

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 AUG 2018

	Unaudited 2018 Current Quarter Ended 31-Aug RM'000	Unaudited 2017 Comparative Quarter Ended 31-Aug RM'000	Unaudited 2018 Cumulative Year To Date 31-Aug RM'000	Unaudited 2017 Cumulative Year To Date 31-Aug RM'000
Revenue	8,146	7,836	8,146	7,836
Cost of sales	-	(3,577)	-	(3,577)
Gross profit	<u>8,146</u>	<u>4,259</u>	<u>8,146</u>	<u>4,259</u>
Other income	111	141	111	141
Selling and distribution	(16)	(2)	(16)	(2)
Administrative and general expenses	(393)	(467)	(393)	(467)
Profit / (Loss) Before Interest, Taxes, Depreciation and Amortisation	<u>7,848</u>	<u>3,931</u>	<u>7,848</u>	<u>3,931</u>
Amortisation of Intangible Assets	(157)	(161)	(157)	(161)
Depreciation	(830)	(71)	(830)	(71)
Profit / (Loss) from operations	<u>6,861</u>	<u>3,700</u>	<u>6,861</u>	<u>3,700</u>
Finance Cost	(15)	(11)	(15)	(11)
Profit / (Loss) before tax	<u>6,846</u>	<u>3,689</u>	<u>6,846</u>	<u>3,689</u>
Profit / (Loss) before tax is stated after charging/(crediting):-				
Interest income	(35)	(7)	(35)	(7)
Impairment loss on trade receivables	-	-	-	-
Depreciation and amortisation	987	232	987	232
Foreign exchange (gain) / loss	(75)	(134)	(75)	(134)
Income tax expense	(1,902)	(662)	(1,902)	(662)
Profit / (Loss) for the period	<u>4,944</u>	<u>3,027</u>	<u>4,944</u>	<u>3,027</u>
Foreign currency translation	-	-	-	-
Total comprehensive profit / (loss)	<u>4,944</u>	<u>3,027</u>	<u>4,944</u>	<u>3,027</u>
Attributable to :-				
Owners of the Company	4,944	3,027	4,944	3,027
Non-Controlling Interests	-	-	-	-
	<u>4,944</u>	<u>3,027</u>	<u>4,944</u>	<u>3,027</u>
Total comprehensive profit / (loss) attributable to:-				
Owners of the Company	4,944	3,027	4,944	3,027
Non-Controlling Interests	-	-	-	-
	<u>4,944</u>	<u>3,027</u>	<u>4,944</u>	<u>3,027</u>
Earnings / (Loss) per share - Basic (sen)	1.07	0.95	1.07	0.95
- Diluted (sen)	1.07	0.77	1.07	0.77

Note:

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the period ended 31 May 2018 and the accompanying explanatory notes attached to the interim financial statements.

UCREST BERHAD
(formerly known as Palette Multimedia Berhad)
(Company No.: 420056-K)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUG 2018

	Unaudited As At 31-Aug 2018 RM'000	Audited As At 31 May 2018 RM'000
<u>ASSETS</u>		
Non-Current Assets		
Property, Plant and Equipment	1,874	1,087
Intangible Assets	33,018	29,365
Total Non-Current Assets	<u>34,892</u>	<u>30,452</u>
Current Assets		
Inventories	26	26
Trade Receivables	5,943	4,974
Other Receivables	309	320
Deposits, cash and bank balances	6,737	6,205
Total Current Assets	<u>13,015</u>	<u>11,525</u>
Total Assets	<u>47,907</u>	<u>41,977</u>
<u>EQUITY AND LIABILITIES</u>		
Capital and Reserves		
Share capital	21,762	21,762
Share premium		
Warrants reserve		
Accumulated profit / (loss)	15,209	10,265
Total Equity	<u>36,971</u>	<u>32,027</u>
Non-Current Liabilities		
Trade and other payables	509	494
Deferred tax liabilities	1,350	1,482
Total Non-Current Liabilities	<u>1,858</u>	<u>1,976</u>
Current Liabilities		
Trade and other payables	6,923	7,854
Income tax liabilities	2,154	120
Total Current Liabilities	<u>9,077</u>	<u>7,974</u>
Total Liabilities	<u>10,936</u>	<u>9,950</u>
Total Equity and Liabilities	<u>47,907</u>	<u>41,977</u>
Net Assets Per Share Attributable to owners of the Company (Sen)	7.97	6.90

Note:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 May 2018 and the accompanying explanatory notes attached to the interim financial statements.

UCREST BERHAD
(formerly known as Palette Multimedia Berhad)
(Company No.: 420056-K)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUG 2018**

	Share Capital RM'000	Share Premium RM'000	Warrants Reserve RM'000	Other Reserves - ESOS Reserve RM'000	Other Reserves - Foreign Exchange Reserve RM'000	Accumulated profit / (loss) RM'000	Equity Attributable to the Owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Quarter ended 31 August 2018									
Balance as at 1 June 2018 (Audited)	21,762					10,265	32,027		32,027
Foreign exchange difference									
Total Other comprehensive income for the period									
Profit for the period						4,944	4,944		4,944
Comprehensive profit for the period						4,944	4,944		4,944
Issuance of shares									
Balance as at 31 August 2018 (Unaudited)	21,762					15,209	36,971		36,971

Note:

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 May 2018 and the accompanying notes attached to the interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUG 2018

	Unaudited 3 Months to date ended 31/08/2018 RM'000	Audited 3 Months to date ended 31/08/2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	6,846	3,689
Adjustments for:		
Amortisation of intangible assets	157	161
Depreciation of property, plant and equipment	830	71
Cash discount allowed		
Impairment loss on intangible assets		
Impairment loss on trade receivables		
Finance costs	15	11
Other income		
Bad debts written off		
Inventories written off		
Deposit written off		
Development costs written off		
Payables written back		
Interest income	35	(7)
Loss on disposal of investment in subsidiary		
Gain on debt waiver		
Reversal of impairment loss on trade receivables		
Unrealised gain on foreign exchange translation		(22)
Operating profit / (loss) before changes in working capital	<u>7,883</u>	<u>3,902</u>
Changes in working capital:-		
Inventories		(5)
Trade and other receivables	(958)	(12,670)
Trade and other payables	(931)	10,437
Cash generated from / (used in) operations	<u>5,994</u>	<u>1,664</u>
Interest paid		-
Interest received	(35)	7
Tax paid		
Net cash generated from / (used in) operating activities	<u>5,959</u>	<u>1,671</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(16)	(1,224)
Purchase of intangible assets	(5,410)	-
Proceeds from disposal of fixed assets		-
Net cash used in investing activities	<u>(5,427)</u>	<u>(1,224)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in borrowings		-
Proceeds from issuance of shares		-
Expenses relating to Share premium & par value reduction		-
Net cash generated from financing activities		<u>-</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	532	447
EFFECT OF EXCHANGE RATE CHANGES		-
CASH AND CASH EQUIVALENTS AT 01 JUNE	6,205	1,593
CASH AND CASH EQUIVALENTS AT 31 MAY	<u>6,737</u>	<u>2,039</u>
Cash and cash equivalents		
Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:		
Deposits	3,581	43
Cash and bank balances	3,156	1,996
	<u>6,737</u>	<u>2,039</u>

Note:

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 May 2018 and the accompanying notes attached to the interim financial statements.

SELECTED EXPLANATORY NOTES

1. Accounting Policies and Methods Of Computation

The current quarter financial report ended 31 Aug 2018 is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market.

The report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 Aug 2018. The explanatory notes attached to the quarterly financial report provide an explanation on events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 Aug 2018.

The accounting policies and methods of computation adopted by the Group in the quarterly financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 Aug 2018.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the year ended 31 Aug 2018 was not qualified.

3. Segmental Reporting

Geographical information

	<u>Individual Quarter Ended</u>		<u>Individual YTD</u>	
	<u>31-Aug-18</u>	<u>31-Aug-17</u>	<u>31-Aug-18</u>	<u>31-Aug-17</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	2	2	2	2
Singapore				
Russia	8,144	7,834	8,144	7,834
Group revenue	<u>8,146</u>	<u>7,836</u>	<u>8,146</u>	<u>7,836</u>

4. Unusual Items

During the quarter under review, there were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group.

5. Changes In Estimates Of Amount Reported Previously Affecting Current Interim Period

There are no changes in estimates of amount reported that will have a material effect in the current interim period.

6. Seasonality or Cyclicity

The operations of the Group are not subject to any seasonality or cyclicity factors.

7. Dividends Paid Or Proposed

Dividends were neither paid nor proposed during the current interim period.

8. Valuation of Property, Plant and Equipment

The Group has not carried out any valuation on its property, plant & equipment.

9. Debts and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities.

10. Change In The Composition of The Group

There has been no change in the composition of the group for the quarter review.

11. Discontinued Operation

There were no discontinued operations within the activities of the Group for the quarter under review.

SELECTED EXPLANATORY NOTES

12. Capital Commitments

There were no capital commitments for the purchase of any property, plant and equipment or any other expenses that were not accounted for in the financial statements of the quarter under review.

13. Changes In Contingent Liabilities & Assets

There are no material contingent liabilities as at the date of this report.

14. Subsequent Events

There were no material events subsequent to the end of the reporting quarter that have not been reflected in the quarter under review.

Additional Information As Per ACE Market Listing Requirement

15. Review Of Performance

During the current quarter under review, the Group recorded a net profit attributable to Owners of the Company of RM4.944 million.

16. Material Change In the Profit / (Loss) Before Taxation Compared To The Results of :-

	<u>Immediate Preceding Quarter</u>		<u>Individual Quarter Ended</u>		<u>Individual YTD</u>	
	<u>31-Aug-18</u>	<u>31-May-18</u>	<u>31-Aug-18</u>	<u>31-Aug-17</u>	<u>31-Aug-18</u>	<u>31-Aug-17</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
P/(L)BITDA	7,848	5,689	7,848	3,931	7,848	3,931
Less : Amortisation of Intangible Assets	(157)	(157)	(157)	(161)	(157)	(161)
Less : Depreciation	(830)	(1,523)	(830)	(71)	(830)	(71)
Less : Finance cost	(15)	(14)	(15)	(11)	(15)	(11)
Profit / (Loss) before tax	<u>6,846</u>	<u>3,996</u>	<u>6,846</u>	<u>3,689</u>	<u>6,846</u>	<u>3,689</u>

The Group recorded profit before tax of RM6.846 million in the current quarter, and profit before tax RM3.996 million in the immediate preceding quarter.

17. Commentary Of Prospects

The Company has recorded 6 consecutive quarters of increasing profit. Q1 FY2019 registered record high profit again demonstrating that the Company is on a steeper growth curve.

The Company continues to see the adoption of its products and services and there are more project engagement across the globe.

We have signed MOU of collaboration Bohkin Cancer Research Institute in Moscow, the largest cancer research institute in Europe with over 1,000 hospital beds. We are the founding member of the BRICS Biomedical Consortium and have initiated several projects with South West University in Chongqing, China.

UCrest Business Development team has visited over 20 hospitals, healthcare service organizations and insurance companies in Dubai and we have also participated in the Innohealth Conference in Delhi. We are not only engaged with the hospitals, but also the insurance and pharmaceutical companies in promoting imedic - the Cloud Hospital. Digital health has clearly picked up stronger and stronger momentum over the past two quarters. This momentum is expected to continue.

18. Profit Forecast

There was no profit forecast issued by the Group.

19. Taxation

The company and its subsidiaries, provision of the income tax expenses for the year amounted RM3.384 million, consist of the following :-

	<u>RM'000</u>
Income tax expenses	2,034
Deferred tax expenses	<u>1,350</u>
	<u><u>3,384</u></u>

20. Unquoted Investments / Properties

There were no purchase or sales of unquoted investments or properties during the current interim period under review.

21. Purchase or Disposal of Quoted Securities

There were no purchase or disposal of quoted securities during the current interim period under review.

22. Status of Corporate Proposal

There were no Corporate Proposal during the current interim period under review.

23. Group Borrowings and Debt Securities

There were no borrowings and debts securities for the financial quarter under review.

SELECTED EXPLANATORY NOTES

24. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

25. Material Litigation

There were no Material Litigation for the financial quarter under review.

26. Realised and Unrealised Profits/Losses

On 25 March 2010, Bursa Securities issued a directive to all listed issuers pursuant to Rules 2.07 and 2.23 of Bursa Securities ACE Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclose and the format period.

The breakdown of accumulated losses of the Group as at the reporting date, into realised and unrealised losses, pursuant to the directive, is as follows:

	Group	
	31/08/2018	31/05/2018
	RM'000	RM'000
Total accumulated profit / (losses) of UCrest Berhad and it's subsidiaries:		
- Realised	1,459	(3,486)
- Unrealised - in respect of other items of income and expense		
	<u>1,459</u>	<u>(3,486)</u>
Add: Consolidation adjustments	13,751	13,751
Total Group accumulated profit / (losses) as per consolidated accounts	<u>15,209</u>	<u>10,265</u>

The determination of realised and unrealised losses is based on the Guidedance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

27. Dividends Payable

The Board of Directors does not recommend any interim dividends for the current quarter ended 31 May 2018.

28. Earnings / (Loss) Per Share

(a) Basic

The basic earnings / (loss) per share for the quarter and cumulative year to date are computed as follow:

	Individual quarter ended		Cumulative YTD	
	31-Aug-18	31-Aug-17	31-Aug-18	31-Aug-17
Net Profit / (Loss) attributable to owners of the company (RM'000)	4,944	3,027	4,944	3,027
Weighted average number of ordinary shares in issue ('000)	464,033	319,527	464,033	319,527
Basic earnings / (loss) Per Share (sen)	<u>1.07</u>	<u>0.95</u>	<u>1.07</u>	<u>0.95</u>

(b) Diluted

For the purpose of calculating diluted earning / (loss) per share, the weighted average number of ordinary shares in issue during the financial year has been adjusted for the dilutive effects of warrants.

The diluted earning / (loss) per share for the quarter and cumulative year to date are computed as follow:

	Individual quarter ended		Cumulative YTD	
	31-Aug-18	31-Aug-17	31-Aug-18	31-Aug-17
Net Profit / (Loss) attributable to owners of the company (RM'000)	4,944	3,027	4,944	3,027
Weighted average number of ordinary shares in issue ('000)	464,033	319,527	464,033	319,527
Adjusted for assumed conversion of warrants ('000)		74,719		74,719
Adjusted weighted average number of ordinary shares in issue and issueable ('000)	<u>464,033</u>	<u>394,245</u>	<u>464,033</u>	<u>394,245</u>
Diluted earnings / (loss) Per Share (sen)	<u>1.07</u>	<u>0.77</u>	<u>1.07</u>	<u>0.77</u>