

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
CONDENSED INTERIM FINANCIAL STATEMENTS**



UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2009

	Note	Group		Company	
		31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
ASSETS					
Cash and short-term funds		1,763,324	1,784,193	683,588	621,139
Deposits and placements with banks and other financial institutions		17,293	535,574	10,908	40,000
Asset of disposal group/classified as held for sale	5	622,317	625,944	2,353	2,353
Securities held-for-trading	6	257,035	275,659	8,320	8,365
Securities available-for-sale	7	3,090,345	3,250,362	55,075	55,933
Securities held-to-maturity	8	41,123	43,404	-	-
Loans, advances and financing	9	644,274	688,658	499,195	536,500
Other assets	10	75,501	86,437	415,830	430,314
Statutory deposits with Bank Negara Malaysia		21,282	96,871	-	-
Investment properties		8,061	7,060	-	-
Prepaid lease payments		452	454	-	-
Investment in associates		3,575	3,201	-	-
Investment in subsidiaries		-	-	870,541	870,541
Property, plant and equipment - others		17,373	18,700	11,955	13,295
Deferred tax assets		45,017	55,417	8,811	8,811
Goodwill		86,713	86,713	-	-
TOTAL ASSETS		6,693,685	7,558,647	2,566,576	2,587,251
LIABILITIES					
Deposits from customers	11	2,017,418	2,450,904	-	-
Deposits and placements of banks and financial institutions	12	1,572,050	2,021,784	-	-
Other payables		115,277	106,328	52,949	53,426
Borrowings	13	442,328	456,949	441,028	455,649
Government Scheme Funds	14	245,334	256,303	245,334	256,303
Liabilities directly associated with assets classified as held-for-sale	5	94,701	93,652	-	-
Taxation		3,274	2,392	-	-
Employee benefits		10,860	11,157	8,655	9,007
Deferred tax liabilities		4,039	4,043	-	-
TOTAL LIABILITIES		4,505,281	5,403,512	747,966	774,385
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		79,159	79,159	-	-
Capital Reserve		36,220	36,220	-	-
Exchange Fluctuation Reserve		(4,928)	(4,876)	-	-
Securities Available-For-Sale Reserve		(4,411)	1,478	-	-
Retained Profits		713,945	674,655	476,254	470,510
		2,162,341	2,128,992	1,818,610	1,812,866
Minority Interest		26,063	26,143	-	-
TOTAL EQUITY		2,188,404	2,155,135	1,818,610	1,812,866
TOTAL LIABILITIES AND EQUITY		6,693,685	7,558,647	2,566,576	2,587,251
CONTINGENCIES AND COMMITMENTS	23	866,489	991,044	341,128	359,508
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (RM)		2.21	2.18	1.86	1.85

The Unaudited Condensed Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached in the interim financial statements.

UNAUDITED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2009



GROUP	Note	Individual / Cumulative Quarter	
		31.3.2009 RM'000	31.3.2008 RM'000
CONTINUING OPERATIONS			
REVENUE		84,129	100,057
INTEREST INCOME	15	53,938	69,861
INTEREST EXPENSE	16	(25,628)	(45,358)
NET INTEREST INCOME		28,310	24,503
NET INCOME FROM ISLAMIC BANKING BUSINESS	26b	7,400	9,390
OTHER OPERATING INCOME	17	17,600	36,381
		53,310	70,274
EXPENDITURE	18	(19,615)	(20,099)
PROFIT BEFORE ALLOWANCES FOR LOANS AND ADVANCES AND IMPAIRMENT LOSSES		33,695	50,175
(ALLOWANCES) / WRITEBACK FOR LOSSES ON LOANS, ADVANCES AND FINANCING	19	(37)	9,983
IMPAIRMENT WRITEBACK ON SECURITIES	20	13,002	7,589
PROFIT BEFORE SHARE OF RESULTS IN ASSOCIATES		46,660	67,747
SHARE OF RESULTS IN ASSOCIATES		373	530
PROFIT BEFORE TAXATION AND ZAKAT		47,033	68,277
TAX EXPENSE		(11,581)	(13,455)
ZAKAT		(151)	(118)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		35,301	54,704
DISCONTINUED OPERATIONS			
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	5	3,909	5,544
PROFIT FOR THE PERIOD		39,210	60,248
ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE COMPANY		39,221	59,986
MINORITY INTEREST		(11)	262
PROFIT FOR THE PERIOD		39,210	60,248
EARNINGS PER SHARE			
- BASIC, FOR PROFIT FROM CONTINUING OPERATIONS		3.61	5.56
- BASIC, FOR PROFIT FROM DISCONTINUED OPERATIONS		0.40	0.57
- BASIC, FOR PROFIT FOR THE PERIOD		4.01	6.13

The Unaudited Condensed Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached in the interim financial statements.

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UNAUDITED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2009



COMPANY	Note	Individual / Cumulative Quarter	
		31.3.2009 RM'000	31.3.2008 RM'000
REVENUE		16,907	21,501
INTEREST INCOME	15	11,206	14,763
INTEREST EXPENSE	16	(2,862)	(5,579)
NET INTEREST INCOME		8,344	9,184
NET INCOME FROM ISLAMIC BANKING BUSINESS	26b	3,158	3,347
OTHER OPERATING INCOME	17	6,580	6,727
		18,082	19,258
EXPENDITURE	18	(10,889)	(4,460)
PROFIT BEFORE ALLOWANCES FOR LOANS AND ADVANCES AND IMPAIRMENT LOSSES		7,193	14,798
(ALLOWANCES) / WRITEBACK FOR LOSSES ON LOANS, ADVANCES AND FINANCING	19	(288)	496
PROFIT BEFORE TAXATION		6,905	15,294
TAX EXPENSE		(1,104)	(2,469)
ZAKAT		(57)	(40)
PROFIT FOR THE PERIOD		5,744	12,785

The Unaudited Condensed Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 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 2009

Group	Share Capital	Non-Distributable					Distributable Retained Profits	Total	Minority Interest	Total Equity
		Share Premium	Securities Available-For-Sale Reserve	Capital Reserve	Exchange Fluctuation Reserve	Statutory Reserve				
-----RM'000-----										
At 1 January 2009	978,495	363,861	1,478	36,220	(4,876)	79,159	674,655	2,128,992	26,143	2,155,135
Prior year adjustment in relation to a subsidiary company	-	-	-	-	-	-	69	69	(69)	-
Net profit for the financial period	-	-	-	-	-	-	39,221	39,221	(11)	39,210
Realised gain on disposal of securities available-for-sale	-	-	(10,850)	-	-	-	-	(10,850)	-	(10,850)
Unrealised gain on revaluation of securities available-for-sale	-	-	4,967	-	-	-	-	4,967	-	4,967
Deferred tax on revaluation of securities available-for-sale	-	-	(6)	-	-	-	-	(6)	-	(6)
Net gain not recognised in the income statement	-	-	(5,889)	-	-	-	-	(5,889)	-	(5,889)
Currency translation differences	-	-	-	-	(52)	-	-	(52)	-	(52)
At 31 March 2009	978,495	363,861	(4,411)	36,220	(4,928)	79,159	713,945	2,162,341	26,063	2,188,404
At 1 January 2008	978,495	363,861	81	36,220	(5,090)	58,022	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
Net gain not recognised in the income statement	-	-	3,010	-	-	-	-	3,010	-	3,010
Currency translation differences	-	-	-	-	29	-	-	29	-	29
Deemed disposal of a subsidiary	-	-	-	-	-	-	-	-	(366)	(366)
At 31 March 2008	978,495	363,861	3,091	36,220	(5,061)	58,022	649,316	2,083,944	25,036	2,108,980

The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached in the interim financial statements.



UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2009

	Non-Distributable			Total Equity
	Share Capital	Share Premium	Distributable Retained Profits	
<u>Company</u>	-----RM'000-----			
At 1 January 2009	978,495	363,861	470,510	1,812,866
Net profit for the financial period	-	-	5,744	5,744
At 31 March 2009	978,495	363,861	476,254	1,818,610
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

The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached in the interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2009

	Group		Company	
	31.3.2009	31.3.2008	31.3.2009	31.3.2008
	RM'000	RM'000	RM'000	RM'000
Profit before taxation:				
Continuing operations	47,033	68,277	6,905	15,294
Discontinued operations	4,779	6,196	-	-
Adjustments for non-cash items	(40,997)	(33,881)	2,558	(92)
Operating profit before changes in working capital	10,815	40,592	9,463	15,202
Changes in working capital				
Net changes in operating assets	43,538	(19,332)	6,787	(7,630)
Net changes in operating liabilities	(889,605)	(115,143)	20,575	(293,778)
Tax expense paid	(4,155)	(1,203)	(2,516)	-
Retirement benefits paid	(707)	(1,117)	(685)	(927)
Movements on exchange fluctuations	(52)	29	-	-
Net cash (used in) / generated from operating activities	(840,166)	(96,174)	33,624	(287,133)
Net cash generated from / (used in) investing activities	225,299	827,952	(267)	1,508
Net cash used in financing activities	-	(300)	-	(300)
Net (decrease) / increase in cash and cash equivalents	(614,867)	731,478	33,357	(285,925)
Cash and cash equivalents at beginning of the period	2,429,769	3,222,543	661,139	783,558
Cash and cash equivalents at end of the period	1,814,902	3,954,021	694,496	497,633

Cash and cash equivalents:

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

Continuing operations:				
Cash and short term funds (note)	1,763,174	3,574,360	683,588	387,383
Deposits and placements with banks and other financial institutions	38,575	379,661	10,908	110,250
	1,801,749	3,954,021	694,496	497,633
Discontinued operations:				
Cash and short term funds	10,623	-	-	-
Deposits and placements with banks and other financial institutions	2,530	-	-	-
	13,153	-	-	-
	1,814,902	3,954,021	694,496	497,633

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 RM245,334,000 (2008: RM216,795,000) 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 2008 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 2008. 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 2008.

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 2008.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 31 December 2008 was not subject to any qualification.

3. Performance review

The Group registered a pre-tax profit of RM51.812 million for the period ended 31 March 2009, a decrease of 30% as compared to the previous corresponding period's pre-tax profit of RM73.943 million. The decrease in earning is attributed to lower recovery on loan losses and lower other operating income.

4. Current year prospects

The ongoing measures to pump-prime the economy undertaken by the Government to boost domestic-oriented activities is expected to partially mitigate the weaknesses in the global economy. Nonetheless, the risks of slower earnings growth and deterioration in asset quality have heightened, in line with the trend elsewhere in the world.

The local capital market is expected to be at its weakest since the Asian Financial Crisis, as fund raising exercises by corporations are held back pending clearer business prospects and better valuation. Trading in the equity market is expected to be dull in the absence of foreign portfolio funds.

The investment banking division opportunities lie in advisory activities for corporate actions, such as mergers and takeovers and delisting exercises. Treasury business is also expected to be buoyed by the general downtrend in interest rates. It is expected that there will be limited clients' involvement in the debt and equity capital markets, especially in private debt securities origination, as the hazy outlook overwhelms the low interest rate environment. Consequently, peripheral activities such as underwriting and advisory will inevitably be adversely affected.

With 2009 expected to be a challenging year and with the Government introducing financial stimulus packages for the economy, the Group, in its capacity as a development finance agency intends to fully engage and cooperate with the Government on its role for the onwards lending of new scheme funds under the new stimulus package, where credit risk is mitigated.

Remedial steps to enhance the fund performance, improve client relationship management and opportunities for potential tie up with established foreign partners for business and product development are in progress for the asset management business.

The property business division will continue to focus its efforts to realise the value of the properties held. The development of fee-based income from project management skills and services are also being pursued as an alternative revenue source.

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4. Current year prospects (cont'd)

To facilitate the streamlining of the businesses of the Group to achieve the overall objective in becoming a financial services provider, the property business division and related activities will be realigned and distributed to Pemodalan Nasional Berhad, the ultimate holding company under the proposed MIDF Group Restructuring.

The challenging operating environment re-affirms the need for the continued focus on customer relationships, operational efficiencies, credit and cost management to provide the base for sustainable and quality growth for the Group.

5. Assets of disposal group/classified as held for sale

An analysis of the results of discontinued operations of disposal group is as follows:

	Group	
	31.3.2009	31.3.2008
	RM'000	RM'000
Revenue	16,937	18,151
Cost of Sales	<u>(5,140)</u>	<u>(4,124)</u>
	11,797	14,027
Operating income	<u>739</u>	<u>274</u>
	12,536	14,301
Staff cost	(2,415)	(2,128)
Depreciation	(1,382)	(878)
Operating expenses	<u>(3,960)</u>	<u>(5,099)</u>
Profit before tax of discontinued operation	4,779	6,196
Tax expense	(870)	(652)
Profit for the year from discontinued operation	<u><u>3,909</u></u>	<u><u>5,544</u></u>

The major classes of assets and liabilities classified as held-for-sale on the balance sheet are as follows:

	Group		Company	
	31.3.2009	31.12.2008	31.3.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Cash and short-term funds	10,623	11,057	-	-
Deposits and placements with banks and other financial institutions	2,530	2,224	-	-
Other assets	28,977	28,264	-	-
Loans, advances and financing	2,222	2,703	-	-
Investment properties	53,248	53,794	-	-
Prepaid lease payments	15,031	15,076	-	-
Industrial Estates - developed properties held-for-sale	207,045	208,384	-	-
Land held for property development	79,658	80,915	-	-
Property, plant and equipment				
- serviced residence property	108,124	108,352	-	-
- others	114,586	115,175	2,353	2,353
Deferred tax assets	273	-	-	-
Assets of disposal group classified as held-for-sale	<u><u>622,317</u></u>	<u><u>625,944</u></u>	<u><u>2,353</u></u>	<u><u>2,353</u></u>
LIABILITIES				
Other payables	40,588	36,494	-	-
Borrowings	41,550	44,363	-	-
Taxation	1,993	1,982	-	-
Employee benefits	3,446	3,325	-	-
Deferred tax liabilities	7,124	7,488	-	-
Liabilities directly associated with assets classified as held-for-sale	<u><u>94,701</u></u>	<u><u>93,652</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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6. Securities held-for-trading

	Group		Company	
	31.3.2009 RM'000	31.12.2008 RM'000	31.3.2009 RM'000	31.12.2008 RM'000
At fair value				
Quoted:				
Malaysian Government Securities	-	10,645	-	-
Bank Negara Malaysia Notes	25,032	-	-	-
Government Investment Issue	7,505	-	-	-
Unit trusts	9	117	2	2
Shares	1,154	1,204	326	371
Loan stocks	1	1	1	1
Redeemable Convertible Secured Notes	7,991	7,991	7,991	7,991
	<u>41,692</u>	<u>19,958</u>	<u>8,320</u>	<u>8,365</u>
Unquoted:				
Private Debts Securities	208,035	144,066	-	-
Loan stocks	5,374	5,374	-	-
Other Acceptance Discounted	1,934	106,261	-	-
	<u>215,343</u>	<u>255,701</u>	<u>-</u>	<u>-</u>
	<u>257,035</u>	<u>275,659</u>	<u>8,320</u>	<u>8,365</u>

7. Securities available-for-sale

	Group		Company	
	31.3.2009 RM'000	31.12.2008 RM'000	31.3.2009 RM'000	31.12.2008 RM'000
At fair value				
Quoted:				
Malaysian Government Securities	10,286	229,074	-	-
Government Investment Issue	-	183,871	-	-
Malaysian Treasury Bills/Malaysian Islamic Treasury Bills	64,690	-	-	-
Bank Negara Malaysia Negotiable Notes	434,004	-	-	-
Shares	6,555	7,147	1,234	1,234
	<u>515,535</u>	<u>420,092</u>	<u>1,234</u>	<u>1,234</u>
Unquoted:				
Khazanah Nasional Berhad bonds	80,703	126,915	-	-
Cagamas Berhad bonds	-	25,018	-	-
Negotiable instruments of deposit	139,719	59,590	-	-
Private debt securities	1,859,765	1,936,933	-	-
Corporate bonds	46,010	46,868	46,010	46,868
Shares	120,800	122,074	5,045	5,045
Others Acceptances Discounted	323,753	510,086	-	-
Loan stocks	4,060	2,786	2,786	2,786
	<u>2,574,810</u>	<u>2,830,270</u>	<u>53,841</u>	<u>54,699</u>
	<u>3,090,345</u>	<u>3,250,362</u>	<u>55,075</u>	<u>55,933</u>

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8. Securities held-to-maturity

	Group	
	31.3.2009	31.12.2008
	RM'000	RM'000
At amortised cost		
Unquoted:		
Khazanah Nasional Berhad bonds	19,431	19,258
Shares	906	906
Private debt securities	109,688	140,564
	<u>130,025</u>	<u>160,728</u>
Less: Accumulated impairment losses	(88,902)	(117,324)
	<u>41,123</u>	<u>43,404</u>

9. Loans, advances and financing

	Group		Company	
	31.3.2009	31.12.2008	31.3.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
Term loans				
- Syndicated term loan/financing	10,045	10,045	-	-
- Hire purchase receivables	131,629	144,404	93,014	101,881
- Lease receivables	8,766	9,618	6,907	7,759
- Other term loans/financing	608,994	639,682	553,894	582,819
Staff loans	11,481	12,955	3,986	4,472
Less: Staff loans classified as assets held-for-sale	(2,222)	(2,703)	-	-
	9,259	10,252	3,986	4,472
Revolving credits	21,532	21,881	354	409
Margin accounts	66,045	67,614	-	-
	<u>856,270</u>	<u>903,496</u>	<u>658,155</u>	<u>697,340</u>
Less: Unearned interest and income	(13,870)	(16,719)	(11,557)	(13,725)
	<u>842,400</u>	<u>886,777</u>	<u>646,598</u>	<u>683,615</u>
Less: Security deposits	(498)	(569)	-	-
Less: Allowance for bad and doubtful debts and financing:				
- General	(21,313)	(24,905)	(18,092)	(21,606)
- Specific	(176,315)	(172,645)	(129,311)	(125,509)
Total net loans, advances and financing	<u>644,274</u>	<u>688,658</u>	<u>499,195</u>	<u>536,500</u>

a. By type of customer

	Group		Company	
	31.3.2009	31.12.2008	31.3.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
Domestic business enterprises				
- Small medium enterprises	490,885	510,963	374,076	393,826
- Others	260,268	276,572	251,269	266,852
Individuals	73,980	80,778	3,986	4,472
Foreign entities	17,267	18,464	17,267	18,465
Gross loans, advances and financing	<u>842,400</u>	<u>886,777</u>	<u>646,598</u>	<u>683,615</u>

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9. Loans, advances and financing (cont'd)

b. By interest/profit rate sensitivity

	Group		Company	
	31.3.2009 RM'000	31.12.2008 RM'000	31.3.2009 RM'000	31.12.2008 RM'000
Fixed rate				
- Staff loans	9,259	10,252	3,986	4,472
- Hire purchase receivables	129,703	141,585	93,335	101,970
- Other fixed rate loan/financing	366,629	385,013	296,600	313,058
Variable rate				
- BLR plus	187,127	197,282	187,127	197,282
- Cost-plus	-	3,641	-	3,641
- Other variable rates	149,682	149,004	65,550	63,192
Gross loans, advances and financing	<u>842,400</u>	<u>886,777</u>	<u>646,598</u>	<u>683,615</u>

c. By economic sector

	Group		Company	
	31.3.2009 RM'000	31.12.2008 RM'000	31.3.2009 RM'000	31.12.2008 RM'000
Agriculture, hunting, forestry & fishing	3,472	3,889	-	-
Mining and quarrying	1,861	2,387	1,861	2,135
Manufacturing	496,993	527,769	484,201	514,694
Construction	39,816	40,136	11,832	12,021
Purchase of landed property:				
- Residential	461	479	-	-
Wholesale & retail trade and restaurants & hotels	101,089	103,165	94,213	95,637
Transport, storage and communications	53,514	56,976	30,203	33,009
Finance, insurance and business services	30,577	31,599	11,106	11,885
Purchase of securities	66,045	67,614	-	-
Purchase of transport vehicles	30,585	33,235	-	-
Others	17,987	19,528	13,182	14,234
Gross loans, advances and financing	<u>842,400</u>	<u>886,777</u>	<u>646,598</u>	<u>683,615</u>

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

	Group		Company	
	31.3.2009 RM'000	31.12.2008 RM'000	31.3.2009 RM'000	31.12.2008 RM'000
At beginning of period/year	264,904	286,029	207,751	226,298
Non-performing during the period/year	23,026	31,801	22,962	29,803
Reclassified as performing	(483)	(15,722)	(483)	(13,720)
Amount recovered	(2,667)	(21,828)	(2,471)	(19,667)
Amount written off	-	(15,376)	-	(14,963)
At end of period/year	<u>284,780</u>	<u>264,904</u>	<u>227,759</u>	<u>207,751</u>
Less: Specific allowance	<u>(171,981)</u>	<u>(169,974)</u>	<u>(124,977)</u>	<u>(122,838)</u>
Net non-performing loans, advances and financing	<u>112,799</u>	<u>94,930</u>	<u>102,782</u>	<u>84,913</u>
Net NPL as % of gross loans, advances and financing less specific allowances	<u>16.93%</u>	<u>13.29%</u>	<u>19.87%</u>	<u>15.21%</u>
Performing loans with specific allowance provided				
Gross loan	5,700	2,963	5,700	2,963
Less: Specific allowance	<u>(4,334)</u>	<u>(2,671)</u>	<u>(4,334)</u>	<u>(2,671)</u>
Net	<u>1,366</u>	<u>292</u>	<u>1,366</u>	<u>292</u>

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9. **Loans, advances and financing (cont'd)**

e. Movements in allowance for bad and doubtful debts

	Group		Company	
	31.3.2009 RM'000	31.12.2008 RM'000	31.3.2009 RM'000	31.12.2008 RM'000
General allowance				
At beginning of period/year	24,905	32,354	21,606	27,422
Allowance written back during the period/year	(78)	(1,633)	-	-
Amount transferred to specific allowance	(3,514)	(5,816)	(3,514)	(5,816)
At end of period/year	<u>21,313</u>	<u>24,905</u>	<u>18,092</u>	<u>21,606</u>
As % of gross loans, advances and financing less specific allowance	<u>3.20%</u>	<u>3.49%</u>	<u>3.50%</u>	<u>3.87%</u>
Specific allowance				
At beginning of period/year	172,645	185,987	125,509	136,666
Allowance made during the year	352	11,837	288	9,627
Amount written back in respect of recoveries	(196)	(15,619)	-	(11,637)
Allowance transfer from general allowance	3,514	5,816	3,514	5,816
Amount written off	-	(15,376)	-	(14,963)
At end of period/year	<u>176,315</u>	<u>172,645</u>	<u>129,311</u>	<u>125,509</u>

f. Non-Performing Loan by economic sector

	Group		Company	
	31.3.2009 RM'000	31.12.2008 RM'000	31.3.2009 RM'000	31.12.2008 RM'000
Manufacturing	159,598	147,205	146,819	134,426
Construction	24,014	24,134	10,521	10,521
Purchase of landed property - Residential	114	114	-	-
Wholesale & retail trade and restaurants & hotels	49,476	42,444	48,991	41,959
Transport, storage and communication	11,486	11,889	10,681	11,084
Finance, insurance and business services	20,167	20,187	5,633	5,639
Purchase of transport vehicles	14,120	14,133	-	-
Others	5,805	4,798	5,114	4,122
	<u>284,780</u>	<u>264,904</u>	<u>227,759</u>	<u>207,751</u>

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10. Other assets

	Group		Company	
	31.3.2009 RM'000	31.12.2008 RM'000	31.3.2009 RM'000	31.12.2008 RM'000
Accrued interest, commitment charges, commissions, and fees receivable	16,126	16,945	612	830
Amount due from subsidiaries				
- current accounts	-	-	6,789	7,940
- loan accounts	-	-	390,216	401,393
Clients' and brokers' accounts	31,962	24,333	-	-
Less: Allowance for doubtful debts	(2,506)	(2,507)	-	-
	29,456	21,826	-	-
Trade receivables	55,345	56,349	-	-
Less: Allowance for doubtful debts	(29,450)	(28,866)	-	-
	25,895	27,483	-	-
Less: Transfer to assets held-for-sale	(22,153)	(23,315)	-	-
	3,742	4,168	-	-
Other receivables, deposits and prepayments	45,691	49,259	12,079	15,648
Less: Allowance for doubtful debts	(24,567)	(24,529)	-	-
	21,124	24,730	12,079	15,648
Less: Transfer to assets held-for-sale	(3,368)	(1,610)	-	-
	17,756	23,120	12,079	15,648
Industrial Estates - developed properties held-for-sale	207,045	208,384	-	-
Less: Transfer to assets held-for-sale	(207,045)	(208,384)	-	-
	-	-	-	-
	67,080	66,059	409,696	425,811
Tax recoverable	11,877	23,717	6,134	4,503
Less: Transfer to assets held-for-sale	(3,456)	(3,339)	-	-
	8,421	20,378	6,134	4,503
	75,501	86,437	415,830	430,314

11. Deposits from customers

	Group	
	31.3.2009 RM'000	31.12.2008 RM'000
(i) By type of deposit		
Deposits from customers		
- Fixed deposits	1,765,862	1,993,222
- Call money	251,556	457,682
	<u>2,017,418</u>	<u>2,450,904</u>
(ii) By type of customer		
Government and statutory bodies	59,183	22,252
Business enterprises	1,958,235	2,428,652
	<u>2,017,418</u>	<u>2,450,904</u>

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12. Deposits and placements of banks and financial institutions

	Group	
	31.3.2009 RM'000	31.12.2008 RM'000
Call deposits		
- Other financial institutions	148,122	255,674
Fixed deposits		
- Licensed Islamic banks	-	50,000
- Other financial institutions	1,423,928	1,716,110
	<u>1,572,050</u>	<u>2,021,784</u>

13. Borrowings

	Group		Company	
	31.3.2009 RM'000	31.12.2008 RM'000	31.3.2009 RM'000	31.12.2008 RM'000
(a) Short Term				
Secured	24,675	24,675	-	-
Unsecured	53,857	60,958	52,557	59,658
	<u>78,532</u>	<u>85,633</u>	<u>52,557</u>	<u>59,658</u>
Less: Transfer to assets held-for-sale	(24,675)	(24,675)	-	-
	<u>53,857</u>	<u>60,958</u>	<u>52,557</u>	<u>59,658</u>
(b) Long Term				
Secured	16,875	19,688	-	-
Unsecured	354,401	359,705	354,401	359,705
Unsecured – Islamic operation	34,070	36,286	34,070	36,286
	<u>405,346</u>	<u>415,679</u>	<u>388,471</u>	<u>395,991</u>
Less: Transfer to assets held-for-sale	(16,875)	(19,688)	-	-
	<u>388,471</u>	<u>395,991</u>	<u>388,471</u>	<u>395,991</u>
Total borrowings	<u>442,328</u>	<u>456,949</u>	<u>441,028</u>	<u>455,649</u>

(c) Included in the borrowings are loans obtained from a Japanese financial institution, denominated in Yen, equivalent to RM104.987 million. The foreign exchange risk on the above loans is borne by the Government of Malaysia.

14. Government Scheme Funds

14.1 Government Scheme Funds

	Group and Company	
	31.3.2009 RM'000	31.12.2008 RM'000
At 1 January	632,258	446,459
Add : Funds received during the year	31,091	185,799
	<u>663,349</u>	<u>632,258</u>
Less : Non-performing loans pending approval		
At 1 January	18,291	11,882
Addition	1,440	6,409
At 31 December	<u>(19,731)</u>	<u>(18,291)</u>
Gross available Funds at 31 March / 31 December	643,618	613,967
Less : Net loans disbursed under Government Scheme Funds	(398,284)	(357,664)
Net Government Scheme Funds Available	<u>245,334</u>	<u>256,303</u>

Gross available Government Scheme Funds comprises the following:

	Group and Company	
	31.3.2009 RM'000	31.12.2008 RM'000
Non-current		
Funds from Ministry of International Trade and Industry ("MITI")	60,822	60,822
Soft loan for Small and Medium Scale Enterprises ("SME's")	258,126	229,365
Loan from Malaysian Industrial Energy Efficiency Improvement Project ("MIEEIP")	13,284	13,326
Loan from Progroam Pembiayaan Wang Ehsan ("PPWE")	9,757	9,757
Soft loan for Automation and Modernisation	152,023	154,466
Soft loan for Automotive Development	146,554	143,190
Loan from Malaysia External Trade Development Corporation ("MATRADE")	3,052	3,041
	<u>643,618</u>	<u>613,967</u>

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14. Government Scheme Funds (cont'd)

14.2 Loans, advances and financing under Government Scheme Funds

	Group and Company	
	31.3.2009	31.12.2008
	RM'000	RM'000
Term loans		
- Hire purchase receivables	105,528	93,052
- Other term loans/financing	210,016	188,586
Other loans/financing	123,160	114,784
	<u>438,704</u>	<u>396,422</u>
Less : Unearned interest income	(20,689)	(20,467)
	<u>418,015</u>	<u>375,955</u>
Less: Allowance for bad and doubtful debts and financing:		
- Specific	(19,731)	(18,291)
Total net loans, advances and financing	<u>398,284</u>	<u>357,664</u>

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

(i) By type of customer

	Group and Company	
	31.3.2009	31.12.2008
	RM'000	RM'000
Domestic business enterprises		
- Small medium enterprises	274,805	251,196
- Others	141,327	122,676
Foreign entities	1,883	2,083
Gross loans, advances and financing	<u>418,015</u>	<u>375,955</u>

(ii) By interest/profit rate sensitivity

	Group and Company	
	31.3.2009	31.12.2008
	RM'000	RM'000
Fixed rate		
Hire purchase receivables	97,905	98,261
Other fixed rate loan/financing	320,110	277,694
Gross loans, advances and financing	<u>418,015</u>	<u>375,955</u>

(iii) By economic sector

	Group and Company	
	31.3.2009	31.12.2008
	RM'000	RM'000
Mining and quarrying	1,143	1,276
Manufacturing	371,090	329,099
Construction	6,565	5,632
Wholesale & retail trade and restaurants & hotels	21,307	20,196
Transport, storage and communications	4,293	4,443
Finance, insurance and business services	5,385	6,759
Others	8,232	8,550
Gross loans, advances and financing	<u>418,015</u>	<u>375,955</u>

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14. Government Scheme Funds (cont'd)

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

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

	Group and Company	
	31.3.2009	31.12.2008
	RM'000	RM'000
At 1 January	18,228	13,645
Non-performing during the year	5,793	9,447
Reclassified as performing	(241)	(1,410)
Amount recovered	(591)	(1,240)
Amount written off	-	(2,214)
At 31 December	23,189	18,228
Less: Specific allowance	(19,120)	(17,511)
Net non-performing loans, advances and financing	4,069	717
Net NPL as % of gross loans, advances and financing less specific allowances	1.02%	0.20%
Performing loans with specific allowance provided	748	985
Less: Specific allowance	(611)	(780)
Net	137	205

(ii) Movements in allowance for bad and doubtful debts

	Group and Company	
	31.3.2009	31.12.2008
	RM'000	RM'000
Specific allowance		
At 1 January	18,291	11,882
Allowance made during the year	1,440	10,033
Amount write back in respect of recoveries	-	(1,406)
Amount written off	-	(2,218)
At 31 December	19,731	18,291

(iii) Non-Performing Loan by economic sector

	Group and Company	
	31.3.2009	31.12.2008
	RM'000	RM'000
Agriculture, hunting, forestry & fishing	236	236
Manufacturing	20,083	15,804
Wholesale & retail trade and restaurants & hotels	692	-
Finance, insurance and business services	1,941	1,951
Others	237	237
	23,189	18,228

15. Interest income

	Individual/Cumulative Quarter Ended	
	31.3.2009	31.3.2008
	RM'000	RM'000
Group		
Loans, advances and financing		
- Interest income other than recoveries from NPL	5,824	12,702
- Recoveries from NPL	2,210	270
Income from Government Scheme Funds	3,916	2,049
Money at call and deposit placements with financial institutions	10,913	24,348
Securities available-for-sale	12,759	16,341
Securities held-for-trading	20	41
Securities held-to-maturity	1,438	157
Hire purchase and leasing operations	1,281	1,860
Accretion of discounts (net of amortisation of premium)	16,613	13,028
Interest suspended	(1,036)	(935)
	53,938	69,861

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15. Interest income (cont'd)

<u>Company</u>	Individual/Cumulative Quarter Ended	
	31.3.2009 RM'000	31.3.2008 RM'000
Loans and advances		
- Interest income other than recoveries from NPL	3,615	8,326
- Recoveries from NPL	390	27
Income from Government Scheme Funds	3,916	2,049
Leasing operations	671	832
Loans to subsidiaries	2,614	3,529
	<u>11,206</u>	<u>14,763</u>

16. Interest expense

<u>Group</u>	Individual/Cumulative Quarter Ended	
	31.3.2009 RM'000	31.3.2008 RM'000
Deposits and placements of banks and other financial institutions	-	3
Deposits from customers	22,753	39,618
Short-term funds and bank overdrafts	38	187
Concessional funds	2,619	3,098
Commercial loans	218	744
Income securities	-	1,708
	<u>25,628</u>	<u>45,358</u>

<u>Company</u>	Individual/Cumulative Quarter Ended	
	31.3.2009 RM'000	31.3.2008 RM'000
Short-term funds and bank overdrafts	25	29
Concessional funds	2,619	3,098
Commercial loans	218	744
Income securities	-	1,708
	<u>2,862</u>	<u>5,579</u>

17. Other operating income

<u>Group</u>	Individual/Cumulative Quarter Ended	
	31.3.2009 RM'000	31.3.2008 RM'000
(a) Revenue income:		
Fee income derived from:		
- Capital market activities	2,628	3,204
- Management fees	819	1,843
- Net brokerage fees	1,737	3,656
Investment income derived from:		
- Net unrealised gain / (losses) on revaluation of securities held-for-trading	(49)	399
- Gain on sale of securities:		
- Available-for-sale	6,936	2,869
- Held-for-trading	1,035	198
- (Loss) / Gain on sale of trust units	13	(212)
Rental income on buildings	72	109
Income from factoring	199	261
Profit earned on Al-Bai Bithamin Ajil and Al-Ijarah	36	77
	<u>13,426</u>	<u>12,404</u>

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17. Other operating income (cont'd)

	Individual/Cumulative Quarter Ended	
	31.3.2009 RM'000	31.3.2008 RM'000
(b) Other income:		
Total interest income on:		
- short-term placements, fixed deposits and share issue account	2,844	2,233
- promissory notes	116	116
Gain on disposal of:		
- Property, plant and equipment	159	-
- Investment Properties	-	207
Total dividends (gross) from:		
- Securities held-for-trading	-	8
- Securities available-for-sale	35	-
- Securities held-to-maturity	-	100
Interest on staff loans	59	115
Guarantee fee	67	137
Commitment fee	4	-
Rental of office premises	9	12
Recoveries from non performing loans	-	2,984
Proceed from surrendering of the discount houses licenses	-	17,500
Others	881	565
	<u>4,174</u>	<u>23,977</u>
Total non-interest income	<u>17,600</u>	<u>36,381</u>

Company

	Individual/Cumulative Quarter Ended	
	31.3.2009 RM'000	31.3.2008 RM'000
(a) Revenue income:		
Fee income:		
- Management fees	2,587	2,889
Net unrealised gain / (loss) on revaluation of securities held-for-trading	(44)	502
	<u>2,543</u>	<u>3,391</u>
(b) Other income:		
Interest income on:		
- short-term placements, fixed deposits and share issue account	3,062	2,798
- promissory notes	116	116
Gain on disposal of:		
- Property, plant and equipment	111	37
Dividends (gross):		
- Securities held-for-trading	-	8
Interest on staff loans	46	64
Guarantee fee	67	137
Commitment fee	4	-
Rental of:		
- parking space	9	13
- office premises	9	125
Others	613	38
	<u>4,037</u>	<u>3,336</u>
Total non-interest income	<u>6,580</u>	<u>6,727</u>

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18. Operating Expenses

	Individual/Cumulative Quarter Ended	
	31.3.2009 RM'000	31.3.2008 RM'000
Group		
Personnel costs		
- Salaries	9,749	8,013
- Employees' benefit	409	205
- Defined contribution plans	1,492	1,411
- Other costs	3,027	3,767
Establishment costs		
- Depreciation	1,817	2,298
- Rental	244	270
- Insurance	40	110
- Water and electricity	60	62
- General repairs	576	977
- Assessment	6	18
Promotion and marketing-related expenses		
- Business promotion and advertisement	236	193
- Entertainment	49	19
- Traveling and accommodation	-	4
Administration and general expenses		
- Communication expenses	463	425
- Property, plant & equipment written off	5	-
- Management fees	53	111
- Professional fees	162	766
- Others	1,227	1,450
	<u>19,615</u>	<u>20,099</u>
Company		
Personnel costs		
- Salaries	4,402	4,488
- Employees' benefit	355	54
- Defined contribution plans	770	778
- Other costs	2,399	2,256
Establishment costs		
- Depreciation	1,186	872
- Rental	673	512
- Insurance	38	(1)
- Water and electricity	81	146
- General repairs	242	443
- Assessment	2	87
Promotion and marketing-related expenses		
- Business promotion and advertisement	158	72
- Entertainment	5	(1)
Administration and general expenses		
- Communication expenses	53	83
- Property, plant & equipment written off	5	-
- Management fees	21	108
- Professional fees	51	400
- Write back of allowance for doubtful debts	-	(6,264)
- Others	448	427
	<u>10,889</u>	<u>4,460</u>

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19. Allowance for losses on loans and financing

	Individual/Cumulative Quarter Ended	
	31.3.2009 RM'000	31.3.2008 RM'000
Group		
Allowance for bad and doubtful debts		
(a) Specific allowance		
- made in the financial period	(352)	(4,875)
- written back	196	6,549
(b) General allowance		
- made in the financial period	78	(739)
Bad debts on loans and financing recovered	41	9,048
	<u>(37)</u>	<u>9,983</u>

Company

Allowance for bad and doubtful debts		
(a) Specific allowance		
- made in the financial period	(288)	(4,633)
- written back	-	5,129
	<u>(288)</u>	<u>496</u>

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

	Individual/Cumulative Quarter Ended	
	31.3.2009 RM'000	31.3.2008 RM'000
Group		
Securities available-for-sale	(2,662)	(6,116)
Securities held-to-maturity	15,664	13,705
	<u>13,002</u>	<u>7,589</u>

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/Cumulative Quarter	
	1.1.2009 to 31.3.2009 RM'000	1.1.2008 to 31.3.2008 RM'000
Investment banking	69,987	81,354
Asset management	502	1,373
Development finance	11,750	14,581
Others	1,430	2,206
Investment holding	525	766
	<u>84,194</u>	<u>100,280</u>
Inter-segment elimination	(65)	(223)
	<u>84,129</u>	<u>100,057</u>
Discontinued operations	16,937	18,151
	<u>101,066</u>	<u>118,208</u>

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21. Segmental information (cont'd)

	Segment Results	
	Individual/Cumulative Quarter	
	1.1.2009 to 31.3.2009 RM'000	1.1.2008 to 31.3.2008 RM'000
Investment banking	41,685	40,581
Asset management	(484)	337
Development finance	7,452	9,104
Others	(179)	18,123
Investment holding	168	(227)
Consolidation adjustments	(1,982)	(171)
	<u>46,660</u>	<u>67,747</u>
Share of profit of associated companies	373	530
	<u>47,033</u>	<u>68,277</u>
Discontinued operations	4,779	6,196
	<u>51,812</u>	<u>74,473</u>

22. Capital commitments

	As at 31.3.2009 RM'000	As at 31.3.2008 RM'000
Authorised and contracted for	-	18,417
Authorised but not contracted for	15,492	14,727
	<u>15,492</u>	<u>33,144</u>

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 31.3.2009 →			← As at 31.12.2008 →		
	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	34,970	34,970	34,970	34,803	34,803	34,803
Obligations under underwriting agreement	426,241	213,121	95,055	425,929	212,965	63,308
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	384,945	76,989	76,941	424,938	84,988	84,931
- Maturity exceeding one year	30	15	7	34	17	7
- Miscellaneous commitments and contingencies	20,170	4,034	807	105,207	21,041	4,208
Direct credit substitutes	133	133	133	133	133	133
Total	<u>866,489</u>	<u>329,262</u>	<u>207,913</u>	<u>991,044</u>	<u>353,947</u>	<u>187,390</u>
Company						
Guarantee facilities	34,970	34,970	34,970	34,803	34,803	34,803
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	306,158	61,232	61,232	324,705	64,941	64,941
Total	<u>341,128</u>	<u>96,202</u>	<u>96,202</u>	<u>359,508</u>	<u>99,744</u>	<u>99,744</u>

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

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24. Interest rate risk

Group	Non trading book					Non- interest sensitive RM'000	Trading book RM'000	Effective interest	
	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			Total RM'000	rate %
31.3.2009									
Assets									
Loans, advances and financing									
- performing	69,083	38,050	15,203	252,937	177,227	(21,025) *	-	531,475	7.33
- non-performing	-	-	-	-	-	112,799	-	112,799	-
Securities held-for-trading	-	-	-	-	-	-	257,035	257,035	-
Securities available-for-sale	632,311	952,330	375,921	778,102	218,052	133,629	-	3,090,345	4.35
Securities held-to-maturity	-	-	23,378	8,365	-	9,380	-	41,123	2.47
Deposits and placements with banks and other financial institutions	-	12,670	1,379	-	-	3,244	-	17,293	2.61
Cash and short term funds	1,747,967	-	-	-	-	15,357	-	1,763,324	2.05
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	21,282	-	21,282	-
Other non-interest sensitive balances	-	-	-	-	-	859,009	-	859,009	-
Total assets	2,449,361	1,003,050	415,881	1,039,404	395,279	1,133,675	257,035	6,693,685	
Liabilities									
Borrowings									
Government Scheme Funds	3,232	4,938	45,687	194,199	194,272	-	-	442,328	2.40
Deposits from customers	-	-	-	-	-	245,334	-	245,334	-
Deposits and placements of banks and financial institutions	1,435,429	371,705	210,284	-	-	-	-	2,017,418	2.07
Other non-interest sensitive balances	1,435,587	44,007	92,456	-	-	-	-	1,572,050	1.94
Total liabilities	2,874,248	420,650	348,427	194,199	194,272	473,485	-	4,505,281	
Shareholders' funds	-	-	-	-	-	2,162,341	-	2,162,341	
Minority interests	-	-	-	-	-	26,063	-	26,063	
Total interest sensitivity gap	(424,887)	582,400	67,454	845,205	201,007	(1,528,214)	257,035		
Off-balance sheet interest sensitivity gap (interest rate swaps)	-	(22,500)	-	-	-	-	-		
Total interest sensitivity gap	(424,887)	559,900	67,454	845,205	201,007	(1,528,214)	257,035		

* General allowance for bad and doubtful debts and financing

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24. Interest rate risk (cont'd)

Group	Non trading book					Non- interest sensitive RM'000	Trading book RM'000	Effective interest	
	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			Total RM'000	rate %
31.12.2008									
Assets									
Loans, advances and financing									
- performing	72,211	36,529	16,713	282,273	210,907	(24,905) *	-	593,728	7.35
- non-performing	-	-	-	-	-	94,930	-	94,930	-
Securities held-for-trading	-	-	-	-	-	-	275,659	275,659	-
Securities available-for-sale	292,749	651,773	756,989	1,195,027	224,602	129,222	-	3,250,362	5.36
Securities held-to-maturity	-	-	3,931	27,580	-	11,893	-	43,404	3.08
Deposits and placements with banks and other financial institutions	2,580	525,236	2,905	-	-	4,853	-	535,574	3.32
Cash and short term funds	1,770,655	-	-	-	-	13,538	-	1,784,193	3.16
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	96,871	-	96,871	-
Other non-interest sensitive balances	-	-	-	-	-	883,926	-	883,926	-
Total assets, restated	2,138,195	1,213,538	780,538	1,504,880	435,509	1,210,328	275,659	7,558,647	
Liabilities									
Borrowings									
Government Scheme Funds	3,232	4,938	45,931	194,199	208,649	-	-	456,949	2.40
Deposits from customers	-	-	-	-	-	256,303	-	256,303	-
Deposits and placements of banks and financial institutions	2,025,066	401,664	24,174	-	-	-	-	2,450,904	3.24
Other non-interest sensitive balances	1,889,051	107,396	25,337	-	-	-	-	2,021,784	3.20
Total liabilities	3,917,349	513,998	95,442	194,199	208,649	473,875	-	5,403,512	
Shareholders' funds	-	-	-	-	-	2,128,992	-	2,128,992	
Minority interests	-	-	-	-	-	26,143	-	26,143	
Total interest sensitivity gap	(1,779,154)	699,540	685,096	1,310,681	226,860	(1,418,682)	275,659		
Off-balance sheet interest sensitivity gap (interest rate swaps)	-	(25,313)	-	-	-	-	-		
Total interest sensitivity gap	(1,779,154)	674,227	685,096	1,310,681	226,860	(1,418,682)	275,659		

* General allowance for bad and doubtful debts and financing

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24. Interest rate risk (cont'd)

Company	Non trading book					Non-interest sensitive	Trading book	Effective interest	
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	1 to 5 years	> 5 years			Total	rate
31.3.2009	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Assets									
Loans, advances and financing									
- performing	214	1,709	12,819	226,464	173,011	(17,804) *	-	396,413	6.81
- non-performing	-	-	-	-	-	102,782	-	102,782	-
Deposits and placements with banks and other financial institutions									
	-	10,908	-	-	-	-	-	10,908	2.00
Cash and short term funds									
	674,006	-	-	-	-	9,582	-	683,588	2.06
Securities held-for-trading									
	-	-	-	-	-	-	8,320	8,320	-
Securities available-for-sale									
	-	-	2,786	46,010	-	6,279	-	55,075	0.70
Other non-interest sensitive balances									
	-	-	-	-	-	1,309,490	-	1,309,490	-
Total assets	674,220	12,617	15,605	272,474	173,011	1,410,329	8,320	2,566,576	
Liabilities									
Borrowings									
Government Scheme Funds	1,932	4,938	45,687	194,199	194,272	-	-	441,028	2.39
Other non-interest sensitive balances	-	-	-	-	-	61,604	-	61,604	-
Total liabilities	1,932	4,938	45,687	194,199	194,272	306,938	-	747,966	
Shareholders' funds									
	-	-	-	-	-	1,818,610	-	1,818,610	
	1,932	4,938	45,687	194,199	194,272	2,125,548	-	2,566,576	
On-balance sheet interest sensitivity gap									
	672,288	7,679	(30,082)	78,275	(21,261)	(715,219)	8,320		
Off-balance sheet interest sensitivity gap (interest rate swaps)									
	-	-	-	-	-	-	-		
Total interest sensitivity gap	672,288	7,679	(30,082)	78,275	(21,261)	(715,219)	8,320		

* General allowance for bad and doubtful debts and financing

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
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24. Interest rate risk (cont'd)

Company	← Non trading book →					Non-interest sensitive	Trading book	Effective interest	
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	1 to 5 years	> 5 years			Total	rate
31.12.2008	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Assets									
Loans, advances and financing									
- performing	246	1,947	14,038	250,525	206,437	(21,606) *	-	451,587	6.95
- non-performing	-	-	-	-	-	84,913	-	84,913	-
Deposits and placements with banks and other financial institutions									
	-	40,000	-	-	-	-	-	40,000	3.44
Cash and short term funds									
	612,111	-	-	-	-	9,028	-	621,139	3.25
Securities held-for-trading									
	-	-	-	-	-	-	8,365	8,365	-
Securities available-for-sale									
	-	-	3,631	46,022	-	6,280	-	55,933	2.12
Other non-interest sensitive balances									
	-	-	-	-	-	1,325,314	-	1,325,314	-
Total assets	612,357	41,947	17,669	296,547	206,437	1,403,929	8,365	2,587,251	
Liabilities									
Borrowings									
Government Scheme Funds	1,932	4,938	45,931	194,199	208,649	-	-	455,649	2.39
Other non-interest sensitive balances	-	-	-	-	-	62,433	-	62,433	-
Total liabilities	1,932	4,938	45,931	194,199	208,649	318,736	-	774,385	
Shareholders' funds									
	-	-	-	-	-	1,812,866	-	1,812,866	
	1,932	4,938	45,931	194,199	208,649	2,131,602	-	2,587,251	
On-balance sheet interest sensitivity gap									
	610,425	37,009	(28,262)	102,348	(2,212)	(727,673)	8,365		
Off-balance sheet interest sensitivity gap (interest rate swaps)									
	-	-	-	-	-	-	-		
Total interest sensitivity gap	610,425	37,009	(28,262)	102,348	(2,212)	(727,673)	8,365		

* General allowance for bad and doubtful debts and financing

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
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25. Capital Adequacy

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

	31.3.2009 RM'000	31.12.2008 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	112,087	112,087
Retained profit	95,871	95,871
	<u>727,069</u>	<u>727,069</u>
Less: Deferred tax assets	(31,914)	(42,314)
Total Tier-I capital	<u>695,155</u>	<u>684,755</u>
Tier-II capital		
General allowance for bad and doubtful debts	2,510	2,588
Total Tier-II capital	<u>2,510</u>	<u>2,588</u>
Capital base	<u>697,665</u>	<u>687,343</u>
Core capital ratio	43.09%	47.84%
Risk-weighted capital ratio	43.25%	48.02%

Breakdown of gross risk-weighted assets of the investment bank subsidiary in the various categories of risk-weights are as follows:

	31.3.2009		31.12.2008	
	Notional amount RM'000	Risk- weighted amount RM'000	Notional amount RM'000	Risk- weighted amount RM'000
0%	1,222,564	-	1,876,438	-
20%	2,009,770	401,954	2,363,128	472,626
35%	984	344	1,239	434
50%	756,574	378,287	915,141	457,569
75%	312	234	373	280
100%	322,814	322,814	217,853	217,853
150%	186,628	279,942	29,099	43,649
Total Risk	<u>4,499,646</u>	<u>1,383,575</u>	<u>5,403,271</u>	<u>1,192,411</u>
Risk Weighted Assets Equivalent for Market Risk	-	7,146	-	15,865
Risk Weighted Assets Equivalent for Operational Risk	-	222,204	-	223,034
	<u>4,499,646</u>	<u>1,612,925</u>	<u>5,403,271</u>	<u>1,431,310</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
CONDENSED INTERIM FINANCIAL STATEMENTS**

26. **Operations of Islamic Banking**

26a. **Unaudited Balance Sheets as at 31 March 2009**

	Note	Group		Company	
		31.3.2009 RM'000	31.12.2008 RM'000	31.3.2009 RM'000	31.12.2008 RM'000
ASSETS					
Cash and short-term funds		39,630	94,326	2,096	8,672
Securities held-for-trading	26c	32,537	-	-	-
Securities available-for-sale	26d	787,761	869,715	-	-
Securities held-to-maturity	26e	19,431	19,258	-	-
Loans, advances and financing	26f	82,403	94,115	82,403	94,115
Other assets		2,942	2,616	135	-
Deferred tax asset		922	922	922	922
TOTAL ASSETS		965,626	1,080,952	85,556	103,709
LIABILITIES					
Deposits from customers	26g	423,495	403,495	-	-
Deposits and placement of banks and other financial institutions		339,896	462,646	-	-
Borrowings (unsecured)	13	34,070	36,286	34,070	36,286
Government Scheme Funds	26h(a)	7,014	8,645	7,014	8,645
Other liabilities		15,380	15,316	6,483	10,059
Taxation		6,069	6,061	6,069	6,061
Deferred tax liabilities		274	274	-	-
Amount due to Head Office		154	204	-	-
		826,352	932,927	53,636	61,051
ISLAMIC BANKING CAPITAL FUNDS					
Funds allocated from Head Office		103,920	114,625	23,920	34,625
Reserves		35,354	33,400	8,000	8,033
TOTAL ISLAMIC BANKING CAPITAL FUNDS		139,274	148,025	31,920	42,658
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		965,626	1,080,952	85,556	103,709

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26. **Operations of Islamic Banking (cont'd)**

26b. **Unaudited Income Statement for the period ended 31 March 2009**

	Individual/Cumulative Quarter Ended	
	31.3.2009 RM'000	31.3.2008 RM'000
<u>Group</u>		
Income derived from investment of depositors funds and others	16,715	16,869
Writeback/(Provision) for profit equalisation reserve (PER)	(4,098)	2,685
Total attributable income	<u>12,617</u>	<u>19,554</u>
Income attributable to depositors	<u>(5,217)</u>	<u>(10,164)</u>
Net income attributable to the reporting institutions	7,400	9,390
Other operating expenses	<u>(512)</u>	<u>(365)</u>
Operating profit	6,888	9,025
Allowance for impairment losses on securities	-	(2,514)
Allowance for losses on loans, advances and financing	(2,994)	(459)
Finance costs	<u>(130)</u>	<u>(252)</u>
Profit before taxation and zakat	3,764	5,800
Tax expenses	(8)	(585)
Zakat	<u>(151)</u>	<u>(118)</u>
Profit after taxation and zakat	<u><u>3,605</u></u>	<u><u>5,097</u></u>
<u>Company</u>		
Income derived from investment of depositors funds and others	<u>3,158</u>	<u>3,347</u>
Income attributable to the reporting institutions	3,158	3,347
Other operating expenses	<u>(2)</u>	<u>(1)</u>
Operating profit	3,156	3,346
Allowance for losses on loans, advances and financing	(2,994)	(459)
Finance costs	<u>(130)</u>	<u>(252)</u>
Profit before taxation	32	2,635
Tax expenses	(8)	(585)
Zakat	<u>(57)</u>	<u>(40)</u>
Profit after taxation and zakat	<u><u>(33)</u></u>	<u><u>2,010</u></u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
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26.	Operations of Islamic Banking (cont'd)		
26c.	Securities held-for-trading		
		Group	
		31.3.2009	31.12.2008
		RM'000	RM'000
	At fair value		
	Quoted:		
	Islamic BNM Notes	25,032	-
	Government Investment Issue	7,505	-
		<u>32,537</u>	<u>-</u>
26d.	Securities available-for-sale		
		Group	
		31.3.2009	31.12.2008
		RM'000	RM'000
	At fair value, or amortised cost less impairment losses for certain unquoted equity instruments		
	Quoted:		
	Government Investment Issue	-	158,490
	Islamic BNM Notes	33,184	-
		<u>33,184</u>	<u>158,490</u>
	Unquoted:		
	Islamic Acceptances Bills	125,363	107,509
	Khazanah Nasional Berhad bonds	80,703	126,915
	Islamic Negotiable Certificate of Deposit	139,719	59,590
	Cagamas Mudharabah Bonds	-	20,014
	Islamic Private Debt Securities	408,792	397,197
		<u>754,577</u>	<u>711,225</u>
		<u>787,761</u>	<u>869,715</u>
26e.	Securities held-to-maturity		
		Group	
		31.3.2009	31.12.2008
		RM'000	RM'000
	At amortised cost		
	Unquoted:		
	Khazanah Nasional Berhad bonds	19,431	19,258
	Islamic Private Debt Securities	4,998	4,998
		<u>24,429</u>	<u>24,256</u>
	Less: Accumulated impairment losses	<u>(4,998)</u>	<u>(4,998)</u>
		<u>19,431</u>	<u>19,258</u>
26f.	Loans, advances and financing		
		Group and Company	
		31.3.2009	31.12.2008
		RM'000	RM'000
	Term loan		
	- Term financing	48,738	53,179
	- Islamic hire purchase/leasing	66,260	72,185
		<u>114,998</u>	<u>125,364</u>
	Less: Unearned income	<u>(10,047)</u>	<u>(11,695)</u>
		104,951	113,669
	Less: Allowance for bad and doubtful debts and financing loss		
	- General	(2,600)	(3,314)
	- Specific	(19,948)	(16,240)
	Total net loans, advances and financing	<u>82,403</u>	<u>94,115</u>

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26. **Operations of Islamic Banking (cont'd)**

26f. **Loans, advances and financing (cont'd)**

	Group and Company	
	31.3.2009	31.12.2008
	RM'000	RM'000
(i) By contract		
Bai Bithaman Ajil (deferred payment sales)	41,461	43,887
Murabahah Working Capital (cost plus)	2,305	3,646
Al-Ijarah Thumma Al-Bai (finance lease)	58,289	62,714
Al-Ijarah (operating lease)	2,896	3,422
	<u>104,951</u>	<u>113,669</u>

(ii) By type of customer

	Group and Company	
	31.3.2009	31.12.2008
	RM'000	RM'000
Domestic business enterprises	<u>104,951</u>	<u>113,669</u>

(iii) By profit rate sensitivity

	Group and Company	
	31.3.2009	31.12.2008
	RM'000	RM'000
Fixed rate		
Hire purchase receivables	61,185	66,137
Other fixed rate loan/financing	43,766	47,532
	<u>104,951</u>	<u>113,669</u>

(iv) By economic sector

	Group and Company	
	31.3.2009	31.12.2008
	RM'000	RM'000
Mining and quarrying	1,637	1,869
Manufacturing	79,947	86,525
Construction	1,072	1,205
Wholesale & retail trade and restaurants & hotels	3,502	3,840
Transport, storage and communication	16,597	17,878
Finance, insurance and business services	17	24
Others	2,179	2,328
	<u>104,951</u>	<u>113,669</u>

Movements in non-performing loans, advances and financing

	Group and Company	
	31.3.2009	31.12.2008
	RM'000	RM'000
At beginning of period/year	17,418	15,534
Non-performing during the year	12,123	7,266
Reclassified as performing	(243)	(4,094)
Amount recovered	(362)	(1,288)
At end of period/year	<u>28,936</u>	<u>17,418</u>
Less: Specific allowance	<u>(18,860)</u>	<u>(15,584)</u>
Net non-performing loans, advances and financing	<u>10,076</u>	<u>1,834</u>

Net NPL as % of gross loans, advances and financing less specific allowances

	<u>11.85%</u>	<u>1.88%</u>
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Performing loans with specific allowance provided

Performing loans	2,367	953
Less: Specific allowance	<u>(1,088)</u>	<u>(656)</u>
Net	<u>1,279</u>	<u>297</u>

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26. **Operations of Islamic Banking (cont'd)**

26f. **Loans, advances and financing (cont'd)**

Movements in allowance for bad and doubtful debts

	Group and Company	
	31.3.2009	31.12.2008
	RM'000	RM'000
General allowance		
At beginning of period/year	3,314	3,200
Allowance made during the year	1,554	6,900
Amount transferred to specific allowance	(2,268)	(6,786)
At end of period/year	<u>2,600</u>	<u>3,314</u>
As % of gross loans, advances and financing less specific allowance	<u>3.06%</u>	<u>3.40%</u>

Specific allowance

At beginning of period/year	16,240	11,232
Allowance made during the period/year	1,440	1,304
Allowance written back in respect of recoveries	-	(3,164)
Amount transferred from general allowance	2,268	6,786
Reclassified to Government Scheme Funds	-	82
At end of period/year	<u>19,948</u>	<u>16,240</u>

Non-Performing Loan by economic sector

	Group and Company	
	31.3.2009	31.12.2008
	RM'000	RM'000
Manufacturing	19,141	7,213
Wholesale & retail trade and restaurants & hotels	295	301
Transport, storage and communication	8,851	9,249
Others	649	655
	<u>28,936</u>	<u>17,418</u>

26g. **Deposits from customers**

(i) By type of deposit

	Group	
	31.3.2009	31.12.2008
	RM'000	RM'000
Mudharabah Fund		
- Fixed/investment deposits	420,212	389,249
- Others	3,283	14,246
	<u>423,495</u>	<u>403,495</u>

(ii) By type of customer

	Group	
	31.3.2009	31.12.2008
	RM'000	RM'000
Business enterprises	<u>423,495</u>	<u>403,495</u>

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26. **Operations of Islamic Banking (cont'd)**

26h. **Government Scheme Funds**

(a) Government Scheme Funds

	Group and Company	
	31.3.2009	31.12.2008
	RM'000	RM'000
Soft loan from SME*:		
At beginning of period/year	170,854	58,407
Add : Funds received during the year	14,859	112,447
	<u>185,713</u>	<u>170,854</u>
Less : Non-Performing loans pending approval		
At beginning of period/year	(4,682)	(1,341)
Addition	(1,122)	(3,341)
Reduction upon approval	-	-
At end of period/year	<u>(5,804)</u>	<u>(4,682)</u>
Available funds at end of period/year	179,909	166,172
Less: Net loan disbursed under Government Scheme Funds (Note 26h (b))	<u>(172,895)</u>	<u>(157,527)</u>
Net Government Scheme Funds available	<u>7,014</u>	<u>8,645</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.

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

	Group and Company	
	31.3.2009	31.12.2008
	RM'000	RM'000
Term loan		
- Term financing	110,088	101,953
- Islamic hire purchase/leasing	88,830	80,037
	<u>198,918</u>	<u>181,990</u>
Less: Unearned income	<u>(20,219)</u>	<u>(19,781)</u>
	178,699	162,209
Less: Allowance for bad and doubtful debts and financing loss		
- Specific	<u>(5,804)</u>	<u>(4,682)</u>
Total net loans, advances and financing	<u>172,895</u>	<u>157,527</u>

(i) By contract

	Group and Company	
	31.3.2009	31.12.2008
	RM'000	RM'000
Bai Bithaman Ajil (deferred payment sales)	95,794	88,015
Murabahah Working Capital (cost plus)	1,227	1,522
Al-Ijarah Thumma Al-Bai (finance lease)	81,678	72,672
	<u>178,699</u>	<u>162,209</u>

(ii) By type of customer

	Group and Company	
	31.3.2009	31.12.2008
	RM'000	RM'000
Domestic business enterprises	<u>178,699</u>	<u>162,209</u>

(iii) By profit rate sensitivity

	Group and Company	
	31.3.2009	31.12.2008
	RM'000	RM'000
Fixed rate		
Hire purchase receivables	81,678	73,101
Other fixed rate loan/financing	97,021	89,108
	<u>178,699</u>	<u>162,209</u>

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26. **Operations of Islamic Banking (cont'd)**

26h. **Government Scheme Funds (cont'd)**

(iv) By economic sector

	Group and Company	
	31.3.2009 RM'000	31.12.2008 RM'000
Manufacturing	165,005	148,541
Construction	3,715	3,773
Wholesale & retail trade and restaurants & hotels	5,722	5,759
Transport, storage and communication	1,518	1,600
Finance, insurance and business services	452	466
Others	2,287	2,070
	<u>178,699</u>	<u>162,209</u>

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

	Group and Company	
	31.3.2009 RM'000	31.12.2008 RM'000
At 1 January	5,201	1,395
Non-performing during the year	3,286	4,545
Reclassified as performing	-	(492)
Amount recovered	(1,103)	(247)
At 31 December	<u>7,384</u>	<u>5,201</u>
Less: Specific allowance	<u>(5,804)</u>	<u>(4,364)</u>
Net non-performing loans, advances and financing	<u>1,580</u>	<u>837</u>
Net NPL as % of gross loans, advances and financing less specific allowances	<u>0.91%</u>	<u>0.53%</u>
Performing loans with specific allowance provided		
Gross loan	-	408
Less: Specific allowance	-	(318)
Net	<u>-</u>	<u>90</u>

(vi) Movements in allowance for bad and doubtful debts

	Group and Company	
	31.3.2009 RM'000	31.12.2008 RM'000
Specific allowance		
At 1 January	4,682	1,341
Allowance made during the year	1,122	4,248
Amount write back in respect of recoveries	-	(907)
At 31 December	<u>5,804</u>	<u>4,682</u>

(vii) Non-Performing Loan by economic sector

	Group and Company	
	31.3.2009 RM'000	31.12.2008 RM'000
Manufacturing	6,812	4,728
Others	572	473
	<u>7,384</u>	<u>5,201</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
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I, Foo Wei Hoong, the officer 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 2009, as set out on pages 1 to 33, 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 2009. 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.

FOO WEI HOONG
CHIEF FINANCIAL OFFICER

30 April 2009