

Additional Compliance Information

1. NON-AUDIT FEES

The amount of non-audit fees paid and payable to the external auditors and their affiliated company by the Group for the financial year ended 31 December 2007 is as follows: -

	RM'000
Ernst & Young	46
Ernst & Young Tax Consultants Sdn Bhd	33
Total	79

2. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE (“RRPT”)

Details of transactions with related parties undertaken by the Group during the financial year are disclosed on pages 118 to 120 of the financial statements

3. MATERIAL CONTRACTS

There was no material contract including contracts relating to any loans entered into by the Group and its subsidiaries involving Directors and major shareholders' interest.

4. DISCLOSURE OF THE RESTRICTIVE COVENANT CLAUSE IN THE INTERNATIONAL FRANCHISE AGREEMENTS (“IFA”) GOVERNING THE PIZZA HUT FRANCHISE

The Group operates Pizza Hut restaurants in Malaysia and Singapore and Multibrand restaurant in Singapore under the International Franchise Agreements and Development Agreements entered into with Yum! Restaurants Asia Pte Ltd (“the Franchisor”).

KFCH group operates KFC restaurants in Malaysia, Singapore and Brunei under the International Franchise Agreements entered into with the Franchisor. The right to develop KFC restaurants in Malaysia, Singapore and Brunei is granted to KFCH by the Franchisor under the Development Agreements entered into with the Franchisor.

Any occurrence of events of default under the International Franchise Agreements may lead to the termination of the KFC and Pizza Hut franchise by the Franchisor. The International Franchise Agreements and/or Development Agreements are also subject to renewal.



Additional Compliance Information

The International Franchise Agreements also contain a covenant which requires the consent of the Franchisor for any direct or indirect acquisition by any third party competitor of QSR and/or KFCH or any third party holding twenty percent (20%) or more of QSR and/or KFCH, failing which the Franchisor may terminate the International Franchise Agreements and/or adopt any of the remedies specified in the International Franchise Agreements. As our Company and KFCH are listed on Bursa Securities and the respective shares are freely traded, any person, whether individually or together with persons acting in concert, could possibly acquire more than twenty percent (20%) of the voting shares of our Company or KFCH without obtaining the consent of the Franchisor. As such, if the Franchisor does not consent to any such acquisition, the Franchisor may terminate the International Franchise Agreements or choose not to renew the International Franchise Agreements upon the expiry.

5. UTILISATION OF PROCEEDS

The utilization of proceeds as at 14 March 2008 raised from the Rights Issue exercise announced on 14 September 2007 is as follows:-

	RM'000
Repayment of bank borrowings	22,026
Expenses for rights issue	439
Total utilized	22,465
Balance unutilized	79,815
Total Rights proceeds	102,280