

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 28 FEBRUARY 2019**

	Unaudited 2019 Current Quarter Ended 28-Feb RM'000	Unaudited 2018 Comparative Quarter Ended 28-Feb RM'000	Unaudited 2019 Cumulative Year To Date 28-Feb RM'000	Unaudited 2018 Cumulative Year To Date 28-Feb RM'000
Revenue	7,199	12,330	25,961	31,405
Cost of sales	(2,381)	(7,561)	(9,657)	(16,870)
Gross profit	4,818	4,768	16,304	14,535
Other income	11	83	74	209
Selling and distribution	(16)	(5)	(58)	(12)
Administrative and general expenses	(731)	(1,033)	(1,740)	(2,431)
Profit / (Loss) Before Interest, Taxes, Depreciation and Amortisation	4,082	3,814	14,579	12,301
Amortisation of Intangible Assets	(932)	(157)	(2,780)	(475)
Depreciation	(72)	(71)	(213)	(212)
Profit / (Loss) from operations	3,078	3,586	11,586	11,614
Finance Cost	(17)	(13)	(47)	(37)
Profit / (Loss) before tax	3,061	3,573	11,539	11,577
Profit / (Loss) before tax is stated after charging/(crediting):-				
Interest income	(11)	(3)	(74)	(11)
Depreciation and amortisation	1,004	228	2,993	687
Foreign exchange (gain) / loss	(192)	(81)	(159)	(198)
Income tax expense	(611)	(51)	(2,045)	(1,435)
Profit / (Loss) for the period	2,450	3,522	9,494	10,143
Foreign currency translation	-	-	-	-
Total comprehensive profit / (loss)	2,450	3,522	9,494	10,143
Attributable to :-				
Owners of the Company	2,450	3,522	9,494	10,143
Non-Controlling Interests	-	-	-	-
	2,450	3,522	9,494	10,143
Total comprehensive profit / (loss) attributable to:-				
Owners of the Company	2,450	3,522	9,494	10,143
Non-Controlling Interests	-	-	-	-
	2,450	3,522	9,494	10,143
Earnings / (Loss) per share - Basic (sen)	0.53	0.84	2.05	2.41
- Diluted (sen)	0.53	0.77	2.05	2.21

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 28 FEBRUARY 2019

	Unaudited As At 28 February 2019 RM'000	Audited As At 31 May 2018 RM'000
<u>ASSETS</u>		
Non-Current Assets		
Property, Plant and Equipment	904	1,087
Intangible Assets	32,639	29,365
Total Non-Current Assets	<u>33,543</u>	<u>30,452</u>
Current Assets		
Inventories	26	26
Trade Receivables	17,534	4,974
Other Receivables	1,592	320
Deposits, cash and bank balances	3,217	6,205
Total Current Assets	<u>22,369</u>	<u>11,525</u>
Total Assets	<u>55,912</u>	<u>41,977</u>
<u>EQUITY AND LIABILITIES</u>		
Capital and Reserves		
Share capital	21,762	21,762
Accumulated profit / (loss)	19,759	10,265
Total Equity	<u>41,521</u>	<u>32,027</u>
Non-Current Liabilities		
Trade and other payables	2,540	494
Deferred tax liabilities	2,052	1,482
Total Non-Current Liabilities	<u>4,592</u>	<u>1,976</u>
Current Liabilities		
Trade and other payables	8,536	7,854
Income tax liabilities	1,263	120
Total Current Liabilities	<u>9,799</u>	<u>7,974</u>
Total Liabilities	<u>14,391</u>	<u>9,950</u>
Total Equity and Liabilities	<u>55,912</u>	<u>41,977</u>
Net Assets Per Share Attributable to owners of the Company (Sen)	8.95	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 28 FEBRUARY 2019

	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
<u>Quarter ended 28 February 2019</u>					
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			9,494	9,494	9,494
Comprehensive profit for the period			9,494	9,494	9,494
Issuance of shares					
Balance as at 28 February 2019 (Unaudited)	21,762		19,759	41,521	41,521

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.

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 28 FEBRUARY 2019

	Unaudited 9 Months to date ended 28/02/2019 RM'000	Unaudited 9 Months to date ended 28/02/2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	11,539	11,577
Adjustments for:		
Amortisation of intangible assets	2,780	475
Depreciation of property, plant and equipment	213	212
Finance costs	47	37
Interest income	(74)	(11)
Unrealised gain on foreign exchange translation		(22)
Operating profit / (loss) before changes in working capital	<u>14,506</u>	<u>12,267</u>
Changes in working capital:-		
Inventories	-	(2)
Trade and other receivables	(13,832)	(18,655)
Trade and other payables	2,728	7,555
Cash generated from / (used in) operations	<u>3,402</u>	<u>1,165</u>
Interest paid	-	-
Interest received	74	11
Finance costs	(47)	
Tax paid	(332)	-
Net cash generated from / (used in) operating activities	<u>3,096</u>	<u>1,176</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(30)	(1,238)
Purchase of intangible assets	(6,054)	-
Proceeds from disposal of fixed assets	-	-
Net cash used in investing activities	<u>(6,084)</u>	<u>(1,238)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares		4,061
Net cash generated from financing activities	<u>-</u>	<u>4,061</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,988)	3,999
CASH AND CASH EQUIVALENTS AT 01 JUNE	6,205	1,593
CASH AND CASH EQUIVALENTS AT 28 FEBRUARY	<u>3,217</u>	<u>5,592</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	1,077	2,544
Cash and bank balances	2,140	3,048
	<u>3,217</u>	<u>5,592</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 28 February 2019 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>28-Feb-19</u>	<u>28-Feb-18</u>	<u>28-Feb-19</u>	<u>28-Feb-18</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	314	108	1,541	302
Singapore		2,791		2,791
Russia	6,884	9,430	24,418	28,312
India	1		2	
Group revenue	7,199	12,330	25,961	31,405

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.

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

(formerly known as Palette Multimedia Berhad)

(Company No.: 420056-K)

SELECTED EXPLANATORY NOTES

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 2,450 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>28-Feb-19</u>	<u>30-Nov-18</u>	<u>28-Feb-19</u>	<u>28-Feb-18</u>	<u>28-Feb-19</u>	<u>28-Feb-18</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	4,082	3,627	4,082	3,814	14,579	12,301
Less : Amortisation of Intangible Assets	(932)	(903)	(932)	(157)	(2,780)	(475)
Less : Depreciation	(72)	(100)	(72)	(71)	(213)	(212)
Less : Finance cost	(17)	(15)	(17)	(13)	(47)	(37)
Profit / (Loss) before tax	<u>3,061</u>	<u>2,609</u>	<u>3,061</u>	<u>3,573</u>	<u>11,539</u>	<u>11,577</u>

The Group recorded profit before tax of RM3,061 million in the current quarter, and profit before tax RM 2,609 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 tax expenses for the 9 months period ending 31 May 2019 consist of the following :-

	<u>RM'000</u>
Current tax expenses	2,074
Deferred tax expenses	(30)
	<u>2,044</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.

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.

(formerly known as Palette Multimedia Berhad)

(Company No.: 420056-K)

SELECTED EXPLANATORY NOTES

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	
	28/2/2018	31/05/2018
	RM'000	RM'000
Total accumulated losses of Palette Multimedia Berhad and its subsidiaries:		
- Realised	6,006	(3,486)
- Unrealised - in respect of other items of income and expense		
	<u>6,006</u>	<u>(3,486)</u>
Add: Consolidation adjustments	13,753	13,751
Total Group accumulated losses as per consolidated accounts	<u>19,759</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 28 February 2019.

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	
	28-Feb-19	28-Feb-18	28-Feb-19	28-Feb-18
Net Profit / (Loss) attributable to owners of the company (RM'000)	2,450	3,522	9,494	10,143
Weighted average number of ordinary shares in issue ('000)	464,033	421,046	464,033	421,046
Basic earnings / (loss) Per Share (sen)	<u>0.53</u>	<u>0.84</u>	<u>2.05</u>	<u>2.41</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	
	28-Feb-19	28-Feb-18	28-Feb-19	28-Feb-18
Net Profit / (Loss) attributable to owners of the company (RM'000)	2,450	3,522	9,494	10,143
Weighted average number of ordinary shares in issue ('000)	464,033	421,046	464,033	421,046
Adjusted for assumed conversion of warrants ('000)		37,482		37,482
Adjusted weighted average number of ordinary shares in issue and issueable ('000)	464,033	458,528	464,033	458,528
Diluted earnings / (loss) Per Share (sen)	<u>0.53</u>	<u>0.77</u>	<u>2.05</u>	<u>2.21</u>