

**KFC HOLDINGS (MALAYSIA) BHD** (65787-T)

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED  
30 JUNE 2009**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		1/4/2009 - 30/6/2009 RM'000	1/4/2008 30/6/2008 RM'000	1/1/2009 - 30/6/2009 RM'000	1/1/2008 - 30/6/2008 RM'000
Revenue	A8	561,412	529,843	1,088,051	1,025,441
Operating expenses		(515,854)	(486,167)	(1,001,146)	(942,079)
Other operating income		817	1,368	2,309	3,658
Profit from operations		46,375	45,044	89,214	87,020
Finance costs		(1,472)	(1,842)	(3,378)	(3,711)
Profit before tax	A8	44,903	43,202	85,836	83,309
Income tax expense		(12,600)	(12,200)	(24,100)	(23,500)
Profit for the period		<u>32,303</u>	<u>31,002</u>	<u>61,736</u>	<u>59,809</u>
Attributable to :					
Equity holders of the Company		31,680	30,411	60,377	58,699
Minority interests		623	591	1,359	1,110
		<u>32,303</u>	<u>31,002</u>	<u>61,736</u>	<u>59,809</u>
Earnings per share (sen) :					
(a) Basic		15.98	15.34	30.45	29.60
(b) Fully diluted		-	-	-	-

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements)

**KFC HOLDINGS (MALAYSIA) BHD** (65787-T)  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

	AS AT END OF CURRENT QUARTER 30/6/2009	AS AT PRECEDING FINANCIAL YEAR END 31/12/2008 (AUDITED)
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	644,390	615,059
Investment Property	898	898
Prepaid land lease payments	62,605	63,841
Goodwill on consolidation	43,399	43,399
Intangible assets	26,910	26,436
	<u>778,202</u>	<u>749,633</u>
<b>Current assets</b>		
Inventories	154,096	158,474
Trade and other receivables	143,190	118,973
Other investment	-	20,203
Tax recoverable	8,011	9,139
Cash and bank balances	78,323	97,985
	<u>383,620</u>	<u>404,774</u>
<b>TOTAL ASSETS</b>	<u>1,161,822</u>	<u>1,154,407</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	198,275	198,275
Other reserves		
<i>Share premium</i>	18,736	18,736
<i>Exchange fluctuation reserve</i>	1,130	1,128
<i>Asset revaluation reserve</i>	27,841	27,841
Retained earnings	485,736	446,178
	<u>731,718</u>	<u>692,158</u>
<b>Minority interests</b>	11,591	10,232
<b>Total equity</b>	<u>743,309</u>	<u>702,390</u>
<b>Non-current liabilities</b>		
Retirement benefit obligations	3,309	3,313
Borrowings	98,318	65,944
Deferred tax liabilities	31,625	31,602
	<u>133,252</u>	<u>100,859</u>
<b>Current liabilities</b>		
Retirement benefit obligations	293	623
Borrowings	39,568	75,111
Trade and other payables	245,400	275,424
	<u>285,261</u>	<u>351,158</u>
<b>Total liabilities</b>	<u>418,513</u>	<u>452,017</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,161,822</u>	<u>1,154,407</u>
Net assets per share (RM)	3.69	3.49

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements)

**KFC HOLDINGS (MALAYSIA) BHD** (65787-T)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	←-----Attributable to equity holders of the Company ----->								Total Equity RM'000
	←-----Non-Distributable ----->				Distributable				
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Exchange Fluctuation Reserve RM'000	Asset Revaluation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Minority Interests RM'000	
At 1 January 2009	198,275	18,736	-	1,128	27,841	446,178	692,158	10,232	702,390
Profit for the period	-	-	-	-	-	60,377	60,377	1,359	61,736
Dividend - 2008 Final	-	-	-	-	-	(20,819)	(20,819)	-	(20,819)
Translation differences	-	-	-	2	-	-	2	-	2
At 30 June 2009	<u>198,275</u>	<u>18,736</u>	<u>-</u>	<u>1,130</u>	<u>27,841</u>	<u>485,736</u>	<u>731,718</u>	<u>11,591</u>	<u>743,309</u>
At 1 January 2008	198,275	18,736	1,790	497	29,940	352,783	602,021	6,920	608,941
Profit for the period	-	-	-	-	-	58,699	58,699	1,110	59,809
Dividend - 2007 Final	-	-	-	-	-	(17,607)	(17,607)	-	(17,607)
Transfer to retained earnings upon disposal of property, plant and equipment	-	-	-	-	(532)	532	-	-	-
Acquisition of minority interest	-	-	-	-	-	-	-	1,908	1,908
Translation differences	-	-	-	1	-	-	1	-	1
At 30 June 2008	<u>198,275</u>	<u>18,736</u>	<u>1,790</u>	<u>498</u>	<u>29,408</u>	<u>394,407</u>	<u>643,114</u>	<u>9,938</u>	<u>653,052</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 2008 and the accompanying explanatory notes attached to the interim financial statements)

**KFC HOLDINGS (MALAYSIA) BHD** (65787-T)  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	CUMULATIVE QUARTERS AS AT 30/6/2009 RM'000	CUMULATIVE QUARTERS AS AT 30/6/2008 RM'000
<b>Operating activities</b>		
Profit before tax	85,836	83,309
Adjustments for :		
Interest expense	3,378	3,711
Interest income	(185)	(1,215)
Non-cash items	37,191	32,975
Operating profit before working capital changes	<u>126,220</u>	<u>118,780</u>
Changes in working capital :		
Net change in current assets	(19,839)	(26,101)
Net change in current liabilities	(30,024)	4,893
Cash generated from operations	<u>76,357</u>	<u>97,572</u>
Interest paid	(3,378)	(3,711)
Taxes paid	(22,949)	(26,225)
Retirement benefits paid	(378)	-
Net cash generated from operating activities	<u>49,652</u>	<u>67,636</u>
<b>Investing activities</b>		
Equity investments	-	(1,351)
Other investments	(45,326)	(63,671)
Net cash used in investing activities	<u>(45,326)</u>	<u>(65,022)</u>
<b>Financing activities</b>		
Payment of dividends	(20,819)	(17,607)
Bank borrowings	(3,169)	(5,876)
Reduction in the restriction on deposits pledged with licensed bank	-	6,324
Net cash used in financing activities	<u>(23,988)</u>	<u>(17,159)</u>
Net change in cash and cash equivalents	(19,662)	(14,545)
Cash and cash equivalents at beginning of period	97,985	140,358
Cash and cash equivalents at end of period	<u>78,323</u>	<u>125,813</u>
The cash and cash equivalents consist of the following:-		
<i>Deposits with financial institutions</i>	21,943	64,622
<i>Cash and bank balances</i>	56,380	61,191
	<u>78,323</u>	<u>125,813</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial report for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements)