

BISON CONSOLIDATED BERHAD (1039846-T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 APRIL 2016 ⁽¹⁾

	Note	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
		30 April 2016 RM'000	30 April 2015 ⁽²⁾ RM'000	30 April 2016 RM'000	30 April 2015 ⁽²⁾ RM'000
Revenue		64,277	N/A	126,000	N/A
Cost of sales		(41,886)	N/A	(80,124)	N/A
Gross profit		22,391	N/A	45,876	N/A
Other income		443	N/A	625	N/A
Administration expenses		(16,872)	N/A	(31,937)	N/A
Other expenses		(1,079)	N/A	(2,230)	N/A
Finance costs		(131)	N/A	(264)	N/A
Share of profit of associate		477	N/A	742	N/A
Profit before tax		5,229	N/A	12,812	N/A
Tax expense		(1,228)	N/A	(3,040)	N/A
Net profit for the period		4,001	N/A	9,772	N/A
Other comprehensive income, net of tax		-	N/A	-	N/A
Total comprehensive income		4,001	N/A	9,772	N/A
Profit attributable to:					
Equity holders of the company		4,001	N/A	9,772	N/A
Basic earnings per ordinary share (sen)	B12	1.54	N/A	4.00	N/A
Diluted earnings per ordinary share (sen)	B12	1.54	N/A	4.00	N/A

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income are disclosed in Note A2 and should be read in conjunction with the Accountants' Report for the financial years ended 31 October 2013, 2014 and 2015 as disclosed in the prospectus of Bison Consolidated Berhad ('Bison' or the 'Company') dated 4 March 2016 ('Prospectus') and the accompanying explanatory notes as attached to this interim financial report.
- (2) No comparative figures for the corresponding period of the preceding year are available as this is the Company's second interim financial report on its consolidated results for the second quarter ended 30 April 2016 prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ('Listing Requirements').

N/A – Not applicable

BISON CONSOLIDATED BERHAD (1039846-T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

	Unaudited 30 April 2016 RM'000	Audited 31 October 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	50,279	46,679
Intangible asset	5	6
Investment in associate	2,310	1,568
Other investments ⁽²⁾	56,500	5
Total non-current assets	109,094	48,258
Current assets		
Inventories	26,756	21,755
Trade receivables	4,103	4,169
Other receivables	18,230	16,989
Amount due from associate	1,299	1,244
Amount due from related parties	-	1
Tax recoverable	-	16
Other investments ⁽²⁾	22,596	-
Short-term deposits with licensed banks	985	925
Cash and bank balances	11,344	6,092
Total current assets	85,313	51,191
Total Assets	194,407	99,449

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BISON CONSOLIDATED BERHAD (1039846-T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

	Unaudited 30 April 2016 RM'000	Audited 31 October 2015 RM'000
EQUITY AND LIABILITIES		
EQUITY		
Share capital	62,014	45,890
Share Premium	67,320	0
Retained earnings	56,772	47,000
Revaluation reserve	8,561	8,561
Merger deficit	(45,952)	(45,952)
Total equity	148,715	55,499
LIABILITIES		
Non-current liabilities		
Bank borrowings	7,618	8,276
Finance lease liabilities	486	471
Deferred tax liabilities	2,107	2,108
Total non-current liabilities	10,211	10,855
Current liabilities		
Trade payables	21,871	21,446
Other payables	10,575	9,600
Amount due to related parties	49	131
Amount due to a director	-	5
Bank borrowings	1,300	1,266
Finance lease liabilities	221	194
Tax payable	1,465	453
Total current liabilities	35,481	33,095
Total liabilities	45,692	43,950
Total equity and liabilities	194,407	99,449
Net assets per share (RM) ⁽³⁾	0.48	0.24

BISON CONSOLIDATED BERHAD (1039846-T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A2 and should be read in conjunction with the Accountants' Report for the financial years ended 31 October 2013, 2014 and 2015 as disclosed in the Prospectus and the accompanying explanatory notes as attached to this interim financial report.
- (2) Other investments comprise placements of IPO proceeds in money market instruments funds. The classification into non-current and current assets is based on the tenure of placement.
- (3) Based on issued and fully paid-up share capital of 310,070,000 ordinary shares (par value of RM0.20) as at 30 April 2016.

N/A – Not applicable

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BISON CONSOLIDATED BERHAD (1039846-T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾

	← Attributable to owners of the Company →					Total Equity RM'000
	← Non- Distributable →		Distributable			
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Merger Deficit RM'000	Retained Earnings RM'000	
At 1 November 2015	45,890	-	8,561	(45,952)	47,000	55,499
Issuance of new shares	16,124	72,558	-	-	-	88,682
Share issuance expenses	-	(5,238)	-	-	-	(5,238)
Total comprehensive income for the period	-	-	-	-	9,772	9,772
At 30 April 2016	<u>62,014</u>	<u>67,320</u>	<u>8,561</u>	<u>(45,952)</u>	<u>56,772</u>	<u>148,715</u>

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A2 and should be read in conjunction with the Accountants' Report for the financial years ended 31 October 2013, 2014 and 2015 as disclosed in the Prospectus and the accompanying explanatory notes as attached to this interim financial report.

BISON CONSOLIDATED BERHAD (1039846-T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾

	Cumulative Quarter 6 months ended	
	30 April 2016 RM'000	30 April 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	12,812	N/A
Adjustments for:		
Depreciation of property, plant and equipment	2,027	N/A
Amortisation of intangible asset	neg. ⁽²⁾	N/A
Bad debts written off	12	N/A
Dividend income from quoted investments	neg. ⁽³⁾	N/A
Dividend income from other investments	(91)	N/A
Loss on disposal of property, plant and equipment	6	N/A
Property, plant and equipment written off	185	N/A
Share of profit of associate	(742)	N/A
Interest expense	264	N/A
Interest income	(213)	N/A
Initial public offering exercise expenses	1,149	N/A
Operating profit before working capital changes	15,409	N/A
Changes in working capital:		
Increase in inventories	(5,001)	N/A
Increase in receivables	(1,187)	N/A
Increase in payables	1,400	N/A
Decrease in amount due to a director	(5)	N/A
Increase in amount due from associate	(55)	N/A
Decrease in amount due to related parties	(81)	N/A
Cash generated from operations	10,480	N/A
Tax refunded	19	N/A
Tax paid	(2,028)	N/A
Net cash from operating activities	8,471	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend income from quoted investments	neg. ⁽³⁾	N/A
Dividend income from other investments	91	N/A
Proceeds from disposal of property, plant and equipment	11	N/A
Purchase of property, plant and equipment	(5,652)	N/A
Placement of fixed deposits	(61)	N/A
Placement of funds in other investments	(79,091)	N/A
Interest income	213	N/A
Net cash used in investing activities	(84,489)	N/A

BISON CONSOLIDATED BERHAD (1039846-T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾

CASH FLOWS FROM FINANCING ACTIVITIES

Interest paid	(264)	N/A
Repayment of term loans	(625)	N/A
Repayment of finance lease liabilities	(135)	N/A
Proceed from issuance of shares	88,682	N/A
Share issuance expenses	(6,387)	N/A
Net cash from financing activities	81,271	N/A
Net increase in cash and cash equivalents	5,253	N/A
Cash and cash equivalents at 1 November 2015	6,418	N/A
Cash and cash equivalents at 30 April 2016	11,671	N/A

Reconciliation of cash and cash equivalents

Cash and bank balances	11,344	N/A
Short-term deposits with licensed banks	985	N/A
	12,329	N/A
Less: short-term deposits pledged to a licensed bank	(658)	N/A
	11,671	N/A

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flow are disclosed in Note A2 and should be read in conjunction with the Accountants' Report for the financial years ended 31 October 2013, 2014 and 2015 as disclosed in the Prospectus and the accompanying explanatory notes as attached to this interim financial report.
- (2) Negligible – RM400
- (3) Negligible – RM244

N/A – Not applicable

BISON CONSOLIDATED BERHAD (1039846-T)

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2016

A1 CORPORATE INFORMATION

The principal activity of the Company is investment holding while its subsidiaries are principally involved in the business of press and convenience retailing, comprising the operations of a press and convenience retail chain in Malaysia under the main trade name of “myNEWS.com”.

The Company and its subsidiaries are collectively referred to as the Group.

A2 BASIS OF PREPARATION

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements.

This is the second interim financial report on the Company’s consolidated results for the second quarter ended 30 April 2016 prepared in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period/s.

The interim financial report should be read in conjunction with the Accountants’ Report for the financial years ended 31 October 2013, 2014 and 2015 as disclosed in the Prospectus.

A3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and presentations adopted by the Group are consistent with those adopted for the audited financial statements of the Group for the financial year ended 31 October 2015 as disclosed in the Accountants’ Report in the Prospectus.

A4 AUDITORS’ REPORT

There was no qualification on the audited financial statements of the Group for the financial year ended 31 October 2015.

A5 SEASONAL OR CYCLICAL FACTORS

The Group does not experience any material seasonality in sales revenue except for the shorter month in February, which thereafter normalises until the Ramadan fasting month when sales revenue experience a reduction again.

A6 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOW

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the quarter under review other than the receipt of proceeds from the IPO.

BISON CONSOLIDATED BERHAD (1039846-T)

A7 CHANGES IN ESTIMATES

There were no changes in estimates that had a material effect in the current financial quarter under review.

A8 DEBT AND EQUITY SECURITIES

Saved as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review:

Initial Public Offering (“IPO”)

The Company issued 80,620,000 new ordinary shares of RM0.20 each at an issue price of RM1.10 per share (“Public Issue”) pursuant to the IPO exercise which shares were listed on Main Market of Bursa Malaysia Securities Berhad on 29 March 2016.

A9 DIVIDEND PAID

No dividend was paid during the financial quarter under review.

A10 SEGMENTAL INFORMATION

The Group operates wholly within Malaysia and only in retail convenience segment and as such does not present its results by either geographical or industry segment.

A11 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT QUARTER

Bison Stores Sdn Bhd, a wholly owned subsidiary company entered into a Management Agreement on 9 May 2016 with SMI Retail Pte. Ltd .which in turn is a wholly owned subsidiary of Singapore Myanmar Investco Limited a company listed on Singapore Exchange Ltd to provide management and advisory services for the operation of two (2) myNEWS.com retail stores in Yangon International Airport in Myanmar for an initial period of five (5) years.

A12 CHANGES IN COMPOSITION OF THE GROUP

There was no change in the composition of the Group during the current financial quarter under review.

A13 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent assets as at the date of this interim report. Contingent liabilities of the Group as at 30 April 2016 comprise bank guarantees in favour of an associate for security deposit of tenancies amounting to RM658,125.

A14 CAPITAL COMMITMENTS

The capital commitments of the Group as at 30 April 2016 were as follows:

	RM'000
Authorised and contracted for:	
- Purchase of property, plant and equipment	<u>1,616</u>

BISON CONSOLIDATED BERHAD (1039846-T)

A15 PROPERTY, PLANT AND EQUIPMENT

During the 6 months ended 30 April 2016, the Group acquired assets of RM5.83 million comprised mainly of furniture and fittings, renovation, equipment and computers.

A16 SIGNIFICANT RELATED PARTY TRANSACTIONS

	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30 April 2016 RM'000	30 April 2015 RM'000	30 April 2016 RM'000	30 April 2015 RM'000
Transactions with associate				
Management fees charged to	(121)	N/A	(248)	N/A
Transactions with related parties				
Sales to	neg. ⁽¹⁾	N/A	neg. ⁽¹⁾	N/A
Purchases from	202	N/A	452	N/A
Rental – office charged by	18	N/A	36	N/A
Rental – hostel charged by	18	N/A	35	N/A
Advertising and promotion charged by/(to)	1	N/A	(2)	N/A

Notes:

(1) Negligible – RM690

N/A – Not applicable

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B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD, MAIN MARKET LISTING REQUIREMENT (APPENDIX 9B)

B1 REVIEW OF PERFORMANCE

Review of current quarter performance

The Group recorded revenue of RM64.28 million and profit before tax of RM5.23 million for the second quarter ended 30 April 2016 after charging a one off IPO expenses of RM1.15 million.

Food and beverage ("F&B"), together with tobacco continued to be the largest revenue contributors for the second quarter ended 30 April 2016 amounting to 75.1% of the revenue. The Group's gross profit was RM22.39 million equivalent to 34.8% of gross profit margin.

The better performance is partly contributed by the increase in the sales of F&B categories. The Group also recorded a higher interest income and better share of profit from an associate company.

Review of six months period performance

For the six months ended 30 April 2016, the Group's revenue was RM126.00 million and its profit before tax was RM12.81 million after deduction of IPO expenses of RM1.15 million. The gross profit margin was 36.4% or RM45.88 million.

The higher profit was contributed by tobacco sales as a result of the nationwide price revision and the annual sales rebates of merchandise in the first quarter. These margins has normalised after the first quarter.

During the six months ended 30 April 2016, a net of 28 outlets were added to the Group's myNEWS.com chain, resulting in a total of 257 outlets (excluding the "WH Smith" outlets and the Bison Café) at the end of the period. During the same period, there continued to be a total of 8 "WH Smith" outlets operated by WH Smith Malaysia Sdn Bhd, a 50% associate company of Bison.

B2 MATERIAL CHANGES IN THE PROFIT BEFORE TAXATION FOR THE CURRENT QUARTER AS COMPARED WITH THE IMMEDIATE PRECEDING QUARTER

The Group's profit before tax ("PBT") margin for the current quarter is 8.1% which is lower as compared to the PBT margin for the immediate preceding quarter of 12.3% due to the following reasons:

- i. One off IPO expenses of RM1.15 million in the current quarter
- ii. Higher gross profit margins from the sale of tobacco products and annual sales rebate of merchandise in the previous quarter.

B3 PROSPECTS

The Board of Directors is of the view that as the second largest retail convenience store operator in Malaysia, the Group continues to be well positioned to take advantage of the growth prospects of Malaysia's retail convenience store market. It is pleased to update the status of the Company's plans and strategies as follows:-

- a) The Group is on target to achieve the plan of opening 70 new outlets.
- b) The Group is in the midst of identifying the sites for an additional distribution centre and food processing centre.
- c) Improvement of information technology capabilities is ongoing.

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B4 VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

B5 NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30 April 2016 RM'000	30 April 2015 RM'000	30 April 2016 RM'000	30 April 2015 RM'000
Profit before tax is arrived at after charging:				
Depreciation of property, plant and equipment	1,050	N/A	2,027	N/A
Amortisation of intangible asset	neg. ⁽¹⁾	N/A	neg. ⁽²⁾	N/A
Property, plant and equipment written off	23	N/A	185	N/A
Loss on disposal of property, plant and equipment	5	N/A	6	N/A
Interest expense	131	N/A	264	N/A
Bad debts written off	5	N/A	12	N/A
Initial public offering exercise expenses	1,149	N/A	1,149	N/A
And after crediting:				
Interest income	(196)	N/A	(213)	N/A
Dividend income from other investments	(91)	N/A	(91)	N/A

Notes:

(1) Negligible - RM200

(2) Negligible – RM400

N/A – Not applicable.

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements are not applicable.

BISON CONSOLIDATED BERHAD (1039846-T)

B6 TAX EXPENSE

	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30 April 2016 RM'000	30 April 2015 RM'000	30 April 2016 RM'000	30 April 2015 RM'000
Income tax expense				
Provision for current period	1,214	N/A	3,071	N/A
Over provision in prior year	(30)	N/A	(30)	N/A
Deferred tax				
Provision for current period	46	N/A	1	N/A
Over provision in prior year	(2)	N/A	(2)	N/A
Total tax expenses	<u>1,228</u>	<u>N/A</u>	<u>3,040</u>	<u>N/A</u>

Notes:

N/A – Not applicable

Tax expense is recognised based on management's best estimates.

B7 STATUS OF CORPORATE PROPOSAL

There was no corporate proposal announced but not completed as at the date of this report.

B8 UTILISATION OF PROCEEDS

The status of utilisation of the proceeds from the Public Issue of 80,620,000 new ordinary shares at RM1.10 per share as at 30 April 2016 is as follows:

	Purposes	Proposed Utilisation	Actual Utilisation	Deviation	Estimated Timeframe for utilisation
		RM'000	RM'000	RM'000	RM'000
a)	Capital expenditure	50,000	87	-	Within 36 months
b)	Working capital	32,230	5,100	-	Within 36 months
c)	Estimated listing expenses	6,450	6,387	(63)	Within 3 months
	Total	88,680	11,574	(63)	

BISON CONSOLIDATED BERHAD (1039846-T)

B9 BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 30 April 2016 are as follows:

	Unaudited As at 30 April 2016 RM'000	Unaudited As at 30 April 2015 RM'000
Short term borrowings		
Secured:		
Term loans	1,300	N/A
Finance lease liabilities	221	N/A
	1,521	N/A
Long term borrowings		
Secured :		
Term loans	7,618	N/A
Finance lease liabilities	486	N/A
	8,104	N/A
Total borrowings		
Term loans	8,918	N/A
Finance lease liabilities	707	N/A
	9,625	N/A

Note:

N/A – Not applicable

B10 MATERIAL LITIGATION

There is no litigation which has a material effect on the financial position of the Group and the Board of Directors is not aware of any proceedings pending or of any fact likely to give rise to any proceedings as at the date of this interim financial report.

B11 DIVIDEND

The Board of Directors had approved an interim dividend of 7.5% or 1.5 sen per share for the financial year ending 31 October 2016. The entitlement date and payment date will be announced at a later date.

BISON CONSOLIDATED BERHAD (1039846-T)

B12 EARNINGS PER SHARE

	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30 April 2016	30 April 2015	30 April 2016	30 April 2015
Profit attributable to equity holders of the company (RM'000)	4,001	N/A	9,772	N/A
Weighted average number of ordinary shares in issue ('000)	259,011	N/A	244,068	N/A
Basic earnings per share (sen) ⁽¹⁾	1.54	N/A	4.00	N/A
Diluted earnings per share (sen) ⁽¹⁾	1.54	N/A	4.00	N/A

Notes:

- (1) The basic/diluted earnings per share is computed based on the profit attributable to the equity holders of the company divided by the weighted average number of ordinary shares in issue for the period under review.

N/A Not applicable

B13 DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The retained earnings as at 30 April 2016 is analysed as follows:

	Unaudited As at 30 April 2016 RM'000	Unaudited As at 30 April 2015 RM'000
The retained earnings of the Group		
Realised	56,772	N/A
Unrealised	-	N/A
Total Group earnings as per unaudited condensed financial statements	56,772	N/A

Note:

N/A – Not applicable