

UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2008

	Note	Group		Company	
		31 March 2008 RM'000	31 December 2007 RM'000	31 March 2008 RM'000	31 December 2007 RM'000
ASSETS					
Cash and short-term funds		3,589,283	2,936,136	387,383	703,558
Deposits and placements with banks and other financial institutions		248,323	145,679	110,250	80,000
Asset classified as held for sale		10,723	10,723	-	-
Securities held-for-trading	5	127,261	76,109	10,388	9,901
Securities available-for-sale	6	2,991,285	3,824,508	56,778	56,778
Securities held-to-maturity	7	123,457	140,216	-	-
Loans, advances and financing	8	992,139	975,134	673,397	719,800
Other assets	9	402,112	392,176	504,707	514,806
Statutory deposits with Bank Negara Malaysia		116,565	140,878	-	-
Investment properties		63,816	64,413	-	-
Prepaid lease payments		15,752	15,865	-	-
Land held for property development		87,826	90,249	-	-
Investment in associates		2,238	1,709	-	-
Investment in subsidiaries		-	-	922,452	922,451
Property, plant and equipment - others		112,773	114,821	11,178	12,022
Property, plant and equipment - serviced residence property		109,099	109,340	-	-
Deferred tax assets		56,310	56,266	10,714	10,714
Goodwill		88,813	99,213	-	-
TOTAL ASSETS		9,137,775	9,193,435	2,687,247	3,030,030
LIABILITIES					
Deposits from customers	10	3,037,941	2,773,310	-	-
Deposits and placements of banks and financial institutions	11	2,968,173	2,994,359	-	-
Other payables		180,723	170,120	60,024	56,501
Borrowings	12	572,845	914,439	519,170	851,951
Government Scheme Funds	13	216,795	241,927	216,795	241,927
Taxation		32,033	31,444	-	-
Employee benefits		13,494	14,686	8,489	9,367
Redeemable preference shares		-	300	-	300
Deferred tax liabilities		6,791	6,791	-	-
TOTAL LIABILITIES		7,028,795	7,147,376	804,478	1,160,046
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share Capital		978,495	978,495	978,495	978,495
Reserves :					
Share Premium		363,861	363,861	363,861	363,861
Statutory Reserve		58,022	58,022	-	-
Capital Reserve		36,220	36,220	-	-
Exchange Fluctuation Reserve		(5,061)	(5,090)	-	-
Securities Available-For-Sale Reserve		3,091	81	-	-
Retained Profits		649,316	589,330	540,413	527,628
		2,083,944	2,020,919	1,882,769	1,869,984
Minority Interest		25,036	25,140	-	-
TOTAL EQUITY		2,108,980	2,046,059	1,882,769	1,869,984
TOTAL LIABILITIES AND EQUITY		9,137,775	9,193,435	2,687,247	3,030,030
CONTINGENCIES AND COMMITMENTS	22	1,109,409	1,328,620	185,592	310,909
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (RM)		2.13	2.07	1.92	1.91

The Unaudited Condensed Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached in the interim financial statements.



UNAUDITED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2008

GROUP	Note	Individual/Cumulative Quarter	
		31.03.2008 RM'000	31.03.2007 RM'000
REVENUE		118,208	134,723
INTEREST INCOME	14	69,861	81,142
INTEREST EXPENSE	15	(44,734)	(56,957)
NET INTEREST INCOME		25,127	24,185
NET INCOME FROM ISLAMIC BANKING BUSINESS	25b	9,390	7,126
OTHER OPERATING INCOME	16	50,682	35,911
		85,199	67,222
EXPENDITURE	17	(28,828)	(32,031)
PROFIT BEFORE ALLOWANCES FOR LOANS AND ADVANCES AND IMPAIRMENT LOSSE		56,371	35,191
WRITEBACK / (ALLOWANCES) FOR LOSSES ON LOANS, ADVANCES AND FINANCING	18	9,983	(3,111)
IMPAIRMENT WRITEBACK / (LOSSES) ON SECURITIES	19	7,589	(3,044)
PROFIT BEFORE SHARE OF RESULTS IN ASSOCIATES		73,943	29,036
SHARE OF RESULTS IN ASSOCIATES		530	391
PROFIT BEFORE TAXATION		74,473	29,427
TAX EXPENSE		(14,107)	(5,075)
ZAKAT		(118)	(73)
PROFIT FOR THE PERIOD		60,248	24,279
ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE COMPANY		59,986	24,272
MINORITY INTEREST		262	7
PROFIT FOR THE PERIOD		60,248	24,279
EARNINGS PER SHARE			
- BASIC		6.13	2.53

The Unaudited Condensed Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached in the interim financial statements.



UNAUDITED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2008

COMPANY	Note	Individual/Cumulative Quarter	
		31.03.2008 RM'000	31.03.2007 RM'000
REVENUE		21,501	20,595
INTEREST INCOME	14	14,763	16,520
INTEREST EXPENSE	15	(5,579)	(7,590)
NET INTEREST INCOME		9,184	8,930
NET INCOME FROM ISLAMIC BANKING BUSINESS	25b	3,347	2,835
OTHER OPERATING INCOME	16	6,727	8,721
		19,258	20,486
EXPENDITURE	17	(4,460)	(11,661)
PROFIT BEFORE ALLOWANCES FOR LOANS AND ADVANCES AND IMPAIRMENT LOSSES		14,798	8,825
WRITEBACK / (ALLOWANCES) FOR LOSSES ON LOANS, ADVANCES AND FINANCING	18	496	(3,204)
IMPAIRMENT LOSSES ON SECURITIES	19	-	(889)
PROFIT BEFORE TAXATION		15,294	4,732
TAX EXPENSE		(2,469)	(2,244)
ZAKAT		(40)	-
PROFIT FOR THE PERIOD		12,785	2,488

The Unaudited Condensed Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached in the interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2008

Group	Attributable to Equity Holders of the Company							Total	Minority Interest	Total Equity
	Share Capital	Share Premium	Statutory Reserve	Non-Distributable Securities Available-For-Sale Reserve	Capital Reserve	Exchange Fluctuation Reserve	Distributable Retained Profits			
	-----RM'000-----									
At 1 January 2008	978,495	363,861	58,022	81	36,220	(5,090)	589,330	2,020,919	25,140	2,046,059
Net profit for the financial period	-	-	-	-	-	-	59,986	59,986	262	60,248
Realised gain on disposal of securities available-for-sale	-	-	-	(3,071)	-	-	-	(3,071)	-	(3,071)
Unrealised gain on revaluation of securities available-for-sale	-	-	-	6,038	-	-	-	6,038	-	6,038
Deferred tax on revaluation of securities available-for-sale	-	-	-	43	-	-	-	43	-	43
Currency translation differences	-	-	-	-	-	29	-	29	-	29
Deemed disposal of a subsidiary	-	-	-	-	-	-	-	-	(366)	(366)
At 31 March 2008	978,495	363,861	58,022	3,091	36,220	(5,061)	649,316	2,083,944	25,036	2,108,980
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	-	-	-	-	-	-	24,272	24,272	7	24,279
Exercise of share options	5,888	-	-	-	-	-	-	5,888	-	5,888
Realised gain on disposal of securities available-for-sale	-	-	-	(75)	-	-	-	(75)	-	(75)
Unrealised gain on revaluation of securities available-for-sale	-	-	-	5,487	-	-	-	5,487	-	5,487
Deferred tax on revaluation of securities available-for-sale	-	-	-	(28)	-	-	-	(28)	-	(28)
Currency translation differences	-	-	-	-	-	57	-	57	-	57
At 31 March 2007	962,588	363,867	42,605	16,019	36,259	(5,191)	584,074	2,000,221	24,239	2,024,460

The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached in the interim financial statements.



UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2008

Company	Share Capital	Non-Distributable Share Premium	Distributable Retained Profits	Total Equity
	-----RM'000-----			
At 1 January 2008	978,495	363,861	527,628	1,869,984
Net profit for the financial period	-	-	12,785	12,785
At 31 March 2008	978,495	363,861	540,413	1,882,769
At 1 January 2007	956,700	363,867	101,670	1,422,237
Net profit for the financial period	-	-	2,488	2,488
Exercise of share options	5,888	-	-	5,888
At 31 March 2007	962,588	363,867	104,158	1,430,613

The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached in the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2008

	Group		Company	
	31.03.2008 RM'000	31.03.2007 RM'000	31.03.2008 RM'000	31.03.2007 RM'000
Profit before taxation	74,473	29,427	12,784	4,732
Adjustments for non-cash items	(33,881)	10,633	(92)	(862)
Operating profit before changes in working capital	40,592	40,060	12,692	3,870
Changes in working capital				
Net changes in operating assets	(19,332)	21,612	(5,120)	(1,287)
Net changes in operating liabilities	(115,143)	(1,000,331)	(293,778)	48,522
Tax expense paid	(1,203)	(3,233)	-	(908)
Retirement benefits paid	(1,117)	(1,979)	(927)	(1,011)
Movements on exchange fluctuations	29	57	-	-
Net cash (used in) / generated from operating activities	(96,174)	(943,814)	(287,133)	49,186
Net cash generated from investing activities	827,952	318,605	1,508	1,253
Net cash (used in) / generated from financing activities	(300)	5,888	(300)	7,221
Net increase / (decrease) in cash and cash equivalents	731,478	(619,321)	(285,925)	57,660
Cash and cash equivalents at beginning of the period	3,222,543	5,800,750	783,558	118,129
Cash and cash equivalents at end of the period	3,954,021	5,181,429	497,633	175,789
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)	3,574,360	4,375,031	387,383	140,789
Deposits and placements with banks and other financial institutions	379,661	806,398	110,250	35,000
	3,954,021	5,181,429	497,633	175,789

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 2007 and the accompanying explanatory notes attached in the interim financial statements.

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

1. 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 statement has been prepared in accordance with FRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”).

The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2007. 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 and the Company since the financial year ended 31 December 2007.

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 2007.

2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the audited financial statements for the financial year ended 31 December 2007 was not subject to any qualification.

3. Performance review

The Group registered a pre-tax profit of RM74.473 million for the period ended 31 March 2008, an increase of 153% as compared to the previous corresponding period’s pre-tax profit of RM29.427 million. The improved performance is attributed to writeback of allowances for loan losses and impairment and additional proceeds received from surrendering of discount houses licences.

4. Current year prospects

The investment banking division expects an enhanced involvement in the debt and equity capital markets, especially in private debt securities origination, advisory and underwriting, as well as brokerage and placement, from a stronger platform.

With the four new mandates received in 2007, the Group intends to fulfill its development finance agency role for the onwards lending of the scheme funds, where credit risk is mitigated.

Steps to enhance the fund management activities by focusing on business and product development, and opportunities for potential tie up with established foreign partners are in progress for the asset management business.

The property business division will be focused on its inherent property and project management skills and services as an alternative revenue source, apart from the continued efforts to realise the value of the properties held.

The continued focus on customer relationships, operational efficiencies, credit and cost management, and corporate rationalisation will provide the base for sustainable and quality growth for the Group.

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5. Securities held-for-trading

	Group		Company	
	31.3.2008 RM'000	31.12.2007 RM'000	31.3.2008 RM'000	31.12.2007 RM'000
At fair value				
Quoted:				
Malaysian Government Securities	5,066	30,116	-	-
Bank Negara Malaysia Notes	29,658	-	-	-
Government Investment Issue	-	24,734	-	-
Unit trusts	1,514	3,842	1,342	1,357
Shares	1,002	758	884	889
Loan stocks	28	20	28	20
Redeemable Convertible Secured Notes	8,134	7,635	8,134	7,635
	<u>45,402</u>	<u>67,105</u>	<u>10,388</u>	<u>9,901</u>
Unquoted:				
Private Debts Securities	73,137	-	-	-
Loan stocks	7,159	7,159	-	-
Shares	1,563	1,845	-	-
	<u>81,859</u>	<u>9,004</u>	<u>-</u>	<u>-</u>
	<u>127,261</u>	<u>76,109</u>	<u>10,388</u>	<u>9,901</u>

6. Securities available-for-sale

	Group		Company	
	31.3.2008 RM'000	31.12.2007 RM'000	31.3.2008 RM'000	31.12.2007 RM'000
At fair value				
Quoted:				
Malaysian Government Securities	172	241,342	-	-
Government Investment Issue	135,879	175,139	-	-
Malaysian Treasury Bills/Malaysian Islamic Treasury Bills	39,908	-	-	-
Bank Negara Malaysia Negotiable Notes	73,487	82,953	-	-
Shares	12,353	9,682	1,234	1,234
	<u>261,799</u>	<u>509,116</u>	<u>1,234</u>	<u>1,234</u>
Unquoted:				
Khazanah Nasional Berhad bonds	232,124	274,373	-	-
Cagamas Berhad bonds	20,029	20,004	-	-
Negotiable instruments of deposit	49,651	450,086	-	-
Private debt securities	1,954,595	2,269,057	-	-
Corporate bonds	46,868	119,999	46,868	46,868
Shares	125,100	46,868	3,771	3,771
Others Acceptances Discounted	291,214	125,100	-	-
Loan stocks	9,905	9,905	4,905	4,905
	<u>2,729,486</u>	<u>3,315,392</u>	<u>55,544</u>	<u>55,544</u>
	<u>2,991,285</u>	<u>3,824,508</u>	<u>56,778</u>	<u>56,778</u>

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7. Securities held-to-maturity

	Group	
	31.3.2008 RM'000	31.12.2007 RM'000
At amortised cost		
Quoted:		
Malaysian Government Securities	2,109	2,123
Bank Negara Malaysia Negotiable Notes	50,002	74,822
Malaysian Islamic Treasury Bills	9,978	9,893
	<u>62,089</u>	<u>86,838</u>
Unquoted:		
Cagamas Berhad bonds	4,994	4,987
Khazanah Nasional Berhad bonds	18,742	-
Shares	3,365	3,365
Private debt securities	163,454	194,376
	<u>190,555</u>	<u>202,728</u>
	252,644	289,566
Less: Accumulated impairment losses	<u>(129,187)</u>	<u>(149,350)</u>
	<u>123,457</u>	<u>140,216</u>

8. Loans, advances and financing

	Group		Company	
	31.3.2008 RM'000	31.12.2007 RM'000	31.3.2008 RM'000	31.12.2007 RM'000
Term loans				
- Syndicated term loan/financing	60,145	60,181	-	-
- Hire purchase receivables	106,487	119,691	48,053	54,938
- Lease receivables	7,206	7,684	5,224	5,675
- Other term loans/financing	681,911	710,602	635,866	663,757
Claims on customers under acceptance credits		-	-	-
Staff loans	15,296	16,189	5,262	5,866
Revolving credits	125,024	60,451	1,788	2,661
Margin accounts	79,256	75,789	-	-
Other loans/financing	161,854	175,560	161,854	175,560
	<u>1,237,179</u>	<u>1,226,147</u>	<u>858,047</u>	<u>908,457</u>
Less: Unearned interest and income	<u>(26,916)</u>	<u>(31,738)</u>	<u>(21,058)</u>	<u>(24,569)</u>
	1,210,263	1,194,409	836,989	883,888
Less: Security deposits	(717)	(934)	-	-
Less: Allowance for bad and doubtful debts and financing:				
- General	(33,092)	(32,354)	(27,422)	(27,422)
- Specific	(184,315)	(185,987)	(136,170)	(136,666)
Total net loans, advances and financing	<u>992,139</u>	<u>975,134</u>	<u>673,397</u>	<u>719,800</u>

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8. Loans, advances and financing (con't)

a. By type of customer

	Group		Company	
	31.3.2008 RM'000	31.12.2007 RM'000	31.3.2008 RM'000	31.12.2007 RM'000
Domestic business enterprises				
- Small medium enterprises	741,617	534,749	490,463	519,095
- Others	329,475	509,778	317,313	333,943
Individuals	115,220	121,299	5,262	5,866
Other domestic entities	-	3,599	-	-
Foreign entities	23,951	24,984	23,951	24,984
Gross loans, advances and financing	<u>1,210,263</u>	<u>1,194,409</u>	<u>836,989</u>	<u>883,888</u>

b. By interest/profit rate sensitivity

	Group		Company	
	31.3.2008 RM'000	31.12.2007 RM'000	31.3.2008 RM'000	31.12.2007 RM'000
Fixed rate				
- Staff loans	15,296	16,189	5,262	5,866
- Hire purchase receivables	182,474	200,162	129,636	142,238
- Other fixed rate loan/financing	479,919	497,798	394,895	415,716
Variable rate				
- BLR plus	224,227	233,901	224,227	233,901
- Cost-plus	228,893	163,715	3,515	3,515
- Other variable rates	79,454	82,644	79,454	82,652
Gross loans, advances and financing	<u>1,210,263</u>	<u>1,194,409</u>	<u>836,989</u>	<u>883,888</u>

c. By economic sector

	Group		Company	
	31.3.2008 RM'000	31.12.2007 RM'000	31.3.2008 RM'000	31.12.2007 RM'000
Agriculture, hunting, forestry & fishing	5,121	5,121	121	121
Mining and quarrying	3,942	4,235	2,942	3,235
Manufacturing	662,898	700,201	639,883	676,623
Construction	74,732	61,837	21,752	24,087
Purchase of landed property:				
- Residential	487	628	-	-
Wholesale & retail trade and restaurants & hotels	109,770	111,542	100,038	101,701
Transport, storage and communications	169,120	122,094	41,869	43,939
Finance, insurance and business services	48,086	43,146	13,552	13,431
Purchase of securities	79,256	75,789	-	-
Purchase of transport vehicles	42,812	46,873	-	-
Others	14,039	22,943	16,832	20,751
Gross loans, advances and financing	<u>1,210,263</u>	<u>1,194,409</u>	<u>836,989</u>	<u>883,888</u>

MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
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8. Loans, advances and financing (con't)

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

	Group		Company	
	31.3.2008 RM'000	31.12.2007 RM'000	31.3.2008 RM'000	31.12.2007 RM'000
At beginning of period/year	286,029	406,430	226,298	253,523
Non-performing during the period/year	3,567	61,468	3,499	43,925
Reclassified as performing	(3,180)	(17,039)	(1,999)	(10,914)
Sale of NPLs	-	(60,456)	-	-
Loans converted to securities	-	(18,672)	-	-
Amount recovered	(4,620)	(21,116)	(4,620)	(14,489)
Amount written off	(228)	(64,586)	-	(45,747)
At end of period/year	281,568	286,029	223,178	226,298
Less: Specific allowance	(180,233)	(181,014)	(132,089)	(131,693)
Net non-performing loans, advances and financing	101,335	105,015	91,089	94,605
Net NPL as % of gross loans, advances and financing less specific allowances	9.88%	10.41%	13.00%	12.66%
Performing loans with specific allowance provided				
Gross loan	4,312	8,852	4,312	8,852
Less: Specific allowance	(4,081)	(4,973)	(4,081)	(4,973)
Net	231	3,879	231	3,879

e. Movements in allowance for bad and doubtful debts

	Group		Company	
	31.3.2008 RM'000	31.12.2007 RM'000	31.3.2008 RM'000	31.12.2007 RM'000
General allowance				
At beginning of period/year	32,354	39,176	27,422	27,422
Allowance made/(written back) during the period/year	738	(2,668)	-	-
Amount transferred to specific allowance	-	(4,154)	-	-
At end of period/year	33,092	32,354	27,422	27,422
As % of gross loans, advances and financing less specific allowance	3.23%	3.21%	3.93%	3.67%
Specific allowance				
At beginning of period/year	185,987	284,504	136,666	161,748
Allowance made during the year	4,875	45,246	4,633	40,711
Amount written back in respect of recoveries	(6,548)	(23,129)	(5,129)	(20,046)
Sale of NPLs	-	(57,078)	-	-
Allowance transfer from general allowance	-	4,154	-	-
Amount transferred to provision for loan stocks	-	(3,124)	-	-
Amount written off	-	(64,586)	-	(45,747)
At end of period/year	184,314	185,987	136,170	136,666

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2008

8. Loans, advances and financing (con't)

f. Non-Performing Loan by economic sector

	Group		Company	
	31.3.2008 RM'000	31.12.2007 RM'000	31.3.2008 RM'000	31.12.2007 RM'000
Agriculture, hunting, forestry & fishing	121	121	121	121
Manufacturing	155,277	154,486	142,181	141,327
Construction	30,136	32,149	16,376	18,205
Purchase of landed property:				
- Residential	114	114	-	-
Wholesale & retail trade and restaurants & hotels	43,911	46,021	43,138	45,208
Transport, storage and communication	12,010	12,076	11,087	11,149
Finance, insurance and business services	20,286	21,823	5,701	7,224
Purchase of transport vehicles	14,854	15,896	-	-
Others	4,859	3,343	4,574	3,064
	<u>281,568</u>	<u>286,029</u>	<u>223,178</u>	<u>226,298</u>

9. Other assets

	Group		Company	
	31.3.2008 RM'000	31.12.2007 RM'000	31.3.2008 RM'000	31.12.2007 RM'000
Accrued interest, commitment charges, commissions and fees receivable	22,212	25,265	1,545	1,329
Amount due from subsidiaries				
- current accounts	-	-	1,876	4,505
- loan accounts	-	-	495,796	513,849
Less: Allowance for doubtful debts	-	-	(16,600)	(22,864)
	-	-	479,196	490,985
Clients' and brokers' accounts	47,935	35,440	-	-
Less: Allowance for doubtful debts	(2,328)	(2,305)	-	-
	45,607	33,135	-	-
Trade receivables	52,523	55,960	-	-
Less: Allowance for doubtful debts	(22,741)	(22,519)	-	-
	29,782	33,441	-	-
Other receivables, deposits and prepayments	76,934	64,254	14,465	8,159
Less: Allowance for doubtful debts	(24,331)	(24,358)	-	-
	52,603	39,896	14,465	8,159
Industrial Estates				
- developed properties held-for-sale	227,588	228,183	-	-
Less: Impairment loss	(6,888)	(6,888)	-	-
	220,700	221,295	-	-
	370,904	353,032	497,082	504,978
Tax recoverable	31,208	39,144	7,625	9,828
	<u>402,112</u>	<u>392,176</u>	<u>504,707</u>	<u>514,806</u>

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10. Deposits from customers

	Group	
	31.3.2008 RM'000	31.12.2007 RM'000
(i) By type of deposit		
Deposits from customers		
- Fixed deposits	2,769,850	2,491,755
- Call money	268,091	281,555
	<u>3,037,941</u>	<u>2,773,310</u>

(ii) By type of customer

	Group	
	31.3.2008 RM'000	31.12.2007 RM'000
Government and statutory bodies	27,941	37,660
Business enterprises	3,007,865	2,733,528
Individuals	2,135	2,122
	<u>3,037,941</u>	<u>2,773,310</u>

11. Deposits and placements of banks and financial institutions

	Group	
	31.3.2008 RM'000	31.12.2007 RM'000
Call deposits		
- Other financial institutions	362,150	309,920
Fixed deposits		
- Licensed Islamic banks	-	20,000
- Other financial institutions	2,606,023	2,664,439
	<u>2,968,173</u>	<u>2,994,359</u>

12. Borrowings

	Group		Company	
	31.03.2008 RM'000	31.12.2007 RM'000	31.03.2008 RM'000	31.12.2007 RM'000
(a) Short Term				
Secured	24,675	24,675	-	-
Unsecured	78,282	383,982	71,782	371,482
	<u>102,957</u>	<u>408,657</u>	<u>71,782</u>	<u>371,482</u>
(b) Long Term				
Secured	22,500	25,313	-	-
Unsecured	393,137	424,178	393,137	424,178
Unsecured – Islamic operation	54,251	56,291	54,251	56,291
	<u>469,888</u>	<u>505,782</u>	<u>447,388</u>	<u>480,469</u>
Total borrowings	<u>572,845</u>	<u>914,439</u>	<u>519,170</u>	<u>851,951</u>

- (c) Included in the borrowings are loans obtained from a Japanese financial institution, denominated in Yen, equivalent to RM128.157 million. The foreign exchange risk on the above loans is borne by the Government of Malaysia

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13. Government Scheme Funds

13.1 Government Scheme Funds

	Group and Company	
	31.03.2008	31.12.2007
	RM'000	RM'000
At 1 January	446,459	270,058
Add : Funds received during the year	1,199	189,998
	<u>447,658</u>	<u>460,056</u>
Less : Non-performing loans pending approval		
At 1 January	11,882	-
Addition	1,791	11,882
Reduction upon approval	-	-
At 31 December	<u>(13,673)</u>	<u>(11,882)</u>
Less : Non-performing loans written off upon approval	-	(13,597)
Available Funds at 31 December	433,985	434,577
Less : Net loans disbursed under Government Scheme Funds	(217,190)	(192,650)
Net Government Scheme Funds Available	<u>216,795</u>	<u>241,927</u>

Government Scheme Funds comprises

	Group and Company	
	31.03.2008	31.12.2007
	RM'000	RM'000
Non-current		
Funds from MITI	59,460	59,460
Soft loan for SME's	198,893	200,130
Loan from MIEEIP	13,445	13,481
Loan from PPWE	9,757	9,757
Soft loan for Automation and Modernisation	76,215	75,875
Soft loan for Automotive Development	76,215	75,874
	<u>433,985</u>	<u>434,577</u>

13.2 Loans, advances and financing under Government Scheme Funds

	Group and Company	
	31.03.2008	31.12.2007
	RM'000	RM'000
Term loans		
- Hire purchase receivables	3,118	1,664
- Other term loans/financing	145,825	137,498
Other loans/financing	94,295	74,739
	<u>243,238</u>	<u>213,901</u>
Less : Unearned interest income	(12,375)	(9,369)
	<u>230,863</u>	<u>204,532</u>
Less: Allowance for bad and doubtful debts and financing:		
- Specific	(13,673)	(11,882)
Total net loans, advances and financing	<u>217,190</u>	<u>192,650</u>

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13. Government Scheme Funds (con't)

13.2(a) Loans, advances and financing under Government Scheme Funds

(i)	By type of customer	Group and Company	
		31.03.2008	31.12.2007
		RM'000	RM'000
	Domestic business enterprises		
	- Small medium enterprises	192,234	187,699
	- Others	35,946	13,950
	Foreign entities	2,683	2,883
	Gross loans, advances and financing	230,863	204,532
(ii)	By interest/profit rate sensitivity	Group and Company	
		31.03.2008	31.12.2007
		RM'000	RM'000
	Fixed rate		
	Hire purchase receivables	54,695	42,545
	Other fixed rate loan/financing	173,964	161,987
	Others	2,204	-
	Gross loans, advances and financing	230,863	204,532
(iii)	By economic sector	Group and Company	
		31.03.2008	31.12.2007
		RM'000	RM'000
	Agriculture, hunting, forestry & fishing	78	78
	Mining and quarrying	1,670	1,547
	Manufacturing	193,996	171,483
	Construction	4,868	4,640
	Wholesale & retail trade and restaurants & hotels	14,660	13,743
	Transport, storage and communications	4,738	4,341
	Finance, insurance and business services	6,379	4,118
	Others	4,474	4,582
	Gross loans, advances and financing	230,863	204,532

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13. Government Scheme Funds (con't)

13.2(b) Non-Performing Loans ("NPLs")

(i) Movements in non-performing loans, advances and financing

	Group and Company	
	31.03.2008	31.12.2007
	RM'000	RM'000
At 1 January	13,645	12,271
Non-performing during the year	2,552	6,458
Reclassified as performing	(540)	(2,235)
Amount recovered	(374)	(626)
Amount written off	-	(2,223)
At 31 December	15,283	13,645
Less: Specific allowance	(13,138)	(11,621)
Net non-performing loans, advances and financing	2,145	2,024
Net NPL as % of gross loans, advances and financing less specific allowances	0.99%	1.05%
Performing loans with specific allowance provided	688	298
Less: Specific allowance	(535)	(261)
Net	153	37

(ii) Movements in allowance for bad and doubtful debts

	Group and Company	
	31.03.2008	31.12.2007
	RM'000	RM'000
Specific allowance		
At 1 January	11,882	10,904
Allowance made during the year	2,008	4,761
Amount write back in respect of recoveries	(217)	(1,560)
Amount written off	-	(2,223)
At 31 December	13,673	11,882

(iii) Non-Performing Loan by economic sector

	Group and Company	
	31.03.2008	31.12.2007
	RM'000	RM'000
Agriculture, hunting, forestry & fishing	78	78
Manufacturing	12,308	10,670
Wholesale & retail trade and restaurants & hotels	876	873
Finance, insurance and business services	1,771	251
Others	250	1,773
	15,283	13,645

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14. Interest income

	Individual/Cumulative Quarter Ended	
	31.3.2008 RM'000	31.3.2007 RM'000
<u>Group</u>		
Loans, advances and financing		
- Interest income other than recoveries from NPL	14,751	12,846
- Recoveries from NPL	270	523
Money at call and deposit placements with financial institutions	24,348	34,602
Securities available-for-sale	16,341	16,127
Securities held-for-trading	41	49
Securities held-to-maturity	157	2,820
Hire purchase and leasing operations	1,860	3,146
Accretion of discounts (net of amortisation of premium)	13,028	11,029
Interest suspended	(935)	-
	<u>69,861</u>	<u>81,142</u>
	RM'000	RM'000
<u>Company</u>		
Loans and advances		
- Interest income other than recoveries from NPL	10,375	11,223
- Recoveries from NPL	27	46
Leasing operations	832	1,416
Loans to subsidiaries	3,529	3,835
	<u>14,763</u>	<u>16,520</u>

15. Interest expense

	Individual/Cumulative Quarter Ended	
	31.3.2008 RM'000	31.3.2007 RM'000
<u>Group</u>		
Deposits and placements of banks and other financial institutions	3	72
Deposits from customers	38,447	47,629
Short-term funds and bank overdrafts	187	661
Concessional funds	3,098	3,310
Commercial loans	1,291	1,376
Commercial papers and medium term notes	-	94
Income securities	1,708	3,773
Miscellaneous	-	42
	<u>44,734</u>	<u>56,957</u>
	RM'000	RM'000
<u>Company</u>		
Short-term funds and bank overdrafts	29	2
Concessional funds	3,098	3,310
Commercial loans	744	411
Commercial papers and medium term notes	-	94
Income securities	1,708	3,773
	<u>5,579</u>	<u>7,590</u>

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16. Other operating income

<u>Group</u>	Individual/Cumulative Quarter Ended	
	31.3.2008 RM'000	31.3.2007 RM'000
(a) Revenue income:		
Fee income derived from:		
- Capital market activities	3,204	3,955
- Service fees	185	243
- Management fees	1,843	4,872
- Net brokerage fees	3,656	3,353
- Other fee income	-	14
Investment income derived from:		
- Net unrealised gain / (losses) on revaluation of securities held-for-trading	399	(690)
- Gain on sale of securities:		
- Available-for-sale	2,869	895
- Held-for-trading	198	366
- (Loss) / Gain on sale of trust units	(212)	333
Net rental of factory premises	5,137	4,693
Net rental from investment properties	1,243	1,816
Rental income on buildings	7,092	5,785
Gain from disposal of land held for property development and industrial estates	479	1,139
Income from factoring	261	314
Profit earned on Al-Bai Bithamin Ajil and Al-Ijarah	77	50
	<u>26,431</u>	<u>27,138</u>
(b) Other income:		
Total interest income on:		
- short-term placements, fixed deposits and share issue account	2,277	2,517
- promissory notes	116	116
Gain on disposal of:		
- Property, plant and equipment	-	11
- Investment Properties	207	-
Total dividends (gross) from:		
- Securities held-for-trading	8	66
- Securities available-for-sale	-	3
- Securities held-to-maturity	100	-
Interest on:		
- staff loans	139	115
Guarantee fee	137	266
Commitment fee	-	167
Rental of:		
- parking space	13	25
- office premises	125	244
Bad debts recovered	6	110
Recoveries from non performing loans	2,984	-
Recovery of bad debts written off and specific provision provided offset against Government funds	-	4,949
Proceed from surrendering of the discount houses licenses	17,500	-
Others	639	184
	<u>24,251</u>	<u>8,773</u>
Total non-interest income	<u>50,682</u>	<u>35,911</u>

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16. Other operating income

<u>Company</u>	Individual/Cumulative Quarter Ended	
	31.3.2008 RM'000	31.3.2007 RM'000
(a) Revenue income:		
Fee income:		
- Management fees	2,889	1,165
Net unrealised gain / (loss) on revaluation of securities held-for-trading	502	(889)
Gain on sale of securities:		
- Held-for-trading	-	75
	<u>3,391</u>	<u>351</u>
(b) Other income:		
Interest income on:		
- short-term placements, fixed deposits and share issue account	2,798	1,212
- promissory notes	116	116
Gain on disposal of:		
- Property, plant and equipment	37	11
Dividends (gross):		
- Securities held-for-trading	8	66
Interest on:		
- staff loans	64	59
Guarantee fee	137	266
Commitment fee	-	167
Rental of:		
- parking space	13	32
- office premises from subsidiaries	-	112
- office premises	125	244
Recovery of bad debts written off and specific provision provided offset against Government funds	-	4,949
Others	38	247
	<u>3,336</u>	<u>7,481</u>
Total non-interest income	<u>6,727</u>	<u>7,832</u>

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17. Operating Expenses

	Individual/Cumulative Quarter Ended	
	31.3.2008 RM'000	31.3.2007 RM'000
<u>Group</u>		
Personnel costs		
- Salaries	9,450	10,726
- Employees' benefit	203	311
- Defined contribution plans	1,683	1,805
- Other costs	4,188	4,319
Establishment costs		
- Depreciation	3,176	3,881
- Rental	581	1,250
- Insurance	210	451
- Water and electricity	1,002	1,184
- General repairs	1,789	2,086
- Assessment	452	496
Promotion and marketing-related expenses		
- Business promotion and advertisement	376	666
- Entertainment	24	92
- Traveling and accommodation	17	18
Administration and general expenses		
- Communication expenses	535	911
- Property, plant & equipment written off	-	3
- Management fees	1,487	369
- Professional fees	847	1,435
- Others	2,808	2,028
	<u>28,828</u>	<u>32,031</u>
<u>Company</u>		
Personnel costs		
- Salaries	4,488	4,980
- Employees' benefit	54	185
- Defined contribution plans	778	830
- Other costs	2,256	2,227
Establishment costs		
- Depreciation	872	628
- Rental	512	389
- Insurance	(1)	68
- Water and electricity	146	208
- General repairs	443	354
- Assessment	87	87
Promotion and marketing-related expenses		
- Business promotion and advertisement	72	297
- Entertainment	(1)	5
- Traveling and accommodation	-	3
Administration and general expenses		
- Communication expenses	83	123
- Property, plant & equipment written off	-	3
- Management fees	108	17
- Professional fees	400	852
- Write back of allowance for doubtful debts	(6,264)	-
- Others	427	405
	<u>4,460</u>	<u>11,661</u>

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18. Allowance for losses on loans and financing

	Individual/Cumulative Quarter Ended	
	31.3.2008 RM'000	31.3.2007 RM'000
<u>Group</u>		
Allowance for bad and doubtful debts		
(a) Specific allowance		
- made in the financial period	(4,875)	(3,121)
- written back	6,549	10
(b) General allowance		
- made in the financial period	(739)	-
Bad debts on loans and financing recovered	9,048	-
	<u>9,983</u>	<u>(3,111)</u>
<u>Company</u>		
Allowance for bad and doubtful debts		
(a) Specific allowance		
- made in the financial period	(4,633)	(3,204)
- written back	5,129	-
	<u>496</u>	<u>(3,204)</u>

19. Impairment writeback/(losses) on securities (net)

	Individual/Cumulative Quarter Ended	
	31.3.2008 RM'000	31.3.2007 RM'000
<u>Group</u>		
Securities available-for-sale	(6,116)	(3,044)
Securities held-to-maturity	13,705	-
	<u>7,589</u>	<u>(3,044)</u>

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20. **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/Cumulative Quarter 1.1.2008 to 31.3.2008 RM'000	Individual/Cumulative Quarter 1.1.2007 to 31.3.2007 RM'000
Investment Banking	81,012	87,118
Asset management	1,373	4,212
Development finance	14,581	15,511
Industrial Property	11,168	16,267
Others	9,384	10,457
Investment holding	2,013	4,010
	<u>119,531</u>	<u>137,575</u>
Inter-segment elimination	<u>(1,323)</u>	<u>(2,852)</u>
	<u>118,208</u>	<u>134,723</u>

	Segment Results	
	Individual/Cumulative Quarter 1.1.2008 to 31.3.2008 RM'000	Individual/Cumulative Quarter 1.1.2007 to 31.3.2007 RM'000
Investment Banking	40,239	15,321
Asset management	337	2,473
Development finance	9,104	11,370
Industrial Property	1,241	994
Others	19,333	2,421
Investment holding	6,134	(3,857)
	<u>76,388</u>	<u>28,722</u>
Share of profit of associated companies	530	391
Consolidation adjustments	<u>(2,445)</u>	<u>314</u>
	<u>74,473</u>	<u>29,427</u>

21. **Capital commitments**

	As at 31.3.2008 RM'000	As at 31.3.2007 RM'000
Authorised and contracted for	18,417	-
Authorised but not contracted for	14,727	37,646
	<u>33,144</u>	<u>37,646</u>

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22. 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:

Group	← As at 31.3.2008 →			← As at 31.12.2007 →		
	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
Guarantee facilities	35,749	35,749	35,749	45,309	45,309	45,309
Obligations under underwriting agreement	808,940	404,470	404,470	921,342	460,671	460,671
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	233,615	-	-	345,306	-	-
- Maturity exceeding one year	70	35	35	176	88	88
- Miscellaneous commitments and contingencies	26,752	13,376	13,376	12,204	6,102	6,102
- Transaction related contingent items	4,150	2,075	2,075	4,150	2,075	2,075
Direct credit substitutes	133	133	133	133	133	133
Total	1,109,409	455,838	455,838	1,328,620	514,378	514,378
Company						
Guarantee facilities	35,749	35,749	35,749	45,309	45,309	45,309
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	149,843	-	-	265,600	-	-
Total	185,592	35,749	35,749	310,909	45,309	45,309

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

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23. Interest rate risk

Group	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				
31.3.2008									
Assets									
Loans, advances and financing									
- performing	309,665	147,842	56,193	394,279	15,916	(33,091)*	-	890,804	6.82
- non-performing	-	-	-	-	-	101,335	-	101,335	-
Securities held-for-trading	-	-	-	-	-	-	127,261	127,261	-
Securities available-for-sale	451,244	461,687	508,664	1,130,315	299,419	139,956	-	2,991,285	5.17
Securities held-to-maturity	9,978	4,994	52,111	30,819	-	25,555	-	123,457	3.38
Deposits and placements with banks and other financial institutions	72,573	165,251	3,551	2,098	-	4,850	-	248,323	3.57
Cash and short term funds	3,544,264	-	-	-	-	45,019	-	3,589,283	3.18
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	116,565	-	116,565	-
Other non-interest sensitive balances	-	-	-	-	-	959,862	-	959,862	-
Total assets, restated	4,387,724	779,774	620,519	1,557,511	315,335	1,360,051	127,261	9,148,175	
Liabilities									
Borrowings	22,075	29,433	48,059	224,076	249,202	-	-	572,845	2.05
Government Scheme Funds	-	-	-	-	-	216,795	-	216,795	-
Deposits from customers	2,747,470	241,851	48,620	-	-	-	-	3,037,941	3.39
Deposits and placements of banks and financial institutions	2,682,582	282,737	2,854	-	-	-	-	2,968,173	3.35
Other non-interest sensitive balances	-	-	-	-	-	233,041	-	233,041	-
Total liabilities	5,452,127	554,021	99,533	224,076	249,202	449,836	-	7,028,795	
Shareholders' funds	-	-	-	-	-	2,094,344	-	2,094,344	
Minority interests	-	-	-	-	-	25,036	-	25,036	
	5,452,127	554,021	99,533	224,076	249,202	2,569,216	-	9,148,175	
On-balance sheet interest sensitivity gap	(1,064,403)	225,753	520,986	1,333,435	66,133	(1,209,165)	127,261		
Off-balance sheet interest sensitivity gap (interest rate swaps)	-	(28,125)	-	-	-	-	-		
Total interest sensitivity gap	(1,064,403)	197,628	520,986	1,333,435	66,133	(1,209,165)	127,261		

* General allowance for bad and doubtful debts and financing

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23. Interest rate risk (con't)

Group	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	
31.12.2007									
Assets									
Loans, advances and financing									
- performing	312,852	149,156	81,441	342,836	16,188	(32,354)*	-	870,119	6.79
- non-performing	-	-	-	-	-	105,015	-	105,015	-
Securities held-for-trading	-	-	-	-	-	-	76,109	76,109	-
Securities available-for-sale	531,072	754,303	655,652	1,438,006	304,419	141,056	-	3,824,508	4.79
Securities held-to-maturity	-	24,813	67,012	12,020	-	36,371	-	140,216	3.46
Deposits and placements with banks and other financial institutions	-	102,698	37,971	-	-	5,010	-	145,679	3.64
Cash and short term funds	2,882,997	-	-	-	-	53,139	-	2,936,136	3.22
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	140,878	-	140,878	-
Other non-interest sensitive balances	-	-	-	-	-	954,775	-	954,775	-
Total assets, restated	3,726,921	1,030,970	842,076	1,792,862	320,607	1,403,890	76,109	9,193,435	
Liabilities									
Borrowings	29,010	29,100	50,847	539,784	265,698	-	-	914,439	3.07
Government Scheme Funds	-	-	-	-	-	241,927	-	241,927	-
Deposits from customers	2,207,235	553,735	12,340	-	-	-	-	2,773,310	3.39
Deposits and placements of banks and financial institutions	2,495,333	431,850	67,176	-	-	-	-	2,994,359	3.36
Other non-interest sensitive balances	-	-	-	-	-	223,341	-	223,341	-
Total liabilities	4,731,578	1,014,685	130,363	539,784	265,698	465,268	-	7,147,376	
Shareholders' funds	-	-	-	-	-	2,020,919	-	2,020,919	
Minority interests	-	-	-	-	-	25,140	-	25,140	
	4,731,578	1,014,685	130,363	539,784	265,698	2,511,327	-	9,193,435	
On-balance sheet interest sensitivity gap	(1,004,657)	16,285	711,713	1,253,078	54,909	(1,107,437)	76,109		
Off-balance sheet interest sensitivity gap (interest rate swaps)	-	(30,937)	-	-	-	-	-		
Total interest sensitivity gap	(1,004,657)	(14,652)	711,713	1,253,078	54,909	(1,107,437)	76,109		

* General allowance for bad and doubtful debts and financing

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23. Interest rate risk (con't)

Company	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				
31.3.2008									
Assets									
Loans, advances and financing									
- performing	182,208	12,147	54,662	358,343	-	(25,052)*	-	582,308	6.38
- non-performing	-	-	-	-	-	91,089	-	91,089	-
Deposits and placements with banks and other financial institutions	-	110,250	-	-	-	-	-	110,250	3.50
Cash and short term funds	374,588	-	-	-	-	12,795	-	387,383	3.27
Securities held-for-trading	-	-	-	-	-	-	10,388	10,388	-
Securities available-for-sale	-	-	3,631	46,867	3,772	2,508	-	56,778	1.97
Other non-interest sensitive balances	-	-	-	-	-	1,449,051	-	1,449,051	-
Total assets	556,796	122,397	58,293	405,210	3,772	1,530,391	10,388	2,687,247	
Liabilities									
Borrowings	15,575	10,383	41,534	202,476	249,202	-	-	519,170	1.75
Government Scheme Funds	-	-	-	-	-	216,795	-	216,795	-
Other non-interest sensitive balances	-	-	-	-	-	68,513	-	68,513	-
Total liabilities	15,575	10,383	41,534	202,476	249,202	285,308	-	804,478	
Shareholders' fund	-	-	-	-	-	1,882,769	-	1,882,769	
	15,575	10,383	41,534	202,476	249,202	2,168,077	-	2,687,247	
On-balance sheet interest sensitivity gap	541,221	112,014	16,759	202,734	(245,430)	(637,686)	10,388		
Off-balance sheet interest sensitivity gap (interest rate swaps)	-	-	-	-	-	-	-		
Total interest sensitivity gap	541,221	112,014	16,759	202,734	(245,430)	(637,686)	10,388		

* General allowance for bad and doubtful debts and financing

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23. Interest rate risk (con't)

Company	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				
31.12.2007									
Assets									
Loans, advances and financing									
- performing	250,116	17,659	79,466	299,510	5,866	(27,422)*	-	625,195	6.35
- non-performing	-	-	-	-	-	94,605	-	94,605	-
Deposits and placements with banks and other financial institutions									
	-	45,000	35,000	-	-	-	-	80,000	3.52
Cash and short term funds									
	690,580	-	-	-	-	12,978	-	703,558	3.57
Securities held-for-trading									
	-	-	-	-	-	-	9,901	9,901	-
Securities available-for-sale									
	-	-	-	50,499	-	6,279	-	56,778	1.65
Other non-interest sensitive balances									
	-	-	-	-	-	1,459,993	-	1,459,993	-
Total assets	940,696	62,659	114,466	350,009	5,866	1,546,433	9,901	3,030,030	
Liabilities									
Borrowings									
Government Scheme Funds	16,510	10,050	45,222	514,471	265,698	-	-	851,951	2.88
Other non-interest sensitive balances	-	-	-	-	-	241,927	-	241,927	-
	-	-	-	-	-	66,168	-	66,168	-
Total liabilities	16,510	10,050	45,222	514,471	265,698	308,095	-	1,160,046	
Shareholders' fund									
	-	-	-	-	-	1,869,984	-	1,869,984	
	16,510	10,050	45,222	514,471	265,698	2,178,079	-	3,030,030	
On-balance sheet interest sensitivity gap									
	924,186	52,609	69,244	(164,462)	(259,832)	(631,646)	9,901		
Off-balance sheet interest sensitivity gap (interest rate swaps)									
	-	-	-	-	-	-	-		
Total interest sensitivity gap	924,186	52,609	69,244	(164,462)	(259,832)	(631,646)	9,901		

* General allowance for bad and doubtful debts and financing

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24. Capital Adequacy

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

	31.3.2008 RM'000	31.12.2007 RM'000
Tier-I capital		
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	90,950	90,950
Retained profit	37,411	37,411
	<u>647,472</u>	<u>647,472</u>
Less: Deferred tax assets	(43,036)	(43,036)
Total Tier-I capital	<u>604,436</u>	<u>604,436</u>
Tier-II capital		
General allowance for bad and doubtful debts	4,209	3,471
Subordinated term loan	11,200	11,200
Total Tier-II capital	<u>15,409</u>	<u>14,671</u>
Total capital	619,845	619,107
Less:		
Investment in subsidiary companies	-	-
Capital base	<u>619,845</u>	<u>619,107</u>
Core capital ratio	35.97%	32.95%^
Risk-weighted capital ratio	36.89%	33.75%^

^ With effect from 1 January 2008, the capital adequacy of the banking subsidiary are computed in accordance with Bank Negara Malaysia's Risk Weighted Capital Adequacy Framework (Basel II): Standardised Approach for Credit Risk, Market Risk and Basic Indicator Approach for Operational Risk. The comparatives as at 31 December 2007 have been adjusted accordingly

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25. Operations of Islamic Banking

25a. Unaudited Balance Sheets as at 31 March 2008

	Note	Group		Company	
		31.3.2008 RM'000	31.12.2007 RM'000	31.3.2008 RM'000	31.12.2007 RM'000
ASSETS					
Cash and short-term funds		200,326	158,321	12,554	7,504
Securities held-for-trading	25c	-	24,734	-	-
Securities available-for-sale	25d	1,069,009	1,069,706	-	-
Securities held-to-maturity	25e	78,722	84,715	-	-
Loans, advances and financing	25f	130,711	141,631	130,711	141,631
Other assets		3,699	6,383	257	165
Amount due from Head Office	25h(a)	2,622	7,056	2,622	7,056
Deferred tax asset		1,427	1,427	892	892
TOTAL ASSETS		1,486,516	1,493,973	147,036	157,248
LIABILITIES					
Deposits from customers	25g	527,617	615,112	-	-
Deposits and placement of banks and other financial institutions		705,529	617,004	-	-
Borrowings (unsecured)	12	54,251	56,291	54,251	56,291
Other liabilities		16,948	17,760	9,188	6,129
Taxation		3,498	3,272	3,498	3,272
Amount due to Head Office		94	106	-	-
		1,307,937	1,309,545	66,937	65,692
ISLAMIC BANKING CAPITAL FUNDS					
Funds allocated from Head Office		154,900	168,061	74,900	88,061
Reserves		23,679	16,367	5,199	3,495
TOTAL ISLAMIC BANKING CAPITAL FUNDS		178,579	184,428	80,099	91,556
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		1,486,516	1,493,973	147,036	157,248

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2008**

25. **Operations of Islamic Banking (con't)**

25b. **Unaudited Income Statement for the period ended 31 March 2008**

	Individual/Cumulative Quarter Ended	
	31.3.2008 RM'000	31.3.2007 RM'000
<u>Group</u>		
Income derived from investment of depositors funds and others	16,869	16,375
Writeback/(Provision) for profit equalisation reserve (PER)	2,685	1,210
Total attributable income	19,554	17,585
Income attributable to depositors	(10,164)	(10,459)
Net income attributable to the reporting institutions	9,390	7,126
Other operating expenses	(365)	(530)
Operating profit	9,025	6,596
(Allowance)/ Writeback for Impairment losses on securities	(2,514)	1,500
Allowance for losses on loans, advances and financing	(459)	(222)
Finance costs	(252)	(293)
Profit before taxation and zakat	5,800	7,581
Tax expenses	(585)	-
Zakat	(118)	(73)
Profit after taxation and zakat	5,097	7,508
<u>Company</u>		
Income derived from investment of depositors funds and others	3,347	2,835
Income attributable to the reporting institutions	3,347	2,835
Other operating expenses	(1)	(67)
Operating profit	3,346	2,768
Allowance for losses on loans, advances and financing	(459)	(222)
Finance costs	(252)	(293)
Profit before taxation	2,635	2,253
Tax expenses	(585)	-
Zakat	(40)	-
Profit after taxation and zakat	2,010	2,523

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25. **Operations of Islamic Banking (con't)**

25c. **Securities held-for-trading**

	Group	
	31.3.2008	31.12.2007
	RM'000	RM'000
At fair value		
Quoted:		
Government Investment Issue	-	24,734
	<u> </u>	<u> </u>

25d. **Securities available-for-sale**

	Group	
	31.3.2008	31.12.2007
	RM'000	RM'000
At fair value, or amortised cost less impairment losses for certain unquoted equity instruments		
Quoted:		
Government Investment Issue	130,714	169,998
Bank Negara Malaysia Islamic Notes	-	10,000
	<u>130,714</u>	<u>179,998</u>
Unquoted:		
Islamic Acceptances Bills	221,312	149,187
Khazanah Nasional Berhad bonds	232,123	249,970
Islamic Negotiable instruments of deposit	49,651	-
Cagamas Mudharabah Bonds	20,029	20,004
Islamic Private debt securities	415,180	470,547
	<u>938,295</u>	<u>889,708</u>
	<u>1,069,009</u>	<u>1,069,706</u>

25e. **Securities held-to-maturity**

	Group	
	31.3.2008	31.12.2007
	RM'000	RM'000
At amortised cost		
Quoted:		
Bank Negara Malaysia Islamic Notes	50,002	74,822
Malaysian Islamic Treasury Bills	9,978	9,893
	<u>59,980</u>	<u>84,715</u>
Unquoted:		
Khazanah Nasional Berhad bonds	18,742	-
Islamic Private debt securities	4,998	4,998
	<u>23,740</u>	<u>4,998</u>
	83,720	89,713
Less: Accumulated impairment losses	<u>(4,998)</u>	<u>(4,998)</u>
	<u>78,722</u>	<u>84,715</u>

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25. **Operations of Islamic Banking (con't)**

25f. **Loans, advances and financing**

	Group and Company	
	31.3.2008	31.12.2007
	RM'000	RM'000
Term loan		
- Term financing	74,361	81,217
- Islamic hire purchase/leasing	87,493	94,342
	<u>161,854</u>	<u>175,559</u>
Less: Unearned income	(17,057)	(19,496)
	<u>144,797</u>	<u>156,063</u>
Less: Allowance for bad and doubtful debts and financing loss		
- General	(3,200)	(3,200)
- Specific	(10,886)	(11,232)
	<u>130,711</u>	<u>141,631</u>

(i) **By contract**

	Group and Company	
	31.3.2008	31.12.2007
	RM'000	RM'000
Bai Bithaman Ajil (deferred payment sales)	71,891	55,187
Murabahah Working Capital (cost plus)	9,460	16,839
Al-Ijarah Thumma Al-Bai (finance lease)	58,127	78,660
Al-Ijarah (operating lease)	5,319	5,377
	<u>144,797</u>	<u>156,063</u>

(ii) **By type of customer**

	Group and Company	
	31.3.2008	31.12.2007
	RM'000	RM'000
Domestic business enterprises	144,797	156,063

(iii) **By profit rate sensitivity**

	Group and Company	
	31.3.2008	31.12.2007
	RM'000	RM'000
Fixed rate		
Hire purchase receivables	78,572	84,037
Other fixed rate loan/financing	66,225	72,026
	<u>144,797</u>	<u>156,063</u>

(iv) **By economic sector**

	Group and Company	
	31.3.2008	31.12.2007
	RM'000	RM'000
Mining and quarrying	2,536	2,748
Manufacturing	110,787	118,727
Construction	1,588	1,710
Wholesale & retail trade and restaurants & hotels	4,887	6,595
Transport, storage and communication	22,116	23,365
Finance, insurance and business services	39	45
Others	2,844	2,873
	<u>144,797</u>	<u>156,063</u>

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25. **Operations of Islamic Banking (con't)**

25f. **Loans, advances and financing (con't)**

Movements in non-performing loans, advances and financing

	Group and Company	
	31.3.2008	31.12.2007
	RM'000	RM'000
At beginning of period/year	15,534	7,621
Non-performing during the year	1,950	10,523
Reclassified as performing	-	(2,162)
Amount recovered	(98)	(448)
At end of period/year	17,386	15,534
Less: Specific allowance	(10,886)	(10,380)
Net non-performing loans, advances and financing	6,500	5,154
Net NPL as % of gross loans, advances and financing less specific allowances	4.85%	3.56%
Performing loans with specific allowance provided		
Performing loans	-	1,388
Less: Specific allowance	-	(852)
Net	-	536

Movements in allowance for bad and doubtful debts

	Group and Company	
	31.3.2008	31.12.2007
	RM'000	RM'000
General allowance		
At beginning of period/year	3,200	2,800
Allowance made during the year	-	400
At end of period/year	3,200	3,200
As % of gross loans, advances and financing less specific allowance	2.39%	2.21%
Specific allowance		
At beginning of period/year	11,232	9,365
Allowance made during the period/year	571	7,071
Allowance written back in respect of recoveries	(917)	(5,204)
At end of period/year	10,886	11,232

Non-Performing Loan by economic sector

	Group and Company	
	31.3.2008	31.12.2007
	RM'000	RM'000
Manufacturing	7,110	5,208
Wholesale & retail trade and restaurants & hotels	325	332
Transport, storage and communication	9,196	9,249
Others	755	745
	17,386	15,534

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25. **Operations of Islamic Banking (con't)**

25g. **Deposits from customers**

(i) By type of deposit

	Group	
	31.3.2008	31.12.2007
	RM'000	RM'000
Mudharabah Fund		
- Fixed/investment deposits	510,783	597,513
- Others	16,834	17,599
	<u>527,617</u>	<u>615,112</u>

(ii) By type of customer

	Group	
	31.3.2008	31.12.2007
	RM'000	RM'000
Business enterprises	<u>527,617</u>	<u>615,112</u>

25h. **Government Scheme Funds**

(a) Government Scheme Funds

	Group and Company	
	31.3.2008	31.12.2007
	RM'000	RM'000
Soft loan from SME*:		
At beginning of period/year	57,066	23,000
Add : Funds received during the year	<u>20,476</u>	<u>34,066</u>
	77,542	57,066
Less : Non-Performing loans pending approval		
At beginning of period/year	-	-
Addition	-	-
Reduction upon approval	-	-
At end of period/year	-	-
Less : Non-Performing loan written off upon approval	<u>-</u>	<u>-</u>
Available funds at end of period/year	77,542	57,066
Less: Net loan disbursed under Government Scheme Funds (Note 25h (b))	<u>(80,164)</u>	<u>(64,122)</u>
Amount due from Head Office	<u>(2,622)</u>	<u>(7,056)</u>

Advances are made to the Group and Company by Small Medium Industries Development Economic Corporation ("SMIDEC") under the soft loan for financing to eligible Small and Medium Scale Enterprises ("SME's"). The advances are profit free with no fixed repayment terms.

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25. **Operations of Islamic Banking (con't)**

25h. **Government Scheme Funds (cont'd)**

(b) Loans, advances and financing under Government Scheme Funds

	Group and Company	
	31.3.2008	31.12.2007
	RM'000	RM'000
Term loan		
- Term financing	39,524	29,325
- Islamic hire purchase/leasing	54,771	45,415
	<u>94,295</u>	<u>74,740</u>
Less: Unearned income	(12,205)	(9,277)
	82,090	65,463
Less: Allowance for bad and doubtful debts and financing loss		
- General	-	-
- Specific	(1,926)	(1,341)
Total net loans, advances and financing	<u>80,164</u>	<u>64,122</u>
(i) By contract	Group and Company	
	31.3.2008	31.12.2007
	RM'000	RM'000
Bai Bithaman Ajil (deferred payment sales)	30,372	20,657
Murabahah Working Capital (cost plus)	2,176	3,833
Al-Ijarah Thumma Al-Bai (finance lease)	49,542	40,973
	<u>82,090</u>	<u>65,463</u>
(ii) By type of customer	Group and Company	
	31.3.2008	31.12.2007
	RM'000	RM'000
Domestic business enterprises	82,090	65,463
(iii) By profit rate sensitivity	Group and Company	
	31.3.2008	31.12.2007
	RM'000	RM'000
Fixed rate		
Hire purchase receivables	49,542	40,973
Other fixed rate loan/financing	32,548	24,490
	<u>82,090</u>	<u>65,463</u>
(iv) By economic sector	Group and Company	
	31.3.2008	31.12.2007
	RM'000	RM'000
Manufacturing	71,942	56,495
Construction	2,230	1,878
Wholesale & retail trade and restaurants & hotels	3,713	3,428
Transport, storage and communication	2,768	2,407
Finance, insurance and business services	354	375
Others	1,083	880
	<u>82,090</u>	<u>65,463</u>

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25. **Operations of Islamic Banking (con't)**

25h. **Government Scheme Funds (cont'd)**

(v) Movements in non-performing loans, advances and financing

	Group and Company	
	31.3.2008	31.12.2007
	RM'000	RM'000
At 1 January	1,395	534
Non-performing during the year	908	1,929
Reclassified as performing	-	(967)
Amount recovered	(55)	(101)
At 31 December	2,248	1,395
Less: Specific allowance	(1,926)	(1,341)
Net non-performing loans, advances and financing	322	54
Net NPL as % of gross loans, advances and financing less specific allowances	0.39%	0.08%

(vi) Movements in allowance for bad and doubtful debts

	Group and Company	
	31.3.2008	31.12.2007
	RM'000	RM'000
Specific allowance		
At 1 January	1,341	1,341
Allowance made during the year	602	567
Amount write back in respect of recoveries	(17)	(567)
At 31 December	1,926	1,341

(vii) Non-Performing Loan by economic sector

	Group and Company	
	31.3.2008	31.12.2007
	RM'000	RM'000
Manufacturing	1,997	1,134
Others	251	261
	2,248	1,395

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2008**

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 three months ended 31st March 2008, as set out on pages 1 to 36, 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 31st March 2008. 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

29 April 2008