



UNAUDITED BALANCE SHEETS AS AT 30 SEPTEMBER 2007

	Note	Group		Company	
		30 September 2007 RM'000	31 December 2006 RM'000	30 September 2007 RM'000	31 December 2006 RM'000
<b>ASSETS</b>					
Cash and short-term funds		4,144,846	4,901,664	222,492	118,129
Deposits and placements with banks and other financial institutions		395,117	894,131	115,250	-
Asset classified as held for sale		-	17,883	-	-
Securities held-for-trading	A11	65,327	31,272	9,912	18,025
Securities available-for-sale	A12	3,549,468	2,749,773	56,778	59,802
Securities held-to-maturity	A13	256,908	795,560	-	-
Loans, advances and financing	A14	1,187,038	1,163,597	943,815	985,169
Other assets	A15	406,969	444,420	575,152	594,061
Statutory deposits with Bank Negara Malaysia		140,522	5,105	-	-
Investment properties		66,187	72,251	-	-
Prepaid lease payments		16,699	18,991	-	-
Land held for property development		90,383	90,466	-	-
Investment in associates		3,429	5,945	-	-
Investment in subsidiaries		-	-	995,523	995,523
Property, plant and equipment - others		121,762	127,564	8,493	10,036
Property, plant and equipment - serviced residence property		109,581	110,303	-	-
Deferred tax assets		35,353	35,027	12,980	12,980
Goodwill		155,433	155,433	-	-
<b>TOTAL ASSETS</b>		<b>10,745,022</b>	<b>11,619,385</b>	<b>2,940,395</b>	<b>2,793,725</b>
<b>LIABILITIES</b>					
Deposits from customers	A16	3,562,137	2,691,020	-	-
Deposits and placements of banks and financial institutions	A17	3,570,701	5,454,780	-	-
Other payables		171,172	181,166	194,243	234,742
Borrowings	B9	1,388,110	1,257,600	1,284,552	1,125,365
Taxation		22,084	28,780	11,168	-
Employee benefits		14,393	15,864	9,031	11,081
Redeemable preference shares		300	300	300	300
Deferred tax liabilities		908	1,023	-	-
<b>TOTAL LIABILITIES</b>		<b>8,729,805</b>	<b>9,630,533</b>	<b>1,499,294</b>	<b>1,371,488</b>
<b>EQUITY</b>					
Capital and reserves attributable to equity holders of the Company					
Share Capital		978,410	956,700	978,410	956,700
Reserves :					
Share Premium		363,867	363,867	363,867	363,867
Statutory Reserve		42,605	42,605	-	-
Capital Reserve		36,220	36,259	-	-
Exchange Fluctuation Reserve		(5,147)	(5,248)	-	-
Securities Available-For-Sale Reserve		10,580	10,635	-	-
Retained Profits		563,654	559,802	98,824	101,670
		1,990,189	1,964,620	1,441,101	1,422,237
Minority Interest		25,028	24,232	-	-
<b>TOTAL EQUITY</b>		<b>2,015,217</b>	<b>1,988,852</b>	<b>1,441,101</b>	<b>1,422,237</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>10,745,022</b>	<b>11,619,385</b>	<b>2,940,395</b>	<b>2,793,725</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	A26	<b>1,175,640</b>	<b>1,286,672</b>	<b>259,984</b>	<b>428,375</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (RM)</b>		<b>2.03</b>	<b>2.05</b>	<b>1.47</b>	<b>1.49</b>

The Unaudited Condensed Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached in the interim financial statements.

UNAUDITED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2007

GROUP	Note	Individual Quarter		Cumulative Quarter	
		30.9.2007 RM'000	30.9.2006 RM'000	30.9.2007 RM'000	30.9.2006 RM'000
REVENUE		145,314	155,951	412,981	418,855
INTEREST INCOME	A18	89,893	100,694	266,547	275,530
INTEREST EXPENSE	A19	(64,432)	(65,071)	(184,644)	(180,382)
NET INTEREST INCOME		25,461	35,623	81,903	95,148
NET INCOME FROM ISLAMIC BANKING BUSINESS	A29b	6,852	7,621	20,296	19,708
OTHER OPERATING INCOME	A20	48,798	85,946	118,789	153,073
		81,111	129,190	220,988	267,929
EXPENDITURE	A21	(32,664)	(34,067)	(100,145)	(108,292)
<b>PROFIT BEFORE ALLOWANCES FOR LOANS AND ADVANCES AND IMPAIRMENT LOSSES</b>		<b>48,447</b>	<b>95,123</b>	<b>120,843</b>	<b>159,637</b>
ALLOWANCES FOR LOSSES ON LOANS, ADVANCES AND FINANCING	A22	(6,693)	(38,182)	(16,297)	(48,842)
IMPAIRMENT WRITEBACK / (LOSSES) ON SECURITIES	A23	1,007	(3,206)	(19,961)	(6,425)
PROFIT BEFORE SHARE OF RESULTS IN ASSOCIATES		42,761	53,735	84,585	104,370
SHARE OF RESULTS IN ASSOCIATES		401	352	1,232	4,957
<b>PROFIT BEFORE TAXATION</b>		<b>43,162</b>	<b>54,087</b>	<b>85,817</b>	<b>109,327</b>
TAXATION		(4,931)	(13,199)	(13,234)	(33,800)
<b>PROFIT FOR THE PERIOD</b>		<b>38,231</b>	<b>40,888</b>	<b>72,583</b>	<b>75,527</b>
ATTRIBUTABLE TO:					
EQUITY HOLDERS OF THE COMPANY		37,568	40,015	71,787	73,944
MINORITY INTEREST		663	873	796	1,583
<b>PROFIT FOR THE PERIOD</b>		<b>38,231</b>	<b>40,888</b>	<b>72,583</b>	<b>75,527</b>
<b>EARNINGS PER SHARE</b>					
- BASIC		3.86	4.18	7.45	7.73
- DILUTED		3.85	4.18	7.44	7.72

The Unaudited Condensed Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached in the interim financial statements.

UNAUDITED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2007

COMPANY	Note	Individual Quarter		Cumulative Quarter	
		30.9.2007 RM'000	30.9.2006 RM'000	30.9.2007 RM'000	30.9.2006 RM'000
REVENUE		124,411	85,899	168,767	122,790
INTEREST INCOME	A18	15,883	17,225	52,308	52,875
INTEREST EXPENSE	A19	(7,974)	(7,544)	(23,438)	(23,423)
NET INTEREST INCOME		7,909	9,681	28,870	29,452
NET INCOME FROM ISLAMIC BANKING BUSINESS	A29b	3,387	2,230	9,457	5,778
OTHER OPERATING INCOME	A20	108,355	69,037	120,490	72,386
		119,651	80,948	158,817	107,616
EXPENDITURE	A21	(12,973)	(12,280)	(38,047)	(35,117)
<b>PROFIT BEFORE ALLOWANCES FOR LOANS AND ADVANCES AND IMPAIRMENT LOSSES</b>		<b>106,678</b>	<b>68,668</b>	<b>120,770</b>	<b>72,499</b>
ALLOWANCES FOR LOSSES ON LOANS, ADVANCES AND FINANCING	A22	(9,478)	(15,748)	(21,532)	(24,968)
<b>PROFIT BEFORE TAXATION</b>		<b>97,200</b>	<b>52,920</b>	<b>99,238</b>	<b>47,531</b>
TAXATION		(27,927)	(19,879)	(31,283)	(23,279)
<b>PROFIT FOR THE PERIOD</b>		<b>69,273</b>	<b>33,041</b>	<b>67,955</b>	<b>24,252</b>

The Unaudited Condensed Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached in the interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2007

Group	Attributable to Equity Holders of the Company							Total	Minority Interest	Total Equity
	Share Capital	Share Premium	Statutory Reserve	Securities Available-For-Sale Reserve	Capital Reserve	Exchange Fluctuation Reserve	Distributable Retained Profits			
	RM'000									
At 1 January 2007	956,700	363,867	42,605	10,635	36,259	(5,248)	559,802	1,964,620	24,232	1,988,852
Net profit for the financial period	-	-	-	-	-	-	71,787	71,787	796	72,583
Dividend paid	-	-	-	-	-	-	(70,801)	(70,801)	-	(70,801)
Exercise of share options	21,710	-	-	-	-	-	-	21,710	-	21,710
Realised gain on disposal of securities available-for-sale	-	-	-	(2,866)	-	-	2,866	-	-	-
Unrealised loss on revaluation of securities available-for-sale	-	-	-	3,709	-	-	-	3,709	-	3,709
Deferred tax on revaluation of securities available-for-sale	-	-	-	(898)	-	-	-	(898)	-	(898)
Currency translation differences	-	-	-	-	-	101	-	101	-	101
Transfer within reserves	-	-	-	-	(39)	-	-	(39)	-	(39)
<b>At 30 September 2007</b>	<b>978,410</b>	<b>363,867</b>	<b>42,605</b>	<b>10,580</b>	<b>36,220</b>	<b>(5,147)</b>	<b>563,654</b>	<b>1,990,189</b>	<b>25,028</b>	<b>2,015,217</b>
At 1 January 2006	956,374	363,867	37,987	4,906	35,653	(5,234)	378,271	1,771,824	32,157	1,803,981
As previously stated	-	-	-	-	-	-	(2,301)	(2,301)	-	(2,301)
Prior year adjustments	-	-	-	-	-	-	(28,798)	(28,798)	-	(28,798)
- Effects from adoption of FRS 117										
- Effects from adoption of FRS 140										
As restated, before opening balance adjustments	956,374	363,867	37,987	4,906	35,653	(5,234)	347,172	1,740,725	32,157	1,772,882
Opening balance adjustments in respect of FRS 3 adoption	-	-	-	-	-	-	148,984	148,984	-	148,984
As restated, after opening balance adjustments	956,374	363,867	37,987	4,906	35,653	(5,234)	496,156	1,889,709	32,157	1,921,866
Net profit for the financial period	-	-	-	-	-	-	73,944	73,944	1,583	75,527
Dividend paid	-	-	-	-	-	-	(41,329)	(41,329)	-	(41,329)
Dividend 2005 relating to Minority Interest	-	-	-	-	-	-	-	-	(1,764)	(1,764)
Exercise of share options	318	-	-	-	-	-	-	318	-	318
Unrealised loss on revaluation of securities available-for-sale	-	-	-	(8,043)	-	-	-	(8,043)	-	(8,043)
Currency translation differences	-	-	-	-	-	(34)	-	(34)	-	(34)
Adjustment in respect of Minority Interest's share of losses at subsidiary	-	-	-	-	-	-	100	100	-	100
<b>At 30 September 2006</b>	<b>956,692</b>	<b>363,867</b>	<b>37,987</b>	<b>(3,137)</b>	<b>35,653</b>	<b>(5,268)</b>	<b>528,871</b>	<b>1,914,665</b>	<b>31,976</b>	<b>1,946,641</b>

The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached in the interim financial statements.



UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2007

<b>Company</b>	<b>Share Capital</b>	<b>Non-Distributable Share Premium</b>	<b>Distributable Retained Profits</b>	<b>Total Equity</b>
	-----RM'000-----			
At 1 January 2007	956,700	363,867	101,670	1,422,237
Net profit for the financial period	-	-	67,955	67,955
Exercise of share options	21,710	-	-	21,710
Dividend paid	-	-	(70,801)	(70,801)
<b>At 30 September 2007</b>	<b>978,410</b>	<b>363,867</b>	<b>98,824</b>	<b>1,441,101</b>
At 1 January 2006	956,374	363,867	69,288	1,389,529
Net profit for the financial period	-	-	24,252	24,252
Dividend paid	-	-	(41,329)	(41,329)
Exercise of share options	318	-	-	318
At 30 September 2006	956,692	363,867	52,211	1,372,770

The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached in the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2007

	Group		Company	
	30.9.2007 RM'000	30.9.2006 RM'000	30.9.2007 RM'000	30.9.2006 RM'000
<b>Profit before taxation</b>	<b>85,817</b>	109,327	99,238	47,531
Adjustments for non-cash items	<b>(16,576)</b>	(42,748)	22,753	(26,092)
Operating profit before changes in working capital	<b>69,241</b>	<b>66,579</b>	<b>121,991</b>	<b>21,439</b>
Changes in working capital				
Net changes in operating assets	<b>(405,120)</b>	3,359,887	(2,534)	(156,023)
Net changes in operating liabilities	<b>(892,779)</b>	(1,055,052)	158,622	(69,696)
Tax expense paid	<b>(17,884)</b>	(48,941)	(8,169)	(4,779)
Dividend paid	<b>(70,801)</b>	(41,329)	(70,801)	(41,329)
Retirement benefits paid	<b>(1,282)</b>	(1,306)	(1,282)	(777)
Movements on exchange fluctuations	<b>101</b>	(34)	-	-
<b>Net cash (used in) / generated from operating activities</b>	<b>(1,318,524)</b>	<b>2,279,804</b>	<b>197,827</b>	<b>(251,165)</b>
<b>Net cash generated from / (used in) investing activities</b>	<b>40,982</b>	11,396	(4)	240,145
<b>Net cash generated from / (used in) financing activities</b>	<b>21,710</b>	(1,446)	21,790	317
Net (decrease) / increase in cash and cash equivalents	<b>(1,255,832)</b>	<b>2,289,754</b>	<b>219,613</b>	<b>(10,703)</b>
Cash and cash equivalents at beginning of the period	<b>5,795,645</b>	<b>2,563,764</b>	<b>118,129</b>	<b>187,991</b>
<b>Cash and cash equivalents at end of the period</b>	<b>4,539,813</b>	<b>4,853,518</b>	<b>337,742</b>	<b>177,288</b>
Cash and cash equivalents:				
Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:				
Cash and short term funds (note)	<b>4,144,696</b>	<b>4,050,764</b>	<b>222,492</b>	<b>177,288</b>
Deposits and placements with banks and other financial institutions	<b>395,117</b>	<b>802,754</b>	<b>115,250</b>	-
	<b>4,539,813</b>	<b>4,853,518</b>	<b>337,742</b>	<b>177,288</b>

Note : Net of pledged deposits with a licensed bank for banking facilities granted to a subsidiary amounting to RM150,000.

The Unaudited Condensed Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached in the interim financial statements.

**Part A - Explanatory Notes Pursuant to Financial Reporting Standard 134 ("FRS 134") and Revised Guidelines on Financial Reporting for Licensed Institutions (BNM/GP8) Issued by Bank Negara Malaysia**

**A1. Basis of preparation**

The unaudited condensed interim financial statements has been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: securities held-for-trading, securities available-for-sale and derivative financial instruments.

The unaudited condensed interim financial statements has been prepared in accordance with FRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2006. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2006.

The significant accounting policies and methods of computation adopted in the unaudited condensed interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2006, except for adoption of FRS 124, Related Party Disclosure and Amendments to FRS 119 <sup>2004</sup> Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures which are effective for the financial years beginning 1 October 2006 and 1 January 2007 respectively.

The adoption of revised FRS 124 and amendments to FRS 119 <sup>2004</sup> does not have significant financial impact on the Group and Company.

**A2. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the audited financial statements for the financial year ended 31 December 2006 was not subject to any qualification.

**A3. Seasonal and cyclical factors**

The operations of the Group were not materially affected by any seasonal or cyclical factors in the third quarter ended 30 September 2007.

**A4. Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 September 2007.

**A5. Changes in estimates**

There were no changes in estimates that have a material effect in the third quarter ended 30 September 2007 results.

**A6. Property, plant and equipment**

The valuations of land and buildings have been brought forward, without amendment, from the financial statements for the year ended 31 December 2006.

**A7. Subsequent events**

There were no material events subsequent to the end of the current quarter.

**A8. Changes in composition of the Group**

There is no change in the composition of the Group for the third quarter ended 30 September 2007.

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A9. Changes in debt and equity securities**

The issued and paid-up ordinary share capital of the Company has increased from RM956,699,513 since the financial year ended 31 December 2006 to RM978,409,913 as at 30 September 2007 arising from the issuance of 21,710,400 new ordinary shares of RM1.00 each pursuant to the exercise of options granted under the Employees' Share Option Scheme at an option price of RM1.00. Other than this, there were no share buy-backs, share cancellations, shares held as treasury shares, and resale of treasury shares in the current financial period to date.

During the financial period under review, the Company issued/ repaid the following debt securities:

Issue	Tenure	Issue Date	Amount (RM'000)	Repayment Date
<b>RM50 million Murabahah CP/MTN (2003 – 2010)</b>				
CP-AI-Murabahah	3 months	3 November 2006	5,000	2 February 2007
CP-AI-Murabahah	3 months	1 December 2006	5,000	1 March 2007
CP-AI-Murabahah	3 months	2 February 2007	5,000	2 May 2007
CP-AI-Murabahah	3 months	1 March 2007	5,000	1 June 2007
CP-AI-Murabahah	3 months	3 May 2007	5,000	3 August 2007
CP-AI-Murabahah	3 months	1 June 2007	5,000	3 September 2007

**A10. Dividend paid**

The amount of dividends paid during the financial period ended 30 September 2007 was as follows:

	Cumulative Quarter 1.1.2007 to 30.9.2007 RM'000	Cumulative Quarter 1.1.2006 to 30.9.2006 RM'000
Final dividend paid on 6 July 2007 in respect of the financial year ended 31 December 2006		
- 7% less 27% tax	49,561	-
Special dividend paid on 6 July 2007 in respect of the financial year ended 31 December 2006		
- 3% less 27% tax	21,240	-
First and final dividend paid on 10 July 2006 in respect of the financial year ended 31 December 2005		
- 6% less 28% tax	-	41,329
	<b>70,801</b>	<b>41,329</b>



**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A11. Securities held-for-trading**

	Group		Company	
	30.9.2007	31.12.2006	30.9.2007	31.12.2006
	RM'000	RM'000	RM'000	RM'000
At fair value				
Quoted:				
Government Investment Issue	45,020	-	-	-
Unit trusts	3,528	10,000	2,152	10,000
Shares	958	3,904	889	1,447
Loan stocks	21	14	21	14
Redeemable Convertible Secured Notes	6,850	6,564	6,850	6,564
	<u>56,377</u>	<u>20,482</u>	<u>9,912</u>	<u>18,025</u>
Unquoted:				
Loan stocks	7,004	8,844	-	-
Shares	1,946	1,946	-	-
	<u>8,950</u>	<u>10,790</u>	<u>-</u>	<u>-</u>
	<u>65,327</u>	<u>31,272</u>	<u>9,912</u>	<u>18,025</u>

**A12. Securities available-for-sale**

	Group		Company	
	30.9.2007	31.12.2006	30.9.2007	31.12.2006
	RM'000	RM'000	RM'000	RM'000
At fair value, or amortised cost less impairment losses for certain unquoted equity instruments				
Quoted:				
Malaysian Government Securities	120,840	20,099	-	-
Government Investment Issue	65,030	23,911	-	-
Malaysian Treasury Bills/Malaysian Islamic Treasury Bills	49,391	-	-	-
Bank Negara Malaysia Negotiable Notes	112,316	-	-	-
Shares	31,988	20,782	5,409	5,409
	<u>379,565</u>	<u>64,792</u>	<u>5,409</u>	<u>5,409</u>
Unquoted:				
Khazanah bonds	272,251	61,433	-	-
Cagamas bonds	-	9,967	-	-
Negotiable instruments of deposit	139,438	66,386	-	-
Private debt securities	2,502,675	2,368,216	-	-
Corporate bonds	46,868	53,231	46,868	53,231
Shares	132,785	155,365	11,831	23,707
Others Acceptances Discounted	89,745	1,557	-	-
Loan stocks	8,631	20,351	3,631	15,351
	<u>3,192,393</u>	<u>2,736,506</u>	<u>62,330</u>	<u>92,289</u>
Less: Accumulated impairment losses	(22,490)	(49,653)	(10,961)	(36,024)
Less: Amount transferred from specific provision	-	(1,872)	-	(1,872)
	<u>3,549,468</u>	<u>2,749,773</u>	<u>56,778</u>	<u>59,802</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A13. Securities held-to-maturity**

	Group	
	30.9.2007 RM'000	31.12.2006 RM'000
At amortised cost		
Quoted:		
Government Investment Issue	-	135,500
Malaysian Government Securities	96,250	100,936
Bank Negara Malaysia Negotiable Notes	99,584	-
Malaysian Islamic Treasury Bills	9,808	-
	<u>205,642</u>	<u>236,436</u>
Unquoted:		
Cagamas bonds	4,979	353,671
Negotiable instruments of deposit	-	144,764
Khazanah bonds	-	14,883
Shares	3,365	3,365
Private debt securities	195,256	196,877
	<u>203,600</u>	<u>713,560</u>
	409,242	949,996
Less: Accumulated impairment losses	<u>(152,334)</u>	<u>(154,436)</u>
	<u>256,908</u>	<u>795,560</u>

**A14. Loans, advances and financing**

	Group		Company	
	30.9.2007 RM'000	31.12.2006 RM'000	30.9.2007 RM'000	31.12.2006 RM'000
Term loans				
- Syndicated term loan/financing	62,132	12,380	-	-
- Hire purchase receivables	138,277	178,709	63,286	80,108
- Lease receivables	8,349	15,830	6,019	13,483
- Other term loans/financing	941,910	1,024,668	846,108	903,000
Claims on customers under acceptance credits	1,320	1,725	-	-
Staff loans	16,999	19,214	6,051	6,920
Revolving credits	72,797	63,841	-	978
Other loans/financing	309,505	235,760	246,730	218,165
	<u>1,551,289</u>	<u>1,552,127</u>	<u>1,168,194</u>	<u>1,222,654</u>
Less: Unearned interest and income	<u>(43,800)</u>	<u>(52,207)</u>	<u>(35,093)</u>	<u>(37,411)</u>
	1,507,489	1,499,920	1,133,101	1,185,243
Less: Security deposits	(1,057)	(1,739)	-	-
Less: Allowance for bad and doubtful debts and financing:				
- General	(34,244)	(39,176)	(27,422)	(27,422)
- Specific	(285,150)	(295,408)	(161,864)	(172,652)
Total net loans, advances and financing	<u>1,187,038</u>	<u>1,163,597</u>	<u>943,815</u>	<u>985,169</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A14. Loans, advances and financing (continued)**

**A14a. By type of customer**

	Group		Company	
	30.9.2007 RM'000	31.12.2006 RM'000	30.9.2007 RM'000	31.12.2006 RM'000
Domestic business enterprises				
- Small medium enterprises	784,476	805,922	739,868	778,054
- Others	569,587	561,575	359,089	373,405
Individuals	121,729	98,203	6,051	6,920
Other domestic entities	3,604	7,356	-	-
Foreign entities	28,093	26,864	28,093	26,864
<b>Gross loans, advances and financing</b>	<b>1,507,489</b>	<b>1,499,920</b>	<b>1,133,101</b>	<b>1,185,243</b>

**A14b. By interest/profit rate sensitivity**

	Group		Company	
	30.9.2007 RM'000	31.12.2006 RM'000	30.9.2007 RM'000	31.12.2006 RM'000
Fixed rate				
- Staff loans	16,991	19,214	6,051	6,920
- Hire purchase receivables	245,848	258,056	179,127	173,408
- Other fixed rate loan/financing	688,217	705,900	618,459	678,482
Variable rate				
- BLR plus	247,539	273,722	247,539	273,722
- Cost-plus	230,484	193,832	3,515	3,515
- Other variable rates	78,410	49,196	78,410	49,196
<b>Gross loans, advances and financing</b>	<b>1,507,489</b>	<b>1,499,920</b>	<b>1,133,101</b>	<b>1,185,243</b>

**A14c. By economic sector**

	Group		Company	
	30.9.2007 RM'000	31.12.2006 RM'000	30.9.2007 RM'000	31.12.2006 RM'000
Agriculture, hunting, forestry & fishing	48,220	49,580	199	199
Mining and quarrying	11,069	17,977	10,069	16,977
Manufacturing	927,864	980,351	889,021	922,232
Construction	72,866	53,422	27,365	17,587
Purchase of landed property:				
- Residential	613	777	-	-
Wholesale & retail trade and restaurants & hotels	123,455	121,632	113,173	110,024
Transport, storage and communications	119,781	74,821	50,870	51,354
Finance, insurance and business services	54,108	46,366	18,742	19,238
Purchase of securities	62,775	17,595	-	-
Purchase of transport vehicles	51,231	64,557	-	-
Others	35,507	72,842	23,662	47,632
<b>Gross loans, advances and financing</b>	<b>1,507,489</b>	<b>1,499,920</b>	<b>1,133,101</b>	<b>1,185,243</b>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

A14. **Loans, advances and financing** (continued)

A14d. Movements in non-performing loans, advances and financing

	Group		Company	
	30.9.2007 RM'000	31.12.2006 RM'000	30.9.2007 RM'000	31.12.2006 RM'000
At beginning of period/year	418,701	347,561	265,794	181,356
Non-performing during the year	44,079	129,573	43,970	111,663
Reclassified as performing	(13,302)	(15,843)	(10,020)	(1,142)
Reclassification from other assets	-	188	-	-
Amount recovered	(17,532)	(23,440)	(11,358)	(20,210)
Amount written off	(32,267)	(19,338)	(32,267)	(5,873)
Loans converted to securities	(15,548)	-	-	-
At end of period/year	384,131	418,701	256,119	265,794
Less: Specific allowance	(277,820)	(280,944)	(154,534)	(158,188)
<b>Net non-performing loans, advances and financing</b>	<b>106,311</b>	<b>137,757</b>	<b>101,585</b>	<b>107,606</b>
<b>Net NPL as % of gross loans, advances and financing less specific allowances</b>	<b>8.70%</b>	<b>11.44%</b>	<b>10.46%</b>	<b>10.63%</b>
Performing loans with specific allowance provided	14,749	28,628	14,749	28,628
Less: Specific allowance	(7,330)	(14,464)	(7,330)	(14,464)
Net	7,419	14,164	7,419	14,164

A14e. Movements in allowance for bad and doubtful debts

	Group		Company	
	30.9.2007 RM'000	31.12.2006 RM'000	30.9.2007 RM'000	31.12.2006 RM'000
<b>General allowance</b>				
At beginning of period/year	39,176	32,407	27,422	27,422
Allowance made during the year	-	6,769	-	-
Amount transferred to specific allowance	(4,933)	-	-	-
At end of period/year	34,243	39,176	27,422	27,422
<b>As % of gross loans, advances and financing less specific allowance</b>	<b>2.80%</b>	<b>3.25%</b>	<b>2.82%</b>	<b>2.71%</b>
<b>Specific allowance</b>				
At beginning of period/year	295,408	239,327	172,652	129,421
Allowance made during the year	40,315	97,140	40,260	68,556
Allowance transfer from general allowance	4,933	-	-	-
Reclassification from other assets	-	188	-	-
Amount written back in respect of recoveries	(23,186)	(20,037)	(18,728)	(17,580)
Amount transferred to provision for loan stocks	-	(1,872)	-	(1,872)
Amount written off	(32,320)	(19,338)	(32,320)	(5,873)
At end of period/year	285,150	295,408	161,864	172,652

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A14. Loans, advances and financing (continued)**

**A14f. Non-Performing Loan by economic sector**

	Group		Company	
	30.9.2007 RM'000	31.12.2006 RM'000	30.9.2007 RM'000	31.12.2006 RM'000
Agriculture, hunting, forestry & fishing	43,199	44,335	199	199
Mining and quarrying	4,506	9,246	4,506	9,246
Manufacturing	181,546	223,732	164,264	188,284
Construction	47,078	35,521	18,081	6,501
Purchase of landed property:				
- Residential	114	119	-	-
Wholesale & retail trade and restaurants & hotels	46,759	43,007	46,159	42,225
Transport, storage and communication	11,664	9,788	10,491	6,788
Finance, insurance and business services	19,316	19,324	7,519	7,478
Purchase of transport vehicles	16,349	17,084	-	-
Others	13,600	16,545	4,900	5,073
	<u>384,131</u>	<u>418,701</u>	<u>256,119</u>	<u>265,794</u>

**A15. Other assets**

	Group		Company	
	30.9.2007 RM'000	31.12.2006 RM'000	30.9.2007 RM'000	31.12.2006 RM'000
Accrued interest, commitment charges, commissions and fees receivable	45,113	32,020	743	408
Amount due from subsidiaries				
- current accounts	-	-	18,545	6,878
- loan accounts	-	-	563,670	614,245
Less: Allowance for doubtful debts	-	-	(45,065)	(45,065)
			518,605	569,180
Clients' and brokers' accounts	33,378	35,855	-	-
Less: Allowance for doubtful debts	(2,344)	(2,326)	-	-
	31,034	33,529	-	-
Trade receivables	65,657	84,561	-	-
Less: Allowance for doubtful debts	(32,368)	(32,990)	-	-
	33,289	51,571	-	-
Other receivables, deposits and prepayments	81,410	87,952	15,892	7,807
Less: Allowance for doubtful debts	(42,550)	(42,475)	-	-
	38,860	45,477	15,892	7,807
Industrial Estates				
- developed properties held-for-sale	231,041	241,018	-	-
Less: Impairment loss	(6,230)	(6,230)	-	-
	224,811	234,788	-	-
	<u>373,107</u>	<u>397,385</u>	<u>553,785</u>	<u>584,273</u>
Tax recoverable	33,862	47,035	21,367	9,788
	<u>406,969</u>	<u>444,420</u>	<u>575,152</u>	<u>594,061</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A16. Deposits from customers**

	Group	
	30.9.2007	31.12.2006
	RM'000	RM'000
(i) By type of deposit		
Deposits from customers		
- Fixed deposits	3,209,381	2,180,516
- Call money	352,756	510,504
	<u>3,562,137</u>	<u>2,691,020</u>

(ii) By type of customer

	Group	
	30.9.2007	31.12.2006
	RM'000	RM'000
Government and statutory bodies	83,033	38,883
Business enterprises	3,477,547	2,634,237
Individuals	1,557	17,900
	<u>3,562,137</u>	<u>2,691,020</u>

**A17. Deposits and placements of banks and financial institutions**

	Group	
	30.9.2007	31.12.2006
	RM'000	RM'000
Licensed banks	100	-
Other financial institutions	3,570,601	5,454,780
	<u>3,570,701</u>	<u>5,454,780</u>

**A18. Interest income**

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2007	30.9.2006	30.9.2007	30.9.2006
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from NPL	12,526	12,071	37,095	37,158
- Recoveries from NPL	1,025	5,804	7,602	11,748
Money at call and deposit placements with financial institutions	39,777	10,514	116,693	78,855
Securities available-for-sale	17,838	32,443	51,063	57,832
Securities held-for-trading	46	6,803	163	26,498
Securities held-to-maturity	2,790	-	8,400	-
Leasing operations	2,078	3,790	8,487	11,712
Accretion of discounts (net of amortisation of premium)	13,813	29,269	37,044	51,727
	<u>89,893</u>	<u>100,694</u>	<u>266,547</u>	<u>275,530</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

A18. **Interest income** (continued)

<b><u>Company</u></b>	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2007	30.9.2006	30.9.2007	30.9.2006
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from NPL	10,208	10,350	31,582	31,092
- Recoveries from NPL	1,053	1,236	5,340	5,522
Leasing operations	878	1,453	3,995	4,235
Loans to subsidiaries	3,744	4,186	11,391	12,026
	<u>15,883</u>	<u>17,225</u>	<u>52,308</u>	<u>52,875</u>

A19. **Interest expense**

<b><u>Group</u></b>	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2007	30.9.2006	30.9.2007	30.9.2006
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	19	24,687	92	66,502
Deposits from customers	54,480	30,579	156,568	82,876
Short-term funds and bank overdrafts	310	2,099	500	4,110
Concessional funds	3,368	3,293	10,164	9,854
Commercial loans	2,344	421	5,565	4,843
Commercial papers and medium term notes	48	97	233	559
Income securities	3,857	3,842	11,444	11,446
Miscellaneous	6	53	78	192
	<u>64,432</u>	<u>65,071</u>	<u>184,644</u>	<u>180,382</u>

<b><u>Company</u></b>	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2007	30.9.2006	30.9.2007	30.9.2006
	RM'000	RM'000	RM'000	RM'000
Short-term funds and bank overdrafts	26	24	81	78
Concessional funds	3,368	3,293	10,164	9,854
Commercial loans	673	276	1,514	1,474
Commercial papers and medium term notes	48	97	233	559
Income securities	3,857	3,842	11,444	11,446
Miscellaneous	2	12	2	12
	<u>7,974</u>	<u>7,544</u>	<u>23,438</u>	<u>23,423</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A20. Other operating income**

<b>Group</b>	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2007	30.9.2006	30.9.2007	30.9.2006
	RM'000	RM'000	RM'000	RM'000
(a) Revenue income:				
Fee income derived from:				
- Capital market activities	4,549	3,473	13,619	11,244
- Service fees	409	890	972	2,026
- Management fees	3,941	4,484	13,177	13,788
- Net brokerage fees	2,654	3,319	8,451	12,331
- Other fee income	17	14	45	40
Investment income derived from:				
- Net unrealised losses on revaluation of securities held-for-trading	589	(1,135)	71	22
- Gain/(Loss) on sale of securities:				
- Available-for-sale	2,518	2,134	7,969	7,725
- Held-for-trading	86	587	369	(7,050)
- Gain on sale of trust units	16	133	590	481
Net rental of factory premises	1,705	3,764	5,000	5,406
Net rental from investment properties	4,568	9,842	13,397	14,241
Rental income on buildings	7,921	6,654	19,878	20,082
Gain from disposal of:				
- Land held for property development and industrial estates	6,284	(941)	7,482	8,314
- Investment properties	-	-	-	-
Income from factoring	353	347	962	923
Profit earned on Al-Bai Bithamin Ajil and Al-Ijarah	311	184	407	556
	<u>35,921</u>	<u>33,749</u>	<u>92,389</u>	<u>90,129</u>
(b) Other income:				
Total interest income on:				
- short-term placements, fixed deposits and share issue account	2,106	3,138	7,112	9,240
- promissory notes	117	232	460	465
Gain / (Loss) on disposal of:				
- Property, plant and equipment	91	(111)	416	16
- Investment Properties	65	59	65	59
Total dividends (gross) from:				
- Securities held-for-trading	24	245	332	1,610
- Securities available-for-sale	9,314	199	9,462	410
- Securities held-to-maturity	64	-	346	98
Interest on:				
- staff loans	109	169	313	485
Guarantee fee	405	377	959	759
Commitment fee	55	194	376	427
Rental of:				
- parking space	24	70	77	101
- office premises	238	228	727	522
Bad debts recovered	-	188	169	440
Recovery of bad debts written off and specific provision provided offset against Government funds	-	-	4,949	-
Gain on deemed disposal of Associate	-	44,844	-	44,844
Others	265	2,365	637	3,468
	<u>12,877</u>	<u>52,197</u>	<u>26,400</u>	<u>62,944</u>
Total non-interest income	<u>48,798</u>	<u>85,946</u>	<u>118,789</u>	<u>153,073</u>



**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

A20. **Other operating income** (continued)

<b>Company</b>	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2007	30.9.2006	30.9.2007	30.9.2006
	RM'000	RM'000	RM'000	RM'000
(a) Revenue income:				
Fee income:				
- Management fees	1,249	375	3,686	1,040
Net unrealised losses on revaluation of securities held-for-trading	592	12	(63)	(3,212)
Gain/(Loss) on sale of securities:				
- Available-for-sale	(4)	-	-	4
- Held-for-trading	-	(15)	75	233
Gross dividend income:				
- Subsidiaries	103,304	66,072	103,304	66,072
	<u>105,141</u>	<u>66,444</u>	<u>107,002</u>	<u>64,137</u>
(b) Other income:				
Interest income on:				
- short-term placements, fixed deposits and share issue account	2,116	1,456	4,908	4,489
- promissory notes	117	232	460	465
Gain / (Loss) on disposal of:				
- Property, plant and equipment	-	(118)	79	(10)
Dividends (gross):				
- Securities held-for-trading	24	51	127	168
- Securities available-for-sale	-	-	-	78
Interest on:				
- staff loans	64	74	174	215
Guarantee fee	405	377	959	759
Commitment fee	55	194	376	427
Rental of:				
- parking space	31	54	98	71
- office premises from subsidiaries	112	111	335	337
- office premises	238	228	727	522
Recovery of bad debts written off and specific provision provided offset against Government funds	-	-	4,949	-
Others	52	204	296	728
	<u>3,214</u>	<u>2,863</u>	<u>13,488</u>	<u>8,249</u>
Total non-interest income	<u>108,355</u>	<u>69,307</u>	<u>120,490</u>	<u>72,386</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A21. Operating Expenses**

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2007	30.9.2006	30.9.2007	30.9.2006
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
Personnel costs				
- Salaries	11,761	10,386	32,822	33,849
- Employees' benefit	322	590	928	1,494
- Defined contribution plans	1,920	1,752	5,913	5,625
- Other costs	5,517	5,261	16,423	15,338
Establishment costs				
- Depreciation	3,294	4,374	11,011	12,864
- Rental	1,617	1,510	2,944	3,696
- Insurance	524	319	1,378	1,255
- Water and electricity	1,048	1,088	3,053	3,355
- General repairs	2,297	3,084	6,123	7,947
- Assessment	396	420	1,328	1,296
Promotion and marketing-related expenses				
- Business promotion and advertisement	248	457	2,430	3,226
- Entertainment	97	306	217	624
- Traveling and accommodation	71	13	198	38
Administration and general expenses				
- Communication expenses	1,148	1,230	3,284	3,737
- Property, plant & equipment written off	3	14	7	69
- Management fees	623	629	1,441	1,685
- Professional fees	1,678	2,307	4,735	6,195
- Others	100	327	5,910	5,999
	<u>32,664</u>	<u>34,067</u>	<u>100,145</u>	<u>108,292</u>
<b><u>Company</u></b>				
Personnel costs				
- Salaries	5,599	3,962	15,236	11,750
- Employees' benefit	196	363	549	1,002
- Defined contribution plans	874	590	2,906	2,094
- Other costs	2,556	2,954	6,990	7,190
Establishment costs				
- Depreciation	612	625	1,854	1,818
- Rental	114	358	941	1,164
- Insurance	145	51	302	156
- Water and electricity	225	205	635	543
- General repairs	297	406	1,075	1,180
- Others	254	248	738	769
Promotion and marketing-related expenses				
- Business promotion and advertisement	110	422	1,707	1,681
- Entertainment	13	175	21	190
- Traveling and accommodation	2	1	7	3
Administration and general expenses				
- Communication expenses	140	119	458	388
- Property, plant & equipment written off	3	11	6	66
- Management fees	317	24	353	112
- Professional fees	763	1,143	2,805	3,628
- Others	753	623	1,464	1,383
	<u>12,973</u>	<u>12,280</u>	<u>38,047</u>	<u>35,117</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A22. Allowance for losses on loans and financing**

<b>Group</b>	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2007 RM'000	30.9.2006 RM'000	30.9.2007 RM'000	30.9.2006 RM'000
Allowance for bad and doubtful debts				
(a) Specific allowance				
- made in the financial period	19,423	36,649	40,315	52,159
- written back	(12,733)	(65)	(23,186)	(1,685)
(b) General allowance				
- made in the financial period	3	1,981	-	1,791
Bad debts on loans and financing recovered	-	(383)	(832)	(340)
Settlement received from Danaharta	-	-	-	(3,083)
	<u>6,693</u>	<u>38,182</u>	<u>16,297</u>	<u>48,842</u>

**Company**

Allowance for bad and doubtful debts				
(a) Specific allowance				
- made in the financial period	19,340	16,277	40,260	25,767
- written back	(9,862)	-	(18,728)	-
(b) General allowance				
- made in the financial period	-	-	-	-
Bad debts on loans and financing recovered	-	(529)	-	(799)
	<u>9,478</u>	<u>15,748</u>	<u>21,532</u>	<u>24,968</u>

**A23. Impairment (writeback)/losses on securities (net)**

<b>Group</b>	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2007 RM'000	30.9.2006 RM'000	30.9.2007 RM'000	30.9.2006 RM'000
Securities available-for-sale	(501)	3,206	22,063	7,101
Securities held-to-maturity	(506)	-	(2,102)	(676)
	<u>(1,007)</u>	<u>3,206</u>	<u>19,961</u>	<u>6,425</u>

**Company**

Securities available-for-sale	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A24. Segmental information**

Segmental information is presented in respect of the Group's business segments. No geographical segmental information is presented as the Group operates principally in Malaysia.

Inter-segment pricing is determined based on terms mutually agreed between the respective companies.

	Segment Revenue			
	Individual Quarter		Cumulative Quarter	
	1.7.2007 to 30.9.2007 RM'000	1.7.2006 to 30.9.2006 RM'000	1.1.2007 to 30.9.2007 RM'000	1.1.2006 to 30.9.2006 RM'000
Investment Banking	98,188	105,399	284,178	287,331
Asset management	3,413	3,710	11,420	11,311
Development finance	15,627	15,282	50,374	46,656
Industrial Property	12,966	13,184	26,851	28,890
Others	12,205	18,194	33,303	47,316
Investment holding	116,886	81,544	136,798	165,126
	<u>259,285</u>	<u>237,313</u>	<u>542,924</u>	<u>586,630</u>
Inter-segment elimination	<u>(113,971)</u>	<u>(81,362)</u>	<u>(129,943)</u>	<u>(167,775)</u>
	<u>145,314</u>	<u>155,951</u>	<u>412,981</u>	<u>418,855</u>

	Segment Results			
	Individual Quarter		Cumulative Quarter	
	1.7.2007 to 30.9.2007 RM'000	1.7.2006 to 30.9.2006 RM'000	1.1.2007 to 30.9.2007 RM'000	1.1.2006 to 30.9.2006 RM'000
Investment Banking	22,137	7,699	45,565	57,163
Asset management	1,809	2,323	6,498	6,353
Development finance	5	(7,658)	15,916	2,011
Industrial Property	6,873	5,540	6,808	7,038
Others	5,635	6,088	10,847	5,935
Investment holding	6,031	(5,101)	(1,392)	(19,726)
	<u>42,490</u>	<u>8,891</u>	<u>84,242</u>	<u>58,774</u>
Share of profit of associated companies	401	352	1,232	4,957
Consolidation adjustments	271	44,844	343	45,596
	<u>43,162</u>	<u>54,087</u>	<u>85,817</u>	<u>109,327</u>

**A25. Capital commitments**

	As at 30.9.2007 RM'000	As at 31.12.2006 RM'000
Authorised and contracted for	5,543	-
Authorised but not contracted for	28,008	37,634
	<u>33,551</u>	<u>37,634</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A26. Contingencies and commitments**

In the normal course of business, the Group and the Company made various commitments and incurred certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

The commitments and contingencies and the related risk-weighted exposures of the Group and the Company as at the end of financial year are as follows:

<b><u>Group</u></b>	←	As at 30.9.2007	→	←	As at 31.12.2006	→
	Principal amount RM'000	Credit equivalent amount* RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount* RM'000	Risk weighted amount RM'000
<b>Contingent Liabilities:</b>						
Guarantee facilities	90,542	90,542	90,542	84,675	84,675	84,675
Transaction related contingent item	4,150	2,075	2,075	8,985	8,985	8,985
Obligations under underwriting agreement	858,591	429,296	429,296	794,527	390,547	390,547
<b>Commitments:</b>						
Irrevocable commitments to extend credit maturing:						
- within one year	222,001	-	-	395,961	-	-
- exceeding one year	223	112	112	391	196	196
Direct credit substitutes	133	133	133	2,133	2,133	2,133
<b>Total</b>	<b>1,175,640</b>	<b>522,158</b>	<b>522,158</b>	<b>1,286,672</b>	<b>486,536</b>	<b>486,536</b>
<b><u>Company</u></b>						
<b>Contingent Liabilities:</b>						
Guarantee facilities	90,542	90,542	90,542	84,675	84,675	84,675
<b>Commitments:</b>						
Irrevocable commitments to extend credit:						
- within one year	169,442	-	-	343,700	-	-
<b>Total</b>	<b>259,984</b>	<b>90,542</b>	<b>90,542</b>	<b>428,375</b>	<b>84,675</b>	<b>84,675</b>

\* The credit equivalent amount is arrived at using the credit conversion factors as per Bank Negara Malaysia guidelines.

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A27. Interest rate risk**

<u>Group</u>	Non trading book						Non-interest sensitive	Trading book	Total	Effective interest rate %
	Up to 1 month	>1-3 months	>3-12 months	1 to 5 years	> 5 years	RM'000				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
As at 30.9.2007										
<b>Assets</b>										
Loans, advances and financing										
- performing	55,067	50,463	214,271	667,216	127,954	-	-	1,114,971	7.10	
- non-performing	-	-	-	-	-	72,067*	-	72,067		
Securities held-for-trading	-	-	-	-	-	-	65,327	65,327	-	
Securities available-for-sale	600,569	615,262	729,378	1,145,185	266,440	192,634	-	3,549,468	4.85	
Securities held-to-maturity	29,990	89,110	89,394	14,100	-	34,314	-	256,908	3.44	
Deposits and placements with banks and other financial institutions	-	282,524	103,510	3,410	-	5,673	-	395,117	2.99	
Cash and short term funds	4,081,561	-	-	-	-	63,285	-	4,144,846	3.46	
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	140,522	-	140,522	-	
Other non-interest sensitive balances	-	-	-	-	-	1,005,796	-	1,005,796	-	
<b>Total assets</b>	<b>4,767,187</b>	<b>1,037,359</b>	<b>1,136,553</b>	<b>1,829,911</b>	<b>394,394</b>	<b>1,514,291</b>	<b>65,327</b>	<b>10,745,022</b>		
<b>Liabilities</b>										
Borrowings	6,269	53,184	361,283	257,018	266,223	444,133	-	1,388,110	2.33	
Deposits from customers	2,874,096	554,409	133,632	-	-	-	-	3,562,137	3.43	
Deposits and placements of banks and financial institutions	3,006,632	423,860	140,209	-	-	-	-	3,570,701	3.39	
Other non-interest sensitive balances	-	-	-	-	-	208,857	-	208,857	-	
<b>Total liabilities</b>	<b>5,886,997</b>	<b>1,031,453</b>	<b>635,124</b>	<b>257,018</b>	<b>266,223</b>	<b>652,990</b>	<b>-</b>	<b>8,729,805</b>		
Shareholders' funds	-	-	-	-	-	1,990,189	-	1,990,189		
Minority interests	-	-	-	-	-	25,028	-	25,028		
	<b>5,886,997</b>	<b>1,031,453</b>	<b>635,124</b>	<b>257,018</b>	<b>266,223</b>	<b>2,668,207</b>	<b>-</b>	<b>10,745,022</b>		
On-balance sheet interest sensitivity gap	(1,119,810)	5,906	501,429	1,572,893	128,171	(1,153,916)	65,327			
Total interest sensitivity gap	(1,119,810)	5,906	501,429	1,572,893	128,171	(1,153,916)	65,327			

\* This is arrived at after deducting the general allowance and specific allowances from the outstanding NPLs.

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A27. Interest rate risk (continued)**

<b>Group</b>	Non trading book					Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1 to 5 years RM'000	> 5 years RM'000				
As at 31.12.2006									
<b>Assets</b>									
Loans, advances and financing									
- performing	70,771	24,325	35,477	903,331	31,112	-	-	1,065,016	6.70
- non-performing	-	-	-	-	-	98,581*	-	98,581	-
Securities held-for-trading	-	-	-	-	-	-	31,272	31,272	-
Securities available-for-sale	480,462	472,323	634,907	785,585	231,814	144,682	-	2,749,773	5.20
Securities held-to-maturity	174,885	121,894	459,300	10,942	7,999	20,540	-	795,560	3.61
Deposits and placements with banks and other financial institutions	-	886,990	475	-	-	6,666	-	894,131	3.67
Cash and short term funds	4,849,222	-	-	-	-	52,442	-	4,901,664	3.49
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	5,105	-	5,105	-
Other non-interest sensitive balances	-	-	-	-	-	1,078,283	-	1,078,283	-
<b>Total assets, restated</b>	<b>5,575,340</b>	<b>1,505,532</b>	<b>1,130,159</b>	<b>1,699,858</b>	<b>270,925</b>	<b>1,406,299</b>	<b>31,272</b>	<b>11,619,385</b>	
<b>Liabilities</b>									
Borrowings	12,810	14,619	109,045	558,151	257,731	305,244	-	1,257,600	2.90
Deposits from customers	2,442,738	237,618	10,664	-	-	-	-	2,691,020	3.37
Deposits and placements of banks and financial institutions	5,371,852	82,928	-	-	-	-	-	5,454,780	3.37
Other non-interest sensitive balances	-	-	-	-	-	227,133	-	227,133	-
<b>Total liabilities</b>	<b>7,827,400</b>	<b>335,165</b>	<b>119,709</b>	<b>558,151</b>	<b>257,731</b>	<b>532,377</b>	<b>-</b>	<b>9,630,533</b>	
Shareholders' funds	-	-	-	-	-	1,964,620	-	1,964,620	
Minority interests	-	-	-	-	-	24,232	-	24,232	
	<b>7,827,400</b>	<b>335,165</b>	<b>119,709</b>	<b>558,151</b>	<b>257,731</b>	<b>2,521,229</b>	<b>-</b>	<b>11,619,385</b>	
<b>On-balance sheet interest sensitivity gap</b>	<b>(2,252,060)</b>	<b>1,170,367</b>	<b>1,010,450</b>	<b>1,141,707</b>	<b>13,194</b>	<b>(1,114,930)</b>	<b>31,272</b>		
<b>Total interest sensitivity gap</b>	<b>(2,252,060)</b>	<b>1,170,367</b>	<b>1,010,450</b>	<b>1,141,707</b>	<b>13,194</b>	<b>(1,114,930)</b>	<b>31,272</b>		

\* This is arrived at after deducting the general allowance and specific allowances from the outstanding NPLs.

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A27. Interest rate risk (continued)**

<b>Company</b>	← Non-trading book →					Non-interest sensitive	Trading book	Total	Effective interest rate %
	Up to 1 month	>1-3 months	>3-12 months	1 to 5 years	> 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
30.9.2007									
<b>Assets</b>									
Loans, advances and financing									
- performing	12,146	24,293	109,318	610,456	113,439	-	-	869,652	6.73
- non-performing	-	-	-	-	-	74,163*	-	74,163	-
Deposits and placements of banks and financial institutions	-	115,250	-	-	-	-	-	115,250	3.31
Cash and short term funds	217,613	-	-	-	-	4,879	-	222,492	3.23
Securities held-for-trading	-	-	-	-	-	-	9,912	9,912	2.29
Securities available-for-sale	-	-	3,631	41,719	8,920	2,508	-	56,778	1.27
Other non-interest sensitive balances	-	-	-	-	-	1,592,149	-	1,592,149	
<b>Total assets</b>	<b>229,759</b>	<b>139,543</b>	<b>112,949</b>	<b>652,175</b>	<b>122,359</b>	<b>1,673,699</b>	<b>9,912</b>	<b>2,940,396</b>	
<b>Financial liabilities</b>									
Borrowings	6,269	13,321	358,471	231,705	266,223	408,563	-	1,284,552	2.90
Other non-interest sensitive balances	-	-	-	-	-	214,742	-	214,742	-
<b>Total liabilities</b>	<b>6,269</b>	<b>13,321</b>	<b>358,471</b>	<b>231,705</b>	<b>266,223</b>	<b>623,305</b>	<b>-</b>	<b>1,499,294</b>	
Shareholders' fund	-	-	-	-	-	1,441,102	-	1,441,102	
<b>Total liabilities and shareholders' fund</b>	<b>6,269</b>	<b>13,321</b>	<b>358,471</b>	<b>231,705</b>	<b>266,223</b>	<b>2,064,407</b>	<b>-</b>	<b>2,940,396</b>	
<b>On-balance sheet interest sensitivity gap</b>	<b>223,490</b>	<b>126,222</b>	<b>(245,522)</b>	<b>420,470</b>	<b>(143,864)</b>	<b>(390,708)</b>	<b>9,912</b>		
<b>Total interest sensitivity gap</b>	<b>223,490</b>	<b>126,222</b>	<b>(245,522)</b>	<b>420,470</b>	<b>(143,864)</b>	<b>(390,708)</b>	<b>9,912</b>		

\* This is arrived at after deducting the general allowance and specific allowances from the outstanding NPLs.



**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A27. Interest rate risk (continued)**

<b>Company</b>	Non trading book					Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
	← Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1 to 5 years RM'000	→ > 5 years RM'000				
As at 31.12.2006									
<b>Assets</b>									
Loans, advances and financing									
- performing	3,608	7,215	32,468	854,057	7,637	-	-	850,141	6.39
- non-performing	-	-	-	-	-	80,184*	-	80,184	-
Cash and short term funds	108,717	-	-	-	-	9,412	-	118,129	3.23
Securities held-for-trading	-	-	-	-	-	-	18,025	18,025	2.29
Securities available-for-sale	-	-	6,461	5,311	41,750	6,280	-	59,802	1.17
Other non-interest sensitive balances	-	-	-	-	-	1,612,600	-	1,612,600	-
<b>Total assets</b>	<b>112,325</b>	<b>7,215</b>	<b>38,929</b>	<b>859,368</b>	<b>49,387</b>	<b>1,708,476</b>	<b>18,025</b>	<b>2,793,725</b>	
<b>Financial liabilities</b>									
Borrowings	6,810	13,619	61,286	524,299	249,293	270,058	-	1,125,365	2.85
Other non-interest sensitive balances	-	-	-	-	-	246,123	-	246,123	-
<b>Total liabilities</b>	<b>6,810</b>	<b>13,619</b>	<b>61,286</b>	<b>524,299</b>	<b>249,293</b>	<b>516,181</b>	<b>-</b>	<b>1,371,488</b>	
Shareholders' fund	-	-	-	-	-	1,422,237	-	1,422,237	
<b>Total liabilities and shareholders' fund</b>	<b>6,810</b>	<b>13,619</b>	<b>61,286</b>	<b>524,299</b>	<b>249,293</b>	<b>1,938,418</b>	<b>-</b>	<b>2,793,725</b>	
On-balance sheet interest sensitivity gap	105,515	(6,404)	(22,357)	335,069	(199,906)	(229,942)	18,025		
<b>Total interest sensitivity gap</b>	<b>105,515</b>	<b>(6,404)</b>	<b>(22,357)</b>	<b>335,069</b>	<b>(199,906)</b>	<b>(229,942)</b>	<b>18,025</b>		

\* This is arrived at after deducting the general allowance and specific allowances from the outstanding NPLs.

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A28. Capital Adequacy**

The capital adequacy ratios in respect of the banking subsidiary are as follows:-

	30.9.2007 RM'000	31.12.2006 RM'000
<b>Tier-I capital</b>		
Paid-up share capital	155,000	155,000
Paid-up non-cumulative perpetual preference share	1,500	1,500
Share premium	362,611	362,611
Statutory reserve	37,546	37,546
Accumulated losses	<u>(15,907)</u>	<u>(15,907)</u>
	540,750	540,750
Less: Deferred tax assets	<u>(21,280)</u>	<u>(21,280)</u>
Total Tier-I capital	<u>519,470</u>	<u>519,470</u>
<b>Tier-II capital</b>		
General allowance for bad and doubtful debts	3,471	3,471
Subordinated term loan	<u>11,200</u>	<u>16,800</u>
Total Tier-II capital	<u>14,671</u>	<u>20,271</u>
<b>Total capital</b>	534,141	539,741
Less:		
Investment in subsidiary companies	<u>-</u>	<u>-</u>
<b>Capital base</b>	<u>534,141</u>	<u>539,741</u>
Core capital ratio	15.99%	16.26%
Risk-weighted capital ratio	<u>16.44%</u>	<u>16.90%</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A29. Operations of Islamic Banking**

**A29a. Unaudited Balance Sheets as at 30 September 2007**

	Note	Group		Company	
		30.9.2007 RM'000	31.12.2006 RM'000	30.9.2007 RM'000	31.12.2006 RM'000
<b>ASSETS</b>					
Cash and short-term funds		202,662	1,208,176	8,969	13,273
Securities held-for-trading	A29c	45,020	-	-	-
Securities available-for-sale	A29d	1,046,769	384,243	-	-
Securities held-to-maturity	A29e	109,392	199,661	-	-
Loans, advances and financing	A29f	199,918	176,556	199,918	176,556
Other assets		3,655	3,727	98	72
Amount due from Head Office		-	31,457	-	-
Deferred tax asset		-	784	-	784
<b>TOTAL ASSETS</b>		<b>1,607,416</b>	<b>2,004,604</b>	<b>208,985</b>	<b>190,685</b>
<b>LIABILITIES</b>					
Deposits from customers	A29g	648,737	1,723,167	-	-
Deposits and placement of banks and other financial institutions		648,386	-	-	-
Borrowings (unsecured)	B9	82,794	90,615	82,794	90,615
Other liabilities		16,582	13,875	5,087	3,242
Taxation		-	709	-	709
		<b>1,396,499</b>	<b>1,828,366</b>	<b>87,881</b>	<b>94,566</b>
<b>ISLAMIC BANKING CAPITAL FUNDS</b>					
Funds allocated from Head Office		197,417	179,087	117,417	99,087
Reserves		13,500	(2,849)	3,687	(2,968)
<b>TOTAL ISLAMIC BANKING CAPITAL FUNDS</b>		<b>210,917</b>	<b>176,238</b>	<b>121,104</b>	<b>96,119</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>		<b>1,607,416</b>	<b>2,004,604</b>	<b>208,985</b>	<b>190,685</b>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A29. Operations of Islamic Banking**

**A29b. Unaudited Income Statement for the period ended 30 September 2007**

<b>Group</b>	3 <sup>rd</sup> Quarter Ended		Nine Months Ended	
	30.9.2007 RM'000	30.9.2006 RM'000	30.9.2007 RM'000	30.9.2006 RM'000
Income derived from investment of depositors funds and others	19,500	21,508	54,045	53,196
Writeback/(Provision) for profit equalisation reserve (PER)	(62)	(523)	784	5,439
Total attributable income	19,438	20,985	54,829	58,635
Income attributable to depositors	(12,586)	(13,364)	(34,533)	(38,927)
Net income attributable to the reporting institutions	6,852	7,621	20,296	19,708
Other operating expenses	(671)	(474)	(1,701)	(2,079)
Operating profit	6,181	7,147	18,595	17,629
Writeback/(Allowance) for losses on loans, advances and financing	840	(664)	(1,363)	(1,263)
Finance costs	(331)	(342)	(1,139)	(964)
Profit before taxation and zakat	6,690	6,141	16,093	15,402
Tax expenses	-	(910)	-	(2,762)
Zakat	(52)	(102)	(204)	(197)
Profit after taxation and zakat	6,638	5,129	15,889	12,443
<b>Company</b>				
Income derived from investment of depositors funds and others	3,387	2,230	9,457	5,778
Income attributable to the reporting institutions	3,387	2,230	9,457	5,778
Other operating expenses	(152)	(70)	(239)	(212)
Operating profit	3,235	2,160	9,218	5,566
Writeback/(Allowance) for losses on loans, advances and financing	840	(664)	(1,363)	(1,263)
Finance costs	(331)	(342)	(1,139)	(964)
Profit before taxation	3,744	1,154	6,716	3,339
Tax expenses	-	-	-	-
Profit after taxation	3,744	1,154	6,716	3,339

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A29c. Securities held-for-trading**

	Group	
	30.9.2007	31.12.2006
	RM'000	RM'000
At fair value		
Quoted:		
Government Investment Issue	45,020	-

**A29d. Securities available-for-sale**

	Group	
	30.9.2007	31.12.2006
	RM'000	RM'000
At fair value, or amortised cost less impairment losses for certain unquoted equity instruments		
Quoted:		
Government Investment Issue	65,030	23,911
Malaysian Treasury Bills/Malaysian Islamic Treasury Bills	49,391	-
	<u>114,421</u>	<u>23,911</u>
Unquoted:		
Khazanah bonds	248,063	37,897
Cagamas bonds	5,006	-
Negotiable instruments of deposit	139,438	66,386
Private debt securities	450,097	257,549
Others Acceptances Discounted	89,745	-
	<u>932,349</u>	<u>361,832</u>
Less: Accumulated impairment losses	-	(1,500)
	<u>1,046,769</u>	<u>384,243</u>

**A29e. Securities held-to-maturity**

	Group	
	30.9.2007	31.12.2006
	RM'000	RM'000
At amortised cost		
Quoted:		
Government Investment Issue	-	101,046
Bank Negara Malaysia Negotiable Notes	99,584	-
Malaysian Islamic Treasury Bills	9,808	-
	<u>109,392</u>	<u>101,046</u>
Unquoted:		
Cagamas bonds	-	73,664
Khazanah bonds	-	14,883
Private debt securities	4,998	15,066
	<u>4,998</u>	<u>103,613</u>
	114,390	204,659
Less: Accumulated impairment losses	(4,998)	(4,998)
	<u>109,392</u>	<u>199,661</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**A29f. Loans, advances and financing**

	Group and Company	
	30.9.2007	31.12.2006
	RM'000	RM'000
Term loan		
- Term financing	112,630	116,419
- Islamic hire purchase/leasing	130,960	101,747
	<u>243,590</u>	<u>218,166</u>
Less: Unearned income	(28,803)	(28,104)
	214,787	190,062
Less: Allowance for bad and doubtful debts and financing loss		
- General	(2,800)	(2,800)
- Specific	(12,069)	(10,706)
	<u>199,918</u>	<u>176,556</u>
	<u><u>199,918</u></u>	<u><u>176,556</u></u>
 (i) By contract		
	Group and Company	
	30.9.2007	31.12.2006
	RM'000	RM'000
Bai Bithaman Ajil (deferred payment sales)	83,515	81,383
Murabahah Working Capital (cost plus)	15,160	19,555
Al-Ijarah Thumma Al-Bai (finance lease)	110,361	84,762
Al-Ijarah (operating lease)	5,751	4,362
	<u>214,787</u>	<u>190,062</u>
	<u><u>214,787</u></u>	<u><u>190,062</u></u>
 (ii) By type of customer		
	Group and Company	
	30.9.2007	31.12.2006
	RM'000	RM'000
Domestic business enterprises	214,787	190,062
	<u>214,787</u>	<u>190,062</u>
	<u><u>214,787</u></u>	<u><u>190,062</u></u>
 (iii) By profit rate sensitivity		
	Group and Company	
	30.9.2007	31.12.2006
	RM'000	RM'000
Fixed rate		
Hire purchase receivables	116,112	89,122
Other fixed rate loan/financing	98,675	100,940
	<u>214,787</u>	<u>190,062</u>
	<u><u>214,787</u></u>	<u><u>190,062</u></u>
 (iv) By economic sector		
	Group and Company	
	30.9.2007	31.12.2006
	RM'000	RM'000
Mining and quarrying	2,956	3,548
Manufacturing	168,808	142,761
Construction	1,829	2,182
Wholesale & retail trade and restaurants & hotels	37,051	9,908
Transport, storage and communication	-	27,362
Finance, insurance and business services	438	521
Others	3,705	3,780
	<u>214,787</u>	<u>190,062</u>
	<u><u>214,787</u></u>	<u><u>190,062</u></u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

A29f. **Loans, advances and financing** (continued)

Movements in non-performing loans, advances and financing

	Group and Company	
	30.9.2007	31.12.2006
	RM'000	RM'000
At beginning of period/year	5,536	809
Non-performing during the year	14,347	7,336
Reclassified as performing	(391)	-
At end of period/year	19,492	8,145
Less: Specific allowance	(10,609)	(2,609)
Net non-performing loans, advances and financing	8,883	5,536
Net NPL as % of gross loans, advances and financing less specific allowances	4.38%	3.09%
Performing loans with specific allowance provided		
Performing loans	2,198	12,297
Less: Specific allowance	(1,460)	(8,097)
Net	738	4,200

Movements in allowance for bad and doubtful debts

	Group and Company	
	30.9.2007	31.12.2006
	RM'000	RM'000
<b>General allowance</b>		
At beginning of period/year	2,800	1,700
Allowance made during the year	-	1,100
At end of period/year	2,800	2,800
As % of gross loans, advances and financing less specific allowance	1.38%	1.56%
<b>Specific allowance</b>		
At beginning of period/year	10,706	648
Allowance made during the year	1,363	10,112
Allowance written back in respect of recoveries	-	(54)
At end of period/year	12,069	10,706

Non-Performing Loan by economic sector

	Group and Company	
	30.9.2007	31.12.2006
	RM'000	RM'000
Manufacturing	9,556	2,162
Wholesale & retail trade and restaurants & hotels	338	113
Transport, storage and communication	8,590	4,851
Others	1,008	1,029
	19,492	8,155

A29g. **Deposits from customers**

(i) By type of deposit

	Group	
	30.9.2007	31.12.2006
	RM'000	RM'000
Mudharabah Fund		
- Fixed/investment deposits	618,559	1,596,097
- Others & NID	30,178	127,070
	<u>648,737</u>	<u>1,723,167</u>

(ii) By type of customer

	Group	
	30.9.2007	31.12.2006
	RM'000	RM'000
Government and statutory bodies	-	-
Business enterprise	648,737	1,723,167
Others	-	-
	<u>648,737</u>	<u>1,723,167</u>



**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B1. Performance review**

The Group registered a pre-tax profit of RM85.817 million for the period ended 30 September 2007, a decrease of 21.5% as compared to the previous corresponding period's pre-tax profit of RM109.327 million.

The decrease in the pre-tax profit was mainly due to:

- i) gain on deemed disposal of an associate company of RM44.844 million recognised in the previous corresponding period;
- ii) recoveries from the loans sold to Danaharta of RM4.671 million recorded in the previous corresponding period; and
- iii) higher net impairment losses at investment banking division

The above was mitigated by lower allowances for loans, advances and financing in the current period.

**B2. Variation of results against preceding quarter**

The Group recorded a higher profit before tax of RM43.162 million for the three months ended 30 September 2007 as compared to RM13.228 million profit before tax in the preceding second quarter.

The increase in profit was mainly due to:

- i) higher profit contribution from investment banking division;
- ii) higher sales recognised at property division;
- iii) dividend received from securities available-for-sale of RM9.310 million at investment holding division; and
- iv) lower net impairment losses of securities.

**B3. Current year prospects**

With the investment banking structure firmly in place and ongoing remedial action to wind-down under-performing non-core businesses, the Directors expect the Group to remain profitable, although the business environment will continue to be challenging in the current year.

**B4. Profit forecast**

There was no profit forecast nor profit guarantee issued.

**B5. Taxation**

	Individual Quarter		Cumulative Quarter	
	30.9.2007 RM'000	30.9.2006 RM'000	1.1.2007 to 30.9.2007 RM'000	1.1.2006 to 30.9.2006 RM'000
Current taxation	<u>4,931</u>	<u>13,199</u>	<u>13,234</u>	<u>33,800</u>

The effective rate of taxation of the Group for the current individual quarter and for the financial period ended 30 September 2007 was lower than the statutory rate of tax applicable mainly due to utilisation of tax losses.

The effective tax rate of taxation of the Group for the previous individual quarter was lower than the statutory rate of tax principally due to certain income which was not taxable. For the financial period ended 30 September 2006, the effective tax rate was higher than the statutory rate of tax applicable mainly due to certain expenses which are not deductible for tax purposes and due to the losses of certain subsidiaries which was not set off against taxable profits made by other subsidiaries.

**B6. Profit on sale of investments and / or properties**

There was no profit on sale of investments and properties for the current quarter under review, except for the disposal of factory units in industrial estates and the disposal of investments by certain subsidiary companies in their ordinary course of business.

**B7. Quoted securities**

The particulars of purchase or disposal of quoted securities by all companies, except for those companies whose principal activity involves share investment and trading, and the financial institutions of the Group, are as follows:

(a) Disposals:

	Individual Quarter		Cumulative Quarter	
	30.9.2007 RM'000	30.9.2006 RM'000	1.1.2007 to 30.9.2007 RM'000	1.1.2006 to 30.9.2006 RM'000
Disposals:				
Proceeds from sale	1,795	5,479	6,364	22,019
Cost	(169)	(3,730)	(2,388)	(16,495)
Gain/(Loss) on disposal	<u>1,626</u>	<u>1,749</u>	<u>3,976</u>	<u>5,524</u>

There were no purchases of quoted securities in the quarter and the period.

(b) Investments in quoted shares are as follows:

	As at 30.9.2007 RM'000	As at 30.9.2006 RM'000
(i) At cost	3,102	8,284
(ii) At carrying value / net book value	2,777	13,860
(iii) At market value	<u>2,777</u>	<u>13,860</u>

**B8. Status of corporate proposals announced**

(a) On 2 December 2005, MIDF announced that its subsidiary company, MIDF Aberdeen Asset Management Sdn Bhd had been placed under members' voluntary winding-up and that Mr. Lim Tian Huat and Mr. Duar Tuan Kiat of Messrs. Ernst & Young were appointed as Liquidators of the Company on 1 December 2006. The voluntary winding-up is currently ongoing.

(b) On 4 October 2006, MIDF announced that its subsidiary company, Amanah Asset Holding Sdn Bhd ("AAH"), had entered into a Sale and Purchase Agreement ("SPA") with Amanah Saham Nasional Berhad ("ASNB") for the proposed disposal of AAH's 100% equity interest in Asia Unit Trusts Berhad ("AUTB") to ASNB.

On 18 June 2007, MIDF entered into a Novation Agreement ("NA") with ASNB and Amanah Mutual Berhad ("AMB") (formerly known as Mayban Unit Trust Berhad) where as from (and including) the date of the NA, all of the ASNB's obligations, liabilities, rights, benefit and interest in, to and under the SPA dated 3 October 2006 entered into between AAH and ASNB, shall be novated by ASNB to AMB.

On 5 October 2007, MIDF announced that AAH had, on 15 August 2007, received a letter from AMB proposing to mutually terminate the SPA dated 3 October 2006 entered into between AAH and ASNB and the NA dated 18 June 2007 entered into between AAH, AMB and ASNB ("Proposed Mutual Termination"). By way of its letter dated 11 September 2007 to AAH, AMB had stated the reason not to proceed with the Proposed Disposal was in view of the Conditional Take-Over Offer by Permodalan Nasional Berhad ("PNB"). PNB is the ultimate holding company of AMB.

**B8. Status of corporate proposals announced (continued)**

AAH had replied to AMB that it is agreeable to mutually terminate the abovementioned SPA and NA. The relevant Mutual Rescission and Release Agreement will be executed between parties concerned to effect the Proposed Mutual Termination

- (c) On 2 July 2007, MIDF announced that MIDF Amanah Investment Bank Berhad (formerly known as Utama Merchant Bank Berhad) ("MIDF Investment") had entered into a SPA with Omega Matrix (M) Sdn Bhd ("OMSB") for the proposed disposal of identified non-performing loans ("NPLs") by MIDF Investment to OMSB.

Both parties are currently fulfilling the conditions precedent of the SPA, amongst others, preparation of a joint application to the High Court of Malaya pursuant to Section 50 of the Banking and Financial Institutions Act, 1989, by way of an ex-parte originating summons to obtain the Vesting Order to facilitate or to effect the transfer of the NPLs.

- (d) On 13 August 2007, MIDF announced that the Board of Directors of MIDF ("Board") had received a Notice of Conditional Voluntary Take-Over Offer ("Notice") from AmInvestment Bank Berhad (formerly known as AmMerchant Bank Berhad) (a member of the AmInvestment Bank Group) ("AmInvestment"), on behalf of PNB to acquire the following :-

- i) all the remaining 776,958,474 ordinary shares of RM1.00 each ("Share(s)") in MIDF representing approximately 79.98% of the issued and paid-up share capital of MIDF not already owned by PNB as at 10 August 2007; and
- ii) all the new Shares that may be allotted and issued up to the close of the Offer (as defined below) pursuant to the exercise of outstanding options granted to the employees of MIDF under the Employees' Share Option Scheme of MIDF,

for a cash consideration of RM1.90 per Share ("Offer").

On 24 September 2007, MIDF announced that PNB has received acceptances to the Offer resulting in PNB holding in aggregate 911,647,996 MIDF Shares representing 93.31% of the issued and paid-up share capital of MIDF. In view that the shareholding of PNB has now exceeded 90% of the total issued and paid-up share capital of MIDF, the trading in the securities of MIDF had been suspended on 1 October 2007.

On 5 October 2007, AmInvestment had announced that as at 5.00 p.m. on 5 October 2007, PNB has received valid and complete acceptances exceeding nine-tenths in the nominal value of Offer Shares (other than such Shares already held at the date of the Offer by PNB or by a nominee for or a related corporation of PNB) under the Offer. Accordingly, PNB intends to invoke the provisions of Section 34 of the Securities Commission Act, 1993 to compulsorily acquire any remaining Offer Shares for which acceptances have not been received under this Offer.

The level of acceptances for the Offer as at 5 October 2007 was 97.22%.

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**B9. Group Borrowings**

Group Borrowings and debt securities are as follows:

	Group		Company	
	30.9.2007 RM'000	31.12.2006 RM'000	30.9.2007 RM'000	31.12.2006 RM'000
(a) Short Term				
Secured	19,050	19,050	-	-
Unsecured	131,931	152,610	78,361	81,715
	<u>150,981</u>	<u>171,660</u>	<u>78,361</u>	<u>81,715</u>
(b) Long Term				
Secured	30,938	30,938	-	-
Unsecured	1,123,397	964,387	1,123,397	953,035
Unsecured – Islamic operation	82,794	90,615	82,794	90,615
	<u>1,237,129</u>	<u>1,085,940</u>	<u>1,206,191</u>	<u>1,043,650</u>
Total borrowings	<u>1,388,110</u>	<u>1,257,600</u>	<u>1,284,552</u>	<u>1,125,365</u>

(c) Included in the borrowings are loans obtained from a Japanese financial institution, denominated in Yen, equivalent to RM139.743 million. The foreign exchange risk on the above loans is borne by the Government of Malaysia

**B10. Off-balance sheet financial instruments**

The Group has entered into interest rate swap contracts for hedging purposes that entitled it to receive interest at floating rates on notional principal amount and obliged it to pay interest at fixed rates on the same amount. Under the interest rate swaps, the Group agrees with other parties to exchange, at quarterly or at half-yearly intervals, the difference between fixed rate and floating rate interest amount calculated by reference to the agreed notional principal amount.

The floating rates of the Group's interest rate swap contracts are linked to the Kuala Lumpur Inter Bank Offer Rate. The remaining terms and notional principal amount of the outstanding interest rate swap contracts of the Group at the balance sheet date were as follows:

Liabilities:	RM'000
2.42 years	<u>30,938</u>

**Credit Risk**

The above financial instruments were executed with creditworthy financial institutions in Malaysia. On the basis of the financial strength of these institutions, the Company considers the default risk as very low.

**B11. Changes in material litigation**

There were no changes in material litigation since the last quarter balance sheet date.

**B12. Dividends**

The Directors do not propose the payment of any interim dividend for the quarter ended 30 September 2007.

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

**B13. Earnings per share**

(a) Basic

The basic earnings per share to ordinary shareholders is calculated by dividing the Group's profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the financial year.

	Individual Quarter		Cumulative Quarter	
	30.9.2007	30.9.2006	1.1.2007 to 30.9.2007	1.1.2006 to 30.9.2006
Profit for the year attributable to ordinary shareholders (RM'000)	37,568	40,015	71,787	73,944
Weighted average number of shares ('000)	973,094	956,692	963,698	956,508
Basic earnings per share (sen)	<u>3.86</u>	<u>4.18</u>	<u>7.45</u>	<u>7.73</u>

(b) Diluted

The calculation of the diluted earnings per share is based on the profit for the year attributable to ordinary shareholders, divided by the adjusted weighted average number of MIDF shares in issue and issuance under the exercise of share options as set out below:

	Individual Quarter		Cumulative Quarter	
	30.9.2007 RM'000	30.9.2006 RM'000	1.1.2007 to 30.9.2007 RM'000	1.1.2006 to 30.9.2006 RM'000
Weighted average number of shares	973,094	956,692	963,698	956,508
Effects of share options	<u>1,472</u>	<u>1,071</u>	<u>1,472</u>	<u>1,071</u>
	974,566	957,763	965,170	957,579
Diluted earning per share (sen)	<u>3.85</u>	<u>4.18</u>	<u>7.44</u>	<u>7.72</u>

**B14. Comparative Figures**

There were no changes in comparative figures for the quarter ended 30 September 2007.

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

I, Mohd. Najib bin Hj. Abdullah, the Group Managing Director primarily responsible for the financial management of Malaysian Industrial Development Finance Berhad, do hereby state that, the unaudited interim financial statements for the nine months ended 30<sup>th</sup> September 2007, as set out on pages 1 to 31, have been prepared from the Group and the Company's accounting and other records and that to the best of my knowledge and belief, are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 30<sup>th</sup> September 2007. The results and cash flows of the Group and the Company for the period ended on that date are in accordance with the applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board as modified by Bank Negara Malaysia Guidelines and the provisions of the Companies Act, 1965.

**MOHD. NAJIB BIN HJ. ABDULLAH**  
GROUP MANAGING DIRECTOR

**30 October 2007**