

BISON CONSOLIDATED BERHAD (1039846-T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 JANUARY 2017

	Note	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
		31 January 2017 RM'000	31 January 2016 RM'000	31 January 2017 RM'000	31 January 2016 RM'000
Revenue		76,232	61,723	76,232	61,723
Cost of sales		(48,799)	(38,238)	(48,799)	(38,238)
Gross profit		27,433	23,485	27,433	23,485
Other income		897	182	897	182
Operating expenses		(19,108)	(15,065)	(19,108)	(15,065)
Other expenses		(1,466)	(1,151)	(1,466)	(1,151)
Finance costs		(116)	(133)	(116)	(133)
Share of profit of jointly controlled entity		411	265	411	265
Profit before tax		8,051	7,583	8,051	7,583
Tax expense		(1,689)	(1,812)	(1,689)	(1,812)
Net profit for the period		6,362	5,771	6,362	5,771
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		6,362	5,771	6,362	5,771
Profit attributable to:					
Owners of the Company		6,362	5,771	6,362	5,771
Basic earnings per ordinary share (sen)	B12	2.05	2.52	2.05	2.52
Diluted earnings per ordinary share (sen)	B12	2.05	2.52	2.05	2.52

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BISON CONSOLIDATED BERHAD (1039846-T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 31 January 2017 RM'000	Audited 31 October 2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	67,956	65,266
Investment in jointly controlled entity	3,089	2,678
Other investments	-	8,644
Total non-current assets	71,045	76,588
Current assets		
Inventories ⁽¹⁾	32,612	29,782
Trade receivables	4,181	6,956
Other receivables	15,757	18,459
Amount due from jointly controlled entity	1,265	1,219
Amount due from related parties	-	14
Tax recoverable	2,398	-
Other investments ⁽²⁾	64,093	54,691
Short-term deposits with licensed banks	1,628	1,058
Cash and bank balances	13,119	15,675
Total current assets	135,053	127,854
Total assets	206,098	204,442

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BISON CONSOLIDATED BERHAD (1039846-T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 31 January 2017 RM'000	Audited 31 October 2016 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	62,014	62,014
Share premium	67,320	67,320
Retained earnings	66,843	60,481
Revaluation reserve	8,561	8,561
Merger deficit	(45,952)	(45,952)
Total equity	158,786	152,424
LIABILITIES		
Non-current liabilities		
Bank borrowings	6,611	6,934
Finance lease liabilities	263	377
Deferred tax liabilities	2,578	2,588
Total non-current liabilities	9,452	9,899
Current liabilities		
Trade payables	23,300	26,081
Other payables	12,840	14,337
Amount due to related parties	49	60
Amount due to a director	8	36
Bank borrowings	1,335	1,335
Finance lease liabilities	212	216
Tax payable	116	54
Total current liabilities	37,860	42,119
Total liabilities	47,307	52,018
Total equity and liabilities	206,098	204,442
Net assets per share (RM)	0.51	0.49

Notes:

- (1) Included in the inventories is RM127,268 in foreign currencies held for the purpose of our money changing business
- (2) Other investments comprised of placement of IPO proceeds in money market instrument funds.

BISON CONSOLIDATED BERHAD (1039846-T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾

	← Attributable to owners of the Company →				Distributable	Total Equity	
	← Non- Distributable →			Retained Earnings			RM'000
	Share Capital	Share Premium	Revaluation Reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 November 2016	62,014	67,320	8,561	(45,952)	60,481	152,424	
Total comprehensive income for the period	-	-	-	-	6,362	6,362	
At 31 January 2017	62,014	67,320	8,561	(45,952)	66,843	158,786	

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BISON CONSOLIDATED BERHAD (1039846-T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative Quarter 3 months ended	
	31 January 2017 RM'000	31 January 2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,051	7,583
Adjustments for:		
Depreciation of property, plant and equipment	1,337	977
Bad debts written off	-	7
Amortisation of intangible asset	-	neg. ⁽¹⁾
Loss on disposal of property, plant and equipment	4	1
Dividend income from other investments	(661)	-
Interest expense	116	133
Share of profit of jointly controlled entity	(411)	(265)
Property, plant and equipment written off	133	163
Interest income	(42)	(17)
Operating profit before working capital changes	8,527	8,582
Changes in working capital:		
Increase in inventories	(2,830)	(1,879)
Decrease/(Increase) in receivables	5,477	(2,107)
(Decrease)/Increase in payables	(6,671)	374
Decrease in amount due to a director	(28)	(5)
(Increase)/Decrease in amount due from jointly controlled entity	(46)	73
Increase/(decrease) in amount due to related parties	3	(16)
Cash generated from operations	4,432	5,022
Tax paid	(1,641)	(1,163)
Net cash from operating activities	2,791	3,859
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend income from other investments	1,051	-
Proceeds from disposal of property, plant and equipment	43	3
Purchase of property, plant and equipment	(4,207)	(2,464)
Placement of funds in other investments	(1,148)	-
Placement of fixed deposits	(70)	-
Interest income	51	17
Net cash used in investing activities	(4,280)	(2,444)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(116)	(133)
Repayment of term loan	(323)	(311)
Repayment of finance lease liabilities	(118)	(59)
Net cash used in financing activities	(557)	(503)
Net (decrease)/increase in cash and cash equivalents	(2,046)	912
Cash and cash equivalents at 1 November 2016	16,135	6,418
Cash and cash equivalents at 31 January 2017	14,089	7,330

BISON CONSOLIDATED BERHAD (1039846-T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of cash and cash equivalents

Cash and bank balances	13,119	7,003
Short-term deposits with licensed banks	1,628	925
	<u>14,747</u>	<u>7,928</u>
Less: short-term deposits pledged to a licensed bank	(658)	(598)
	<u>14,089</u>	<u>7,330</u>

Notes:

- (1) Negligible - RM200

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BISON CONSOLIDATED BERHAD (1039846-T)

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 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.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 October 2016.

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 2016.

A4 AUDITORS’ REPORT

There was no qualification on the audited financial statements of the Group for the financial year ended 31 October 2016.

A5 SEASONAL OR CYCLICAL FACTORS

The Group does not experience any material seasonality in sales except for the shorter month in February, which thereafter normalises until the Ramadhan fasting month where sales normally 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.

A7 CHANGES IN ESTIMATES

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

BISON CONSOLIDATED BERHAD (1039846-T)

A8 DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

A9 DIVIDEND PAID

No dividend was paid during the financial quarter under review.

A10 SEGMENTAL INFORMATION

The Group operates in the press and retail convenience segment in Malaysia and has entered into an overseas licensing arrangement in Myanmar in May 2016 which contribution has yet to be significant and as such it does not present its results by geographical or industry segment.

A11 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT QUARTER

There was no material event subsequent to the end of the current financial quarter and up to the date of this report.

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 31 January 2017 comprises of bank guarantees amounting to RM658,125 in respect of a jointly controlled entity for security deposit of tenancies and security deposit for money services business.

A14 CAPITAL COMMITMENTS

The capital commitments of the Group as at 31 January 2017 were as follows:

	RM'000
Authorised and contracted for:	
- Purchase of property, plant and equipment	<u>3,892</u>

A15 PROPERTY, PLANT AND EQUIPMENT

During the three (3) months ended 31 January 2017, the Group acquired assets at costs of approximately RM4.21 million comprised mainly of furniture and fittings, renovation, equipment and computers.

BISON CONSOLIDATED BERHAD (1039846-T)

A16 SIGNIFICANT RELATED PARTY TRANSACTIONS

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 January 2017	31 January 2016	31 January 2017	31 January 2016
	RM'000	RM'000	RM'000	RM'000
Transactions with an associate				
Management fees income	(135)	(127)	(135)	(127)
Transactions with related parties				
Purchases	143	250	143	250
Office rental expense	18	18	18	18
Hostel rental expense	17	17	17	17
Advertising and promotion income	-	(127)	-	(127)

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BISON CONSOLIDATED BERHAD (1039846-T)

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

B1 REVIEW OF PERFORMANCE

The Group's revenue for the first quarter ended 31 January 2017 grew by 24% or RM14.51million to RM76.23 million over the corresponding quarter's revenue in the previous year of RM61.72million. The growth in revenue was driven by the revenue from new stores, improved merchandise mix and promotional activities.

Merchandise sales grew by 21% or RM11.52million from RM53.79 million for the first quarter ended 31 January 2016 to RM65.31 million for the current quarter ended 31 January 2017. Complementary income improved by 37% or RM2.98 million from RM7.94 million in previous corresponding quarter ended 31 January 2016 to RM10.92 million for the current quarter ended 31 January 2017.

The current quarter gross profit grew by RM3.94 million or 16% over the corresponding quarter's in previous year gross profit of RM23.49million to RM27.43 million. However, gross profit margin of current quarter is lower at 36% against 38% for the corresponding quarter in the previous year which included one off extra ordinary gain from the existing stock of tobacco following the nationwide increase in the price of tobacco.

Operating expenses increased by 27% or RM 4.04 million from RM15.07 million for the corresponding quarter ended 31 January 2016 to RM19.11 million for the current quarter ended 31 January 2017. Selling and distribution expenses contributed to 94% or RM3.57 million of the increase comprising rental, staff and utilities costs due to the higher number of outlets.

The Group recorded profit before tax of RM8.05 million for the current quarter as compared to RM7.58 million for the corresponding quarter in previous year, an increase of 6% or RM0.47million.

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") of RM8.05 million at a margin of 11% was higher than the PBT for the preceding quarter of RM5.79 million at a margin of 8%. The improvement was primarily due to the higher sales of products with better margins such as food & beverage coupled with overall lower operating expenses for the current quarter as compared to the preceding quarter.

B3 PROSPECTS

The Board of Directors is of the view that the general economic landscape will continue to be challenging but is confident that the Group will continue to deliver profitable growth. Bison is on track with its action plans, amongst others, new outlets opening, introduction of new products and services and improvement to backend functions and facilities.

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.

BISON CONSOLIDATED BERHAD (1039846-T)

B5 NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31	31	31 January	31 January
	January	January	2017	2016
	2017	2016	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging:				
Depreciation of property, plant and equipment	1,337	977	1,337	977
Property, plant and equipment written off	133	163	133	163
Loss on disposal of property, plant and equipment	4	1	4	1
Interest expense	116	133	116	133
Bad debts written off	-	7	-	7
And after crediting:				
Interest Income	(42)	(17)	(42)	(17)

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

B6 TAX EXPENSE

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31	31	31 January	31 January
	January	January	2017	2016
	2017	2016	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000
Income tax expense	1,699	1,857	1,699	1,857
Deferred tax income	(10)	(45)	(10)	(45)
Total tax expense	1,689	1,812	1,689	1,812

Note:

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.

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B8 UTILISATION OF PROCEEDS

The status of utilisation of the proceeds from its initial public issue of 80,620,000 new ordinary shares at RM1.10 per share as at 31 January 2017 is as follows:

	Purposes	Proposed Utilisation	Actual Utilisation	Deviation	Balance	Estimated Timeframe for Utilisation
		RM'000	RM'000	RM'000	RM'000	RM'000
a)	Capital expenditure	50,000	17,873	-	32,127	Within 36 months (until 28 March 2019)
b)	Working capital	32,230	13,638	-	18,592	
c)	Estimated listing expenses	6,450	6,387	(63)	63	
	Total	88,680	37,898	(63)	50,782	

B9 BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 31 January 2017 are as follows:

	Unaudited As at 31 January 2017 RM'000	Audited As at 31 October 2016 RM'000
Short term borrowings		
Secured:		
Term loans	1,335	1,335
Finance lease liabilities	212	216
	1,547	1,551
Long term borrowings		
Secured :		
Term loans	6,611	6,934
Finance lease liabilities	263	377
	6,874	7,311
Total borrowings		
Term loans	7,946	8,269
Finance lease liabilities	475	593
	8,421	8,862

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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

No dividend has been declared or proposed for the current financial quarter under review.

B12 EARNINGS PER SHARE

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 January 2017	31 January 2016	31 January 2017	31 January 2016
Profit attributable to owners of the company (RM'000)	6,362	5,771	6,362	5,771
Weighted average number of ordinary shares in issue ('000)	310,070	229,450	310,070	229,450
Basic earnings per share (sen) ⁽¹⁾	2.05	2.52	2.05	2.52
Diluted earnings per share (sen) ⁽¹⁾	2.05	2.52	2.05	2.52

Notes:

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

B13 DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The retained earnings as at 31 January 2017 is analysed as follows:

	Unaudited As at 31 January 2017 RM'000	Audited As at 31 October 2016 RM'000
The retained earnings of the Group		
Realised	63,639	57,311
Unrealised	3,204	3,170
Total Group earnings as per unaudited condensed financial statements	66,843	60,481