

UNAUDITED BALANCE SHEETS AS AT 30 SEPTEMBER 2008

	Note	Group		Company	
		30 September 2008 RM'000	31 December 2007 RM'000	30 September 2008 RM'000	As restated 31 December 2007 RM'000
ASSETS					
Cash and short-term funds		2,320,694	2,936,136	603,133	703,558
Deposits and placements with banks and other financial institutions		190,672	145,679	35,250	80,000
Asset classified as held for sale		10,723	10,723	-	-
Securities held-for-trading	6	396,108	76,109	8,557	9,901
Securities available-for-sale	7	2,854,843	3,824,508	56,778	56,778
Securities held-to-maturity	8	58,676	140,216	-	-
Loans, advances and financing	9	757,705	975,134	581,645	719,800
Other assets	10	365,783	392,176	433,179	514,806
Statutory deposits with Bank Negara Malaysia		96,690	140,878	-	-
Investment properties		61,614	64,413	-	-
Prepaid lease payments		15,690	15,865	-	-
Land held for property development		86,453	90,249	-	-
Investment in associates		3,096	1,709	-	-
Investment in subsidiaries		-	-	651,434	651,434
Property, plant and equipment - others		115,898	114,821	11,665	12,022
Property, plant and equipment - serviced residence property		108,618	109,340	-	-
Deferred tax assets		56,417	56,266	10,714	10,714
Goodwill		86,713	99,213	-	-
TOTAL ASSETS		7,586,393	9,193,435	2,392,355	2,759,013
LIABILITIES					
Deposits from customers	11	2,323,751	2,773,310	-	-
Deposits and placements of banks and financial institutions	12	2,123,611	2,994,359	-	-
Other payables		147,781	170,120	36,549	56,501
Borrowings	13	536,396	914,439	490,733	851,951
Government Scheme Funds	14	266,922	241,927	266,922	241,927
Taxation and Zakat		29,067	31,444	-	-
Employee benefits		13,220	14,686	8,184	9,367
Redeemable preference shares		-	300	-	300
Deferred tax liabilities		6,791	6,791	-	-
TOTAL LIABILITIES		5,447,539	7,147,376	802,388	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		74,329	58,022	-	-
Capital Reserve		36,220	36,220	-	-
Exchange Fluctuation Reserve		(5,144)	(5,090)	-	-
Securities Available-For-Sale Reserve		(12,967)	81	-	-
Retained Profits		677,682	589,330	247,611	256,611
		2,112,476	2,020,919	1,589,967	1,598,967
Minority Interest		26,378	25,140	-	-
TOTAL EQUITY		2,138,854	2,046,059	1,589,967	1,598,967
TOTAL LIABILITIES AND EQUITY		7,586,393	9,193,435	2,392,355	2,759,013
CONTINGENCIES AND COMMITMENTS	22	965,175	1,328,861	270,429	310,909
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (RM)		2.16	2.07	1.62	1.63

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 30 SEPTEMBER 2008

GROUP	Note	Individual Quarter		Cumulative Quarter	
		30.9.2008 RM'000	30.9.2007 RM'000	30.9.2008 RM'000	30.9.2007 RM'000
REVENUE		112,801	154,104	366,403	437,652
INTEREST INCOME	15	65,370	89,893	212,481	266,547
INTEREST EXPENSE	16	(38,209)	(64,432)	(128,354)	(184,644)
NET INTEREST INCOME		27,161	25,461	84,127	81,903
NET INCOME FROM ISLAMIC BANKING BUSINESS	26b	6,571	6,852	24,541	20,296
OTHER OPERATING INCOME	17	41,651	48,798	150,018	118,789
		75,383	81,111	258,686	220,988
EXPENDITURE	18	(28,343)	(32,664)	(85,844)	(100,145)
PROFIT BEFORE ALLOWANCES FOR LOANS AND ADVANCES AND IMPAIRMENT LOSSES		47,040	48,447	172,842	120,843
WRITEBACK / (ALLOWANCES) FOR LOSSES ON LOANS, ADVANCES AND FINANCING	19	2,274	(6,693)	10,034	(16,297)
IMPAIRMENT WRITEBACK / (LOSSES) ON SECURITIES	20	685	1,007	8,765	(19,961)
PROFIT BEFORE SHARE OF RESULTS IN ASSOCIATES		49,999	42,761	191,641	84,585
SHARE OF RESULTS IN ASSOCIATES		361	401	1,388	1,232
PROFIT BEFORE TAXATION		50,360	43,162	193,029	85,817
TAX EXPENSE		(3,259)	(4,879)	(28,522)	(13,030)
ZAKAT		(148)	(52)	(317)	(204)
PROFIT FOR THE PERIOD		46,953	38,231	164,190	72,583
ATTRIBUTABLE TO:					
EQUITY HOLDERS OF THE COMPANY		46,033	37,568	162,586	71,787
MINORITY INTEREST		920	663	1,604	796
PROFIT FOR THE PERIOD		46,953	38,231	164,190	72,583
EARNINGS PER SHARE					
- BASIC		4.70	3.86	16.62	7.45

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 30 SEPTEMBER 2008

COMPANY	Note	Individual Quarter		Cumulative Quarter	
		30.9.2008 RM'000	30.9.2007 RM'000	30.9.2008 RM'000	30.9.2007 RM'000
REVENUE		24,618	154,104	70,076	168,767
INTEREST INCOME	15	12,229	15,883	45,794	52,308
INTEREST EXPENSE	16	(3,371)	(7,974)	(12,410)	(23,438)
NET INTEREST INCOME		8,858	7,909	33,384	28,870
NET INCOME FROM ISLAMIC BANKING BUSINESS	26b	3,192	3,387	9,707	9,457
OTHER OPERATING INCOME	17	14,061	108,355	26,796	120,490
		26,111	119,651	69,887	158,817
EXPENDITURE	18	3,290	(12,973)	(12,080)	(38,047)
PROFIT BEFORE ALLOWANCES FOR LOANS AND ADVANCES AND IMPAIRMENT LOSSES		29,401	106,678	57,807	120,770
ALLOWANCES FOR LOSSES ON LOANS, ADVANCES AND FINANCING	19	1,253	(9,478)	648	(21,532)
PROFIT BEFORE TAXATION		30,654	97,200	58,455	99,238
TAX EXPENSE		(3,714)	(27,927)	(9,409)	(31,283)
ZAKAT		(74)	-	(119)	-
PROFIT FOR THE PERIOD		26,866	69,273	48,927	67,955

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 30 SEPTEMBER 2008

Group	Attributable to Equity Holders of the Company							Total	Minority Interest	Total Equity
	Share Capital	Share Premium	Statutory Reserve	Non-Distributable		Exchange Fluctuation Reserve	Distributable Retained Profits			
				Securities Available-For-Sale Reserve	Capital Reserve					
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
Prior year transfer of statutory reserve to retained profits	-	-	(37,987)	-	-	-	37,987	-	-	-
Prior year adjustment from the utilisation of unrecognised pre-acquisition unutilised tax losses	-	-	-	-	-	-	(21,280)	(21,280)	-	(21,280)
At 1 January 2007 (restated)	956,700	363,867	4,618	10,635	36,259	(5,248)	576,509	1,943,340	24,232	1,967,572
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 gain 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
Disposal of property	-	-	-	-	(39)	-	-	(39)	-	(39)
At 30 September 2007	978,410	363,867	4,618	10,580	36,220	(5,147)	580,361	1,968,909	25,028	1,993,937
Net profit for the financial period	-	-	-	-	-	-	65,239	65,239	705	65,944
Exercise of share options	85	-	-	-	-	-	-	85	-	85
Additional issue fee	-	(6)	-	-	-	-	-	(6)	-	(6)
Realised gain on disposal of securities available-for-sale	-	-	-	(13,435)	-	-	(2,866)	(16,301)	-	(16,301)
Unrealised gain on revaluation of securities available-for-sale	-	-	-	687	-	-	-	687	-	687
Deferred tax on revaluation of securities available-for-sale	-	-	-	2,249	-	-	-	2,249	-	2,249
Currency translation differences	-	-	-	-	-	57	-	57	-	57
Transfer within reserves	-	-	53,404	-	-	-	(53,404)	-	-	-
Dividend paid to minority interest	-	-	-	-	-	-	-	-	(593)	(593)
At 31 December 2007 / 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	-	-	-	-	-	-	162,586	162,586	1,604	164,190
Dividend paid	-	-	-	-	-	-	(57,927)	(57,927)	-	(57,927)
Transfer within reserve	-	-	16,307	-	-	-	(16,307)	-	-	-
Realised gain on disposal of securities available-for-sale	-	-	-	(4,549)	-	-	-	(4,549)	-	(4,549)
Unrealised loss on revaluation of securities available-for-sale	-	-	-	(8,542)	-	-	-	(8,542)	-	(8,542)
Deferred tax on revaluation of securities available-for-sale	-	-	-	43	-	-	-	43	-	43
Currency translation differences	-	-	-	-	-	(54)	-	(54)	-	(54)
Deemed disposal of a subsidiary	-	-	-	-	-	-	-	-	(366)	(366)
At 30 September 2008	978,495	363,861	74,329	(12,967)	36,220	(5,144)	677,682	2,112,476	26,378	2,138,854

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 30 SEPTEMBER 2008

Company	Share Capital	Non-Distributable Share Premium	Distributable Retained Profits	Total Equity
	← 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
Dividend paid	-	-	(70,801)	(70,801)
Exercise of share options	21,710	-	-	21,710
At 30 September 2007	978,410	363,867	98,824	1,441,101
Net profit for the financial period	-	-	428,804	428,804
Exercise of share options	85	-	-	85
Additional issue fee	-	(6)	-	(6)
At 31 December 2007 / 1 January 2008	978,495	363,861	527,628	1,869,984
Prior year adjustment in relation to pre-acquisition dividend received from subsidiary	-	-	(271,017)	(271,017)
At 31 December 2007 / 1 January 2008 (restated)	978,495	363,861	256,611	1,598,967
Net profit for the financial period	-	-	48,927	48,927
Dividend paid	-	-	(57,927)	(57,927)
At 30 September 2008	978,495	363,861	247,611	1,589,967

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 30 SEPTEMBER 2008

	Group		Company	
	30.9.2008 RM'000	30.9.2007 RM'000	30.9.2008 RM'000	30.9.2007 RM'000
Profit before taxation	193,029	85,817	58,455	99,238
Adjustments for non-cash items	(97,913)	(16,475)	2,306	22,753
Operating profit before changes in working capital	95,116	69,342	60,761	121,991
Changes in working capital				
Net changes in operating assets	241,944	(269,703)	57,443	(2,534)
Net changes in operating liabilities	(1,690,814)	(892,779)	(200,277)	158,702
Tax expense paid	(4,340)	(17,884)	(1,456)	(8,169)
Dividend paid	(57,927)	(70,801)	(57,927)	(70,801)
Retirement benefits paid	(1,848)	(1,282)	(1,490)	(1,282)
Net cash (used in) / generated from operating activities	(1,417,869)	(1,183,107)	(142,946)	197,907
Net cash generated from investing activities	803,532	40,982	(1,929)	(4)
Net cash (used in) / generated from financing activities	(300)	21,710	(300)	21,710
Net increase / (decrease) in cash and cash equivalents	(614,637)	(1,120,415)	(145,175)	219,613
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	2,607,906	4,680,335	638,383	337,742
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)	2,320,544	4,144,696	603,133	222,492
Deposits and placements with banks and other financial institutions	190,672	395,117	35,250	115,250
Statutory deposits with Bank Negara Malaysia	96,690	140,522	-	-
	2,607,906	4,680,335	638,383	337,742

Note :

- 1) Net of pledged deposits with a licensed bank for banking facilities granted to a subsidiary amounting to RM150,000.
- 2) Included in deposits and placement maturing within one month of the Group and the Company is an amount of RM266,922,000 (2007: RM213,284,000) which relates to cash available from Government Scheme Funds which has not been utilised.

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. a. 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.

b. Prior year adjustment

In the financial year ended 31 December 2007, an amount of RM271.0 million relating to pre acquisition dividends received from a subsidiary was incorrectly allocated and recognised as dividend income received by the Company. FRS 127, Consolidated Financial Statements stipulates that when such dividend is paid out of the accumulated profits prior to the date of acquisition (pre acquisition reserve), it should be treated as a return or reduction of the cost of investment in the subsidiary.

The effects of this correction on the interim financial statements are as follow:

	Company	
	As restated 31.12.2007 RM'000	As previously reported 31.12.2007 RM'000
Balance Sheet		
Investment in subsidiaries	651,434	922,451
Reserves:		
Retained Profits	256,611	527,628
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Statement of Changes in Equity		
Retained profits at 31 December 2007	256,611	527,628
	<hr/>	<hr/>

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 RM193.029 million for the period ended 30 September 2008, an increase of 125% as compared to the previous corresponding period’s pre-tax profit of RM85.817 million. The improved performance is attributed to writeback of allowances for loan losses and impairment, additional proceeds received from surrendering of discount houses licences and higher investment income.

4. Dividends

The amount of dividends paid during the financial period ended 30 September 2008 was as follows:

	Cumulative Quarter 1.1.2008 to 30.9.2008 RM'000	Cumulative Quarter 1.1.2007 to 30.9.2007 RM'000
Interim dividend paid on 9 September 2008 in respect of the financial year ending 31 December 2008 - 3% less 26% tax	21,723	-
Special dividend paid on 9 September 2008 in respect of the financial year ending 31 December 2008 - 5% less 26% tax	36,204	-
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
	57,927	70,801

5. Current year prospects

The country GDP growth for 2008 is expected to be slightly lower than projected but will still be above 5%. However, the prospects beyond 2008 are clouded by the calamity in financial markets around the world. While the global economy is likely to fall into recession next year, the domestic economy is expected to register a marginal growth on the strength of the government initiatives.

With the above economic outlook, the remainder of the year will be challenging for the investment banking division. Nevertheless, the division will endeavour to achieve its financial targets for the year despite the weaker market conditions and dampened capital market activities.

With the three new Scheme Funds introduced in 2007 in addition to the other concessionary financing schemes, the development finance division intends to fulfil its development finance agency role by providing soft loans to eligible borrowers engaged in industries and business as prescribed by the terms and objectives of these Scheme Funds.

To enhance the fund management business, focus is being placed on business and product development, with steps taken to form tie-up with established foreign partners for the asset management division.

The property division will 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.

MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2008

6. Securities held-for-trading

	Group		Company	
	30.9.2008 RM'000	31.12.2007 RM'000	30.9.2008 RM'000	31.12.2007 RM'000
At fair value				
Quoted:				
Malaysian Government Securities	-	30,116	-	-
Bank Negara Malaysia Notes	49,971	-	-	-
Government Investment Issue	-	24,734	-	-
Unit trusts	4	3,842	2	1,357
Shares	2,219	758	563	889
Loan stocks	1	20	1	20
Redeemable Convertible Secured Notes	7,991	7,635	7,991	7,635
	<u>60,186</u>	<u>67,105</u>	<u>8,557</u>	<u>9,901</u>
Unquoted:				
Private Debts Securities	104,745	-	-	-
Others Acceptances Discounted	175,859	-	-	-
Negotiable Instruments of Deposits	50,000	-	-	-
Loan stocks	5,318	7,159	-	-
Shares	-	1,845	-	-
	<u>335,922</u>	<u>9,004</u>	<u>-</u>	<u>-</u>
	<u>396,108</u>	<u>76,109</u>	<u>8,557</u>	<u>9,901</u>

7. Securities available-for-sale

	Group		Company	
	30.9.2008 RM'000	31.12.2007 RM'000	30.9.2008 RM'000	31.12.2007 RM'000
At fair value				
Quoted:				
Malaysian Government Securities	153,601	241,342	-	-
Government Investment Issue	180,549	175,139	-	-
Bank Negara Malaysia Notes	103,557	82,953	-	-
Shares	8,950	9,682	1,234	1,234
	<u>446,657</u>	<u>509,116</u>	<u>1,234</u>	<u>1,234</u>
Unquoted:				
Khazanah Nasional Berhad bonds	207,519	274,373	-	-
Cagamas Berhad bonds	20,007	20,004	-	-
Other Acceptances Discounted	182,463	450,086	-	-
Private debt securities	1,819,324	2,269,057	-	-
Negotiable Instruments of Deposits	-	119,999	-	-
Corporate bonds	46,868	46,868	46,868	46,868
Shares	127,100	125,100	3,771	3,771
Loan stocks	4,905	9,905	4,905	4,905
	<u>2,408,186</u>	<u>3,315,392</u>	<u>55,544</u>	<u>55,544</u>
	<u>2,854,843</u>	<u>3,824,508</u>	<u>56,778</u>	<u>56,778</u>

MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2008

8. Securities held-to-maturity

	Group	
	30.9.2008 RM'000	31.12.2007 RM'000
At amortised cost		
Quoted:		
Malaysian Government Securities	2,079	2,123
Bank Negara Malaysia Notes	-	74,822
Malaysian Treasury Bills	-	9,893
	<u>2,079</u>	<u>86,838</u>
Unquoted:		
Cagamas Berhad bonds	-	4,987
Khazanah Nasional Berhad bonds	19,085	-
Shares	906	3,365
Private debt securities	155,990	194,376
	<u>175,981</u>	<u>202,728</u>
	178,060	289,566
Less: Accumulated impairment losses	<u>(119,384)</u>	<u>(149,350)</u>
	<u>58,676</u>	<u>140,216</u>

9. Loans, advances and financing

	Group		Company	
	30.9.2008 RM'000	31.12.2007 RM'000	30.9.2008 RM'000	31.12.2007 RM'000
Term loans				
- Syndicated term loan/financing	10,045	60,181	-	-
- Hire purchase receivables	157,418	208,191	110,415	143,438
- Lease receivables	10,602	13,527	8,721	11,518
- Other term loans/financing	693,618	791,819	634,201	744,974
Staff loans	13,807	16,189	4,902	5,866
Revolving credits	41,333	60,451	704	2,661
Margin accounts	67,129	75,789	-	-
	<u>993,952</u>	<u>1,226,147</u>	<u>758,943</u>	<u>908,457</u>
Less: Unearned interest and income	<u>(18,576)</u>	<u>(31,738)</u>	<u>(14,795)</u>	<u>(24,569)</u>
	975,376	1,194,409	744,148	883,888
Less: Security deposits	(569)	(934)	-	-
Less: Allowance for bad and doubtful debts and financing:				
- General	(31,837)	(32,354)	(24,787)	(27,422)
- Specific	<u>(185,265)</u>	<u>(185,987)</u>	<u>(137,716)</u>	<u>(136,666)</u>
Total net loans, advances and financing	<u>757,705</u>	<u>975,134</u>	<u>581,645</u>	<u>719,800</u>

a. By type of customer

	Group		Company	
	30.9.2008 RM'000	31.12.2007 RM'000	30.9.2008 RM'000	31.12.2007 RM'000
Domestic business enterprises				
- Small medium enterprises	566,543	534,749	433,610	519,095
- Others	295,217	509,778	284,851	333,943
Individuals	92,831	121,299	4,902	5,866
Other domestic entities	-	3,599	-	-
Foreign entities	20,785	24,984	20,785	24,984
Gross loans, advances and financing	<u>975,376</u>	<u>1,194,409</u>	<u>744,148</u>	<u>883,888</u>

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

b. By interest/profit rate sensitivity

	Group		Company	
	30.9.2008 RM'000	31.12.2007 RM'000	30.9.2008 RM'000	31.12.2007 RM'000
Fixed rate				
- Staff loans	13,807	16,189	4,902	5,866
- Hire purchase receivables/financing	149,995	200,162	106,630	142,238
- Other fixed rate loan/financing	424,422	497,798	352,530	415,716
Variable rate				
- BLR plus	205,643	233,901	205,643	233,901
- Cost-plus	110,707	163,715	3,641	3,515
- Other variable rates	70,802	82,644	70,802	82,652
Gross loans, advances and financing	<u>975,376</u>	<u>1,194,409</u>	<u>744,148</u>	<u>883,888</u>

c. By economic sector

	Group		Company	
	30.9.2008 RM'000	31.12.2007 RM'000	30.9.2008 RM'000	31.12.2007 RM'000
Agriculture, hunting, forestry & fishing	4,427	5,121	121	121
Mining and quarrying	2,903	4,235	2,403	3,235
Manufacturing	581,104	700,201	560,326	676,623
Construction	53,112	61,837	20,627	24,087
Purchase of landed property:				
- Residential	495	628	-	-
Wholesale & retail trade and restaurants & hotels	105,287	111,542	97,022	101,701
Transport, storage and communications	67,385	122,094	36,025	43,939
Finance, insurance and business services	32,208	43,146	12,486	13,431
Purchase of securities	67,129	75,789	-	-
Purchase of transport vehicles	35,345	46,873	-	-
Others	25,981	22,943	15,138	20,751
Gross loans, advances and financing	<u>975,376</u>	<u>1,194,409</u>	<u>744,148</u>	<u>883,888</u>

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

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

	Group		Company	
	30.9.2008 RM'000	31.12.2007 RM'000	30.9.2008 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	20,621	61,468	19,821	43,925
Reclassified as performing	(15,680)	(17,039)	(13,311)	(10,914)
Sale of NPLs	-	(60,456)	-	-
Loans converted to securities	-	(18,672)	-	-
Amount recovered	(12,683)	(21,116)	(12,296)	(14,489)
Amount written off	-	(64,586)	-	(45,747)
At end of period/year	278,267	286,029	220,512	226,298
Less: Specific allowance	(180,163)	(181,014)	(132,614)	(131,693)
Net non-performing loans, advances and financing	98,104	105,015	87,898	94,605
Net NPL as % of gross loans, advances and financing less specific allowances	12.42%	10.41%	14.49%	12.66%
Performing loans with specific allowance provided				
Gross loan	6,883	8,852	6,883	8,852
Less: Specific allowance	(5,102)	(4,973)	(5,102)	(4,973)
Net	1,781	3,879	1,781	3,879

e. Movements in allowance for bad and doubtful debts

	Group		Company	
	30.9.2008 RM'000	31.12.2007 RM'000	30.9.2008 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	2,118	(2,668)	-	-
Amount transferred to specific allowance	(2,635)	(4,154)	(2,635)	-
At end of period/year	31,837	32,354	24,787	27,422
As % of gross loans, advances and financing less specific allowance	4.03%	3.21%	4.09%	3.67%
Specific allowance				
At beginning of period/year	185,987	284,504	136,666	161,748
Allowance made during the period/year	10,621	45,246	9,627	40,711
Amount written back in respect of recoveries	(13,978)	(23,129)	(11,212)	(20,046)
Sale of NPLs	-	(57,078)	-	-
Allowance transfer from general allowance	2,635	4,154	2,635	-
Amount transferred to provision for loan stocks	-	(3,124)	-	-
Amount written off	-	(64,586)	-	(45,747)
At end of period/year	185,265	185,987	137,716	136,666

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

f. Non-Performing Loan by economic sector

	Group		Company	
	30.9.2008 RM'000	31.12.2007 RM'000	30.9.2008 RM'000	31.12.2007 RM'000
Agriculture, hunting, forestry & fishing	121	121	121	121
Manufacturing	153,611	154,486	140,439	141,327
Construction	30,849	32,149	17,239	18,205
Purchase of landed property:				
- Residential	114	114	-	-
Wholesale & retail trade and restaurants & hotels	42,769	46,021	42,050	45,208
Transport, storage and communication	11,588	12,076	10,718	11,149
Finance, insurance and business services	20,190	21,823	5,656	7,224
Purchase of transport vehicles	14,074	15,896	-	-
Others	4,951	3,343	4,289	3,064
	<u>278,267</u>	<u>286,029</u>	<u>220,512</u>	<u>226,298</u>

10. **Other assets**

	Group		Company	
	30.9.2008 RM'000	31.12.2007 RM'000	30.9.2008 RM'000	31.12.2007 RM'000
Accrued interest, commitment charges, commissions and fees receivable	23,513	25,265	3,617	1,329
Amount due from subsidiaries				
- current accounts	-	-	737	4,505
- loan accounts	-	-	423,236	513,849
Less: Allowance for doubtful debts	-	-	-	(22,864)
	-	-	423,236	490,985
Clients' and brokers' accounts	32,698	35,440	-	-
Less: Allowance for doubtful debts	(2,513)	(2,305)	-	-
	30,185	33,135	-	-
Trade receivables	58,497	55,960	-	-
Less: Allowance for doubtful debts	(23,956)	(22,519)	-	-
	34,541	33,441	-	-
Other receivables, deposits and prepayments	65,528	64,254	3,949	8,159
Less: Allowance for doubtful debts	(24,297)	(24,358)	-	-
	41,231	39,896	3,949	8,159
Industrial Estates				
- developed properties held-for-sale	220,356	228,183	-	-
Less: Impairment loss	(6,888)	(6,888)	-	-
	213,468	221,295	-	-
	342,938	353,032	431,539	504,978
Tax recoverable	22,845	39,144	1,640	9,828
	<u>365,783</u>	<u>392,176</u>	<u>433,179</u>	<u>514,806</u>

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11. Deposits from customers

	Group	
	30.9.2008	31.12.2007
	RM'000	RM'000
(i) By type of deposit		
Deposits from customers		
- Fixed deposits	1,966,519	2,491,755
- Call money	357,232	281,555
	<u>2,323,751</u>	<u>2,773,310</u>

(ii) By type of customer

	Group	
	30.9.2008	31.12.2007
	RM'000	RM'000
Government and statutory bodies	44,191	37,660
Business enterprises	2,267,493	2,733,528
Individuals	12,067	2,122
	<u>2,323,751</u>	<u>2,773,310</u>

12. Deposits and placements of banks and financial institutions

	Group	
	30.9.2008	31.12.2007
	RM'000	RM'000
Call deposits		
- Other financial institutions	159,001	309,920
Fixed deposits		
- Licensed Islamic banks	-	20,000
- Other financial institutions	1,964,610	2,664,439
	<u>2,123,611</u>	<u>2,994,359</u>

13. Borrowings

	Group		Company	
	30.9.2008	31.12.2007	30.9.2008	31.12.2007
	RM'000	RM'000	RM'000	RM'000
(a) Short Term				
Secured	24,675	24,675	-	-
Unsecured	57,588	383,982	56,288	371,482
	<u>82,263</u>	<u>408,657</u>	<u>56,288</u>	<u>371,482</u>
(b) Long Term				
Secured	19,688	25,313	-	-
Unsecured	390,632	424,178	390,632	424,178
Unsecured – Islamic operation	43,813	56,291	43,813	56,291
	<u>454,133</u>	<u>505,782</u>	<u>434,445</u>	<u>480,469</u>
Total borrowings	<u>536,396</u>	<u>914,439</u>	<u>490,733</u>	<u>851,951</u>

(c) Included in the borrowings are loans obtained from a Japanese financial institution, denominated in Yen, equivalent to RM116.572 million. The foreign exchange risk on the above loans is borne by the Government of Malaysia

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14. Government Scheme Funds

14.1 Government Scheme Funds

	Group and Company	
	30.9.2008	31.12.2007
	RM'000	RM'000
At 1 January	446,459	270,058
Add : Funds received during the year	155,651	189,998
	602,110	460,056
Less : Non-performing loans pending approval for write-off		
At 1 January	(11,882)	-
Addition	(5,841)	(11,882)
At 30 September 2008/31 December 2007	(17,723)	(11,882)
Less : Non-performing loans written off upon approval	-	(13,597)
Available Funds at 30 September 2008/31 December 2007	584,387	434,577
Less : Net loans disbursed under Government Scheme Funds	(317,465)	(192,650)
Net Government Scheme Funds Available	266,922	241,927

Government Scheme Funds comprises

	Group and Company	
	30.9.2008	31.12.2007
	RM'000	RM'000
Non-current		
Funds from MITI	60,822	59,460
Soft loan for SME's	216,824	200,130
Loan from MIEEIP	13,369	13,481
Loan from PPWE	9,757	9,757
Soft loan for Automation and Modernisation	152,947	75,875
Soft loan for Automotive Development	127,651	75,874
Soft loan for Branding	3,017	-
	584,387	434,577

14.2 Loans, advances and financing under Government Scheme Funds

	Group and Company	
	30.9.2008	31.12.2007
	RM'000	RM'000
Term loans		
- Hire purchase receivables	86,542	1,664
- Other term loans/financing	174,055	137,498
Other loans/financing	93,080	74,739
	353,677	213,901
Less : Unearned interest income	(18,489)	(9,369)
	335,188	204,532
Less: Allowance for bad and doubtful debts and financing:		
- Specific	(17,723)	(11,882)
Total net loans, advances and financing	317,465	192,650

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14. **Government Scheme Funds** (continued)

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

(i) By type of customer

	Group and Company	
	30.9.2008	31.12.2007
	RM'000	RM'000
Domestic business enterprises		
- Small medium enterprises	238,198	187,699
- Others	94,707	13,950
Foreign entities	-	2,883
Others customers	2,283	-
Gross loans, advances and financing	<u>335,188</u>	<u>204,532</u>

(ii) By interest/profit rate sensitivity

	Group and Company	
	30.9.2008	31.12.2007
	RM'000	RM'000
Fixed rate		
Hire purchase receivables	78,570	42,545
Other fixed rate loan/financing	245,782	161,987
Others	10,836	-
Gross loans, advances and financing	<u>335,188</u>	<u>204,532</u>

(iii) By economic sector

	Group and Company	
	30.9.2008	31.12.2007
	RM'000	RM'000
Agriculture, hunting, forestry & fishing	78	78
Mining and quarrying	1,405	1,547
Manufacturing	289,321	171,483
Construction	5,398	4,640
Wholesale & retail trade and restaurants & hotels	19,422	13,743
Transport, storage and communications	4,518	4,341
Finance, insurance and business services	7,109	4,118
Others	7,937	4,582
Gross loans, advances and financing	<u>335,188</u>	<u>204,532</u>

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14. **Government Scheme Funds** (continued)

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

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

	Group and Company	
	30.9.2008	31.12.2007
	RM'000	RM'000
At 1 January	13,645	12,271
Non-performing during the year	7,157	6,458
Reclassified as performing	(1,410)	(2,235)
Amount recovered	(949)	(626)
Amount written off	-	(2,223)
At 30 September 2008/31 December 2007	18,443	13,645
Less: Specific allowance	(16,402)	(11,621)
Net non-performing loans, advances and financing	2,041	2,024
Net NPL as % of gross loans, advances and financing less specific allowances	0.64%	1.05%
Performing loans with specific allowance provided	4,581	298
Less: Specific allowance	(1,321)	(261)
Net	3,260	37

(ii) Movements in allowance for bad and doubtful debts

	Group and Company	
	30.9.2008	31.12.2007
	RM'000	RM'000
Specific allowance		
At 1 January	11,882	10,904
Allowance made during the year	6,300	4,761
Amount write back in respect of recoveries	(459)	(1,560)
Amount written off	-	(2,223)
At 30 September 2008/31 December 2007	17,723	11,882

(iii) Non-Performing Loan by economic sector

	Group and Company	
	30.9.2008	31.12.2007
	RM'000	RM'000
Agriculture, hunting, forestry & fishing	78	78
Manufacturing	15,061	10,670
Wholesale & retail trade and restaurants & hotels	876	873
Finance, insurance and business services	1,955	251
Others	473	1,773
	18,443	13,645

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15. Interest income

Group	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2008	30.9.2007	30.9.2008	30.9.2007
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from NPL	12,055	12,526	39,539	37,095
- Recoveries from NPL	811	1,025	7,383	7,602
Money at call and deposit placements with financial institutions	21,769	39,777	73,551	116,693
Securities available-for-sale	16,820	17,838	48,729	51,063
Securities held-for-trading	36	46	83	163
Securities held-to-maturity	98	2,790	917	8,400
Leasing operations	1,140	2,078	4,812	8,487
Accretion of discounts (net of amortisation of premium)	12,641	13,813	38,402	37,044
Interest suspended	-	-	(935)	-
	<u>65,370</u>	<u>89,893</u>	<u>212,481</u>	<u>266,547</u>

Company	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2008	30.9.2007	30.9.2008	30.9.2007
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from NPL	7,967	10,208	26,445	31,582
- Recoveries from NPL	707	1,053	6,948	5,340
Leasing operations	324	878	1,967	3,995
Loans to subsidiaries	3,231	3,744	10,434	11,391
	<u>12,229</u>	<u>15,883</u>	<u>45,794</u>	<u>52,308</u>

16. Interest expense

Group	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2008	30.9.2007	30.9.2008	30.9.2007
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	26	19	55	92
Deposits from customers	34,174	54,480	113,809	156,568
Short-term funds and bank overdrafts	42	310	273	500
Concessional funds	2,935	3,368	9,060	10,164
Commercial loans	1,019	2,344	3,427	5,565
Commercial papers and medium term notes	-	48	-	233
Income securities	-	3,857	1,708	11,444
Miscellaneous	13	6	22	78
	<u>38,209</u>	<u>64,432</u>	<u>128,354</u>	<u>184,644</u>

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16. **Interest expense** (continued)

Company	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2008	30.9.2007	30.9.2008	30.9.2007
	RM'000	RM'000	RM'000	RM'000
Short-term funds and bank overdrafts	26	26	82	81
Concessional funds	2,935	3,368	9,060	10,164
Commercial loans	410	673	1,560	1,514
Commercial papers and medium term notes	-	48	-	233
Income securities	-	3,857	1,708	11,444
Miscellaneous	-	2	-	2
	<u>3,371</u>	<u>7,974</u>	<u>12,410</u>	<u>23,438</u>

17. **Other operating income**

Group	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2008	30.9.2007	30.9.2008	30.9.2007
	RM'000	RM'000	RM'000	RM'000
(a) Revenue income:				
Fee income derived from:				
- Capital market activities	2,156	4,549	8,987	13,619
- Service fees	79	409	472	972
- Management fees	1,421	3,941	4,702	13,177
- Net brokerage fees	2,475	2,654	9,511	8,451
- Other fee income	-	17	-	45
Investment income derived from:				
- Net unrealised gain/ (losses) on revaluation of securities held-for-trading	(630)	589	(413)	71
- Gain/(Loss) on sale of securities:				
- Available-for-sale	374	2,518	3,923	7,969
- Held-for-trading	61	86	2,952	369
- Gain on sale of trust units	-	16	(215)	590
Net rental of factory premises	3,888	1,705	13,890	5,000
Net rental from investment properties	1,364	4,568	3,970	13,397
Rental income on buildings	8,455	7,921	22,805	19,878
Gain from disposal of Land held for property development and industrial estates	2,298	6,284	13,550	7,482
Income from factoring	254	353	803	962
Profit earned on Al-Bai Bithamin Ajil and Al-Ijarah	53	311	195	407
	<u>22,248</u>	<u>35,921</u>	<u>85,132</u>	<u>92,389</u>

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

Group	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2008 RM'000	30.9.2007 RM'000	30.9.2008 RM'000	30.9.2007 RM'000
(b) Other income:				
Total interest income on:				
- short-term placements, fixed deposits and share issue account	1,183	2,106	5,667	7,112
- promissory notes	78	117	347	460
Gain on disposal of :				
- Property, plant and equipment	49	91	262	416
- Investment Properties	-	65	-	65
Total dividends (gross) from:				
- Securities held-for-trading	52	24	429	332
- Securities available-for-sale	-	9,314	17,150	9,462
- Securities held-to-maturity	272	64	471	346
Interest on:				
- staff loans	80	109	350	313
Guarantee fee	164	405	473	959
Commitment fee	4	55	8	376
Rental of:				
- parking space	16	24	49	77
- office premises	182	238	433	727
Bad debts recovered	-	-	-	169
Recovery of bad debts written off and specific provision provided offset against Government funds	-	-	-	4,949
Recoveries from non-performing loan	16,200	-	19,184	-
Proceeds from the surrendering of the discount houses licenses	-	-	17,500	-
Others	1,123	265	2,563	637
	<u>19,403</u>	<u>12,877</u>	<u>64,886</u>	<u>26,400</u>
Total non-interest income	<u>41,651</u>	<u>48,798</u>	<u>150,018</u>	<u>118,789</u>

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

<u>Company</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2008 RM'000	30.9.2007 RM'000	30.9.2008 RM'000	30.9.2007 RM'000
(a) Revenue income:				
Fee income:				
- Management fees	2,045	1,249	7,098	3,686
Net unrealised gain/ (losses) on revaluation of securities held-for- trading	(313)	592	12	(63)
Gain on sale of securities:				
- Available-for-sale	-	(4)	-	-
- Held-for-trading	-	-	-	75
Gross dividend income:				
- Subsidiaries	7,465	103,304	7,465	103,304
	<u>9,197</u>	<u>105,141</u>	<u>14,575</u>	<u>107,002</u>
(b) Other income:				
Interest income on:				
- short-term placements, fixed deposits and share issue account	3,530	2,116	9,606	4,908
- promissory notes	78	117	347	460
Gain on disposal of:				
- Property, plant and equipment	(3)	-	35	79
Dividends (gross):				
- Securities held-for-trading	1	24	18	127
Interest on:				
- staff loans	50	64	169	174
Guarantee fee	164	405	473	959
Commitment fee	4	55	8	376
Rental of:				
- parking space	16	31	49	98
- office premises from subsidiaries	-	112	-	335
- office premises	182	238	433	727
Recovery of bad debts written off and specific provision provided offset against Government funds	-	-	-	4,949
Others	842	52	1,083	296
	<u>4,864</u>	<u>3,214</u>	<u>12,221</u>	<u>13,488</u>
Total non-interest income	<u>14,061</u>	<u>108,355</u>	<u>26,796</u>	<u>120,490</u>

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18. **Operating Expenses**

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2008 RM'000	30.9.2007 RM'000	30.9.2008 RM'000	30.9.2007 RM'000
<u>Group</u>				
Personnel costs				
- Salaries	10,310	11,761	30,138	32,822
- Employees' benefit	319	322	467	928
- Defined contribution plans	1,881	1,920	5,643	5,913
- Other costs	5,800	5,517	14,661	16,423
Establishment costs				
- Depreciation	3,092	3,294	9,562	11,011
- Rental	371	1,617	1,134	2,944
- Insurance	350	524	928	1,378
- Water and electricity	1,076	1,048	3,139	3,053
- General repairs	1,952	2,297	6,258	6,123
- Assessment	452	396	1,279	1,328
Promotion and marketing-related expenses				
- Business promotion and advertisement	973	248	2,609	2,430
- Entertainment	67	97	139	217
- Traveling and accommodation	17	71	66	198
Administration and general expenses				
- Communication expenses	521	1,148	1,625	3,284
- Property, plant & equipment written off	20	3	21	7
- Management fees	734	623	1,691	1,441
- Professional fees	754	1,678	1,941	4,735
- Others	(346)	100	4,543	5,910
	<u>28,343</u>	<u>32,664</u>	<u>85,844</u>	<u>100,145</u>

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18. **Operating Expenses** (continued)

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2008	30.9.2007	30.9.2008	30.9.2007
	RM'000	RM'000	RM'000	RM'000
<u>Company</u>				
Personnel costs				
- Salaries	4,760	5,599	14,223	15,236
- Employees' benefit	244	196	350	549
- Defined contribution plans	877	874	2,579	2,906
- Other costs	2,264	2,556	6,893	6,990
Establishment costs				
- Depreciation	1,003	612	2,753	1,854
- Rental	499	114	1,534	941
- Insurance	120	145	176	302
- Water and electricity	180	225	556	635
- General repairs	510	297	1,064	1,075
- Assessment	87	87	258	258
Promotion and marketing-related expenses				
- Business promotion and advertisement	581	110	1,445	1,707
- Entertainment	5	13	10	21
- Traveling and accommodation	-	2	-	7
Administration and general expenses				
- Communication expenses	6	140	211	458
- Property, plant & equipment written off	18	3	19	6
- Management fees	52	317	52	353
- Professional fees	418	763	1,003	2,805
- Write back of allowance for doubtful debts from subsidiary	(15,570)	-	(22,864)	-
- Others	656	920	1,818	1,944
	<u>(3,290)</u>	<u>12,973</u>	<u>12,080</u>	<u>38,047</u>

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

Group	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2008	30.9.2007	30.9.2008	30.9.2007
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts				
(a) Specific allowance				
- made in the financial period	5,432	19,423	10,753	40,315
- written back	(7,037)	(12,733)	(14,119)	(23,186)
(b) General allowance				
- made in the financial period	-	3	2,118	-
Bad debts on loans and financing recovered	(669)	-	(8,786)	(832)
	<u>(2,274)</u>	<u>6,693</u>	<u>(10,034)</u>	<u>16,297</u>

Company

Allowance for bad and doubtful debts				
(a) Specific allowance				
- made in the financial period	4,888	19,340	9,627	40,260
- written back	(6,083)	(9,862)	(11,212)	(18,728)
Bad debts on loans and financing written off	(58)	-	937	-
	<u>(1,253)</u>	<u>9,478</u>	<u>(648)</u>	<u>21,532</u>

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

Group	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2008	30.9.2007	30.9.2008	30.9.2007
	RM'000	RM'000	RM'000	RM'000
Securities available-for-sale	1,583	(501)	12,284	22,063
Securities held-to-maturity	(2,268)	(506)	(21,049)	(2,102)
	<u>(685)</u>	<u>(1,007)</u>	<u>(8,765)</u>	<u>19,961</u>

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21. 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 Ended		Cumulative Quarter Ended	
	30.9.2008	30.9.2007	30.9.2008	30.9.2007
	RM'000	RM'000	RM'000	RM'000
Investment Banking	71,375	99,530	237,525	288,128
Asset management	1,087	3,413	3,605	11,420
Development finance	12,188	15,627	45,065	50,374
Industrial Property	18,213	20,347	51,258	47,135
Others	10,003	12,272	28,369	33,740
Investment holding	289,489	127,796	293,116	136,798
	<u>402,355</u>	<u>278,985</u>	<u>658,938</u>	<u>567,595</u>
Inter-segment elimination	<u>(289,554)</u>	<u>(124,881)</u>	<u>(292,535)</u>	<u>(129,943)</u>
	<u>112,801</u>	<u>154,104</u>	<u>366,403</u>	<u>437,652</u>

	Segment Results			
	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2008	30.9.2007	30.9.2008	30.9.2007
	RM'000	RM'000	RM'000	RM'000
Investment Banking	18,856	22,137	84,210	45,565
Asset management	180	1,809	708	6,498
Development finance	8,724	5	29,712	15,916
Industrial Property	2,684	6,873	16,087	6,808
Others	20,135	5,635	41,623	10,847
Investment holding	254,087	6,031	277,156	(1,392)
	<u>304,666</u>	<u>42,490</u>	<u>449,496</u>	<u>84,242</u>
Share of profit of associated companies	361	401	1,388	1,232
Consolidation adjustments	<u>(254,667)</u>	<u>271</u>	<u>(257,855)</u>	<u>343</u>
	<u>50,360</u>	<u>43,162</u>	<u>193,029</u>	<u>85,817</u>

22. Capital commitments

	As at	As at
	30.9.2008	30.9.2007
	RM'000	RM'000
Authorised and contracted for	6,489	5,543
Authorised but not contracted for	12,687	28,008
	<u>19,176</u>	<u>33,551</u>

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23. 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 30.9.2008 →			← 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	25,958	25,958	25,958	45,309	45,309	45,309
Obligations under underwriting agreement	398,090	199,045	55,725	921,342	460,671	137,489
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year #	336,194	67,239	67,183	345,547	69,109	69,053
- Maturity exceeding one year	46	23	9	176	88	32
- Miscellaneous commitments and contingencies	200,604	40,121	8,024	12,204	2,441	488
- 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	965,175	334,594	159,107	1,328,861	579,826	254,579
Company						
Guarantee facilities	25,958	25,958	25,958	45,309	45,309	45,309
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year #	244,471	48,894	48,894	265,600	53,120	53,120
Total	270,429	74,852	74,852	310,909	98,429	98,429

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

Included in the irrevocable commitments to extend credit for maturity not exceeding one year for the Group and the Company is an amount of RM220,796,000 (2007: RM185,987,000) undisbursed loan commitments in respect of Government Scheme Funds.

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24. 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				
30.9.2008									
Assets									
Loans, advances and financing									
- performing	223,710	90,860	54,024	314,981	9,801	(31,837)*	-	661,539	7.28
- non-performing	-	-	-	-	-	96,166	-	96,166	-
Securities held-for-trading	-	-	-	-	-	-	396,108	396,108	-
Securities available-for-sale	229,614	432,922	726,695	1,056,855	275,204	133,553	-	2,854,843	5.62
Securities held-to-maturity	-	2,080	3,915	27,363	-	25,318	-	58,676	3.54
Deposits and placements with banks and other financial institutions	-	-	-	-	-	4,917	-	190,672	3.64
Cash and short term funds	-	150,000	33,178	2,577	-	19,700	-	2,320,694	3.54
Statutory deposits with Bank Negara Malaysia	2,300,931	-	63	-	-	96,690	-	96,690	-
Other non-interest sensitive balances	-	-	-	-	-	911,005	-	911,005	-
Total assets, restated	2,754,255	675,862	817,875	1,401,776	285,005	1,255,512	396,108	7,586,393	
Liabilities									
Borrowings	3,686	25,711	50,054	209,599	247,346	-	-	536,396	1.70
Government Scheme Funds	-	-	-	-	-	266,922	-	266,922	-
Deposits from customers	1,791,675	489,669	42,407	-	-	-	-	2,323,751	3.43
Deposits and placements of banks and financial institutions	1,903,084	197,396	23,131	-	-	-	-	2,123,611	3.41
Other non-interest sensitive balances	-	-	-	-	-	196,859	-	196,859	-
Total liabilities	3,698,445	712,776	115,592	209,599	247,346	463,781	-	5,447,539	
Shareholders' funds	-	-	-	-	-	2,112,476	-	2,112,476	
Minority interests	-	-	-	-	-	26,378	-	26,378	
	3,698,445	712,776	115,592	209,599	247,346	2,602,635	-	7,586,393	
On-balance sheet interest sensitivity gap	(944,190)	(36,914)	702,283	1,192,177	37,659	(1,347,123)	396,108		
Off-balance sheet interest sensitivity gap (interest rate swaps)	-	(25,313)	-	-	-	-	-		
Total interest sensitivity gap	(944,190)	(62,227)	702,283	1,192,177	37,659	(1,347,123)	396,108		

* General allowance for bad and doubtful debts and financing

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24. Interest rate risk (continued)

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				
31.12.2007									
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	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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24. Interest rate risk (continued)

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				
30.9.2008									
Assets									
Loans, advances and financing									
- performing	176,392	12,082	53,159	274,551	2,350	(24,787)*	-	493,747	6.84
- non-performing	-	-	-	-	-	87,898	-	87,898	-
Deposits and placements with banks and other financial institutions									
	-	-	35,250	-	-	-	-	35,250	3.50
Cash and short term funds									
	594,991	-	-	-	-	8,142	-	603,133	3.45
Securities held-for-trading									
	-	-	-	-	-	-	8,557	8,557	-
Securities available-for-sale									
	-	-	3,631	46,867	3,772	2,508	-	56,778	2.25
Other non-interest sensitive balances									
	-	-	-	-	-	1,106,992	-	1,106,992	-
Total assets	771,383	12,082	92,040	321,418	6,122	1,180,753	8,557	2,392,355	
Liabilities									
Borrowings									
Government Scheme Funds	2,386	6,661	47,241	187,099	247,346	-	-	490,733	1.40
Other non-interest sensitive balances	-	-	-	-	-	266,922	-	266,922	-
	-	-	-	-	-	44,733	-	44,733	-
Total liabilities	2,386	6,661	47,241	187,099	247,346	311,655	-	802,388	
Shareholders' fund									
	-	-	-	-	-	1,589,967	-	1,589,967	
	2,386	6,661	47,241	187,099	247,346	1,901,622	-	2,392,355	
On-balance sheet interest sensitivity gap									
	768,997	5,421	44,799	134,319	(241,224)	(720,869)	8,557		
Off-balance sheet interest sensitivity gap (interest rate swaps)									
	-	-	-	-	-	-	-		
Total interest sensitivity gap	768,997	5,421	44,799	134,319	(241,224)	(720,869)	8,557		

* General allowance for bad and doubtful debts and financing

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24. Interest rate risk (continued)

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									
	-	-	-	-	-	1,188,976	-	1,188,976	-
Total assets	940,696	62,659	114,466	350,009	5,866	1,275,416	9,901	2,759,013	
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									
	-	-	-	-	-	1,598,967	-	1,598,967	
	16,510	10,050	45,222	514,471	265,698	1,907,062	-	2,759,013	
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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25. **Capital Adequacy**

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

	30.9.2008 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	107,257	90,950
Retained profit	81,296	37,411
	<u>707,664</u>	<u>647,472</u>
Less: Deferred tax assets	(43,036)	(43,036)
Total Tier-I capital	<u>664,628</u>	<u>604,436</u>
Tier-II capital		
General allowance for bad and doubtful debts	5,588	3,471
Subordinated term loan	-	11,200
Total Tier-II capital	<u>5,588</u>	<u>14,671</u>
Capital base	<u>670,216</u>	<u>619,107</u>
Core capital ratio	48.21%^	32.91%^
Risk-weighted capital ratio	48.61%^	33.71%^

^ With effect from 1 January 2008, the capital adequacy ratio 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 ratios as at 31 December 2007 have been adjusted accordingly.

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26. **Operations of Islamic Banking**

26a. **Unaudited Balance Sheets as at 30 September 2008**

	Note	Group		Company	
		30.9.2008 RM'000	31.12.2007 RM'000	30.9.2008 RM'000	31.12.2007 RM'000
ASSETS					
Cash and short-term funds		52,141	158,321	8,508	7,504
Securities held-for-trading	26c	-	24,734	-	-
Securities available-for-sale	26d	897,138	1,069,706	-	-
Securities held-to-maturity	26e	19,085	84,715	-	-
Financing, advances and other loans	26f	100,798	141,631	100,798	141,631
Other assets		4,378	6,383	166	165
Amount due from Head Office	26h(a)	-	7,056	-	7,056
Deferred tax asset		1,427	1,427	892	892
TOTAL ASSETS		1,074,967	1,493,973	110,364	157,248
LIABILITIES					
Deposits from customers	26g	490,627	615,112	-	-
Deposits and placement of banks and other financial institutions		369,996	617,004	-	-
Islamic financing	13	43,813	56,291	43,813	56,291
i-Government Scheme Funds	26h(a)	5,943	-	5,943	-
Other liabilities		12,152	17,760	7,797	6,129
Taxation		5,030	3,272	5,030	3,272
Amount due to Head Office		147	106	-	-
		927,708	1,309,545	62,583	65,692
ISLAMIC BANKING CAPITAL FUNDS					
Capital Fund		121,636	168,061	41,636	88,061
Reserves		25,623	16,367	6,145	3,495
TOTAL ISLAMIC BANKING CAPITAL FUNDS		147,259	184,428	47,781	91,556
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		1,074,967	1,493,973	110,364	157,248

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26. **Operations of Islamic Banking (continued)**

26b. **Unaudited Income Statement for the period ended 30 September 2008**

Group	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2008 RM'000	30.9.2007 RM'000	30.9.2008 RM'000	30.9.2007 RM'000
Income derived from investment of depositors funds and others	14,559	19,500	48,251	54,045
Transfer to /(from) profit equalisation reserve	145	(62)	4,965	784
Total attributable income	14,704	19,438	53,216	54,829
Income attributable to depositors	(8,133)	(12,586)	(28,675)	(34,533)
Net income attributable to the reporting institutions	6,571	6,852	24,541	20,296
Other operating expenses	(335)	(671)	(1,763)	(1,701)
Operating profit	6,236	6,181	22,778	18,595
Allowance for impairment losses on securities	(650)	-	(5,605)	-
Allowance for losses on loans, advances and financing	(831)	840	(4,466)	(1,363)
Finance costs	(222)	(331)	(708)	(1,139)
Profit before taxation and zakat	4,533	6,690	11,999	16,093
Tax expenses	(1,090)	-	(1,758)	-
Zakat	(148)	(52)	(317)	(204)
Profit after taxation and zakat	3,295	6,638	9,924	15,889
Company				
Income derived from investment of depositors funds and others	3,192	3,387	9,707	9,457
Income attributable to the reporting institution	3,192	3,387	9,707	9,457
Other operating expenses	(4)	(152)	(6)	(239)
Operating profit	3,188	3,235	9,701	9,218
Allowance for losses on loans, advances and financing	(831)	840	(4,466)	(1,363)
Finance costs	(222)	(331)	(708)	(1,139)
Profit before taxation and zakat	2,135	3,744	4,527	6,716
Tax expenses	(1,090)	-	(1,758)	-
Zakat	(74)	-	(119)	-
Profit after taxation	971	3,744	2,650	6,716

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26. **Operations of Islamic Banking** (continued)

26c. **Securities held-for-trading**

	Group	
	30.9.2008	31.12.2007
	RM'000	RM'000
At fair value		
Quoted:		
Government Investment Issue	-	24,734
	<u>-</u>	<u>24,734</u>

26d. **Securities available-for-sale**

	Group	
	30.9.2008	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	156,000	169,998
Bank Negara Malaysia Islamic Notes	59,917	10,000
	<u>215,917</u>	<u>179,998</u>
Unquoted:		
Islamic Acceptances Bills	88,274	149,187
Khazanah Nasional Berhad Islamic bonds	207,519	249,970
Islamic Negotiable Instruments of Deposit	-	-
Cagamas Mudharabah bonds	20,007	20,004
Islamic Private debt securities	365,421	470,547
	<u>681,221</u>	<u>889,708</u>
	<u>897,138</u>	<u>1,069,706</u>

26e. **Securities held-to-maturity**

	Group	
	30.9.2008	31.12.2007
	RM'000	RM'000
At amortised cost		
Quoted:		
Bank Negara Malaysia Islamic Notes	-	74,822
Islamic Malaysian Treasury Bills	-	9,893
	<u>-</u>	<u>84,715</u>
Unquoted:		
Khazanah Nasional Berhad Islamic bonds	19,085	-
Islamic Private debt securities	4,998	4,998
	<u>24,083</u>	<u>4,998</u>
	<u>24,083</u>	<u>89,713</u>
Less: Accumulated impairment losses	<u>(4,998)</u>	<u>(4,998)</u>
	<u>19,085</u>	<u>84,715</u>

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26. **Operations of Islamic Banking** (continued)

26f. **Financing, advances and other loans**

	Group and Company	
	30.9.2008	31.12.2007
	RM'000	RM'000
Term financing	54,821	81,217
Islamic hire purchase/leasing	77,468	94,342
	<u>132,289</u>	<u>175,559</u>
Less: Unearned income	(12,511)	(19,496)
	<u>119,778</u>	<u>156,063</u>
Less: Allowance for bad and doubtful debts and financing loss		
- General	(2,720)	(3,200)
- Specific	(16,260)	(11,232)
	<u>100,798</u>	<u>141,631</u>

(i) By contract

	Group and Company	
	30.9.2008	31.12.2007
	RM'000	RM'000
Bai Bithaman Ajil (deferred payment sales)	44,227	55,187
Murabahah Working Capital (cost plus)	5,091	16,839
Al-Ijarah Thumma Al-Bai (finance lease)	66,542	78,660
Al-Ijarah (operating lease)	3,918	5,377
	<u>119,778</u>	<u>156,063</u>

(ii) By type of customer

	Group and Company	
	30.9.2008	31.12.2007
	RM'000	RM'000
Domestic business enterprises	119,778	156,063

(iii) By profit rate sensitivity

	Group and Company	
	30.9.2008	31.12.2007
	RM'000	RM'000
Fixed rate		
Hire purchase receivables	70,461	84,037
Other fixed rate loan/financing	49,317	72,026
	<u>119,778</u>	<u>156,063</u>

(iv) By economic sector

	Group and Company	
	30.9.2008	31.12.2007
	RM'000	RM'000
Mining and quarrying	2,097	2,748
Manufacturing	90,436	118,727
Construction	1,335	1,710
Wholesale & retail trade and restaurants & hotels	4,203	6,595
Transport, storage and communication	19,215	23,365
Finance, insurance and business services	29	45
Others	2,463	2,873
	<u>119,778</u>	<u>156,063</u>

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26. **Operations of Islamic Banking** (continued)

26f. **Financing, advances and other loans** (continued)

Movements in non-performing financing, advances and other loans

	Group and Company	
	30.9.2008 RM'000	31.12.2007 RM'000
At beginning of period/year	15,534	7,621
Non-performing during the year	6,793	10,523
Reclassified as performing	(4,094)	(2,162)
Amount recovered	(1,114)	(448)
At end of period/year	17,119	15,534
Less: Specific allowance	(14,605)	(10,380)
Net non-performing financing, advances and other loans	2,514	5,154
Ratio of net non-performing financing, advances and other loans to total net financing, advances and other loans	2.43%	3.56%
Performing financing with specific allowance provided		
Performing financing	2,561	1,388
Less: Specific allowance	(1,655)	(852)
Net	906	536

Movements in allowance for bad and doubtful debts

	Group and Company	
	30.9.2008 RM'000	31.12.2007 RM'000
General allowance		
At beginning of period/year	3,200	2,800
Allowance made during the year	3,900	400
Amount transferred to specific allowance	(4,380)	-
At end of period/year	2,720	3,200
As % of gross financing, advances and other loans less specific allowance	2.63%	2.21%
Specific allowance		
At beginning of period/year	11,232	9,365
Allowance made during the period/year	1,218	7,071
Allowance written back in respect of recoveries	(570)	(5,204)
Amount transferred from general allowance	4,380	-
At end of period/year	16,260	11,232

Non-Performing Financing by economic sector

	Group and Company	
	30.9.2008 RM'000	31.12.2007 RM'000
Manufacturing	7,237	5,208
Wholesale & retail trade and restaurants & hotels	305	332
Transport, storage and communication	8,874	9,249
Others	703	745
	17,119	15,534

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26. **Operations of Islamic Banking** (continued)

26g. **Deposits from customers**

(i) By type of deposit

	Group	
	30.9.2008	31.12.2007
	RM'000	RM'000
Mudharabah Fund		
- Fixed/investment deposits	484,915	597,513
- Others	5,712	17,599
	490,627	615,112
	490,627	615,112

(ii) By type of customer

	Group	
	30.9.2008	31.12.2007
	RM'000	RM'000
Business enterprises	490,627	615,112
	490,627	615,112
	490,627	615,112

26h. **i-Government Scheme Funds**

(a) i-Government Scheme Funds

	Group and Company	
	30.9.2008	31.12.2007
	RM'000	RM'000
At beginning of period/year	58,407	23,000
Add : Funds received during the year	89,053	35,407
	147,460	58,407
Less : Non-Performing financing pending approval		
At beginning of period/year	(1,341)	-
Addition	(2,951)	(1,341)
At end of period/year	(4,292)	(1,341)
Available funds at end of period/year	143,168	57,066
Less : Net financing disbursed under i-Government Scheme Funds (Note 26h (b))	(137,225)	(64,122)
i-Government Scheme Funds/Amount due from Head Office	5,943	(7,056)

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26. **Operations of Islamic Banking** (continued)

26h. **i-Government Scheme Funds** (continued)

(b) Financing, advances and other loans under i-Government Scheme Funds

	Group and Company	
	30.9.2008	31.12.2007
	RM'000	RM'000
Term financing	82,245	29,325
Islamic hire purchase/leasing	76,949	45,415
	<u>159,194</u>	<u>74,740</u>
Less: Unearned income	(17,677)	(9,277)
	<u>141,517</u>	<u>65,463</u>
Less: Allowance for bad and doubtful debts and financing loss - Specific	(4,292)	(1,341)
Total net financing, advances and other loans	<u><u>137,225</u></u>	<u><u>64,122</u></u>

(i) By contract

	Group and Company	
	30.9.2008	31.12.2007
	RM'000	RM'000
Bai Bithaman Ajil (deferred payment sales)	69,706	20,657
Murabahah Working Capital (cost plus)	2,022	3,833
Al-Ijarah Thumma Al-Bai (finance lease)	69,789	40,973
	<u>141,517</u>	<u>65,463</u>

(ii) By type of customer

	Group and Company	
	30.9.2008	31.12.2007
	RM'000	RM'000
Domestic business enterprises	<u>141,517</u>	<u>65,463</u>

(iii) By economic sector

	Group and Company	
	30.9.2008	31.12.2007
	RM'000	RM'000
Manufacturing	129,715	56,495
Construction	2,862	1,878
Wholesale & retail trade and restaurants & hotels	4,966	3,428
Transport, storage and communication	1,687	2,407
Finance, insurance and business services	491	375
Others	1,796	880
	<u>141,517</u>	<u>65,463</u>

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26. **Operations of Islamic Banking** (continued)

26h. **i-Government Scheme Funds** (continued)

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

	Group and Company	
	30.9.2008 RM'000	31.12.2007 RM'000
At 1 January	1,395	534
Non-performing during the year	3,068	1,929
Reclassified as performing	(492)	(967)
Amount recovered	(154)	(101)
At 30 September 2008/ 31 December 2007	3,817	1,395
Less: Specific allowance	(3,505)	(1,341)
Net non-performing financing, advances and other loans	312	54
Ratio of net non-performing financing, advances and other loans less specific allowances	0.23%	0.08%
Performing financing with specific allowance provided		
Performing financing	3,450	-
Less: Specific allowance	(787)	-
At 30 September 2008/ 31 December 2007	2,663	-

(vi) Movements in allowance for bad and doubtful debts

	Group and Company	
	30.9.2008 RM'000	31.12.2007 RM'000
Specific allowance		
At 1 January	1,341	1,341
Allowance made during the year	3,129	567
Amount written back in respect of recoveries	(178)	(567)
At 30 September 2008/ 31 December 2007	4,292	1,341

(vii) Non-Performing Financing by economic sector

	Group and Company	
	30.9.2008 RM'000	31.12.2007 RM'000
Manufacturing	3,344	1,134
Others	473	261
	3,817	1,395

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
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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 September 2008, as set out on pages 1 to 39, 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 September 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

31 October 2008