

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

**Quarterly report on consolidated results for the 1ST QUARTER ended 31 MARCH 2010**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
(The figure has not been audited)

	FIRST QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	Unaudited 31-Mar-10 RM '000	Unaudited 31-Mar-09 RM '000	Unaudited 31-Mar-10 RM '000	Unaudited 31-Mar-09 RM '000
Revenue	46,628	37,552	46,628	37,552
Cost of Sales	(43,293)	(36,090)	(43,293)	(36,090)
Gross Profit	<u>3,335</u>	<u>1,462</u>	<u>3,335</u>	<u>1,462</u>
Other Income				
Other Expenses	-	-	-	-
Other Operating Income / (Loss)	(45)	(210)	(45)	(210)
Operating Expenses	(1,833)	(2,002)	(1,833)	(2,002)
Profit from Operations	<u>1,457</u>	<u>(750)</u>	<u>1,457</u>	<u>(750)</u>
Finance Costs	(453)	(530)	(453)	(530)
Interest Income	-	-	-	-
Profit/(Loss) before Taxation	<u>1,004</u>	<u>(1,280)</u>	<u>1,004</u>	<u>(1,280)</u>
Taxation	-	-	-	-
Profit/(Loss) after Taxation from Continuing Operations	<u>1,004</u>	<u>(1,280)</u>	<u>1,004</u>	<u>(1,280)</u>
(Loss)/Profit after Taxation from Discontinued / Disposal Group	12	-	12	-
Profit/(Loss) after Taxation	<u>1,016</u>	<u>(1,280)</u>	<u>1,016</u>	<u>(1,280)</u>
Minority Interest ("MI")	-	-	-	-
Net Profit/(Loss) after MI	<u><u>1,016</u></u>	<u><u>(1,280)</u></u>	<u><u>1,016</u></u>	<u><u>(1,280)</u></u>
Weighted Average Number of Ordinary Shares in issue	130,000	130,000	130,000	130,000
Earnings Per Share (sen) #				
Basic (sen)	<u>0.78</u>	<u>(0.98)</u>	<u>0.78</u>	<u>(0.98)</u>
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 2009 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 1ST QUARTER ended 31 MARCH 2010**  
**CONDENSED CONSOLIDATED BALANCE SHEET**

(The figure has not been audited)

	<b>Unaudited 31-Mar-10 RM '000</b>	<b>Audited 31-Dec-09 RM '000</b>
PROPERTY, PLANT & EQUIPMENT	57,536	57,847
INVESTMENT PROPERTIES	3,080	3,080
ASSETS HELD FOR SALE	-	-
OTHER INVESTMENTS	-	-
DEFERRED TAX ASSETS	-	-
DEVELOPMENT COST	-	-
Deposits with Licensed Bank	-	-
<b>CURRENT ASSETS</b>		
Inventories	26,319	20,377
Trade debtors	18,558	10,015
Other debtors, deposits and prepayments	1,969	3,314
Taxation (Recoverable)	930	930
Deposit with licensed bank	182	178
Cash and bank balances	3,344	2,597
	<u>51,302</u>	<u>37,410</u>
Assets classified as Held for Sale	2,119	2,044
	<u>53,421</u>	<u>39,454</u>
<b>CURRENT LIABILITIES</b>		
Trade creditors	9,939	9,383
Hire purchase creditors	290	290
Other creditors and accruals	14,135	3,467
Short Term Borrowings	33,271	31,672
Taxation	-	-
	<u>57,635</u>	<u>44,812</u>
Liabilities associated with Assets classified as Held for Sale	258	191
	<u>57,893</u>	<u>45,003</u>
<b>NET CURRENT ASSETS</b>	(4,472)	(5,549)
	<u>56,144</u>	<u>55,378</u>
<b>FINANCED BY</b>		
Share capital	65,000	65,000
Share Premium	2,063	2,063
Revaluation Reserves	3,177	3,177
Retained profit / (Loss)	(18,204)	(18,786)
Profit / (Loss) for the period	1,016	583
Shareholders Fund	<u>53,052</u>	<u>52,036</u>
Minority Interest	-	-
	<u>53,052</u>	<u>52,036</u>
<b>LONG TERM BORROWING</b>	1,945	2,195
DEFERRED TAXATION	1,147	1,147
	<u>56,144</u>	<u>55,378</u>
Net Assets ("NA") per share (sen) #	<u>40.8</u>	<u>40.0</u>

*This statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 1ST QUARTER ended 31 MARCH 2010**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

(The figure has not been audited)

	2010 Unaudited 3 months ended 31-Mar-10 RM '000	2009 Audited 12 months ended 31-Dec-09 RM '000
<b>Cash flows from/ (used in) operating activities</b>		
Profit/(Loss) before taxation -		
Continuing Operations	1,004	642
Discontinued Operations / Disposal Group	12	(1)
<b>Adjustment for:</b>		
Fair value adjustments for Investment properties	-	(50)
Property Plant Equipment written off	-	0
Depreciation	476	2,141
(Gain) / Loss on Disposal of PPE	-	(0)
Allowance for Retirement benefits	-	24
Unrealised Loss / (Gain) on Foreign Exchange	-	50
Interest expenses	453	1,439
Allowance for Doubtful Debts	-	1,136
Allowance for Doubtful Debts - No longer required	-	(762)
Bad Debts Written Off	-	53
Tax Recoverable written (back) / off	-	(11)
Interest income	-	(16)
Waiver of Debts	-	(2)
Gain on acquisition of investment in subsidiary from minority int	-	-
Operating profit/(loss) before working capital changes	<u>1,945</u>	<u>4,642</u>
<b>Changes in working capital:</b>		
Inventories	(5,942)	1,133
Receivables	(7,243)	9,034
Payables	11,290	(5,953)
Bills Payable	-	(5,766)
Net cash flows from/ (used in) operating activities	<u>50</u>	<u>3,090</u>
Retirement Benefits paid	-	(13)
Taxation (paid) / recovered	-	(11)
Tax refund	-	11
Interest paid	(453)	(1,439)
Interest income	-	16
Net cash generated from/(used in) operating activities	<u>(403)</u>	<u>1,655</u>
Proceeds from disposal of property, plant and equipment	-	2
Addition in investment property	-	-
Purchase of property, plant and equipment	(161)	(354)
Net cash generated from/(used in) investing activities	<u>(161)</u>	<u>(352)</u>
Proceeds from short term borrowings	-	-
Proceeds / (Repayments ) of short term borrowings	2,013	-
Repayments of Term Loan	(250)	(2,685)
Hire Purchase proceeds / (repayment)	-	(53)
Net cash generated from/(used in) financing activities	<u>1,763</u>	<u>(2,738)</u>
Net increase/(decrease) in cash and cash equivalents	1,199	(1,434)
Cash and cash equivalents brought forward	2,612	4,046
Cash and cash equivalents carried forward	<u>3,811</u>	<u>2,612</u>
<b>Cash and cash equivalent comprise of:</b>		
Cash and Bank balances	3,344	2,597
Deposits with licensed banks	182	178
Overdraft (in Bank Borrowings)	-	(414)
	<u>3,526</u>	<u>2,361</u>
Cash and Bank Balance classified as held for sale	75	42
Fixed deposits with banks classified as held for sale	210	209
	<u>3,811</u>	<u>2,612</u>

*This statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.*

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

Quarterly report on consolidated results for the 1<sup>ST</sup> QUARTER ended 31 MARCH 2010  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figure has not been audited)

	Non-Distributable Share Capital RM '000	Non-Distributable Share Premium RM '000	Non-Distributable Revaluation Reserve RM '000	Distributable Retained Profit RM '000	Total RM '000	Minority Interest RM '000	Total Equity RM '000
<b>UNAUDITED as at 31 MARCH 2010</b>							
As at 1 January 2010	65,000	2,063	3,177	(18,204)	52,036	-	52,036
Issued during the period	-	-	-	-	-	-	-
Arising from acquisition of property plant equipment	-	-	-	-	-	-	-
Arising from acquisition of subsidiaries	-	-	-	-	-	-	-
Net profit / (Loss) for the period	-	-	-	1,016	1,016	-	1,016
<b>As at 31 MARCH 2010</b>	<b>65,000</b>	<b>2,063</b>	<b>3,177</b>	<b>(17,188)</b>	<b>53,052</b>	<b>-</b>	<b>53,052</b>
<b>AUDITED as at 31 DECEMBER 2009</b>							
Balance at 1 January 2008	65,000	2,063	-	(20,742)	46,321	-	46,321
Effect of adopting FRS 112	-	-	-	-	-	-	-
<b>Balance at 1 January 2008</b>	<b>65,000</b>	<b>2,063</b>	<b>-</b>	<b>(20,742)</b>	<b>46,321</b>	<b>-</b>	<b>46,321</b>
Issued during the period	-	-	-	-	-	-	-
Arising from acquisition of property plant equipment	-	-	-	-	-	-	-
Arising from acquisition of subsidiaries	-	-	-	-	-	-	-
Net Loss for the financial year	-	-	-	1,956	1,956	-	1,956
<b>Balance at 31 December 2008</b>	<b>65,000</b>	<b>2,063</b>	<b>-</b>	<b>(18,786)</b>	<b>48,277</b>	<b>-</b>	<b>48,277</b>
Revaluation reserve arising from revalued assets	-	-	3,237	-	3,237	-	3,237
Transferred to deferred taxation	-	-	(61)	-	(61)	-	(61)
Net profit / (Loss) for the period	-	-	-	583	583	-	583
<b>Balance at 31 December 2009</b>	<b>65,000</b>	<b>2,063</b>	<b>3,177</b>	<b>(18,204)</b>	<b>52,036</b>	<b>-</b>	<b>52,036</b>

This statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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)**  
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**Quarterly report on consolidated results for the 1ST QUARTER ended 31 MARCH 2010**

**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 2009. 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 2009.

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.

Adoption of FRS:

- i) Amendments to FRS 1 - First-time Adoption of Financial Reporting Standards
- ii) FRS 1(#) - First-time Adoption of Financial Reporting Standards
- iii) Amendment to FRS 1 (\*) - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- iv) Amendments to FRS 2 - Share Based Payment
- v) Amendments to FRS 2 (#) - Share Based Payment
- vi) FRS 3 (#) - Business Combinations
- vii) FRS 4 - Insurance Contracts
- viii) Amendment to FRS 5 - Non-Current Assets Held for Sale and Discontinued Operations
- ix) Amendments to FRS 5 (#) - Non-Current Assets Held for Sale and Discontinued Operations
- x) FRS 7 - Financial Instruments: Disclosures
- xi) Amendment to FRS 7 - Financial Instruments: Disclosures
- xii) Amendments to FRS 7 (\*) - Improving Disclosures about Financial Instruments
- xiii) FRS 8 - Operating Segments
- xiv) Amendment to FRS 8 - Operating Segments
- xv) FRS 101 - Presentation of Financial Statements (Revised)
- xvi) Amendment to FRS 107 - Statement of Cash Flows
- xvii) Amendment to FRS 108 - Accounting Policies, Changes in Accounting Estimates and Errors
- xviii) Amendments to FRS 110 - Events After the Reporting Period
- xix) Amendment to FRS 116 - Property, Plant and Equipment
- xx) Amendment to FRS 117 - Leases
- xxi) Amendment to FRS 118 - Revenue
- xxii) Amendment to FRS 119 - Employee Benefits
- xxiii) Amendment to FRS 120 - Accounting for Government Grants and Disclosure of Government Assistance
- xxiv) FRS 123 - Borrowing Costs
- xxv) Amendments to FRS 123 - Borrowing costs
- xxvi) Amendments to FRS 127 - Consolidated and Separate Financial Statements
- xxvii) FRS 127 (#) - Consolidated and Separate Financial Statements
- xxviii) Amendment to FRS 128 - Investment in Associates
- xxix) Amendment to FRS 129 - Financial Reporting in Hyperinflationary Economies
- xxx) Amendment to FRS 131 - Interests in Joint Ventures
- xxxi) Amendment to FRS 132 - Financial Instruments: Presentation
- xxxii) Amendment to FRS 132 - Financial Instruments: Presentation

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xxxiii)	Amendment to FRS 132 (^)	- Financial Instruments: Presentation			
xxxiv)	Amendment to FRS 134	- Interim Financial Reporting			
xxxv)	Amendment to FRS 136	- Impairment of assets			
xxxvi)	Amendment to FRS 138	- Intangible assets			
xxxvii)	Amendments to FRS 138 (#)	- Intangible assets			
xxxviii)	FRS 139	- Financial Instruments: Recognition and Measurement			
xxxix)	Amendment to FRS 139	- Financial Instruments: Recognition and Measurement			
xl)	Amendment to FRS 140	- Investment Property			
xli)	IC Interpretation 9	- Reassessment of Embedded Derivatives			
xlii)	Amendments to IC Interpretation 9 (#)	- Reassessment of Embedded Derivatives			
xliii)	IC Interpretation 10	- Interim Financial Reporting and Impairment			
xliv)	IC Interpretation 11	- FRS 2 - Group and Treasury Share Transactions			
xlv)	IC Interpretation 12 (#)	- Service Concession Arrangements			
xlvi)	IC Interpretation 13	- Customer Loyalty Programmes			
xlvii)	IC Interpretation 14	- FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and th			
xlviii)	IC Interpretation 15 (#)	- Agreements for the Construction of Real Estate			
xliv)	IC Interpretation 16 (#)	- Hedges of a Net Investment in a Foreign Operation			
l)	IC Interpretation	17 (#)	-		Distributions

All the above Amendments, IC Interpretations and FRSs will be effective for accounting period beginning on or after 1 January 2010, other than FRS 8, those marked with (^), (#) and (\*) which will be applicable to accounting period beginning on or after 1 July 2009, 1 March 2010, 1 July 2010 and 1 January 2011 respectively. The existing FRS 1, FRS 3, FRS 127 as well as FRS 2012004 will be withdrawn upon the adoption of the new requirements that take effect on 1 July 2010.

FRS 2, 4, 120, 128, 129, 131 and 138, IC Interpretation 9, 11, 12, 13, 14, 15 and 16 are not expected to be relevant to the operations of the Group and of the Company. The Directors anticipate that the other FRS, amendments to FRS and IC Interpretations will be adopted in the annual financial statements of the Group and of the Company for the financial year commencing 1 January 2010 and that the adoption of these new/revised FRS, amendments to FRS and IC Interpretations will have no material impact on the financial statements of the Group and of the Company in the period for initial application except for the following:-

**A2b Comparatives**

The are no comparative 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.

**IRM GROUP BERHAD (628000-T)**  
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**Quarterly report on consolidated results for the 1ST QUARTER ended 31 MARCH 2010**

**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:

**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.

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**A8 Segment Information**

The Group's operation comprises 2 different business segments from 2 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 1st Quarter		Preceding 1st Quarter	
	<u>Revenue</u>	<u>Profit after taxation</u>	<u>Revenue</u>	<u>Profit after taxation</u>
	RM '000	RM '000	RM '000	RM '000
PVC Resins and Compounds	46,628	1,104	37,552	(1,180)
Downstream Fabricated Applications - Pipes & Calendering #	948	12	415	-
	<u>47,576</u>	<u>1,116</u>	<u>37,967</u>	<u>(1,180)</u>
less: Inter-Segment Sales	(979)	-	(146)	-
add: Holding Company	-	(100)	-	(100)
add: Goodwills / Assets Diminution	-	-	-	-
<b>Total</b>	<b>46,597</b>	<b>1,016</b>	<b>37,821</b>	<b>(1,280)</b>

OPERATING UNITS' BUSINESS	Cummulative Current 1st Quarter		Cummulative Preceding 1st Quarter	
	<u>Revenue</u>	<u>Profit after taxation</u>	<u>Revenue</u>	<u>Profit after taxation</u>
	RM '000	RM '000	RM '000	RM '000
PVC Resins and Compounds	46,628	1,104	37,552	(1,180)
Downstream Fabricated Applications - Pipes & Calendering #	948	12	415	-
	<u>47,576</u>	<u>1,116</u>	<u>37,967</u>	<u>(1,180)</u>
less: Inter-Segment Sales	(979)	-	(146)	-
add: Holding Company	-	(100)	-	(100)
add: Goodwills / Assets Diminution	-	-	-	-
<b>Total</b>	<b>46,597</b>	<b>1,016</b>	<b>37,821</b>	<b>(1,280)</b>

SEGMENT ASSETS & LIABILITIES	Current 1st Quarter		Preceding 1st Quarter	
	@ 31MAR 2010		@ 31MAR 2009	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
	RM '000	RM '000	RM '000	RM '000
PVC Resins and Compounds	116,631	55,403	100,343	44,925
Downstream Fabricated Applications - Pipes & Calendering #	2,119	5,463	1,765	5,109
	<u>118,750</u>	<u>60,866</u>	<u>102,108</u>	<u>50,034</u>
less: Unallocated / Consolidation adjustments	(5,642)	(808)	(5,014)	65
<b>Total</b>	<b>113,108</b>	<b>60,058</b>	<b>97,094</b>	<b>50,099</b>

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.



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**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 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 31 MARCH 2010, 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 1,236,000.

The Company has provided 2 corporate guarantees for amount not exceeding RM46.8 Million and RM 14.0 Million to 2 banks for banking facilities previously granted to a subsidiary. An additional corporate guarantee for RM 20.0 Million was issued for additional facilities from another bank to the same 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 31 MARCH 2010, only \$33,271 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>@31-03-10</u>	<u>'@31-12-09</u>
	RM('000)	RM('000)
Cash and cash equivalent comprise of:		
Cash and Bank balances	3,344	2,597
Deposits with licensed banks	182	178
Overdraft (in Bank Borrowings)	-	(414)
	<u>3,526</u>	<u>2,361</u>
Cash and Bank Balance classified as held for Sale	75	42
Fixed Deposits with Banks classified as held for Sale	210	209
	<u>3,811</u>	<u>2,612</u>

**A16 Inventories**

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

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**Quarterly report on consolidated results for the 1ST QUARTER ended 31 MARCH 2010**

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

**B1 Review of performance**

	<b>CORRESPONDING PRECEDING YEAR QUARTER ended 31-Mar-09 RM' 000</b>	<b>CURRENT YEAR QUARTER ended 31-Mar-10 RM' 000</b>	<b>CHANGES  RM' 000</b>
Revenue - Continued Operations	37,552	46,628	9,076
Consolidated Profit/(Loss) Before Tax	(1,280)	1,004	2,284
less: Taxation	-	-	-
Consolidated Profit/(Loss) After Tax			
Continuing Operations	(1,280)	1,004	2,284
Discontinued Operations / Disposal Group	-	12	12
Minority Interest (MI)	-	-	-
Net Profit/(Loss) After MI	(1,280)	1,016	2,296
RESINS & COMPOUNDS VOLUME (MTS)	13,357	12,351	(1,006)
AVERAGE UNIT PRICES (RM / MT)	2.81	3.78	0.96

Current 1st Quarter Revenue at RM 46.628 Million is 24% higher than the corresponding Q1 of the preceding year. This is due to the much higher resins prices although there was a drop in volume (compared to the higher preceding Q1 volume that resulted from stock sales upon the recovery from the 2008 crash). Compound prices and volume was also higher. Compared to the preceding year Q1, unit contributions improved for resins whereas that for compounds was lower following the continued surge in Q1 resins prices that resulted in better performance. The contribution from the Discontinued/Disposal group was minimal in Q1.

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**Quarterly report on consolidated results for the 1ST QUARTER ended 31 MARCH 2010**

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

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

	<b>IMMEDIATE PRECEDING QUARTER ended 31-Dec-09 RM' 000</b>	<b>CURRENT QUARTER ended 31-Mar-10 RM' 000</b>	<b>CHANGES  RM' 000</b>
Revenue - Continued Operations	36,137	46,628	10,491
Consolidated Profit/(Loss) Before Tax	48	1,004	956
less: Taxation	-	-	-
Consolidated Profit/(Loss) After Tax			
Continuing Operations	48	1,004	956
Discontinued Operations / Disposal Group	(155)	12	167
Minority Interest (MI)	-	-	-
Net Profit/(Loss) After MI	(107)	1,016	1,123

Turnover for the 1st Quarter 2010 at RM 46.628 Million increase 29% compared to the immediate preceding 4th Quarter 2009 with Net Profit after Tax After MI of RM 1.016 Million. The higher revenue was due to the increased volume of resins after the successful start up following the 3 weeks scheduled plant maintenance in the preceding year Q4. Although Q1 selling prices were higher than the preceding year Q4, unit contributions were about the same as the pressure of rising raw material prices continued. The contribution from the Discontinued/Disposal group during Q1 was minimal.

As alluded to in the last quarter report, the 1st Quarter performance was strained by rising raw material prices although higher volume was achieved from the available capacity post maintenance.

**B3 Prospects**

The signs of a tightening supply and rising raw material cost continues unabated with narrowing vinyl price differential and this may be a constraint to our performance in the coming 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.

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**B5 Taxation**

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	1st Quarter @31Mar10	1st Quarter @31Mar09	1st Quarter @31Mar10	1st Quarter @31Mar09
	RM '000	RM '000	RM '000	RM '000
Current Year Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
<b>Total Tax Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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 31 MARCH 2010.

**B7 Quoted securities**

There were no purchases or disposals of quoted securities during the financial quarter ended 31 MARCH 2010.

**B8 Status of Corporate Proposals announced**

During the financial quarter ended 31 DECEMBER 2009, the Group announce a proposal to set up a Compounding Operation to be located in Indonesia with an investment of RM2.5 million - expected to be operational by end 2010. Licensing submission and approval is in the process. A new company, named PT INDUSTRIAL RESINS has been incorporated on 28th January 2010 to be used as a vehicle for this venture but no investment has been made todate.

**B9 Group's borrowings and debt securities**

(a) The Group borrowings are as follows:

	@ 31 MAR 10			@ 31 MAR 09		
	Short term	Long term	Total	Short term	Long term	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured:	18,360	1,945	20,305	25,193	4,128	29,321
Unsecured:	14,911	-	14,911	3,507	-	3,507
<b>Total</b>	<b>33,271</b>	<b>1,945</b>	<b>35,216</b>	<b>28,700</b>	<b>4,128</b>	<b>32,828</b>

(b) All borrowings are denominated in Ringgit Malaysia

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**B10 Off balance sheet financial instruments**

There were no off balance sheet financial instruments as at end of 31 MARCH 2010.

**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		Cummulative Quarter	
	Current	Preceeding	Current	Preceeding
	Year	Year	Year	Year
	<u>1st Quarter</u>	<u>1st Quarter</u>	<u>1st Quarter</u>	<u>1st Quarter</u>
	<u>@31Mar10</u>	<u>@31Mar09</u>	<u>@31Mar10</u>	<u>@31Mar09</u>
a. Basic				
Net Profit / (Loss) for the period (RM '000)	1,016	(1,280)	1,016	(1,280)
Weighted Average Number of shares in issue ( '000)	130,000	130,000	130,000	130,000
Basic Earnings / (Loss) per share (sen)	0.78	(0.98)	0.78	(0.98)

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 27 MAY, 2010.