

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

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED  
31 DECEMBER 2008**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		1/10/2008 - 31/12/2008 RM'000	1/10/2007 31/12/2007 RM'000	1/1/2008 - 31/12/2008 RM'000	1/1/2007 - 31/12/2007 RM'000 (AUDITED)
Revenue	A8	601,907	493,263	2,179,788	1,730,371
Operating expenses		(561,020)	(447,312)	(2,010,629)	(1,576,898)
Other operating income		1,068	1,116	5,857	8,453
Profit from operations		41,955	47,067	175,016	161,926
Finance costs		(1,931)	(1,876)	(7,559)	(11,302)
Profit before tax	A8	40,024	45,191	167,457	150,624
Income tax expense		(11,307)	(13,081)	(47,107)	(45,081)
Profit for the year		<u>28,717</u>	<u>32,110</u>	<u>120,350</u>	<u>105,543</u>
Attributable to :					
Equity holders of the Company		28,385	31,714	118,535	104,269
Minority interests		<u>332</u>	<u>396</u>	<u>1,815</u>	<u>1,274</u>
		<u>28,717</u>	<u>32,110</u>	<u>120,350</u>	<u>105,543</u>
Earnings per share (sen) :					
(a) Basic		14.32	15.99	59.78	52.59
(b) Fully diluted		-	-	-	-

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 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 31/12/2008	AS AT PRECEDING FINANCIAL YEAR END 31/12/2007 (AUDITED)
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	615,059	529,658
Investment Property	898	2,000
Prepaid land lease payments	63,841	63,941
Goodwill on consolidation	43,399	42,762
Intangible assets	26,436	25,301
Other investment - unquoted	-	4,500
Fixed deposits	-	6,324
	<u>749,633</u>	<u>674,486</u>
<b>Current assets</b>		
Inventories	158,474	112,312
Trade and other receivables	118,973	78,972
Other investments	20,203	-
Tax recoverable	9,139	-
Cash and bank balances	97,985	140,358
	<u>404,774</u>	<u>331,642</u>
<b>TOTAL ASSETS</b>	<u>1,154,407</u>	<u>1,006,128</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>Capital reserve</i>	-	1,790
<i>Exchange fluctuation reserve</i>	1,128	497
<i>Revaluation reserve</i>	27,841	29,940
Retained earnings	446,178	352,783
	<u>692,158</u>	<u>602,021</u>
<b>Minority interests</b>	10,232	6,920
<b>Total equity</b>	<u>702,390</u>	<u>608,941</u>
<b>Non-current liabilities</b>		
Retirement benefit obligations	3,313	3,758
Borrowings	65,944	110,907
Deferred tax liabilities	31,602	25,036
	<u>100,859</u>	<u>139,701</u>
<b>Current liabilities</b>		
Retirement benefit obligations	623	-
Borrowings	75,111	12,080
Trade and other payables	275,424	242,110
Current tax payable	-	3,296
	<u>351,158</u>	<u>257,486</u>
<b>Total liabilities</b>	<u>452,017</u>	<u>397,187</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,154,407</u>	<u>1,006,128</u>
Net assets per share (RM)	3.49	3.04

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 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 ----->							Minority Interests	Total Equity
	←-----Non-Distributable ----->				Distributable				
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Exchange Fluctuation Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Total RM'000		
At 1 January 2008	198,275	18,736	1,790	497	29,940	352,783	602,021	6,920	608,941
Profit for the year	-	-	-	-	-	118,535	118,535	1,815	120,350
Dividend - 2007 Final	-	-	-	-	-	(17,607)	(17,607)	-	(17,607)
- 2008 Interim	-	-	-	-	-	(11,738)	(11,738)	-	(11,738)
Transfer to retained earnings upon disposal of property, plant and equipment	-	-	-	-	(544)	544	-	-	-
Transfer from capital reserve : voluntary winding-up of subsidiaries	-	-	(1,790)	-	-	1,790	-	-	-
Reversal of deferred tax	-	-	-	-	316	-	316	-	316
Transfer from revaluation reserve	-	-	-	-	(1,871)	1,871	-	-	-
Acquisition of minority interest	-	-	-	-	-	-	-	1,909	1,909
Translation differences	-	-	-	631	-	-	631	-	631
Dividends of subsidiaries	-	-	-	-	-	-	-	(412)	(412)
At 31 December 2008	<u>198,275</u>	<u>18,736</u>	<u>-</u>	<u>1,128</u>	<u>27,841</u>	<u>446,178</u>	<u>692,158</u>	<u>10,232</u>	<u>702,390</u>
At 1 January 2007	198,275	18,736	1,790	382	29,269	280,024	528,476	5,865	534,341
Profit for the year	-	-	-	-	-	104,269	104,269	1,274	105,543
Dividend - 2006 Final	-	-	-	-	-	(20,264)	(20,264)	-	(20,264)
- 2007 Interim	-	-	-	-	-	(11,579)	(11,579)	-	(11,579)
Transfer to retained earnings upon disposal of property, plant and equipment	-	-	-	-	(36)	50	14	-	14
Reversal of deferred tax	-	-	-	-	990	-	990	-	990
Transfer from revaluation reserve	-	-	-	-	(283)	283	-	-	-
Translation differences	-	-	-	115	-	-	115	-	115
Dividend of a subsidiary	-	-	-	-	-	-	-	(219)	(219)
At 31 December 2007	<u>198,275</u>	<u>18,736</u>	<u>1,790</u>	<u>497</u>	<u>29,940</u>	<u>352,783</u>	<u>602,021</u>	<u>6,920</u>	<u>608,941</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 2007 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 31/12/2008 RM'000	CUMULATIVE QUARTERS AS AT 31/12/2007 RM'000 (AUDITED)
<b>Operating activities</b>		
Profit before tax	167,457	150,624
Adjustments for :		
Interest expense	7,559	11,302
Interest income	(1,795)	(2,883)
Non-cash items	71,176	60,569
Operating profit before working capital changes	<u>244,397</u>	<u>219,612</u>
Changes in working capital :		
Net change in current assets	(79,786)	(24,011)
Net change in current liabilities	31,084	38,486
Cash generated from operations	<u>195,695</u>	<u>234,087</u>
Interest paid	(7,559)	(11,302)
Taxes paid	(52,660)	(48,257)
Net cash generated from operating activities	<u>135,476</u>	<u>174,528</u>
<b>Investing activities</b>		
Equity investments	(1,350)	-
Other investments	(166,930)	(83,406)
Net cash used in investing activities	<u>(168,280)</u>	<u>(83,406)</u>
<b>Financing activities</b>		
Payment of dividends	(29,345)	(31,843)
Payment of dividends to minority shareholders	(412)	(219)
Bank borrowings	15,159	(77,408)
Reduction in deposits pledged with licensed bank	6,324	9,469
Net cash used in financing activities	<u>(8,274)</u>	<u>(100,001)</u>
Net change in cash and cash equivalents	(41,078)	(8,879)
Effects on foreign exchange rate changes	(1,295)	-
Cash and cash equivalents at beginning of year	140,358	149,237
Cash and cash equivalents at end of year	<u>97,985</u>	<u>140,358</u>
The cash and cash equivalents consist of the following:-		
<i>Deposits with financial institutions</i>	41,643	96,816
<i>Cash and bank balances</i>	56,342	43,542
	<u>97,985</u>	<u>140,358</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial report for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)