

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2018**

	<b>Unaudited As At 30 November 2018 RM'000</b>	<b>Audited As At 31 May 2018 RM'000</b>
<b><u>ASSETS</u></b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	910	1,087
Intangible Assets	33,630	29,365
Total Non-Current Assets	<u>34,540</u>	<u>30,452</u>
<b>Current Assets</b>		
Inventories	26	26
Trade Receivables	11,398	4,974
Other Receivables	580	320
Deposits, cash and bank balances	4,000	6,205
Total Current Assets	<u>16,005</u>	<u>11,525</u>
<b>Total Assets</b>	<b><u>50,545</u></b>	<b><u>41,977</u></b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Capital and Reserves</b>		
Share capital	21,762	21,762
Share premium		
Warrants reserve		
Accumulated profit / (loss)	17,309	10,265
Total Equity	<u>39,070</u>	<u>32,027</u>
<b>Non-Current Liabilities</b>		
Trade and other payables	3,555	494
Deferred tax liabilities	1,350	1,482
Total Non-Current Liabilities	<u>4,905</u>	<u>1,976</u>
<b>Current Liabilities</b>		
Loans and Borrowings		
Trade and other payables	4,883	7,854
Income tax liabilities	1,686	120
Liabilities held for sale		
Total Current Liabilities	<u>6,569</u>	<u>7,974</u>
Total Liabilities	<u>11,475</u>	<u>9,950</u>
<b>Total Equity and Liabilities</b>	<b><u>50,545</u></b>	<b><u>41,977</u></b>

Net Assets Per Share Attributable to owners of the Company (Sen)	8.42	6.90
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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.**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 NOVEMBER 2018**

	Unaudited 2018 Current Quarter Ended 30-Nov RM'000	Unaudited 2017 Comparative Quarter Ended 30-Nov RM'000	Unaudited 2018 Cumulative Year To Date 30-Nov RM'000	Unaudited 2017 Cumulative Year To Date 30-Nov RM'000
Revenue	10,616	11,239	18,762	19,075
Cost of sales	(6,299)	(5,731)	(7,276)	(9,309)
<b>Gross profit</b>	<u>4,317</u>	<u>5,507</u>	<u>11,486</u>	<u>9,766</u>
Other income	27	(15)	95	126
Selling and distribution	(26)	(6)	(42)	(7)
Administrative and general expenses	(691)	(932)	(1,042)	(1,399)
<b>Profit / (Loss) Before Interest, Taxes, Depreciation and Amortisation</b>	<u>3,627</u>	<u>4,555</u>	<u>10,497</u>	<u>8,487</u>
Amortisation of Intangible Assets	(903)	(157)	(1,789)	(318)
Depreciation	(100)	(71)	(201)	(141)
<b>Profit / (Loss) from operations</b>	<u>2,624</u>	<u>4,328</u>	<u>8,508</u>	<u>8,028</u>
Finance Cost	(15)	(13)	(30)	(24)
<b>Profit / (Loss) before tax</b>	<u>2,609</u>	<u>4,315</u>	<u>8,478</u>	<u>8,004</u>
Profit / (Loss) before tax is stated after charging/(crediting):-				
Interest income	(27)	(2)	(62)	(8)
Depreciation and amortisation	1,003	227	1,990	459
Foreign exchange (gain) / loss	42	16	(33)	(117)
	<u>468</u>	<u>(721)</u>	<u>(1,434)</u>	<u>(1,383)</u>
<b>Profit / (Loss) for the period</b>	<u>3,077</u>	<u>3,594</u>	<u>7,044</u>	<u>6,620</u>
Foreign currency translation		-		-
<b>Total comprehensive profit / (loss)</b>	<u>3,077</u>	<u>3,594</u>	<u>7,044</u>	<u>6,620</u>
Attributable to :-				
Owners of the Company	3,077	3,594	7,044	6,620
Non-Controlling Interests		-		-
	<u>3,077</u>	<u>3,594</u>	<u>7,044</u>	<u>6,620</u>
Total comprehensive profit / (loss) attributable to:-				
Owners of the Company	3,077	3,594	7,044	6,620
Non-Controlling Interests		-		-
	<u>3,077</u>	<u>3,594</u>	<u>7,044</u>	<u>6,620</u>
Earnings / (Loss) per share - Basic (sen)	0.66	1.06	1.52	1.94
- Diluted (sen)	0.66	0.78	0.85	1.45

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.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 NOVEMBER 2018**

	Share Capital RM'000	Warrants Reserve RM'000	Accumulated profit / (loss) RM'000	Equity Attributable to the Owners of the Company RM'000	Total Equity RM'000
<b><u>Quarter ended 30 November 2018</u></b>					
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			7,044	7,044	7,044
Comprehensive profit for the period			7,044	7,044	7,044
Issuance of shares					
Balance as at 30 November 2018 (Unaudited)	21,762		17,309	39,070	39,070

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 30 NOVEMBER 2018**

	<b>Unaudited 6 Months to date ended 30/11/2018 RM'000</b>	<b>Unaudited 6 Months to date ended 30/11/2017 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	8,478	8,004
Adjustments for:		
Amortisation of intangible assets	1,789	318
Depreciation of property, plant and equipment	201	141
Cash discount allowed		-
Impairment loss on intangible assets		-
Impairment loss on trade receivables		-
Finance costs	30	24
Interest expense		-
Bad debts written off		-
Inventories written off		-
Deposit written off		-
Development costs written off		-
Payables written back		-
Other income		-
Interest income	62	(8)
Loss on disposal of investment in subsidiary		-
Gain on debt waiver		-
Reversal of impairment loss on trade receivables		-
Unrealised gain on foreign exchange translation	(687)	(8)
Operating profit / (loss) before changes in working capital	<u>9,872</u>	<u>8,470</u>
Changes in working capital:-		
Inventories		(2)
Trade and other receivables	(5,998)	(15,296)
Trade and other payables	60	7,280
Cash generated from / (used in) operations	<u>3,935</u>	<u>453</u>
Interest paid		-
Interest received	(62)	8
Tax paid		-
Net cash generated from / (used in) operating activities	<u>3,873</u>	<u>461</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(24)	(1,224)
Purchase of intangible assets	(6,053)	-
Proceeds from disposal of fixed assets		-
Net cash used in investing activities	<u>(6,077)</u>	<u>(1,224)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in borrowings		-
Proceeds from issuance of shares		837
Expenses relating to Share premium & par value reduction		-
Net cash generated from financing activities		<u>837</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,205)</b>	<b>74</b>
<b>EFFECT OF EXCHANGE RATE CHANGES</b>		<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT 01 JUNE</b>	<b>6,205</b>	<b>1,593</b>
<b>CASH AND CASH EQUIVALENTS AT 30 NOVEMBER</b>	<b><u>4,000</u></b>	<b><u>1,666</u></b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:		
Deposits	1,070	44
Cash and bank balances	2,930	1,623
	<u>4,000</u>	<u>1,666</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 30 November 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 May 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 May 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 May 2018.

### 2. Auditors' Report on Preceding Annual Financial Statements

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

### 3. Segmental Reporting

#### Geographical information

	<u>Individual Quarter Ended</u>		<u>Individual YTD</u>	
	<u>30-Nov-18</u>	<u>30-Nov-17</u>	<u>30-Nov-18</u>	<u>30-Nov-17</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	1,225	191	1,227	193
Singapore	-	-	-	-
Russia	9,390	11,048	17,534	18,882
India	1		1	
Group revenue	<b>10,616</b>	<b>11,239</b>	<b>18,762</b>	<b>19,075</b>

### 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.

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**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 RM 3,077 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>30-Nov-18</u>	<u>31-Aug-18</u>	<u>30-Nov-18</u>	<u>30-Nov-17</u>	<u>30-Nov-18</u>	<u>30-Nov-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	3,627	7,848	3,627	4,555	10,497	8,487
Less : Amortisation of Intangible Assets	(903)	(157)	(903)	(157)	(1,789)	(318)
Less : Depreciation	(100)	(830)	(100)	(71)	(201)	(141)
Less : Finance cost	(15)	(15)	(15)	(13)	(30)	(24)
Profit / (Loss) before tax	<u>2,609</u>	<u>6,846</u>	<u>2,609</u>	<u>4,315</u>	<u>8,478</u>	<u>8,004</u>

The Group recorded profit before tax of RM2,609 million in the current quarter, and profit before tax RM6.846 million in the immediate preceding quarter.

**17. Commentary Of Prospects**

The Company has recorded 7 consecutive quarters of profits indicating sustainable profitability. The Company has also signed an agreement with a global pharmaceutical company in using imedic for managing the patients. This marks the beginning of digitalization of the pharmaceutical companies moving closer to patient's care, breaking the traditional channel where doctors provide 100% of the care to patients.

The Company has also seen strong interest from the insurance, reinsurance companies, insurance brokers and TPA in recent months and currently negotiating with a few of them in using imedic services.

**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 RM2.916 million, consist of the following :-

	<u>RM'000</u>
Income tax expenses	1,566
Deferred tax expenses	1,350
	<u>2,916</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:

	<b>Group</b>	
	<b>30/11/2018</b>	<b>31/05/2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Total accumulated losses of Palette Multimedia Berhad and it's subsidiaries:		
- Realised	17,295	(3,486)
- Unrealised - in respect of other items of income and expense		
	17,295	(3,486)
Add: Consolidation adjustments	13	13,751
Total Group accumulated losses as per consolidated accounts	<u>17,309</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 30 November 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:

	<b>Individual quarter ended</b>		<b>Cumulative YTD</b>	
	<b>30-Nov-18</b>	<b>30-Nov-17</b>	<b>30-Nov-18</b>	<b>30-Nov-17</b>
Net Profit / (Loss) attributable to owners of the company (RM'000)	3,077	3,594	7,044	6,620
Weighted average number of ordinary shares in issue ('000)	464,033	340,447	464,033	340,447
Basic earnings / (loss) Per Share (sen)	<u>0.66</u>	<u>1.06</u>	<u>1.52</u>	<u>1.94</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:

	<b>Individual quarter ended</b>		<b>Cumulative YTD</b>	
	<b>30-Nov-18</b>	<b>30-Nov-17</b>	<b>30-Nov-18</b>	<b>30-Nov-17</b>
Net Profit / (Loss) attributable to owners of the company (RM'000)	3,077	3,594	7,044	6,620
Weighted average number of ordinary shares in issue ('000)	464,033	340,447	464,033	340,447
Adjusted for assumed conversion of warrants ('000)		117,594		117,594
Adjusted weighted average number of ordinary shares in issue and issueable ('000)	<u>464,033</u>	<u>458,041</u>	<u>464,033</u>	<u>458,041</u>
Diluted earnings / (loss) Per Share (sen)	<u>0.66</u>	<u>0.78</u>	<u>1.52</u>	<u>1.45</u>