity and business expansion in China. It is currently in process of completing the Hard Rock Café in Chengdu, which is estimated to take another 2 or 3 months to complete. In addition, the Group has started exploring feasibility in establishing Hard Rock Cafés in other cities such as Guangzhou, Wuhan and Shenzhen in the immediate future.

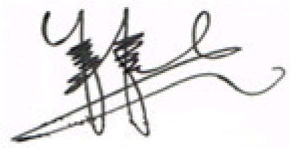
Chairman's Statement

Apart from existing Hard Rock Café franchise, the Group is also in talks with other food and beverage chains that have similar aspirations as the Group in expanding businesses in tandem with music and pop culture infusion.

The Company has been well received by both investors and customers alike and this further propels the Group in seeking business expansion beyond Hard Rock Café franchise.

We remain committed to managing our cash resources and exposure to risk carefully whilst reviewing opportunities that add long term shareholder value. Each and every day, our team will continue to work tirelessly for each and every stakeholder.

On behalf of the entire company, I thank our shareholders for their support and joining us on this exciting journey. I look forward to a prosperous year for HRC World Plc.



THONG Teong Bun
Chairman
23 July 2018

Operating Review

I am pleased to update our shareholders with our strategic view, key priorities, risks and the potential growth drivers of our business.

The prior fiscal year has been very active for the Group with the beginning of development of the third restaurant in Chengdu, starting with the selection of a suitable site and preparation of design concepts. Physical work has started and is currently almost 70% complete, with a view of opening the outlet by end of August 2018.

Separately, a lot of preparation work has gone in into launching HRC Music initiatives which encompass a multi-pronged strategy to produce a music reality themed show for the purpose of discovering new bands and solo artists that will be housed as resident bands and singers for its cafés while securing IP and Distribution Rights for the music and video content. HRC Music plans to collaborate with top tier local and regional TV & radio broadcasters, media entertainment houses, telecommunication companies, etc. in order to broadcast HRC Music content on multi-cast platforms via all delivery formats available. HRC World's Management team in collaboration with music industry experts will manage and drive this new venture.

Business Review

The principal activity of the Group during the year continued to be operations of the two restaurants in Shanghai and Hangzhou. The third restaurant is slated to open by end of August 2018.

Review of activities

The Group was successfully admitted to Nasdaq First North (NFN) and raised €1,500,000 (approximately US$ 1.848 million) on 1 February 2018. Following the Admission, on 15 February 2018, the Group announced the appointment of Alex George as the CEO and Executive Director.

On 8 February 2018, the Group appointed a unit of China Construction Eighth Engineering Division Corp. Ltd. ("CCEED"), a subsidiary of China State Construction Engineering Corporation Limited ("CSCEC") to assist in the roll out of the franchise throughout China. The intention of the Group is for CCEED to undertake several key scopes of work for the Group including, turnkey design and build, total fit out, assisting in site selection to locate Hard Rock Cafés, securing local approvals & permits, blending unique local architecture of respective cities into each Hard Rock Café, ensuring reliability of quality and prompt delivery of each Café outlet.

Strategy

The Group's business strategy is to open the first 3 restaurants in Shanghai, Hangzhou and Chengdu by August 2018, before embarking on an aggressive expansion plan that will see opening of one additional restaurant per month until at least 30 restaurants are running. The Group is of the opinion that having any lesser number of operating restaurants will not give it the desired economies of scale to implement China country-wide marketing strategies – which is important in an emerging market like China.

Accordingly, the Group has been in discussion with the franchisor and subsequently has procured rights or first rights of refusal to open Hard Rock Café restaurants ("Restaurants") and Rock Shop merchandise outlets across most major cities in China. It is also in discussion to procure further rights to operate in Taiwan.

Since Hard Rock Café is renowned for its casual American dining coupled with live-band entertainment, the Group plan to further capitalise on the concept by rotating the bands playing at each of the Group's restaurants such that there is always a new band playing and thus encouraging more frequent visits by patrons. The Group also plans to organise in-house music competitions as well as global Hard Rock band competitions to gain stronger visibility of the brand in China as well as globally.

Financial Review

The Group has total non-current assets amounting to US$ 4.097 million at 31 March 2018 compared to US$ 3.569 million at 31 December 2016. Net assets stood at US$ 6.032 million for the current period compared to net liabilities of US$ 3.429 million for the FY ending 31 Dec 2016.

Loss per share for the period was US$ 0.185 per share and 150,000,000 shares were outstanding at the close of the financial period ended 31 March 2018.

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.

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.

Key Performance Indicators (KPI's)

In view of the short period covered in the current annual report since Admission and the early stage of the Group's development no detailed analysis of KPI's is included. In future periods the performance of the business will be measured by a series of KPI's including new restaurant openings, revenue growth, trading margin and profitability metrics.

Principal risks and uncertainties

Currency risk

The change in value of the Renminbi ("RMB") against the Euro, Pound Sterling, Hong Kong dollar, U.S. dollar ("USD") and other currencies continues to fluctuate and is affected by, among other things, changes in China's political and economic conditions.

Since 1994, the conversion of Renminbi into other currencies, including Euro and U.S. dollars, has been based on rates set by the People's Bank of China, which are set daily based on the previous business day's inter-bank foreign exchange market rates and current exchange rates on the world financial markets. On July 21, 2005, the PRC government adopted a more flexible managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band that is based on market supply and demand and referenced to a basket of currencies. Since the adoption of this new policy, while the value of the Renminbi against the U.S. dollar has fluctuated daily, the overall value has appreciated against the U.S. dollar. The PRC government has since made and may in the future make further adjustments to the exchange rate system.

The majority of the Group's revenues and costs are denominated in RMB. Any significant revaluation of the RMB may materially and adversely affect cash flows, revenues, earnings and the financial position of the Group in USD or Euro.

In the initial 3-5 years, the currency risk is mitigated as the Group will focus on expanding its cafes and operations in China to complete a total of 30 cafes. This will result in requirement of funds flowing into China for its business expansion whilst revenue generated in China will be reinvested into capex and opex. As such there is minimal risk of realised currency exchange to USD or Euro for the Group during these initial years.

Market risk

Intense competition in the restaurant industry could prevent the Group from increasing or sustaining our revenue and profitability.

The restaurant industry is intensely competitive with respect to, among other things, food quality and consistency, taste, price-value relationships, ambiance, service, location, supply of quality food ingredients and employees. Key competitive factors in the industry include type of cuisine, food choice, food quality and consistency, quality of service, price, dining experience, restaurant location and the ambiance of the facilities. The Group will face significant competition at each of its locations from a variety of restaurants in various market segments, including locally-owned restaurants and regional and international chains. The Group's competitors also offer dine-in, take-away and delivery services. There are a number of well-established competitors with substantially greater financial, marketing, personnel and other resources, and many of our competitors are well established in the markets where we have Restaurants, or in which we intend to open new Restaurants. Additionally, other companies may develop new Restaurants that operate with similar concepts and target the Group's customers resulting in increased competition.

Any inability to successfully compete with the other restaurants in the Group's markets may prevent the Group from increasing or sustaining revenues and profitability and result in a loss of market share, which could have a material adverse effect on the Group's business, financial condition, results of operations or cash flows.

Further, the Group competes with other retailers and restaurants for prime locations in highly competitive markets for retail premises. There is no assurance that the Group will be able to enter into new lease agreements for prime locations or renew existing lease agreements on commercially reasonable terms, if at all.

If the Group cannot obtain desirable restaurant locations or secure renewal of existing leases on commercially reasonable terms, the Group’s business, results of operations and ability to implement its growth strategy will be adversely affected.

This is mitigated by the Group’s one city one café principle which substantially reduce this risk as the Group needs to identify only one location for each city it operates in.

Further, the Group's success will depend substantially on the popularity of Hard Rock Café brand. Any incident that erodes consumer trust in or affinity for the brand could significantly reduce its value to the business.

The Group could be adversely affected by negative publicity or news reports, whether accurate or not, regarding food quality issues, public health concerns, illness, safety, injury or government or industry findings concerning the Restaurants, restaurants operated by other food service providers or others across the food industry supply chain. Any such negative publicity could materially harm the Group's business and results of operations. Significant numbers of complaints or claims against the Group, even if meritless or unsuccessful, could force the Group to divert management and other resources from other business concerns, which may adversely affect our business and operations. Adverse publicity resulting from such allegations, even if meritless or unsuccessful, could cause customers to lose confidence in the Group, which may adversely affect the business of the Restaurants subject to such complaints and under the same or related brand. As a result, the Group may experience significant declines in our revenues and customer traffic from which we may not be able to recover.

As mitigating factor, Hard Rock Café franchise is an established and stable brand with very strong marketing and branding focus as their group performance will be very dependent on its popularity. The Group is confident that any adverse events affecting the brand will be addressed effectively and expeditiously by the franchisor.

The Group currently operates two Restaurants while the third is still under construction. The Group's future growth depends on its ability to open and profitably operate new restaurants. The number and timing of new Restaurants actually opened and their contribution to the Group's growth, are subject to a number of risks and uncertainties, including but not limited to the ability to:

- find quality locations and secure leases on commercially reasonable terms;
- secure the required government permits and approvals;
- obtain adequate financing for development and opening costs;
- efficiently manage the time and cost involved in the design, construction and preopening processes for each new restaurant;
- accurately estimate expected consumer demand in new locations and markets;
- secure adequate suppliers of food ingredients that meet the Group's quality standards;
- hire, train and retain skilled management and other employees on commercially reasonable terms; and
- successfully promote the new Restaurants and compete in the markets where our new restaurants are located.

The Group may not be able to open planned new Restaurants on a timely basis, if at all, and if opened, these Restaurants may not be operated profitably. Opening new Restaurants may place substantial strain on the managerial, operational and financial resources of the Group. Failure to open new Restaurants in accordance with the timetable in the Area Development Agreement (ADA) with the franchisor may have an adverse financial impact on the Group through the requirement to pay phantom royalties under the ADA and could give rights to the Franchisor to terminate the ADA.

The ADA imposes a non-compete restriction on the Group prohibiting it from having any interest or involvement in any themed restaurant or music entertainment establishment located within 10 miles of a HRC restaurant or establishment. This restriction may limit the ability of the Group to diversify its interests and operate other related restaurant businesses.

Business Expansion Risk

Opening of new restaurants could result in fluctuations the Group's financial performance.

The Group's operating results may be significantly influenced by the timing of opening of new Restaurants (often affected by factors beyond the Group's control), including initially lower sales and higher operating costs. New Restaurants also incur expenses before opening such as rental expenses. The number and timing of new Restaurant openings may have a meaningful impact on the Group's profitability. The Group's results of operations may fluctuate significantly from period to period and comparison of different periods may not be meaningful.

If the Group is unable to manage growth effectively, it may not be able to capitalise on new business opportunities.

The Group's expansion may place substantial demands on management and operational, technological, financial and other resources. The Group's planned expansion will also place significant demands to maintain consistent food and service quality across a larger Restaurant network.

To manage and support growth, the Group will need to improve its existing operational and administrative systems as well as our financial and management controls. The Group's continued growth also depends on its ability to recruit, train and retain additional qualified management personnel as well as other administrative, sales and marketing personnel. To accommodate growth, the Group will also need to continue managing relationships with suppliers and customers. All of these endeavours will require substantial management attention and efforts and significant additional expenditures. The Directors are not able to guarantee that the Group will be able to manage any future growth effectively and efficiently, and any failure to do so may materially and adversely affect the Group's ability to capitalise on new business opportunities, which in turn may have a material adverse effect on the Group's business and financial results.

The Group will require various approvals, licenses and permits to operate the Group's business.

The Group is subject to various government regulations. In accordance with the laws and regulations of the PRC, the Group is required to maintain various approvals, licenses and permits in order to operate its restaurant business in the PRC.

Each of the Restaurants in the PRC is required to obtain the relevant liquor retail license, food service license and/or public assembly venue hygiene license. In addition, each of the Restaurants in the PRC is required to obtain an environmental protection assessment and inspection approval, a fire safety design approval and a fire prevention inspection report. These approvals, licenses and permits are achieved upon satisfactory compliance with, amongst other things, the applicable food safety, hygiene, environmental protection, fire safety and wine laws and regulations. Most of these licenses are subject to examinations or verifications by relevant authorities and are valid only for a fixed period of time subject to renewal and accreditation.

Complying with government regulations may require substantial expense, and any non-compliance may expose the Group to liabilities. In case of any non-compliance, the Group may have to incur significant expense and divert substantial management time to resolving any deficiencies. The Group may also experience adverse publicity arising from such non-compliance with government regulations.

The Group may experience difficulties or failures in obtaining the necessary approvals, licenses and permits for new Restaurants. In addition, there can be no assurance that the Group will be able to obtain, renew and/or convert all of the approvals, licenses and permits required for the Group's existing business operations upon expiration in a timely manner or at all. If the Group cannot obtain and/or maintain all licenses required to operate the business, planned new business operations and/or expansion may be delayed and the Group's ongoing business could be interrupted. The Group may also be subject to fines and penalties.

To address the business expansion risk, the Group has adopted the following strategy:-

(1) it has sought collaboration with local expertise by working closely with CCCED to tap on their expertise and networking to best obtain relevant permits and licenses as well compliance with the government regulations for its cafes; and
(2) The Group is currently exploring other expansion modes, including potentially acquiring existing operating cafes and converting them into HRCW cafés to mitigate the business expansion risk including experienced management team, ready café with minor renovations to comply with the Group’s café outlook and established customer base.

Human Capital Risk

The Group's success depends on its key personnel.

The Group's senior management team has a limited history of working together. The Group's future success depends on the ability of the senior management team to work together and successfully implement the Group's growth strategy. The Group's future success also depends heavily upon the continuing services and performance of the Group's key management personnel, in particular our Executive Director and our Chief Executive Officer. Currently, the newly appointed CEO for the Group has been applying his hands-on approach and has been successful in taking over the operations of the two cafés . He is now very comfortable with the team and is confident of growing the team to take on the expansion of the Group.

The Group must continue to attract, retain and motivate a sufficient number of qualified management and operating personnel, including regional operational managers, restaurant general managers and executive chefs, to maintain consistency in the quality and atmosphere of Restaurants and meet the Group's planned expansion requirements.

If the Group's senior management team fails to work together successfully, or if one or more of the Group's senior managers is unable to effectively implement the Group's business strategy, the Group may be unable to grow its business at the speed or in the manner in which the Directors' expect. Competition for experienced management and operating personnel in the restaurant industry is intense, and the pool of qualified candidates is limited. The Group may not be able to retain the services of its key management and operating personnel or attract and retain high-quality senior executives or key personnel in the future.

If one or more of the Group's key personnel are unable or unwilling to continue in their present positions, the Group may not be able to replace them easily or at all, and the Group's business may be disrupted and its results of operations may be materially and adversely affected. In addition, if any member of the Group's senior management team or any of its other key personnel joins a competitor or forms a competing business, the Group may lose business secrets and know-how as a result. Any failure to attract, retain and motivate these key personnel may harm the Group's reputation and result in a loss of business.

These risks are further mitigated to the extent that the franchisor provides all necessary training to ensure that all outlets are operated and the Group can opt for secondment of required personnel from the franchisor.

Going concern

As described in note 2, the financial statements have been prepared on a going concern basis.

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. In order to achieve its business plan the Group will need to finance its capital expenditure and working capital requirements from its existing resources, from future revenues generated by the restaurants as they become established and from external sources of finance as required. As set out in more detail in note 2, the Group will need to raise further funds within the next 12 months

After making due enquiries, the Directors have a reasonable expectation that the Group has adequate resources, supplemented by the additional funds to be raised, to continue as a going concern for the foreseeable future and that the carrying values of intangible assets are not impaired. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

THONG Teong Bun
Chairman
23 July 2018

Although the UK Corporate Governance Code is not compulsory for companies whose shares are admitted to trading on Nasdaq First North, the Board recognises the importance of sound corporate governance and has developed governance policies appropriate for the group, with reference to the main provision of the Corporate Governance Code for small and mid-size quoted companies published by the Quoted Companies Alliance ("QCA") Guidelines.

(1) The Board, which comprises a Non-Executive Chairman, one Executive Director, and one Non-Executive Director, will meet regularly to consider strategy, performance, approval of major capital projects and the framework of internal controls.

(2) In addition, the Executive directors will meet on a regular basis for operational meetings

(3) To enable the board to discharges its duties, all directors will receive appropriate and timely information.

(4) All directors have access to the advice and services of Company Secretary, who is responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with

(5) The appointment and removal of the Company Secretary is a matter of the Board as a whole.

(6) In addition, procedures are in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

Directors are subject to retirement by rotation and re-election by the Shareholders at annual general meetings of the Company, as required by the Company's articles and any Director appointed by the Board shall hold office only until the next annual general meeting and shall then be eligible for election.

Two committees of the Board have been set up. Each of which will be chaired by Thong Teong Bun and will comprise the independent Non-Executive Director, Simon Retter and Executive Director, Shailen Gajera.

Two board meetings were set up during the reporting period (24 November 2017 and 1 February 2018)

Audit and Risk committee

This committee will have primarily responsibility for monitoring the quality of internal control ensuring that the financial performance of the company is properly measured and reported on and reviewing reports from the Company's auditors relating to the Company's accounting and internal controls, in all cases having due regard to the interests of shareholders. This Committee will also consider all matters referred to the Committee by executives responsible for health, safety and risk management. The Audit Committee will meet at least four times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required. No audit committee meeting took place during the reporting period.

Remuneration Committee

This committee will set the remuneration policy for all Executive Directors and review the performance of the Executive Directors and determine their term and condition of service, including their remuneration and pension rights and grants of options, having due regard to the interest of shareholders. The Remuneration Committee will meet at least twice a year and at such other times as may be required. No Remuneration committee meeting took place during the reporting period

The Company is dedicated to good corporate governance and recognizes the importance of social responsibility.

Corporate Governance Statement

As set out in the Company Description dated 1 February 2018, a Director shall not be required to hold any shares in the Company.

The Directors who served during the period ended 31 March 2018, and their interests at that date, are disclosed on Page 6. There were no changes between the balance sheet date and the date of approval of this report.

Directors' remuneration

Directors' remuneration for services as directors of the Company in the period was as follows:

Director	**Fees $'000**
Alex George	8
Thong Teong Bun	4
Shailen Gajera	4
Simon Retter	4
Total	**20**

Alex George has been appointed by the Company to act as an executive director under a service agreement dated 15 February 2018. His appointment commenced on the same day and is terminable on six months' written notice on either side. He is entitled to a fee of USD 60,000 per annum

Thong Teong Bun has been appointed by the Company to act as the Non-Executive Chairman under a service agreement dated 1 February 2018. His appointment however, commenced on 21 June 2017 and is terminable on six months' written notice on either side. He is entitled to a fee of €20,000 per annum.

Shailen Gajera has been appointed by the Company to act as an executive director under a service agreement dated 1 February 2018. His appointment however, commenced on 24 November 2017 and is terminable on six months' written notice on either side. He is entitled to a fee of €20,000 per annum.

Simon Retter has been appointed by the Company to act as the Non-Executive Director under a service agreement dated 1 February 2018. His appointment however, commenced on 21 June 2017 and is terminable on six months' written notice on either side. He is entitled to a fee of €20,000 per annum.

None of the Directors has any potential conflicts of interest between their duties to the Company and their private interests or other duties they may also have.

Currently, the Company does not currently have any emoluments such as wages, pension, share based payment long-term incentive schemes in place for any of the Directors and as such there are no disclosures in this respect.

The Directors present their report and the audited consolidated financial statements of HRC World Plc (the "Company") and its subsidiary undertakings (together with the "Group") for the period ended 31 March 2018.

Principal activities

The principal activities of the Company is that of investment holding and providing consultancy services. The principal activity of the Group is that of franchisor of the Hard Rock Café brand in China. There were no significant changes in the nature of the Company's principal activities during the year.

The principal activities of the subsidiaries are set out in note 10 to the financial statements.

Result and appropriations

The results of the Group for the period ended 31 March 2018 and the state of Group's affairs at that date are set out in the financial statements on pages 21 to 49.

The Directors do not currently recommend the payment of a dividend.

Business review and future developments

A summary of the Group's main business developments for the period ended 31 March 2018 and potential future developments is contained within the Chairman's Statement and Strategic Report

Financial risk management

The Group's objectives and policies in this regard are discussed in the Strategic Report

Share Capital

Details of movements in the Company's share capital during the period, together with the reasons thereof, are set out in Note 17 to the financial statements.

Substantial shareholders

As of the date of this report the Group had been notified of the following interests of 3% or more in the Company's ordinary share capital:

VCB A.G.	28,590,000	19.06%
VCB Capital - PTB	30,000,000	20.00%
Noorusaadah Binti Othman	15,000,000	10.00%
Zurich Equity Corporation Limited	7,350,000	4.90%
JPM Asia Limited	7,350,000	4.90%
Ho Sue Bia	7,000,000	4.67%
UBS for Private Wealth Clients	7,000,000	4.67%

Reserves

Details of movements in the Group's reserves during the period are set out in the consolidated statement of changes in equity on page 23.

Directors

The directors of the Company during the period were:

Thong Teong Bun
Shailen Gajera
Simon Retter
Alex George (appointed on 15 February 2018)

There being no provision in the Company's articles of association for retirement, all the director shall continue to hold office in the ensuing period.

Arrangements to purchase shares or debentures

At no time during the period was the Company, its subsidiaries or parent companies, a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in contracts

No contracts of significance to which the Company, its subsidiaries or parent companies was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

Management contract

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the period.

Disclosure of information to the auditor

In the case of each person who was a Director at the time this report was approved:

- so far as the Director was aware there was no relevant audit information of which the Company's auditor was unaware; and
- the Director has taken all steps that the he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor was aware of that information

Auditors

On 25 June 2018, Crowe Clark Whitehill LLP changed its name to Crowe U.K. LLP. A resolution to reappoint the auditor, Crowe U.K. LLP, will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.

THONG Teong Bun
Chairman
On behalf of the Board
23 July 2018

Director's Responsibility Statement

The Directors are responsible for preparing the Strategic Report, Directors' Report, any other surround information and the group and parent company financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare group and parent company financial statements for each financial year. Under that law, they are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and applicable law and have elected to prepare the parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under Company law, 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the Strategic Report and Directors' Report which comply with the requirement of the Companies Act 2006; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for ensuring that the Strategic Report, Directors' report and other information included the Annual Report and financial statements is prepared in accordance with applicable law in the United Kingdom. The maintenance and integrity of the Company's website is the responsibility of the Directors. The work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and other information included in the annual report may differ from legislation in other jurisdictions.

Opinion

We have audited the financial statements of HRC World Plc (the "Company") and its subsidiaries (the "Group") for the period ended 31 March 2018, which comprise:

- the Group income statement and statement of comprehensive income for the period ended 31 March 2018;
- the Group and Company statements of financial position as at 31 March 2018];
- the Group statement of cash flows for the period then ended;
- the Group and Company statements of changes in equity for the period then ended; and
- the 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 Group and Company financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2018 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 Group 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, 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.

Material uncertainty relating to going concern

We draw attention to note 2 to the financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be US$200,000, based on 5% of the Group's normalised loss before taxation.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of US$6,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Whilst the Group's accounting is centralised in Kuala Lumpur, Malaysia, the main activities of the Group are accounted for from three operating locations in United Kingdom, Hong Kong and People's Republic of China ("P.R. China").

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team. For the full scope components in Hong Kong and P.R China, where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

The primary team led by the Senior Statutory Auditor was ultimately responsible for the scope and direction of the audit process. The primary team interacted regularly with the component teams where appropriate during various stages of the audit and reviewed key working papers. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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) that we identified. These matters included 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.

This is not a complete list of all risks identified by our audit.

Key audit matter	*How the scope of our audit addressed the key audit matter*
Impairment of intangible assets	We reviewed the capitalised expenditure and ensured that it met the recognition criteria and that the assets were correctly measured in accordance with the Group's accounting policy and IAS 38. We challenged management's valuation of intangible assets and reviewed supporting calculations to provide assurance on the carrying value of these assets. We reviewed disclosures to ensure compliance with relevant standards.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report and strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 15, 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 Group'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 Group or 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 Chapter 3 of Part 16 of the Companies Act 2006. 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Bullock (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
23 July 2018

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

	Note	1 January 2017 to 31 March 2018 US$'000	(Restated) 1 January 2016 to 31 December 2016 US$'000
Turnover	5	7,417	424
Cost of sales	5	(6,132)	(394)
Gross profit		1,285	30
Other income		1	34
Listing costs		(312)	-
Selling and marketing expenses		(957)	(370)
General and administrative expenses		(4,138)	(1,555)
Loss from operations		(4,121)	(1,861)
Finance costs	7	(2,438)	(2,233)
Loss before tax	6	(6,559)	(4,094)
Income tax expense	9	-	-
Loss for the period attributable to the owners of the company		**(6,559)**	**(4,094)**
Items that may be reclassified subsequently to profit or loss:			
Other comprehensive income			
Translation of foreign operation		364	(79)
Total comprehensive loss for the period attributable to the owners of the company		**(6,195)**	**(4,173)**
Loss per share (basic and diluted) cent/share	19	(18.5)	n/a

The notes to the consolidated financial statements form an integral part of these financial statements.

All amounts are derived from continuing operations.

Consolidated Statement of Financial Position
As at 31 March 2018

	Note	At 31 March 2018 US$'000	(Restated) At 31 December 2016 US$'000	(Restated) At 1 January 2016 US$'000
Non-current assets				
Property, plant and equipment	11	2,751	2,119	-
Intangible assets	12	1,346	1,450	926
		4,097	**3,569**	**926**
Current assets				
Inventories	13	178	280	-
Trade and other receivables	14	1,181	513	-
Amount due from related companies	20	1,885	1,681	200
Amounts due from a shareholder	20	314	-	-
Cash and cash equivalents	15	456	2,223	830
		4,014	**4,697**	**1,030**
Current Liabilities				
Trade and other payables	16	1,731	3,102	1
Amount due to a shareholder	20	245	7	2,010
Amount due to director	20	103	103	-
		2,079	**3,212**	**2,011**
Net Current Asset/(Liabilities)		**1,935**	**1,485**	**(981)**
Total Assets less Current Liabilities		**6,032**	**5,054**	**(55)**
Non-Current Liabilities				
Loan from a shareholder	20	-	8,483	-
Net Assets/(Liabilities)		**6,032**	**(3,429)**	**(55)**
Capital and reserve				
Share capital	17	1,849	-	-
Share premium	17	1,808	-	-
Translation reserve	18	285	(79)	-
Merger reserve	18	12,799	800	1
Accumulated losses		(10,709)	(4,150)	(56)
Total Equity		**6,032**	**(3,429)**	**(55)**

The notes to the consolidated financial statements form an integral part of these financial statements.

This report was approved and authorised for issue by the Board of Directors on 23 July 2018 and signed on behalf by:

THONG Teong Bun
Chairman
23 July 2018

HRC World plc
(England & Wales Company No. 10829936)
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	-	(982)	(981)
Correction of error (Note 24)	-	-	-	-	926	926
Restated total equity at the beginning of the financial year	**-**	**-**	**1**	**-**	**(56)**	**(55)**
Exchange differences on translating foreign operations	-	-	-	(79)	-	(79)
Loss for the period	-	-	-	-	(4,094)	(4,094)
Total comprehensive loss for the year	**-**	**-**	**-**	**(79)**	**(4,094)**	**(4,173)**
Transaction with owners						
Issuance of the shares of subsidiary undertakings	-	-	799	-	-	799
As at 31 December 2016	**-**	**-**	**800**	**(79)**	**(4,150)**	**(3,429)**
Exchange differences on translating foreign operations	-	-	-	364	-	364
Loss for the period	-	-	-	-	(6,559)	(6,559)
Total comprehensive loss for the period	**-**	**-**	**-**	**364**	**(6,559)**	**(6,195)**
Transaction with owners						
Issuance of shares on group reconstruction	1,849	1,830	11,999	-	-	15,678
Issuance costs	-	(22)	-	-	-	(22)
As at 31 March 2018	**1,849**	**1,808**	**12,799**	**285**	**(10,709)**	**6,032**

The notes to the consolidated financial statements form an integral part of these financial statements.

HRC World plc
(England & Wales Company No. 10829936)
Consolidated Statement of Cash Flows
For the 15 Months Period ended 31 March 2018

	1 January 2017 to 31 March 2018 US$'000	(Restated) 1 January 2016 to 31 December 2016 US$'000
Cash flow from operating activities		
Loss before tax	(6,559)	(4,094)
Adjustments for:		
Bank interest income	(1)	(34)
Loan interest expense	2,438	2,233
Depreciation of property, plant, equipment	708	94
Amortisation of intangible assets	159	152
Operating cash flows before movements in working capital	(3,255)	(1,649)
Decrease/(increases) in inventories	102	(280)
Increase in trade and other receivables	(668)	(513)
Increase in amount due from related companies	(204)	(1,481)
Increase in trade and other payables	933	789
(Increases)/decrease in amount due to shareholders	(76)	7
Decrease in amount due to a director	-	(1,907)
Cash used in operations	**(3,168)**	**(5,034)**
Interest income	1	34
Net cash used in operating activities	**(3,167)**	**(5,000)**
Cash flows (for)/from investing activities		
Payments for acquisition of property, plant, and equipment	(1,117)	(2,213)
Payments for acquisition of intangible assets	-	(676)
Net cash used in investing activities	**(1,117)**	**(2,889)**
Cash flows (for)/from financing activities		
Proceeds from loans from a shareholder	605	8,483
Proceeds from issuing ordinary shares in subsidiary	-	799
Proceeds from issuing ordinary shares	1,826	-
Net cash generated from financing activities	**2,431**	**9,282**
Net (decrease)/increase in cash & cash equivalents	(1,853)	1,393
Effect of exchange differences	86	-
Cash and equivalents at beginning of period	2,223	830
Cash and equivalents at end of period	**456**	**2,223**

1. Corporate 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 with the name Hard ADA Rock plc. The Company was issued a certificate to commence trade on 19 July 2017.

On 28 November 2017 the Company was renamed HRC World plc.

Immediately prior to Admission, the Company acquired Hard Rock Capital Limited ("HRCL") and its subsidiaries through a share for share exchange transaction under which the Company acquired the entire issued share capital of Hard Rock Capital Limited in exchange for the issue of new Ordinary Shares in the Company. As at the date of Admission and at 31 March 2018, the Company held the entire issued share capital of Hard Rock Capital Limited.

The Company is the holding company of the Group which through its subsidiary Ada Holdings Limited ("AHL"), holds a franchise licence to potentially develop and operate more than 30 Hard Rock Cafés in China. AHL has signed a firm development agreement for 11 cafés in various cities in Central China including a first right of refusal to develop a café in Shanghai Disneyland Park and more recently, has signed a separate agreement for a first right of refusal to establish cafés in additional 20 cities across North and South China should Hard Rock agree to open cafés in those cities. The Group is currently seeking rights to develop Hard Rock Cafés in Taiwan, which it expects to be granted by the franchisor.

The financial statements are presented in United States dollars ("US$"), which is also the functional currency of the Company and the Group, and rounded to the nearest thousands (US$'000) unless it is stated otherwise.

2. Basis of Preparation

These financial statements have been prepared in accordance with International financial Reporting standards (IFRSs) as adopted by the European Union and the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

As described in note 1, the acquisition of HRCL by the Company was by way of a group reorganisation. The formation of the operating group headed by HRCL was affected by way of a re-organisation of entities which were under common control. As such, both combinations fall outside the scope of IFRS 3 "Business Combinations" (Revised 2008). The Directors have, therefore, decided that it is appropriate to reflect the combinations using the merger basis of accounting in order to give a true and fair view. No fair value adjustments were made as a result of that combination.

In accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, in developing an appropriate accounting policy, the Directors have considered the pronouncements of other standard setting bodies and specifically looked to accounting principles generally accepted in the United Kingdom ("UK GAAP") for guidance (FRS 102) which does not conflict with IFRS and reflects the economic substance of the transaction.

Under UK GAAP, the assets and liabilities of both entities are recorded at book value, not fair value. Intangible assets and contingent liabilities are recognised only to the extent that they were recognised by the legal acquirer in accordance with applicable IFRS. No goodwill is recognised, any expenses of the combination are written off immediately to the income statement and comparative amounts, if applicable, are restated as if the combination had taken place at the beginning of the earliest accounting period presented.

Although the reconstruction of the Group completed in 1 February 2018, these consolidated financial statements are presented as if the corporate structure has always been in place, including the activity from incorporation of the Group's principal subsidiary. All entities had the same management as well as majority shareholder. Accordingly, the comparative amounts for the year ended 31 December 2016 are presented on a pro-forma basis.

Going Concern

The financial statements are required to be prepared on the going concern basis unless it is inappropriate to do so.

The Directors, having considered "Going Concern and Liquidity Risk: Guidance for Directors of UK Companies" issued by The Financial Reporting Council in 2016, consider the going concern basis of preparation to be appropriate in preparing the financial statements. The key conclusions are summarised below:

Under the terms of the Area Development Agreement between the Group and Hard Rock Limited (Jersey) the Group acquired the rights to, and is committed to establishing and opening, eleven restaurants, of which two have been opened to date and a third will open shortly, over a specified time frame ending on 30 November 2025. The Group's business plan is predicated on achieving the roll out of restaurants as envisaged in that agreement.

In order to achieve its business plan the Group will need to finance its capital expenditure and working capital requirements from its existing resources, from future revenues generated by the restaurants as they become established and from external sources of finance as required.

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. In the period ended 31 March 2018, the Group recorded a loss after tax of US$ 6.559 million (2016: loss of US$ 4.094 million) and there was a net cash outflow from operating activities of US$ 3.167 million (2016: loss of US$ 5.000 million).

The requirement for additional funds constitutes a material uncertainty that may cast significant doubt on the ability of the Company and the Group to continue as a going concern.

The Company has engaged VCB Capital Sdn Bhd ("VCB Capital") to raise further equity funds to enable the Group to develop its business plan. Although there can be no guarantee of success of that fundraising the directors believe that the Company will be successful in raising the funds required. In the event that the Group requires further working capital in the short term the directors believe that working capital facilities will be made available by VCB A.G. an existing substantial shareholder, such support having been provided in the past.

Based on their assessment, the Directors have a reasonable expectation that the Group has adequate resources, supplemented by the additional funds to be raised, to continue as a going concern for the foreseeable future and that the carrying values of intangible assets are therefore not impaired. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

If the Group was unable to secure sufficient funding to enable it to continue on a going concern basis then adjustments would be necessary to write down assets to their recoverable amounts, reclassify fixed assets and long-term liabilities as current and provide for additional liabilities.

Application of new and revised International Financial Reporting Standards ("IFRSs")

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and in some cases have not yet been adopted by the EU.

At the date of authorisation of these financial statements, the Directors have reviewed the standards in issue by the International Accounting Standards Board ("IASB") and IFRIC, which are effective for annual accounting periods ending on or after the stated effective date. In their view, none of these standards would have a material impact on the financial statements of the Group in future period, except that IFRS 9 will impact the measurement of financial instruments, IFRS 15 may have an impact on revenue recognition and related disclosures and IFRS 16 will impact the treatment of an operating leases and its presentation. The Group plans to adopt these new standards on the required effective date.

IFRS 15 is intended to clarify the principles of revenue recognition and establish a single framework for revenue recognition. This supersedes IAS 18 Revenue and the core principle is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Based on an assessment, the Group believes that the services are rendered on their own in separate identified contracts with customers. The contract with customers for the services rendered is generally expected to be the only performance obligation and is not expected to have any significant impact on its consolidated financial performance. The directors will commence to develop appropriate systems, internal controls, policies and procedures necessary to collect information for the purpose of disclosure as required by IFRS 15.

IFRS 16 is likely to require the recognition of most operating lease commitments on the Group's balance sheet as assets and the recognition of a corresponding liability. At 31 March 2018 the present value of operating lease obligations was US$7.59 million (see note 25).

3. Significant estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and 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 the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a) Consolidation of HRCL and its subsidiary companies

As detailed in note 2, judgement was applied in the reporting periods in determining the Group's accounting policy for the combination of the Company and HRCL, both entities under common control prior to the group reorganisation.

Having considered the requirements of IAS 8 the transaction has been accounted for by combining both entities at their book value, with creation of merger reserve. No fair value adjustments have been made. This is a material accounting policy selection.

b) Going concern

As disclosed in note 2, these financial statements have also been prepared on a going concern basis notwithstanding the requirement to raise further funds.

c) **Recoverability of amounts due from a related company**

As disclosed in note 20, at 31 March 2018 an amount of US$1.885 million was receivable from ADA Ventures (Malaysia) Sdn Bhd, a company in which Noorusaadah Binti Othman is a shareholder. The directors consider this amount to be recoverable.

4. The principal accounting policies adopted are set out below.

a) 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.

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.

All intra-company transaction, balances, income and expenses are eliminated in full on consolidation.

b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements;

(i) Restaurant sales

Revenue from the sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Merchandise sales

Merchandise sales is recognised as revenues from sale of merchandise at the point of sale or the delivery of goods to the customer.

(iii) Event management income

Event management income relates to income derived from clients who require third party event management services and is recognised upon completion of the events;

(iv) Interest income

Interest income is recognised when earned.

c) Foreign currency transactions

Transactions in currencies other than the functional currency of the Group are recorded in functional currency at the rates of exchanges prevailing on the dates of the transactions. At each end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

On consolidation, exchange differences arising from the translation of the Group's net investment in foreign operations and of borrowings and other instruments denominated in foreign currencies are taken to other comprehensive income.

d) Employee benefits

Salaries, annual bonuses and paid annual leave are accrued in the year in which the associated services are rendered by employees.

e) Impairment of assets

An assessment is made at each of the end reporting period to determine whether there is any indication of impairment of all assets or reversal of previous impairment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior periods.

f) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profits or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

i) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably

j) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) *Financial assets*

Loans and receivable
All financial assets are classified as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loan and receivables comprise trade and other receivables, cash and cash equivalents, amounts due from a related company and amounts due from a shareholder in the statement of financial position.

(ii) *Impairment of financial assets*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognised in administration costs.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profits or loss and other comprehensive income.

(iii) *Financial liabilities and equity instruments*

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities
Financial liabilities are classified as financial liabilities measured at amortised costs.

k) Property, Plant and Equipment (PPE)

Property, plant and equipment are recorded at cost, net of accumulated depreciation and any provision for impairment. Depreciation is provided using the straight-line method to write off the cost of the asset less any residual value over its useful economic life as follows:

Decorations	-	5 years
Furniture & Fixtures	-	5 years
Computer & Equipment	-	3 years

Asset under construction are not depreciated as these assets are not yet available for use.
The carrying value of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

l) Intangible assets

Intangible assets are measured initially at cost. Following initial acquisition, initial assets are carried at cost less any accumulated amortisation and any accumulated impairment loss.

Franchise rights
Costs relating to master franchise fee paid are capitalised and amortised on a straight-line basis over the lease/franchise period. Franchise costs are to be amortised over 10 year period.

Software
Costs relating to software implemented /or acquired by the company are capitalised and amortised on a straight-line basis over the license period of 5 years.

m) Inventory

Inventory comprises raw material, consumables, semi-finished goods, finished goods and base inventories.

Inventory is valued at purchase and cost accounted for on a weighted average cost basis. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

n) Segmental reporting

For management purpose, the group is organised into operating segments based on their business group which are independently managed by the respective segment managers responsible for the performance of the respective business group under their charge.

In addition, the group also reviews the operating segments by geographical area in order to allocate resources to the segments and assess performance for business strategy and promotion for each segments.

5. Segmental information

The Group's activities, comprehensive income, assets and liabilities are wholly attributable to three operating segments namely Restaurant income and Event management income. Restaurant revenue is derived from the sale of food and beverages and merchandise in the café sites. Revenue arises from two geographical segments - China and Hong Kong.

As required by IFRS 8 Operating segments, the segmental information presented in the financial statements is reported in a manner consistent with the internal reporting provided to the Chief Executive Officer. The Chief Executive Officer, who is responsible for allocating resources and assessing performance, has been identified as a member of the Board of Directors.

The principal activity of the Group during the year continued to be operations of the two restaurants in Shanghai and Hangzhou. The third restaurant is slated to open by the end of August 2018.

Operating segments	**Restaurant income**	**Event Management income**	**Corporate head offices**	**Total**
	US$'000	US$'000	US$'000	US$'000
Period ended 31 March 2018				
Revenue	3,817	3,600	--	7,417
Cost of sales	(3,192)	(2,940)	-	(6132)
Other income	1	-	-	1
Listing cost		-	(312)	(312)
Selling and marketing expenses	(957)	-	-	(957)
Operating expenditure	(3,933)	(130)	(75)	(4,138)
Loss from operations	**(4,264)**	**530**	**(387)**	**(4,121)**
Segment assets	5,211	2,306	594	8,111
Segment liabilities	(1,499)	(383)	(197)	(2,079)
Capital expenditure	1,117	-	-	1,117
Depreciation and amortisation	(867)	-	-	(867)
Year ended 31 December 2016				
Revenue	424	-	-	424
Cost of sales	(394)	-	-	(394)
Other income	6	28	-	34
Selling and marketing expenses	(370)	-	-	(370)
Operating expenditure	(1,534)	(21)	-	(1,555)
Loss from operations	**(1,868)**	**7**	**-**	**(1,861)**
Segment assets	5,569	2,697	-	8,266
Segment liabilities	(997)	(2,215)	(8,483)	(11,695)
Capital expenditure	2,889	-	-	2,889
Depreciation and amortisation	(246)	-	-	(246)

Geographical segments	**China**	**Hong Kong**	**UK**	**Total**
	US$'000	US$'000	US$'000	US$'000
Period ended 31 March 2018				
Revenue	3,817	3,600	-	7,417
Non-current assets	3,361	736	-	4,097
Year ended 31 December 2016				
Revenue	424	-	-	424
Non-current assets	2,738	831	-	3,569

During the reporting period, the following customer contributed more than 10% of the revenue for the Group:

	1 January 2017 to 31 March 2018 US$'000	1 January 2016 to 31 December 2016 US$'000
Arab Emirates Credit Limited	3,600	-
	3,600	-

The revenue from that customer is included in event management revenue.

6. Loss before Tax

The Group's loss before tax is arrived at after charging / (crediting):

	1 January 2017 to 31 March 2018 US$'000	1 January 2016 to 31 December 2016 US$'000
Amortisation cost	159	152
Consultation fee	12	8
Operating lease	1,598	412
Depreciation	708	94
Employee benefit expense	2,284	405
Auditor's remuneration		
Fees payable to company's auditor in respect to the audit of the Company and consolidated financial statements	33	15
Non audit fees payable to company's auditor relating to the transaction services	74	-
	107	15

7. Finance Costs

	1 January 2017 to 31 March 2018 US$'000	1 January 2016 to 31 December 2016 US$'000
Interest payable to a shareholder	2,438	2,233

8. Employee benefit expenses

	1 January 2017 to 31 March 2018 US$'000	1 January 2016 to 31 December 2016 US$'000
Wages and salaries	1,754	354
Social security costs	530	51
	2,284	405

Directors and senior management are regarded the key management personnel of the Group and their emoluments are disclosed below:

	1 January 2017 to 31 March 2018 US$'000	1 January 2016 to 31 December 2016 US$'000
Director	20	-
Senior management	731	250
	751	250

The average number of employees at each reporting period as follows:

	1 January 2017 to 31 March 2018	1 January 2016 to 31 December 2016
Director	3	-
Senior management	18	10
Restaurant	102	16
	123	26

9. Income Tax Expense

No liability to the corporation tax arose for the period ended 31 March 2018 and year ended 31 December 2017, as the Group did not generate any assessable profits during the reporting period.

Each subsidiary undertakings is regarded as tax resident in its country of incorporation. The Group's principal trading entities are based in Hong Kong and China. The corporation tax rate in Hong Kong is 16.5% (2016: 16.5%). The Chinese subsidiary undertakings are subject to China Income Tax at 25% (2016: 25%).

	1 January 2017 to 31 March 2018 US$'000	1 January 2016 to 31 December 2016 US$'000
Loss before tax	(6,559)	(4,094)
Tax at the effective tax rate – see below	(1,372)	(842)
Unrelieved tax losses	-	9
Unrecognised deferred tax	1,372	842
	-	-

The Group has incurred indefinitely available tax losses of approximately $2.22 million (2016: $0.85 million) to carry forward against future taxable income of the subsidiaries in which the losses arose and they cannot be used to offset taxable profits elsewhere in the Group.

No deferred tax asset has been recognised in respect of such losses and temporary differences due to the unpredicatability of future profit streams. Such losses may be carried forward indefinitely.

The Group's effective rate of tax is a composite of the rates applicable in China and Hong Kong, depending on the mix of trading activities in those jurisdictions. In the period ended 31 March 2018 the rate was 20.9% and in the year ended 31 December 2016 the rate was 20.6%

10. Subsidiary undertakings

The details of the subsidiaries in the Group are as follows:

Name of company	Note	Country of incorporation	Effective holding	Principal activities
Hard Rock Capital Limited		BVI	100%	Investment holding
HRCL (CC) Limited		BVI	100%	Investment holding
Ada Holdings Limited		Hong Kong	100%	Investment holding
ADA Ventures China Café Management & Trading Co., Ltd		PR China	100%	Restaurant management
Shanghai Ou Yue Food and Bar Management Co., Ltd		PR China	100%	Food and bar management services
Miaoshi Food and Bar Management (Hangzhou) Co., Ltd		PR China	100%	Food and bar management services
ADA Ventures Chengdu Food and Bar Co		PR China	100%	Food and bar management services
HRC Shanghai (Hong Kong) Limited		Hong Kong	100%	Investment holding
HRC Hangzhou (Hong Kong) Limited		Hong Kong	100%	Investment holding

Below is the registered address of the subsidiary undertakings.

Hard Rock Capital Limited	Coastal Building, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola British Virgin Islands
HRCL (CC) Limited	Coastal Building, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola British Virgin Islands
Ada Holdings Limited	Room 2104, Mongkok Commercial Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong
ADA Ventures China Café Management & Trading Co., Ltd	Room 286,2nd Floor, Building 1, No. 350, Fute East Road, Free Trade Zone Shanghai, People's Republic of China
Shanghai Ou Yue Food and Bar Management Co., Ltd	No. 249, North Maoming Road, Jing'an District, Shanghai.
Miaoshi Food and Bar Management (Hangzhou) Co., Ltd	1.122-123, Main Floor Building 3, Kerry Centre, No 385 Yan'an Road, Xiacheng District, China
ADA Ventures Chengdu Food and Bar Co	107A, 1st Floor, Building 106, 7, 1st Floor, Building 6, Languifang, No. 1, Shuijin Street, Jinjiang District, Chengdu, Sichuan Province, China
HRC Shanghai (Hong Kong) Limited	Room 2104, Mongkok Commercial Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong
HRC Hangzhou (Hong Kong) Limited	Room 2104, Mongkok Commercial Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong

11. Property, Plant and Equipment

	Decoration US$'000	Furniture and fixture US$'000	Computers and equipment US$'000	Asset under construction US$'000	Total US$'000
Cost					
At 1 January 2016	-	-	-	-	-
Additions	1,028	58	233	894	2,213
At 31 December 2016	**1,028**	**58**	**233**	**894**	**2,213**
Additions	812	36	269		1,117
Transfers	834	-	-	(834)	-
Forex translation	233	10	44	-	287
At 31 March 2018	**2,907**	**104**	**546**	**60**	**3,617**
Accumulated depreciation					
At 1 January 2016					
Charge for the period	(84)	(2)	(8)	-	(94)
At 31 December 2016	**(84)**	**(2)**	**(8)**	**-**	**(94)**
Charge for the period	(558)	(23)	(127)	-	(708)
Forex translation	(52)	(2)	(10)		(64)
At 31 March 2018	**(694)**	**(27)**	**(145)**	**-**	**(866)**
Net book value					
At 31 December 2016	944	56	225	894	2,119
At 31 March 2018	2,213	77	401	60	2,751

Depreciation of property, plant and equipment is included in administrative expenses in the consolidated statement of comprehensive income.

The carrying amount of assets under construction carried at cost represents equipment installation and plant renovation as at the end of the reporting period.

12. Intangible Assets

	Franchise US$'000	Software US$'000	Total US$'000
Cost			
At 1 January 2016	950	-	950
Additions	500	176	676
At 31 December 2016	**1,450**	**176**	**1,626**
Forex translation	52	12	64
At 31 March 2018	**1,502**	**188**	**1,690**
Accumulated amortisation			
At 1 January 2016	(24)	-	(24)
Charge for the period	(146)	(6)	(152)
At 31 December 2016	**(170)**	**(6)**	**(176)**
Charge for the period	(114)	(45)	(159)
Forex translation	(7)	(2)	(9)
At 31 March 2018	**(291)**	**(53)**	**(344)**
Net book value			
At 31 December 2016	1,280	170	1,450
At 31 March 2018	1,211	135	1,346

Franchise included as an intangible asset isfee amounts paid for the right to utilise intellectual properties in connection with the operation of Hard Rock Cafés at specified location within exclusive area.

Total franchise costs are amortised over the franchise period of 10 years

13. Inventories

	At 31 March 2018 US$'000	At 31 December 2016 US$'000
Material procurement	46	158
Goods in transit	-	9
Merchandise inventory	132	113
	178	280

Inventory recognised in cost of sales during the reporting period as an expense was US$3,191,781 (2016 - US$382,445).

14. Trade and other receivables

	At 31 March 2018 US$'000	At 31 December 2016 US$'000
Trade receivable	400	-
Prepayment	279	126
Other receivable	502	387
	1,181	513

15. Cash and Cash Equivalents

	At 31 March 2018 US$'000	At 31 December 2016 US$'000
Cash on hand	5	5
Cash at bank	451	2,218
	456	2,223

16. Trade and other payable

	At 31 March 2018 US$'000	At 31 December 2016 US$'000
Trade payables	244	686
Interest payables	-	2,233
Accruals	46	15
Other payables	1,441	168
	1,731	3,102

17. Share capital and share premium

	Number of ordinary shares	Share capital US$'000	Share premium US$'000
Issued and fully paid			
On incorporation	1	-	-
Issued on 7 July 2017	57,099	71	-
Subdivision of shares on 24 November 2017	5,652,900	-	-
Issued on 1 February 2018	142,790,000	1,760	-
Issued on 1 February 2018	1,500,000	18	1,830
Share issue costs	-	-	(22)
At 31 March 2018	150,000,000	1,849	1,808

The Company was incorporated on 21 June 2017 with an issued share capital of 1 ordinary share with a nominal value of €1.

On 7 July 2017 the Company issued a further 57,099 ordinary shares of €1 credited as fully paid increasing its issued share capital to 57,100 ordinary shares of €1.

On 24 November 2017 an ordinary resolution was passed pursuant to which each ordinary share of €1 was subdivided into 100 ordinary shares €0.01.

On 1 February 2018 142,790,000 ordinary shares of €0.01 each were issued pursuant to the Share Exchange Agreement.

Prior to Admission, there were 148,500,000 fully paid up Ordinary Shares of €0.01 each in issue. At Admission, a further 1,500,000 Placing Shares were issued pursuant to the Placing.

18. Reserves

Share premium

Share premium is the aggregate of amounts received for the issue of share capital less the nominal value of the shares issued and less any costs permitted to be deducted under applicable law.

Merger Reserve

The merger reserve arose on the acquisition of HRCL by the Company. The application of merger accounting principles has resulted in a balance in consolidated capital and reserves that has been classified as a merger reserve and included in consolidated shareholders' funds.

Translation reserve

The translation reserve represents cumulative foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

Accumulated losses

Accumulated losses represent the cumulative balance of losses recognised.

19. Loss per share

Basic loss per ordinary share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There are currently no dilutive potential ordinary shares.

Loss per share attributed to ordinary shareholders

	1 January 2017 to 31 March 2018 US$'000	1 January 2016 to 31 December 2016 US$'000
Loss for the period attributable to owners	(6,559)	(4,094)
Weighted average number of shares (Unit)	35,364,055	-
Per-share amount (cent)	(18.5)	n/a

20. Related party transaction

Prior to admission date, the group was under the control of Noorusaadah Binti Othman.

Key management personnel compensation has been disclosed in Note 8.

Transactions between the Company and its subsidiaries and between subsidiaries have been eliminated on consolidation.

In addition to the related party information disclosed elsewhere in the financial statements, the following were significant related party transactions during the year under review and at terms and rates agreed between the parties:

	At 31 March 2018 US$'000	At 31 December 2016 US$'000
Amount due from a related company		
ADA Ventures (Malaysia) Sdn Bhd	1,885	1,681
Amounts due from/(to) shareholders		
VCB AG	314	-
VCB AG	(245)	(7)
Amounts due to shareholders		
Noorusaadah Binti Othman	103	103

Amounts due to and from shareholders and related parties represent advances in connection with, and amounts payable arising from, funding arrangements preparatory to the Company's listing transaction. The directors consider the fair value of the amounts to materially approximate to their carrying amounts. Noorusaadah Binti Othman is also a shareholder of ADA Ventures (Malaysia) Sdn Bhd

Amounts due from shareholders

At 31 December 2016, the Group had a loan from a shareholder in ADA Holdings Limited (ADA) of US$ 8,483,000. The loan from the shareholder was interest-bearing at 50% per annum, to reduce yearly by 10% per annum to a final rate of 10% per annum, was unsecured, and had no fixed term of repayment. The carrying amount approximated to its fair value.

During the period ended 31 March 2018, the principal loan amount together with accumulated interest, was converted to equity upon issuance of Redeemable, Cumulative and Convertible Preference Shares ("RCCPS") pursuant to subscription agreement between ADA and the shareholder and subsequently converted into ordinary shares in the Company on completion of the share exchange transaction under which the Company became the holding company of the Group.

21. Net debt reconciliation

The below table sets out an analysis of net debt and the movement in net debt for the years presented:

	At 31 March 2018 US$'000	At 31 December 2016 US$'000
Cash and cash equivalents	456	2,223
Loan from a shareholder	-	(8,483)
Net debt	456	(6,260)

	Cash and cash equivalents US$'000	Loan from a shareholder US$'000	Total US$'000
Net debt as at 1 January 2016	**830**	**-**	**830**
Cash flow	1,393	(8,483)	(7,090)
Other non-cash movement	-	(2,233)	(2,233)
Net debt as at 31 December 2016	**2,223**	**(10,716)**	**(8,493)**
Cash flow	(1,853)	(605)	(2,458)
Effect of foreign exchange	86	-	86
Other non-cash movement	-	(2,438)	(2,438)
Conversion of debt to equity	-	13,759	13,759
Net debt as at 31 March2018	456	-	456

22. Capital Management

Capital comprises share capital and reserves. The Group's objective when managing capital is to provide sufficient resources to allow the continued investment in new restaurants and products that is required in the rapidly changing market in which the Group operates and to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders.

23. Financial Instruments

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables and trade and other payable. The Group's accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial assets, financial liability and equity instrument are set out in Note 4. The Group does not use financial instruments for speculative purposes.

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

	At 31 March 2018 US$'000	At 31 December 2016 US$'000
Financial assets		
Loan and receivables		
Trade and other receivables	902	387
Amount due from related companies	1,885	1,681
Amount due from shareholders	314	-
Cash and cash equivalents	456	2,223
Total financial assets	**3,557**	**4,291**
Financial liabilities measure at amortised costs		
Trade and other payables	1,731	3,102
Amount due to a shareholder	245	7
Amount due to director	103	103
Loan from a shareholder	-	8,483
Total financial assets	**2,079**	**11,695**

i) Financial risk management

Exposure to foreign currency, credit, liquidity and cash flow interest rate risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

Foreign currency risk

The Group has some exposure to foreign currency risk. The Group purchases and sells in various foreign currencies, mainly Renminbi that exposes it to foreign currency risk arising from such purchases and sales and the resulting receivables and the payables. However, the Group continuously monitors its foreign currency position.

The carrying amounts of the Group's financial instruments are denominated in the following currencies at each reporting year:

	RMB	DKK	HKD	GBP	USD	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 31 March 2018						
Financial assets						
Trade and other receivables	478	12	-	12	400	902
Amount due from related companies	-	-	-	-	1,885	1,885
Amount due from shareholders	-	-	-	-	314	314
Cash and cash equivalents	191	-	-	257	8	456
	669	**12**	**-**	**269**	**2,607**	**3,557**
Financial liabilities						
Trade and other payables	1,498	36	22	57	118	1,731
Amount due to a shareholder	-	-	-	-	245	245
Amount due to director	-	-	-	-	103	103
	1,498	**36**	**22**	**57**	**466**	**2,079**
Net financial asset/(liabilities)	**(829)**	**(24)**	**(22)**	**212**	**2,141**	**1,478**

	RMB	DKK	HKD	GBP	USD	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 31 December 2016						
Financial assets						
Trade and other receivables	387	-	-	-	-	387
Amount due from related companies	-	-	-	-	1,681	1,681
Amount due from shareholders	-	-	-	-	-	-
Cash and cash equivalents	1,293	-	-	-	930	2,223
	1,680	**-**	**-**	**-**	**2,611**	**4,291**
Financial liabilities						
Trade and other payables	853	-	-	-	2,249	3,102
Amount due to a shareholder	-	-	-	-	7	7
Amount due to director	-	-	-	-	103	103
Loan from a shareholder	-	-	-	-	8,483	8,483
	853	**-**	**-**	**-**	**10,842**	**11,695**
Net financial asset/(liabilities)	**827**	**-**	**-**	**-**	**(8,231)**	**(7,404)**

The sensitivity analysis in the table below details the impact of changes in foreign exchange rates on the Group's post-tax profit or loss for each reporting period.

It is assumed that the named currency is strengthening or weakening against all other currencies, while all the other currencies remain constant.

If the USD strengthened or weakened by 10% against the other currencies, with all other variables in each case remaining constant, then the impact on the Group's post-tax profit or loss would be gains or losses as follows:

	Strengthen US$'000	Weaken US$'000
For the period ended 31 March 2018		
RMB	(79)	79
DKK	(1)	1
GBP	(20)	20

	Strengthen US$'000	Weaken US$'000
For the year ended 31 December 2016		
RMB	(185)	185

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of reporting period in relation to each class of recognized financial assets is the carrying amounts of those assets as stated in the statement of financial position.

To minimise this risk the Group has a policy of only dealing with customers who have either demonstrated creditworthiness or can provide sufficient collateral. To determine previous creditworthiness the Group makes use of independent rating agencies, other publicly available financial information and its own trading records. The Group's exposure and its customers creditworthiness is continually monitored so that any potential problems are detected at an early stage. In addition credit limits are set in order to minimise credit exposure.

Credit Risk Concentration Profile
The Group's major concentration of credit risk relates to the amounts owing by the customer Arab Emirates Credit Limited (2016 - none), which constituted approximately 100% (2016 - Nil%) of its total trade receivables as at the end of the reporting period.

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is in Singapore

Exposure to Credit Risk
At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment losses.

Ageing analysis
The ageing analysis of receivables at the end of the reporting periods as follow:

	Gross amount	Individual impairment	Carrying value
	US$'000	US$'000	US$'000
At 31 March 2018			
Not past due	781	-	781
Past due			
- Less than 3 months	-	-	-
- Over 3 months	400	-	400
	1,181	-	1,181

The Group's normal trade credit term range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis. No impairment provision made against the carrying value of the trade receivables at each reporting period. Of the receivables above, amounts of $400,000 are past due and not impaired.

Liquidity risk

The directors have ultimate responsibility for liquidity risk management in maintaining adequate reserves, banking facilities and reserve borrowing facilities. They do this by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As set out in note 2, there is a material uncertainty in relation to liquidity risk at the date of approval of the financial statements.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group can be required to pay.

	Carrying amount	Within 1 year or on demand	Over 1 year but less than 5 years
	US$'000	US$'000	US$'000
Trade payables	244	244	-
Accrual and other payables	1,487	1,487	-
Amount due to a shareholder	245	245	-
Amount due to a director	103	103	-
	2,079	2,079	-

Interest rate risk

The Group's exposure to interest rate risk mainly arises from its bank balances and loans from shareholders. As set out in note 20, the Group converted the interest bearing shareholder's loan into equity of the subsidiary undertaking prior to the admission. As a result, the exposure of interest rate risk is considered not significant. The Group does not use any other derivative instruments to reduce its economic exposure to changes in interest rates.

24. Prior year restatement

The Group has restated its previously published financial information to correct an error. Previously recognised revenue expenditure of US$950,000 representing payments to the franchisor, has been capitalised as intangible franchise assets. The correction is reflected in the carrying value of intangible assets and accumulated amortisation thereon.

The error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

	At 31 December 2016	Increase/ (decrease)	(Restated) At 31 December 2016
	US$'000	US$'000	US$'000
Statement of financial position (extracts)			
Intangible assets	524	926	1,450
Net assets/(liabilities)	**(4,355)**	**926**	**(3,429)**
Accumulated loss	(5,076)	926	(4,150)
Total equity	**(4,355)**	**926**	**(3,429)**

	At 1 January 2016	Increase/ (decrease)	(Restated) At 1 January 2016
	US$'000	US$'000	US$'000
Statement of financial position (extracts)			
Intangible assets	-	926	926
Net assets/(liabilities)	**(981)**	**926**	**(55)**
Accumulated loss	(982)	926	(56)
Total equity	**(981)**	**926**	**(55)**

	At 1 January 2016	Increase/ (decrease)	(Restated) At 1 January 2016
	US$'000	US$'000	US$'000
Statement of comprehensive income (extracts)			
Operating costs	(5,444)	926	(4,518)
Loss after tax	(5,020)	**926**	**(4,094)**

25. Operating lease commitment

There Group's future minimum lease payments under non-cancellable operating leases are as follows:

	At 31 March 2018 US$'000	At 31 December 2016 US$'000
Land & buildings		
Not later than one year	1,618	1,406
Between 1 to 3 years	3,405	2,947
More than 3 years	2,569	4,136
	7,592	8,489

The Group's significant leasing arrangements relate to operating leases on restaurant premises.

26. Capital commitments

There Group's capital commitment are as follows:

	At 31 March 2018 US$'000	At 31 December 2016 US$'000
Restaurant Franchise Agreement fee	250	-
Construction cost	1,054	-
	1,304	-

27. Ultimate controlling party

There is no known ultimate controlling party.

28. Subsequent events

There were no material subsequent events requiring disclosure.

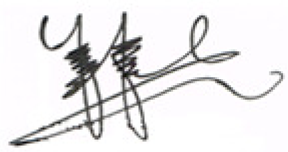
HRC World plc
(England & Wales Company No. 10829936)
Company Statement of Financial Position
As at 31 March 2018

	Note	At 31 March 2018 US$'000
Other assets		
Investments in subsidiaries	4	2,872
Current assets		
Prepayments and other receivables		24
Amounts due from shareholder	5	314
Cash and cash equivalents		257
		595
Current Liabilities		
Accrual and other payables	6	197
		197
Net Current Asset/Liabilities		**393**
Total Assets less Current Liabilities		**3,270**
Capital and reserve		
Share capital		1,849
Share premium		1,808
Accumulated losses		(387)
Total Equity		**3,270**

The loss for the Company for the period ended 31 March 2018 was US$387,000.

The notes to the financial statements form an integral part of these financial statements.

This report was approved and authorised for issue by the Board of Directors on 23 July 2018 and signed on behalf by:



THONG Teong Bun
Director

Company Statement of Changes in Equity
to 31 March 2018

	Share capital US$'000	Share Premuim US$'000 '	Accumulated losses US$'000	Total US$'000
Issuance of the shares	1,849	1,830	-	3,679
Issuance cost	-	(22)	-	(22)
Loss for the period	-	-	(387)	(387)
As at 31 March 2018	1,849	1,808	(387)	3,270

Share capital comprises the ordinary issued share capital of the Company.

Share premium comprises the excess above the nominal value of the new ordinary shares issued during the period.

Retained earnings represent the aggregate retained earnings of the Company.

The notes to the financial statements form an integral part of these financial statements.

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 with the name Hard ADA Rock plc.

On 28 November 2017 the Company was renamed HRC World plc.

The financial statements are presented in United States dollars ("US$"), which is also the functional currency of the Company and the Group, and rounded to the nearest thousands (US$'000) unless it is stated otherwise.

2. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the historical cost convention. The financial statements have been prepared in accordance with FRS 101 – The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006. The principal accounting policies are described below. They have all been applied consistently throughout the period.

The company meets the definition of a qualifying entity under FRS 101 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The Company has taken advantage of section 408 of the Companies Act 2006 and, consequently, a profit and loss account for the Company alone has not been presented. The Company's loss for the financial period was approximately $387,000.

Investment

Investments in subsidiaries are stated at cost less provision for impairment. Where merger relief is applicable, the cost of the investment is recorded at the fair value on the date of the transaction. The difference between the fair value of the investment and the nominal value of the shares (plus the fair value of any other consideration given) is shown as a merger relief reserve and no share premium is recognised

Cash and cash equivalents

Cash in the statement of financial position is cash held on call with banks.

Financial assets

The directors classify the company's financial assets as loans and receivables held at amortised cost less provisions for impairment.

The directors determine the classification of its financial assets at initial recognition.

Financial liabilities

Financial liabilities are classified as financial liabilities measured at amortised cost.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

3. Staff costs

There is no employees employed by the company other than the directors. The directors are regarded as the key management and their remunerations are disclosed in note 8 to the consolidated financial statements.

4. Investments in subsidiaries

	Cost of investment US$'000	Loan to group undertakings US$'000	Total US$'000
Additions	1,760	-	1,760
Movement of intercompany loans	-	1,112	1,112
	1,760	1,112	2,872

The details of the subsidiary are set out in the note 10 to the consolidated financial statements.

5. Amounts due from shareholders

The details of the amounts from shareholders are set out in the note 20 to the consolidated financial statements.

6. Accruals and other payables

	Total US$'000
Accruals	10
Other payables	187
	197

7. Share capital and share premium

The details are set out in the note 17 to the consolidated financial statements.

At 31 March 2018, the total number of issued ordinary shares of the Company was 150,000,000.