

KFC HOLDINGS (MALAYSIA) BHD (65787-T)

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED
30 SEPTEMBER 2009**

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		1/7/2009 - 30/9/2009 RM'000	1/7/2008 30/9/2008 RM'000	1/1/2009 - 30/9/2009 RM'000	1/1/2008 - 30/9/2008 RM'000
Revenue	A8	585,151	552,440	1,673,202	1,577,881
Operating expenses		(534,903)	(507,530)	(1,536,049)	(1,449,609)
Other operating income		280	1,131	2,589	4,789
Profit from operations		50,528	46,041	139,742	133,061
Finance costs		(1,085)	(1,917)	(4,463)	(5,628)
Profit before tax	A8	49,443	44,124	135,279	127,433
Income tax expense		(13,900)	(12,300)	(38,000)	(35,800)
Profit for the period		<u>35,543</u>	<u>31,824</u>	<u>97,279</u>	<u>91,633</u>
Attributable to :					
Equity holders of the Company		35,002	31,451	95,379	90,150
Minority interests		541	373	1,900	1,483
		<u>35,543</u>	<u>31,824</u>	<u>97,279</u>	<u>91,633</u>
Earnings per share (sen) :					
(a) Basic		17.65	15.86	48.10	45.47
(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 30/9/2009	AS AT PRECEDING FINANCIAL YEAR END 31/12/2008 (AUDITED)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	660,264	615,059
Investment Property	898	898
Prepaid land lease payments	62,399	63,841
Goodwill on consolidation	43,399	43,399
Intangible assets	26,133	26,436
	<u>793,093</u>	<u>749,633</u>
Current assets		
Inventories	153,781	158,474
Trade and other receivables	146,291	118,973
Other investment	-	20,203
Tax recoverable	4,252	9,139
Cash and bank balances	112,095	97,985
	<u>416,419</u>	<u>404,774</u>
TOTAL ASSETS	<u>1,209,512</u>	<u>1,154,407</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	198,275	198,275
Other reserves		
<i>Share premium</i>	18,736	18,736
<i>Exchange fluctuation reserve</i>	1,365	1,128
<i>Asset revaluation reserve</i>	27,841	27,841
Retained earnings	508,842	446,178
	<u>755,059</u>	<u>692,158</u>
Minority interests	12,287	10,232
Total equity	<u>767,346</u>	<u>702,390</u>
Non-current liabilities		
Retirement benefit obligations	3,372	3,313
Borrowings	86,352	65,944
Deferred tax liabilities	31,763	31,602
	<u>121,487</u>	<u>100,859</u>
Current liabilities		
Retirement benefit obligations	293	623
Borrowings	51,134	75,111
Trade and other payables	269,252	275,424
	<u>320,679</u>	<u>351,158</u>
Total liabilities	<u>442,166</u>	<u>452,017</u>
TOTAL EQUITY AND LIABILITIES	<u>1,209,512</u>	<u>1,154,407</u>
Net assets per share (RM)	3.81	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	-	-	-	-	-	95,379	95,379	1,900	97,279
Dividend - 2008 Final	-	-	-	-	-	(20,819)	(20,819)	-	(20,819)
- 2009 Interim	-	-	-	-	-	(11,896)	(11,896)	-	(11,896)
Acquisition of minority interests	-	-	-	-	-	-	-	215	215
Translation differences	-	-	-	237	-	-	237	-	237
Dividends of subsidiaries	-	-	-	-	-	-	-	(60)	(60)
At 30 September 2009	<u>198,275</u>	<u>18,736</u>	<u>-</u>	<u>1,365</u>	<u>27,841</u>	<u>508,842</u>	<u>755,059</u>	<u>12,287</u>	<u>767,346</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	-	-	-	-	-	90,150	90,150	1,483	91,633
Dividend - 2007 Final	-	-	-	-	-	(17,607)	(17,607)	(61)	(17,668)
Transfer to retained earnings upon disposal of property, plant and equipment	-	-	-	-	(544)	544	-	-	-
Acquisition of minority interest	-	-	-	-	-	-	-	1,908	1,908
Translation differences	-	-	-	1	-	-	1	-	1
At 30 September 2008	<u>198,275</u>	<u>18,736</u>	<u>1,790</u>	<u>498</u>	<u>29,396</u>	<u>425,870</u>	<u>674,565</u>	<u>10,250</u>	<u>684,815</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 30/9/2009 RM'000	CUMULATIVE QUARTERS AS AT 30/9/2008 RM'000
Operating activities		
Profit before tax	135,279	127,433
Adjustments for :		
Interest expense	4,463	5,628
Interest income	(221)	(1,569)
Non-cash items	59,281	50,704
Operating profit before working capital changes	<u>198,802</u>	<u>182,196</u>
Changes in working capital :		
Net change in current assets	(22,625)	(84,186)
Net change in current liabilities	(6,172)	27,581
Cash generated from operations	<u>170,005</u>	<u>125,591</u>
Interest paid	(4,463)	(5,628)
Taxes paid	(32,952)	(38,829)
Retirement benefits paid	(494)	-
Net cash generated from operating activities	<u>132,096</u>	<u>81,134</u>
Investing activities		
Equity investments	-	(1,351)
Other investments	(81,642)	(111,309)
Net cash used in investing activities	<u>(81,642)</u>	<u>(112,660)</u>
Financing activities		
Payment of dividends	(32,715)	(17,607)
Payment of dividend to Minority shareholders	(60)	(61)
Bank borrowings	(3,569)	7,423
Reduction in the restriction on deposits pledged with licensed bank	-	6,324
Net cash used in financing activities	<u>(36,344)</u>	<u>(3,921)</u>
Net change in cash and cash equivalents	14,110	(35,447)
Cash and cash equivalents at beginning of period	97,985	140,358
Cash and cash equivalents at end of period	<u>112,095</u>	<u>104,911</u>
The cash and cash equivalents consist of the following:-		
<i>Deposits with financial institutions</i>	40,364	51,595
<i>Cash and bank balances</i>	71,731	53,316
	<u>112,095</u>	<u>104,911</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)