

KFC HOLDINGS (MALAYSIA) BHD (65787-1)

(Incorporated in Malaysia)

CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		1/1/2011 - 31/3/2011 RM'000	1/1/2010 - 31/3/2010 RM'000	1/1/2011 - 31/3/2011 RM'000	1/1/2010 - 31/3/2010 RM'000
Revenue	A9	644,219	600,676	644,219	600,676
Operating expenses		(591,012)	(550,450)	(591,012)	(550,450)
Other operating income		639	728	639	728
Profit from operations		53,846	50,954	53,846	50,954
Finance costs		(1,196)	(836)	(1,196)	(836)
Profit before tax	A9	52,650	50,118	52,650	50,118
Income tax expense		(15,800)	(15,100)	(15,800)	(15,100)
Profit for the period		36,850	35,018	36,850	35,018
Other comprehensive income, net of tax :					
Foreign currency translation differences for foreign operations		(101)	(231)	(101)	(231)
Fair value of available-for-sale financial assets		1,000	-	1,000	-
Total other comprehensive income for the period		899	(231)	899	(231)
Total comprehensive income for the period		37,749	34,787	37,749	34,787
Profit attributable to :					
Owners of the Company		36,124	34,243	36,124	34,243
Non-controlling interests		726	775	726	775
Profit for the period		36,850	35,018	36,850	35,018
Total comprehensive income attributable to :					
Owners of the Company		37,023	34,012	37,023	34,012
Non-controlling interests		726	775	726	775
Total comprehensive income for the period		37,749	34,787	37,749	34,787
Earnings per share (sen) :					
(a) Basic		4.55	4.32	4.55	4.32
(b) Fully diluted		4.52	-	4.52	-

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

KFC HOLDINGS (MALAYSIA) BHD (65787-1)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 31/3/2011 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/2010 (AUDITED) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,024,914	999,984
Goodwill on consolidation	50,741	50,018
Intangible assets	23,215	23,578
Investment properties	910	910
Quoted investments	23,400	22,400
	<u>1,123,180</u>	<u>1,096,890</u>
Current assets		
Inventories	220,639	200,797
Trade and other receivables	170,207	153,633
Cash and cash equivalents	94,080	131,712
	<u>484,926</u>	<u>486,142</u>
TOTAL ASSETS	<u>1,608,106</u>	<u>1,583,032</u>
EQUITY		
Share capital	396,633	396,615
Reserves		
<i>Share premium</i>	453	363
<i>Warrants reserve</i>	4,102	4,107
<i>Fair value reserve</i>	2,521	1,521
<i>Translation reserve</i>	1,024	1,125
<i>Revaluation reserve</i>	104,290	104,290
Retained earnings	485,628	482,226
Total equity attributable to owners of the Company	<u>994,651</u>	<u>990,247</u>
Non-controlling interests	16,051	15,025
Total equity	<u>1,010,702</u>	<u>1,005,272</u>
Non-current liabilities		
Loans and borrowings	116,577	105,845
Deferred tax liabilities	53,793	51,795
Employee benefits	2,906	2,913
	<u>173,276</u>	<u>160,553</u>
Current liabilities		
Trade and other payables	379,226	357,164
Current tax liabilities	15,260	12,697
Loans and borrowings	29,127	46,702
Employee benefits	515	644
	<u>424,128</u>	<u>417,207</u>
Total liabilities	<u>597,404</u>	<u>577,760</u>
TOTAL EQUITY AND LIABILITIES	<u>1,608,106</u>	<u>1,583,032</u>
Net assets per share (RM)	1.25	1.25

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

KFC HOLDINGS (MALAYSIA) BHD (65787-1)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<-----Attributable to owners of the Company----->									
	<-----Non-Distributable----->				Distributable					
	Share capital RM'000	Share premium RM'000	Warrants reserve RM'000	Fair value reserve RM'000	Translation reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2011	396,615	363	4,107	1,521	1,125	104,290	482,226	990,247	15,025	1,005,272
Total comprehensive income for the period	-	-	-	1,000	(101)	-	36,124	37,023	726	37,749
Issuance of shares :										
Conversion of warrants	18	90	(5)	-	-	-	-	103	-	103
Increase in non-controlling interests	-	-	-	-	-	-	-	-	300	300
Dividends to shareholders	-	-	-	-	-	-	(32,722)	(32,722)	-	(32,722)
At 31 March 2011	<u>396,633</u>	<u>453</u>	<u>4,102</u>	<u>2,521</u>	<u>1,024</u>	<u>104,290</u>	<u>485,628</u>	<u>994,651</u>	<u>16,051</u>	<u>1,010,702</u>
At 1 January 2010	198,275	18,736	-	-	2,072	25,169	547,505	791,757	12,491	804,248
Total comprehensive income for the period	-	-	-	-	(231)	-	34,243	34,012	775	34,787
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	40	40
At 31 March 2010	<u>198,275</u>	<u>18,736</u>	<u>-</u>	<u>-</u>	<u>1,841</u>	<u>25,169</u>	<u>581,748</u>	<u>825,769</u>	<u>13,306</u>	<u>839,075</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

KFC HOLDINGS (MALAYSIA) BHD (65787-1)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT QUARTER AS AT 31/3/2011 RM'000	PRIOR YEAR QUARTER AS AT 31/3/2010 RM'000
Operating activities		
Profit before tax	52,650	50,118
Adjustments for :		
Interest expense	1,196	836
Interest income	(82)	(179)
Non-cash items	25,166	20,314
Operating profit before working capital changes	<u>78,930</u>	<u>71,089</u>
Changes in working capital :		
Net change in current assets	(36,493)	(39,926)
Net change in current liabilities	20,722	(23,838)
Cash generated from operations	<u>63,159</u>	<u>7,325</u>
Interest paid	(1,196)	(836)
Taxes paid	(10,311)	(9,718)
Net cash generated from/(used in) operating activities	<u>51,652</u>	<u>(3,229)</u>
Investing activities		
Equity investments	(88)	(6,081)
Other investments	(49,734)	(31,468)
Net cash used in investing activities	<u>(49,822)</u>	<u>(37,549)</u>
Financing activities		
Issuance of shares	103	-
Bank borrowings	(6,843)	(10,153)
Dividends paid to shareholders of the Company	(32,722)	-
Net cash used in financing activities	<u>(39,462)</u>	<u>(10,153)</u>
Net change in cash and cash equivalents	(37,632)	(50,931)
Cash and cash equivalents at beginning of period	131,712	123,449
Cash and cash equivalents at end of period	<u>94,080</u>	<u>72,518</u>
The cash and cash equivalents consist of the following:-		
<i>Deposits with licensed banks</i>	38,547	26,121
<i>Cash in hand and at banks</i>	55,533	46,397
	<u>94,080</u>	<u>72,518</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)