

IRM GROUP BERHAD (628000-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 2ND QUARTER ended 30 JUNE 2009
CONDENSED CONSOLIDATED BALANCE SHEET

(The figure has not been audited)

	Unaudited 30-Jun-09 RM '000	Audited 31-Dec-08 RM '000
PROPERTY, PLANT & EQUIPMENT	56,488	56,144
INVESTMENT PROPERTIES	3,030	3,030
ASSETS HELD FOR SALE	-	-
OTHER INVESTMENTS	-	-
DEFERRED TAX ASSETS	-	-
DEVELOPMENT COST	-	-
Deposits with Licensed Bank	-	-
CURRENT ASSETS		
Inventories	20,228	21,499
Trade debtors	15,530	19,013
Other debtors, deposits and prepayments	2,282	3,907
Deposit with licensed bank	174	169
Cash and bank balances	4,929	3,580
	43,143	48,167
Assets classified as Held for Sale	2,313	1,959
	45,456	50,126
CURRENT LIABILITIES		
Trade creditors	16,126	13,423
Hire purchase creditors	474	137
Other creditors and accruals	11,936	5,353
Short Term Borrowings	25,616	37,024
Taxation	(959)	(959)
	53,193	54,979
Liabilities associated with Assets classified as Held for Sale	342	97
	53,535	55,076
NET CURRENT ASSETS	(8,079)	(4,950)
	51,439	54,223
FINANCED BY		
Share capital	65,000	65,000
Share Premium	2,063	2,063
Retained profit / (Loss)	(18,786)	(20,742)
Profit / (Loss) for the period	(1,257)	1,956
Shareholders Fund	47,020	48,277
Minority Interest	-	-
	47,020	48,277
LONG TERM BORROWING	3,352	4,880
DEFERRED TAXATION	1,067	1,067
	51,439	54,223
Net Assets ("NA") per share (sen) #	36.2	37.1

This statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

NOTE:

NA per share is calculated based on the NA divided by the number of ordinary shares of RM 0.50 each in issue as at END OF PERIOD.

IRM GROUP BERHAD (628000-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 2ND QUARTER ended 30 JUNE 2009

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of performance

Current 2nd Quarter Revenue at RM 45.619 Million is 29% lower than the corresponding Q2 of the preceeding year. Revenue from the PVC Resins and Compounds business decreased due the significantly lower resins and compounds prices but volumes remain about the same (Q2 2009 15,400 MTS to Q2 2008 15,710 MTS). Unit contributions for resins were significantly reduced whereas unit contributions for compounds were increased. The near breakeven position in Q2 on the PVC Resins and Compounds Business at RM (0.084) Million (compared to Q2 2008 Profit of RM 1.241 Million) was due to the continued uncertainty and squeezed international vinyl differential plus the unstable currency exchanges subsequent to the collapse of world oil and petrochemical prices at the close of 2008. The gain from the Discontinued/Disposal group was mainly from the recovery of remnant stocks written off. The overall Group result more or less reflects the business of the core PVC resins and compounds business with a Profit After Tax of RM 0.024 Million (compared to the Profit after Tax of RM 1.241 Million in the 2nd Quarter of the preceeding year).

B2 Variation of results against immediate preceding quarter

Explanations of comparative figures for the current Quarter and the immediate preceding Quarter are as follows:

	IMMEDIATE PRECEDING QUARTER ended 31-Mar-09 RM' 000	CURRENT QUARTER ended 30-Jun-09 RM' 000	CHANGES RM' 000
Revenue - Continued Operations	37,552	45,619	8,067
Consolidated Profit/(Loss) Before Tax	(1,280)	(84)	1,196
less: Taxation	-	-	-
Consolidated Profit/(Loss) After Tax			
Continuing Operations	(1,280)	(84)	1,196
Discontinued Operations / Disposal Group	-	108	108
Minority Interest (MI)	-	-	-
Net Profit/(Loss) After MI	(1,280)	24	1,304

Turnover for the 2nd Quarter 2009 at RM 45.552 Million increase 21% compared to the immediate preceding 1st Quarter 2009 with Net Profit after Tax After MI of RM 0.024 Million. The higher revenue was due to the higher volume for resins and compounds and higher prices for resins (but compounds prices remaining the same) following the cost push in the vinyl raw materials. However, although compounds unit contributions were higher than in Q1, there was a significantly lower unit contributions from PVC Resins for Q2 due to lower vinyl differential. The contribution from the Discontinued/Disposal group during Q2 was mainly due to the disposal of stocks written off.

The small positive result compared to the immediate preceding quarter reflects the current uncertainty and instability of the fluctuating international vinyl prices although the business climate of the industry is facing shows continuing improvements.

IRM GROUP BERHAD (628000-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 2ND QUARTER ended 30 JUNE 2009

B3 Prospects

Turnover for Q3 is expected to remain the same as Q2 in terms of volume. However, we expect higher value due to higher prices.. Performance is subject to unit contribution which depend on international vinyl price differential in the coming quarter. Differentials at the time of this report are more attractive. The expectation is an improve performance in the 3rd Quarter.

B4 Variance of Group's Actual against Profit Forecast and profit guarantee

The Group has not provided any quarterly profit forecast and therefore no variance information is available for presentation.

The Group did not announce any profit guarantee.

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	<u>2nd Quarter</u>	<u>2nd Quarter</u>	<u>2nd Quarter</u>	<u>2nd Quarter</u>
	<u>@30Jun09</u>	<u>@30Jun08</u>	<u>@30Jun09</u>	<u>@30Jun08</u>
	RM '000	RM '000	RM '000	RM '000
Current Year Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
Total Tax Expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Effective Tax Rate	0.0%	0.0%	0.0%	0.0%

The effective income tax rate defers from the statutory rate due absence of group relief for loss making subsidiaries in which losses of certain subsidiaries assumed cannot be offset against the profit of other subsidiaries. Also, although sufficient Capital Allowances and Unabsorbed Losses are available, these are assumed not set off against the Taxable Income between subsidiaries. (In view of substantial unabsorbed accumulated losses, no tax is payable for the current and cumulative period.)

B6 Unquoted investments and properties

There were no sale or purchases of unquoted investments and properties during the financial quarter ended 30 JUNE 2009.

B7 Quoted securities

There were no purchases or disposals of quoted securities during the financial quarter ended 30 JUNE 2009.

B8 Status of Corporate Proposals announced

No corporate proposals were announced during the financial quarter ended 30 JUNE 2009.

IRM GROUP BERHAD (628000-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 2ND QUARTER ended 30 JUNE 2009

B9 Group's borrowings and debt securities

(a) The Group borrowings are as follows:

	@ 30 JUNE 09			@ 30 JUNE 08		
	<u>Short term</u>	<u>Long term</u>	<u>Total</u>	<u>Short term</u>	<u>Long term</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured:	24,453	3,352	27,805	30,450	6,335	36,785
Unsecured:	1,163	-	1,163	1,000	-	1,000
Total	25,616	3,352	28,968	31,450	6,335	37,785

(b) All borrowings are denominated in Ringgit Malaysia

B10 Off balance sheet financial instruments

There were no off balance sheet financial instruments as at end of 30 JUNE 2009.

B11 Material litigation

There were no material litigation pending at the date of this announcement.

B12 Dividends

No dividend has been declared in respect of the financial period under review.

B13 Earnings per share

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	<u>2nd Quarter</u> <u>@ 30Jun09</u>	<u>2nd Quarter</u> <u>@ 30Jun08</u>	<u>2nd Quarter</u> <u>@ 30Jun09</u>	<u>2nd Quarter</u> <u>@ 30Jun08</u>
a. Basic				
Net Profit / (Loss) for the period (RM '000)	24	1,241	(1,257)	2,266
Weighted Average Number of shares in issue ('000)	130,000	130,000	130,000	130,000
Basic Earnings / (Loss) per share (sen)	0.02	0.95	(0.97)	1.74

b. Diluted

The Group does not have any convertible securities and accordingly Diluted EPS is not applicable.

B14 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 20 AUGUST, 2009.

IRM GROUP BERHAD (628000-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 2ND QUARTER ended 30 JUNE 2009

A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial report are unaudited and have been prepared in compliance with FRS 134 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2008.

The financial statements of the Group are prepared on the historical cost basis except as disclosed in the notes to this statement and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standard.

A2a Changes in Accounting Policies

Accounting policies adopted by the Group in this interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2008.

The following Financial Reporting Standards ("FRSs") and IC Interpretations were issued but not yet effective, have not been applied by the Group:

FRSs and IC Interpretations		Effective for Financial period beginning on or after
FRS 4	Insurance Contracts	1 January 2010
7	Financial Instrument: Disclosures	1 January 2010
8	Operating Segments	1 July 2010
139	Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9:	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10:	Interim Financial Reporting and Impairment	1 January 2010

Initial Application of above standards and IC Interpretations are not expected to have any material impact on Financial Statements of the Group. The Group is exempted from disclosing possible impact, if any, to the financial statements upon initial application of FRS 139.

IRM GROUP BERHAD (628000-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 2ND QUARTER ended 30 JUNE 2009

A2b Comparatives

The are no comparatives amounts to be restated due to the adoption of new and revised FRSs.

A2c Audit report of preceding annual financial statements

The preceding year annual audited financial statements were not subject to any qualification.

A3 Seasonal or cyclical factors

The Group's operations were not materially affected by seasonal or cyclical changes during the quarter under review except for fluctuations in petrochemical price differentials for the Vinyl industry.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group since the last annual audited financial statements except as disclosed in NOTE A 2a and A 2b and the following:

Estimates and assumptions concerning the future and judgements are made in the preparation of the financial statements which affect the application of the Group's accounting policies and reported amounts. They are assessed in an on-going basis based on experience and relevant factors including changes in expected usage level, technological developments and expectation of future events that are believed to be reasonable under the operating cirmcumstances.

The Board reviewed the Residual Value and Life Span of the Plant and Machinery which has been incorporated into the Financial Report in the current Quarter. Thus the current and future depreciation charges are revised from RM1,060,000 to about RM317,000 per Quarter whereby plant & equipment residual values are updated and are depreciated in a straight line basis over 5 - 20 years except for freehold land which is not amortised. We have reflected Q1 depreciation changes in Q2.

A5 Material changes in estimates

There were no changes in estimates of amounts reported in prior financial years, which have a material effect in the current financial quarter.

A6 Debt and equity securities

Proposed repurchase of the Company's shares

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter.

A7 Dividend paid

No dividend has been paid in the current financial quarter.

IRM GROUP BERHAD (628000-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 2ND QUARTER ended 30 JUNE 2009

A8 Segment information

The Group's operation comprises 2 different business segments from 4 operating units:

- (a) Manufacture of PVC Resins and Compounds (Raw Materials for downstream fabrication applications)
(b) Manufacture of downstream fabricated applications (PVC Pipes and Calendered Products)

OPERATING UNITS' BUSINESS	Current 2ND Quarter		Preceding 2ND Quarter	
	Revenue	Profit after taxation	Revenue	Profit after taxation
	RM '000	RM '000	RM '000	RM '000
PVC Resins and Compounds	45,619	(34)	64,413	1,881
Downstream Fabricated Applications - Pipes & Calendaring #	1,370	108	2,074	(490)
	46,989	74	66,487	1,391
less: Inter-Segment Sales	(1,067)	-	-	-
add: Holding Company	-	(50)	-	(150)
add: Goodwills / Assets Diminution	-	-	-	-
Total	45,922	24	66,487	1,241

OPERATING UNITS' BUSINESS	Cummulative Current 2ND Quarter		Cummulative Preceding 2ND Quarter	
	Revenue	Profit after taxation	Revenue	Profit after taxation
	RM '000	RM '000	RM '000	RM '000
PVC Resins and Compounds	83,171	(1,215)	116,204	3,082
Downstream Fabricated Applications - Pipes & Calendaring #	1,785	108	3,515	(516)
	84,956	(1,107)	119,719	2,566
less: Inter-Segment Sales	(1,213)	-	-	-
add: Holding Company	-	(150)	-	(300)
add: Goodwills / Assets Diminution	-	-	-	-
Total	83,743	(1,257)	119,719	2,266

SEGMENT ASSETS & LIABILITIES	Current 2ND Quarter @ 30JUN 2009		Preceding 2ND Quarter @ 30JUN 2008	
	Assets	Liabilities	Assets	Liabilities
	RM '000	RM '000	RM '000	RM '000
PVC Resins and Compounds	107,959	52,574	128,563	71,061
Downstream Fabricated Applications - Pipes & Calendaring #	2,313	5,548	2,255	33,142
	110,272	58,122	130,818	104,203
less: Unallocated / Consolidation adjustments	(6,785)	(167)	(4,774)	(26,946)
Total	103,487	57,955	126,044	77,257

No segmental information by geographical location is provided as the Group operates predominantly in Malaysia.

NOTE: # Discontinued Operation / Disposal Group: Liabilities of Downstream Fabrication Applications are intercompany debts.

A9 Valuation of property, plant and equipment

The property, plant and equipment of the Group are stated at cost/valuation less accumulated depreciation. The valuation of the property, plant and equipment (for land and buildings) have been brought forward without amendment from the previous audited financial statements for the year ended 31 December 2008.

IRM GROUP BERHAD (628000-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 2ND QUARTER ended 30 JUNE 2009

A10 Material events subsequent to the end of the quarter

There were no material events subsequent to the current financial quarter up to the date of this report which is likely to substantially affect the results of the operations of the Group except for the following .

The Group is in the process of divesting the asset and business of one of the subsidiary.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group reported in the previous audited financial statement that will have effect in the current financial quarter under review.

A12 Contingent liabilities

As at 30 JUNE 2009, the contingent liabilities of the Group comprising bank guarantees which are mainly for utilities suppliers, ports, customs and excise, for the subsidiaries was approximately RM 1,036,000.

The Company has provided 2 corporate guarantee for amount not exceeding RM46.8 Million and RM 14.0 Million to 2 banks for banking facilities previously granted to a subsidiary. The Company view that the said subsidiary is in a financial position to honour on its own the financial commitments without undue difficulty.

As at 30 JUNE 2009, only \$28.9 million of that banking facilities was utilised.

A13 Capital commitments

There were no capital commitments as at the date of this announcement.

A14 Significant related party transactions

There were no significant related party transactions as at the date of this announcement.

A15 Cash and cash equivalents

	<u>@30-06-09</u>	<u>'@31-12-08</u>
	RM('000)	RM('000)
Cash and cash equivalent comprise of:		
Cash and Bank balances	4,929	3,580
Deposits with licensed banks	174	169
Overdraft (in Bank Borrowings)	-	-
	<u>5,103</u>	<u>3,749</u>
Cash and Bank Balance classified as held for Sale	59	79
Fixed Deposits with Banks classified as held for Sale	219	218
	<u>5,381</u>	<u>4,046</u>

A16 Inventories

There were no write down or allowances made for slow moving or obsolete inventories during the period under review.

IRM GROUP BERHAD (628000-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 2ND QUARTER ended 30 JUNE 2009
CONDENSED CONSOLIDATED INCOME STATEMENT

(The figure has not been audited)

	SECOND QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR Unaudited 30-Jun-09 RM '000	PRECEDING YEAR Unaudited 30-Jun-08 RM '000	CURRENT YEAR Unaudited 30-Jun-09 RM '000	PRECEDING YEAR Un-Audited 30-Jun-08 RM '000
Revenue	45,619	64,413	83,171	116,204
Cost of Sales	(43,289)	(60,159)	(79,379)	(108,165)
Gross Profit	2,330	4,254	3,792	8,039
Other Income	-	-	-	-
Other Expenses	-	-	-	-
Other Operating Income / (Loss)	(132)	221	(342)	121
Operating Expenses	(1,935)	(2,140)	(3,938)	(4,183)
Profit from Operations	263	2,335	(488)	3,977
Finance Costs	(347)	(604)	(877)	(1,195)
Interest Income	-	-	-	-
Profit/(Loss) before Taxation	(84)	1,731	(1,365)	2,782
Taxation	-	-	-	-
Profit/(Loss) after Taxation from Continuing Operations	(84)	1,731	(1,365)	2,782
(Loss)/Profit after Taxation from Discontinued / Disposal Group	108	(490)	108	(516)
Profit/(Loss) after Taxation	24	1,241	(1,257)	2,266
Minority Interest ("MI")	-	-	-	-
Net Profit/(Loss) after MI	24	1,241	(1,257)	2,266
Weighted Average Number of Ordinary Shares in issue	130,000	130,000	130,000	130,000
Earnings Per Share (sen) #				
Basic (sen)	0.02	0.95	(0.97)	1.74
Fully diluted	N/A	N/A	N/A	N/A

This statement should be read in conjunction with the the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

NOTE:

EARNINGS per share is calculated based on the Net Profit After MI divided by the number of ordinary shares of RM 0.50 each in issue as at END OF PERIOD.

IRM GROUP BERHAD (628000-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 2ND QUARTER ended 30 JUNE 2009
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figure has not been audited)

UNAUDITED as at 30 JUNE 2009	Share Capital	Non-Distributable	Distributable	Total	Minority	Total Equity
	RM '000	Share Premium RM '000	Retained Profit RM '000	RM '000	Interest RM '000	RM '000
As at 1 January 2009	65,000	2,063	(18,786)	48,277	-	48,277
Issued during the period	-	-	-	-	-	-
Arising from acquisition of property plant equipment	-	-	-	-	-	-
Arising from acquisition of subsidiaries	-	-	-	-	-	-
Net profit / (Loss) for the period	-	-	(1,257)	(1,257)	-	(1,257)
As at 30 JUNE 2009	65,000	2,063	(20,043)	47,020	-	47,020
AUDITED as at 31 DECEMBER 2008	Share Capital	Non-Distributable	Distributable	Total	Minority	Total Equity
	RM '000	Share Premium RM '000	Retained Profit RM '000	RM '000	Interest RM '000	RM '000
Balance at 1 January 2007	65,000 *	2,063	(4,701)	62,362	73	62,435
Effect of adopting FRS 112	-	-	4,277	4,277	-	4,277
Balance at 1 January 2007, restated	65,000	2,063	(424)	66,639	73	66,712
Issued during the period	-	-	-	-	-	-
Arising from acquisition of property plant equipment	-	-	-	-	-	-
Arising from acquisition of subsidiaries	-	-	-	-	(73)	(73)
Net Loss for the financial year	-	-	(20,318)	(20,318)	-	(20,318)
Balance at 31 December 2007, restated	65,000	2,063	(20,742)	46,321	-	46,321
Net profit / (Loss) for the period	-	-	1,956	1,956	-	1,956
Balance at 31 December 2008	65,000	2,063	(18,786)	48,277	-	48,277

This statement should be read in conjunction with the the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

NOTE:

* This includes RM2 comprising 4 ordinary shares of RM0.50 each.

IRM GROUP BERHAD (628000-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 2ND QUARTER ended 30 JUNE 2009
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figure has not been audited)

	2009 Unaudited 6 months ended 30-Jun-09 RM '000	2008 Audited 12 months ended 31-Dec-08 RM '000
Cash flows from/ (used in) operating activities		
Profit/(Loss) before taxation -		
Continueing Operations	(1,365)	2,071
Discontinued Operations / Disposal Group	108	(22)
Adjustment for:		
Fair value adjustments for Investment properties	-	315
Property Plant Equipment written off	-	0
Depreciation	634	4,198
(Gain) / Loss on Disposal of PPE	-	(67)
Allowance for Retirement benefits	-	37
Unrealised Gain on Foreign Exchange	-	(113)
Interest expenses	877	2,585
Allowance for Doubtful Debts	-	659
Allowance for Doubtful Debts - No longer required	-	(2,602)
Tax Recoverable written off	-	47
Allowance for Slow Moving Inventories	-	25
Allowance for Slow Moving Inventories - No longer required	-	(1,353)
Interest income	-	(74)
Waiver of Debts	-	(330)
Operating profit/(loss) before working capital changes	<u>254</u>	<u>5,375</u>
Changes in working capital:		
Inventories	1,319	5,974
Receivables	4,682	3,321
Payables	9,567	(14,258)
Bills Payable	-	5,593
Net cash flows from/ (used in) operating activities	<u>15,822</u>	<u>6,006</u>
Retirement Benefits paid	-	(30)
Taxation (paid) / recovered	-	-
Interest paid	(877)	(2,585)
Interest income	-	74
Net cash generated from/(used in) operating activities	<u>14,945</u>	<u>3,464</u>
Proceeds from disposal of property, plant and equipment	-	174
Addition in investment property	-	(20)
Purchase of property, plant and equipment	(971)	(1,556)
Net cash generated from/(used in) investing activities	<u>(971)</u>	<u>(1,402)</u>
Proceeds / (Repayments) of short term borrowings	(11,408)	-
Repayments of Term Loan	(1,527)	(2,852)
Hire Purchase proceeds / (repayment)	301	(171)
Drawdown/(placement) of fixed deposits	(5)	-
Net cash generated from/(used in) financing activities	<u>(12,639)</u>	<u>(3,023)</u>
Net increase/(decrease) in cash and cash equivalents	1,335	(961)
Cash and cash equivalents brought forward	4,046	5,007
Cash and cash equivalents carried forward	<u>5,381</u>	<u>4,046</u>
Cash and cash equivalent comprise of:		
Cash and Bank balances	4,929	3,580
Deposits with licensed banks	174	169
Overdraft (in Bank Borrowings)	-	-
	<u>5,103</u>	<u>3,749</u>
Cash and Bank Balance classified as held for sale	59	79
Fixed deposits with banks classified as held for sale	219	218
	<u>5,381</u>	<u>4,046</u>

This statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.