

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

Quarterly report on consolidated results for the 3RD QUARTER ended 30 SEPTEMBER 2010
CONDENSED CONSOLIDATED INCOME STATEMENT

(The figure has not been audited)

	THIRD QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	Unaudited 30-Sep-10 RM '000	Unaudited 30-Sep-09 RM '000	Unaudited 30-Sep-10 RM '000	Unaudited 30-Sep-09 RM '000
Revenue	44,087	48,793	140,284	131,964
Cost of Sales	(44,825)	(44,381)	(138,985)	(123,760)
Gross Profit/(Loss)	<u>(738)</u>	<u>4,412</u>	<u>1,299</u>	<u>8,204</u>
Other Income				
Other Expenses	-	-	-	-
Other Operating Income / (Loss)	72	(11)	65	(353)
Operating Expenses	(1,924)	(2,128)	(5,735)	(6,065)
Profit/(Loss) from Operations	<u>(2,590)</u>	<u>2,273</u>	<u>(4,371)</u>	<u>1,786</u>
Finance Costs	(491)	(322)	(1,493)	(1,199)
Interest Income	-	-	-	-
Profit/(Loss) before Taxation	<u>(3,081)</u>	<u>1,951</u>	<u>(5,864)</u>	<u>587</u>
Taxation	-	-	-	-
Profit/(Loss) after Taxation from Continueing Operations	<u>(3,081)</u>	<u>1,951</u>	<u>(5,864)</u>	<u>587</u>
(Loss)/Profit after Taxation from Discontinued / Disposal Group	70	53	81	161
Profit/(Loss) after Taxation	<u>(3,011)</u>	<u>2,004</u>	<u>(5,783)</u>	<u>748</u>
Minority Interest ("MI")	-	-	-	-
Net Profit/(Loss) after MI	<u><u>(3,011)</u></u>	<u><u>2,004</u></u>	<u><u>(5,783)</u></u>	<u><u>748</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>(2.32)</u>	<u>1.54</u>	<u>(4.45)</u>	<u>0.58</u>
Fully diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

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 3RD QUARTER ended 30 SEPTEMBER 2010
CONDENSED CONSOLIDATED BALANCE SHEET

(The figure has not been audited)

	Unaudited 30-Sep-10 RM '000	Audited 31-Dec-09 RM '000
PROPERTY, PLANT & EQUIPMENT	57,660	57,847
INVESTMENT PROPERTIES	3,080	3,080
ASSETS HELD FOR SALE	-	-
OTHER INVESTMENTS	-	-
DEFERRED TAX ASSETS	-	-
DEVELOPMENT COST	-	-
Deposits with Licensed Bank	-	-
CURRENT ASSETS		
Inventories	27,822	20,377
Trade debtors	13,188	10,015
Other debtors, deposits and prepayments	2,035	3,314
Taxation (Recoverable)	934	930
Deposit with licensed bank	190	178
Cash and bank balances	1,230	2,597
	<u>45,399</u>	<u>37,410</u>
Assets classified as Held for Sale	1,364	2,044
	<u>46,763</u>	<u>39,454</u>
CURRENT LIABILITIES		
Trade creditors	8,948	9,383
Hire purchase creditors	290	290
Other creditors and accruals	12,664	3,467
Short Term Borrowings	36,657	31,672
Taxation	-	-
	<u>58,559</u>	<u>44,812</u>
Liabilities associated with Assets classified as Held for Sale	93	191
	<u>58,652</u>	<u>45,003</u>
NET CURRENT ASSETS	(11,889)	(5,549)
	<u>48,851</u>	<u>55,378</u>
FINANCED BY		
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	(5,783)	583
Shareholders Fund	<u>46,253</u>	<u>52,036</u>
Minority Interest	-	-
	<u>46,253</u>	<u>52,036</u>
LONG TERM BORROWING	1,451	2,195
DEFERRED TAXATION	1,147	1,147
	<u>48,851</u>	<u>55,378</u>
Net Assets ("NA") per share (sen) #	<u>35.6</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)
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Quarterly report on consolidated results for the 3RD QUARTER ended 30 SEPTEMBER 2010
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figure has not been audited)

	2010 Unaudited 9 months ended 30-Sep-10 RM '000	2009 Audited 12 months ended 31-Dec-09 RM '000
Cash flows from/ (used in) operating activities		
Profit/(Loss) before taxation -		
Continuing Operations	(5,864)	642
Discontinued Operations / Disposal Group	81	(1)
Adjustment for:		
Fair value adjustments for Investment properties	-	(50)
Property Plant Equipment written off	-	0
Depreciation	1,600	2,141
(Gain) / Loss on Disposal of PPE	-	(0)
Allowance for Retirement benefits	-	24
Unrealised Loss / (Gain) on Foreign Exchange	-	50
Interest expenses	1,493	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>(2,690)</u>	<u>4,642</u>
Changes in working capital:		
Inventories	(7,408)	1,133
Receivables	(1,253)	9,034
Payables	8,664	(5,953)
Bills Payable	-	(5,766)
Net cash flows from/ (used in) operating activities	<u>(2,687)</u>	<u>3,090</u>
Retirement Benefits paid	-	(13)
Taxation (paid) / recovered	-	(11)
Tax refund	(4)	11
Interest paid	(1,493)	(1,439)
Interest income	-	16
Net cash generated from/(used in) operating activities	<u>(4,184)</u>	<u>1,655</u>
Proceeds from disposal of property, plant and equipment	-	2
Addition in investment property	-	-
Purchase of property, plant and equipment	(1,401)	(354)
Net cash generated from/(used in) investing activities	<u>(1,401)</u>	<u>(352)</u>
Proceeds from short term borrowings	-	-
Proceeds / (Repayments) of short term borrowings	5,399	-
Repayments of Term Loan	(744)	(2,685)
Hire Purchase proceeds / (repayment)	-	(53)
Net cash generated from/(used in) financing activities	<u>4,655</u>	<u>(2,738)</u>
Net increase/(decrease) in cash and cash equivalents	(930)	(1,434)
Cash and cash equivalents brought forward	2,612	4,046
Cash and cash equivalents carried forward	<u>1,682</u>	<u>2,612</u>
Cash and cash equivalent comprise of:		
Cash and Bank balances	1,230	2,597
Deposits with licensed banks	190	178
Overdraft (in Bank Borrowings)	-	(414)
	<u>1,420</u>	<u>2,361</u>
Cash and Bank Balance classified as held for sale	49	42
Fixed deposits with banks classified as held for sale	213	209
	<u>1,682</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)
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**Quarterly report on consolidated results for the 3RD QUARTER ended 30 SEPTEMBER 2010
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(The figure has not been audited)

UNAUDITED as at 30 SEPTEMBER 2010

	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
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	-	-	-	(5,783)	(5,783)	-	(5,783)
As at 30 SEPTEMBER 2010	<u>65,000</u>	<u>2,063</u>	<u>3,177</u>	<u>(23,987)</u>	<u>46,253</u>	<u>-</u>	<u>46,253</u>

AUDITED as at 31 DECEMBER 2009

	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
Balance at 1 January 2008	65,000	2,063	-	(20,742)	46,321	-	46,321
Effect of adopting FRS 112	-	-	-	-	-	-	-
Balance at 1 January 2008	<u>65,000</u>	<u>2,063</u>	<u>-</u>	<u>(20,742)</u>	<u>46,321</u>	<u>-</u>	<u>46,321</u>
Issued during the period	-	-	-	-	-	-	-
Arising from acquisition of property plant equipment	-	-	-	-	-	-	-
Arising from acquisition of subsidiaries	-	-	-	-	-	-	-
Net Profit/(Loss) for the financial year	-	-	-	1,956	1,956	-	1,956
Balance at 31 December 2008	<u>65,000</u>	<u>2,063</u>	<u>-</u>	<u>(18,786)</u>	<u>48,277</u>	<u>-</u>	<u>48,277</u>
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
Balance at 31 December 2009	<u>65,000</u>	<u>2,063</u>	<u>3,177</u>	<u>(18,204)</u>	<u>52,036</u>	<u>-</u>	<u>52,036</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:

* 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 3RD QUARTER ended 30 SEPTEMBER 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

(a) Adoption of new and revised Financial Reporting Standards ("FRSs"), Amendments to FRSs and IC Interpretations

Significant accounting policies adopted by the Group in this interim financial statements are consistent with those of the audited financial statements for year ended 31 December 2009, except for adoption of the following new and revised FRSs, Amendments to FRSs and IC Interpretations for financial period beginning 1 January 2010:

Amendments to FRS 1	First time adoption of Financial Reporting Standards
Amendments to FRS 5	Non current assets held for sale and discontinued operations
FRS 7	Financial Instruments: Disclosures
Amendments to FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
Amendments to FRS 8	Operating Segments
FRS 101	Presentations of Financial Statements (Revised)
Amendments to FRS 107	Statement of Cashflows
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	Events after the Reporting Period
Amendments to FRS 116	Property, Plant and Equipment
Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue
Amendments to FRS 119	Employee Benefits
FRS 123	Borrowing Costs
Amendments to FRS 123	Borrowing Costs
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 140	Investment Property
Interpretation 10	Interim Financial Reporting and Impairment
Interpretation 11	FRS 2 - Group and Treasury Share Transactions

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(b) FRS, Amendments to FRSs and IC Interpretations Issued but Not Adopted

The following are FRSs, Amendments to FRSs and IC Interpretations which are effective for financial period beginning on or after 1 January 2010 are not applicable to the Group:

Amendments to FRS 2	Share-based Payments - Vesting Conditions and Cancellations
FRS 4	Insurance Contracts
Amendments to FRS 120	Accounting for Government Grants and Disclosures of Government Assistance
Amendments to FRS 128	Investment in Associates
Amendments to FRS 129	Financial Reporting in Hyperinflationary Economies
FRS 139	Interest in Joint Ventures
Amendments to FRS 131	Financial Instruments: Recognition and Measurement
Amendments to FRS 138	Intangible Assets
Interpretation 9	Reassessment of Embedded Derivatives
Interpretation 13	Customer Loyalty Programmes
Interpretation 14	FRS 119 - The Limit on Defined Benefits Assets, Minimum Funding Requirements and Their Interaction

The following are FRSs, Amendments to FRSs and IC Interpretations which are not yet effective and have not been early adopted by the Group:

FRSs, Amendments to FRSs and IC Interpretations	Effective for Financial period beginning on or after
Amendments to FRS 132	Financial Instruments: Presentation 01-Mar-10
FRS 1	First time Adoption of Financial Reporting Standards 01-Jul-10
Amendments to FRS 2	Share-based Payments 01-Jul-10
FRS 3	Business Combinations (Revised) 01-Jul-10
Amendments to FRS 5	Non-Current Assets Held for Sale and Discontinued Operations 01-Jul-10
FRS 127	Consolidated and Separate Financial Statements 01-Jul-10
Amendments to FRS 128	Intangible Assets 01-Jul-10
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives 01-Jul-10
IC Interpretations 12	Service Concession Arrangements 01-Jul-10
IC Interpretations 15	Agreements for the Construction of Real Estates 01-Jul-10
IC Interpretations 16	Hedges of a Net Investment in a Foreign Operation 01-Jul-10
IC Interpretations 17	Distributions of Non-Cash Assets to Owners 01-Jul-10
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters 01-Jan-11
Amendments to FRS 1	Additional Exemptions for First-time Adopters 01-Jan-11
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions 01-Jan-11
Amendments to FRS 7	Improving Disclosures about Financial Instruments 01-Jan-11
IC Interpretations 4	Determining Whether an Arrangement Contains a Lease 01-Jan-11
IC Interpretations 18	Transfers of Assets from Customers 01-Jan-11

(c) Adoption of these new and revised FRSs, Amendments to FRSs and IC Interpretations, will have no material impact on financial statements of the Group, except for the following:

FRS 8 - Operating Segments

FRS 8 replaces FRS 114 2004: Segmental Reporting for which the Group's segment reporting was based on a primary reporting format of business segment and a secondary reporting format of geographical segments. With the adoption of FRS 8, the Group's segment reporting has been changed to operating segments based on internal reports that are regularly reviewed by the Group's Chief operating decision makers in order to allocate resources to the respective segments and to assess their performance.

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FRS 101 - Presentation of Financial Statements (Revised)

Before adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cashflow statement and notes to the financial statements. After adoption of revised FRS 101 in 2010, the components of interim financial statements presented consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements. However, an entity is not obligated to use these new titles.

All non-owner changes in equity previously presented in the consolidated statement of changes in equity are now presented in statement of comprehensive income as components in other comprehensive income.

FRS 123 - Borrowing Costs

FRS 123 (Revised) eliminates the option available under the previous version of FRS 123 to recognise all borrowing costs immediately as an expense. Therefore, the Group and the Company will capitalise borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset as part of the cost of that asset.

FRS 139 - Financial Instruments: Recognition and Measurement

Prior to adoption of FRS 139, financial derivatives were recognised on their settlement dates. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognised at contract dates when, and only when, the Company or any subsidiary becomes a party to the contractual provision of the instruments.

The measurement bases applied to financial assets and financial liabilities in prior financial year are changed to comply with measurement standards of FRS 139 in the current quarter.

At initial recognition, all financial assets and financial liabilities are measured at fair value, plus in the case of financial instruments not at fair value through profit or loss, transactions costs directly attributable to the acquisition or issuance of the instruments. Subsequent to their initial recognition, financial assets and financial liabilities are measured as follows:

CATEGORY	MEASUREMENT BASIS
1 Financial instrument at fair value through profit or loss	At fair value through profit or loss
2 Held-to-maturity investments	At amortised cost using effective interest method
3 Loans and receivables	At amortised cost using effective interest method
4 Available-for-sale investments	At fair value through other comprehensive income or cost if fair value cannot be reliably measured
5 Loans and other financial liabilities	At amortised cost using effective interest method

With the adoption of FRS 139, financial assets and financial liabilities recognised and unrecognised in the prior financial year are classified into the following categories:

PRE-FRS 139	POST-FRS 139
1 Unquoted equity investments	Available-for-sale investments
2 Receivables	Loans and receivables
3 Payables	Financial liabilities at amortised cost
4 Long term borrowings	Financial liabilities at amortised cost

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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.

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 3rd Quarter		Preceeding 3rd Quarter	
	Profit/(Loss) after		Profit/(Loss) aft	
	<u>Revenue</u>	<u>taxation</u>	<u>Revenue</u>	<u>taxation</u>
	RM '000	RM '000	RM '000	RM '000
PVC Resins and Compounds	44,087	(2,981)	48,793	2,001
Downstream Fabricated Applications - Pipes & Calendaring #	1,721	70	1,843	53
	45,808	(2,911)	50,636	2,054
less: Inter-Segment Sales	(2,682)	-	(1,977)	-
add: Holding Company	-	(100)	-	(50)
add: Goodwills / Assets Diminution	-	-	-	-
Total	43,126	(3,011)	48,659	2,004

OPERATING UNITS' BUSINESS	Cummulative Current 3rd Quarter		Cummulative Preceeding 3rd Quarter	
	Profit/(Loss) after		Profit/(Loss) aft	
	<u>Revenue</u>	<u>taxation</u>	<u>Revenue</u>	<u>taxation</u>
	RM '000	RM '000	RM '000	RM '000
PVC Resins and Compounds	140,284	(5,564)	131,964	787
Downstream Fabricated Applications - Pipes & Calendaring #	4,379	81	3,628	161
	144,663	(5,483)	135,592	948
less: Inter-Segment Sales	(4,591)	-	(3,190)	-
add: Holding Company	-	(300)	-	(200)
add: Goodwills / Assets Diminution	-	-	-	-
Total	140,072	(5,783)	132,402	748

SEGMENT ASSETS & LIABILITIES	Current 3rd Quarter		Preceeding 3rd Quarter	
	@ 30SEP 2010		@ 30 SEP 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	110,889	56,330	105,930	48,542
Downstream Fabricated Applications - Pipes & Calendaring #	1,364	4,639	2,581	5,763
	112,253	60,969	108,511	54,305
less: Unallocated / Consolidation adjustments	(5,685)	(651)	(5,684)	(505)
Total	106,568	60,318	102,827	53,800

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 EXCEPT that a dormant subsidiary, BETTER SCOPE SDN BHD, has been renamed as IRM COMPOSITE SDN BHD on 21 SEPTEMBER 2010.

A12 Contingent liabilities

As at 30 SEPTEMBER 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 1,204,000.

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 30 SEPTEMBER 2010, only \$36.657 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

	@30-09-10	'@31-12-09
	RM('000)	RM('000)
Cash and cash equivalent comprise of:		
Cash and Bank balances	1,230	2,597
Deposits with licensed banks	190	178
Overdraft (in Bank Borrowings)	-	(414)
	<u>1,420</u>	<u>2,361</u>
Cash and Bank Balance classified as held for Sale	49	42
Fixed Deposits with Banks classified as held for Sale	213	209
	<u>1,682</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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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of performance

	CORRESPONDING PRECEDING YEAR QUARTER ended 30-Sep-09 RM' 000	CURRENT YEAR QUARTER ended 30-Sep-10 RM' 000	CHANGES RM' 000
Revenue - Continued Operations	48,793	44,087	(4,706)
Consolidated Profit/(Loss) Before Tax	1,951	(3,081)	(5,032)
less: Taxation	-	-	-
Consolidated Profit/(Loss) After Tax			
Continuing Operations	1,951	(3,081)	(5,032)
Discontinued Operations / Disposal Group	53	70	17
Minority Interest (MI)	-	-	-
Net Profit/(Loss) After MI	2,004	(3,011)	(5,015)
RESINS & COMPOUNDS VOLUME (MTS)	15,967	12,864	(3,103)
AVERAGE UNIT PRICES (RM / MT)	3.06	3.43	0.37

Current 3rd Quarter Revenue at RM 44.087 Million is 10% lower than the corresponding Q3 of the preceding year. This is due to a drop in volume although prices was only marginally lower. Compound prices were lower but volume was higher against the preceding Q3. Compared to the preceding year Q3, unit contributions dropped more than 90% for resins and that for compounds was lowered by 40% due to the narrow vinyl price differential arising from PVC price dumping pressures in Q3 that resulted in a loss for Q3. The contribution from the Discontinued/Disposal group was minimal in Q3.

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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 30-Jun-10 RM' 000	CURRENT QUARTER ended 30-Sep-10 RM' 000	CHANGES RM' 000
Revenue - Continued Operations	49,569	44,087	(5,482)
Consolidated Profit/(Loss) Before Tax	(3,788)	(3,081)	707
less: Taxation	-	-	-
Consolidated Profit/(Loss) After Tax			
Continuing Operations	(3,788)	(3,081)	707
Discontinued Operations / Disposal Group	(1)	70	71
Minority Interest (MI)	-	-	-
Net Profit/(Loss) After MI	(3,789)	(3,011)	778

Turnover for the 3rd Quarter 2010 at RM 44.087 Million decrease 11% compared to the immediate preceding 2nd Quarter 2010 with Net Loss after Tax After MI of RM (3.011) Million. The lower revenue was due to the slightly lower volume of resins and compounds. Although raw material prices dropped, there was a parallel drop in the average selling prices that resulted in only a very slight improvement in contribution margin compared to the immediate preceding Q2. This continued to give a unit contribution that could not cover the overheads and result in a loss for Q3 although to a lesser extent. The contribution from the Discontinued/Disposal group during Q2 was minimal.

Although Q3 performance was expected to be improved with decline in raw material prices but this was constrained by the continued narrow vinyl price differential due to the competitive pressures of dumping in the region during the Quarter.

B3 Prospects

The tightening of the vinyl price differential and continuing volatility and uncertainty remains a concern 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 Year	Preceding Year	Current Year	Preceding Year
	<u>3rd Quarter @30Sep10</u> RM '000	<u>3rd Quarter @30Sep09</u> RM '000	<u>3rd Quarter @30Sep10</u> RM '000	<u>3rd Quarter @30Sep09</u> RM '000
Current Year Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
Total Tax Expense	-	-	-	-
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 SEPTEMBER 2010.

B7 Quoted securities

There were no purchases or disposals of quoted securities during the financial quarter ended 30 SEPTEMBER 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 a proposed investment of RM2.5 million. 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:

	@ 30 SEP 10			@ 30 SEP 09		
	<u>Short term</u> RM'000	<u>Long term</u> RM'000	<u>Total</u> RM'000	<u>Short term</u> RM'000	<u>Long term</u> RM'000	<u>Total</u> RM'000
Secured:	21,608	1,451	23,059	22,600	2,441	25,041
Unsecured:	15,049	-	15,049	6,000	-	6,000
Total	<u>36,657</u>	<u>1,451</u>	<u>38,108</u>	<u>28,600</u>	<u>2,441</u>	<u>31,041</u>

(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 30 SEPTEMBER 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 Year <u>3rd Quarter</u> <u>@30Sep10</u>	Preceeding Year <u>3rd Quarter</u> <u>@30Sep09</u>	Current Year <u>3rd Quarter</u> <u>@30Sep10</u>	Preceeding Year <u>3rd Quarter</u> <u>@30Sep09</u>
a. Basic				
Net Profit / (Loss) for the period (RM '000)	(3,011)	2,004	(5,783)	748
Weighted Average Number of shares in issue ('000)	130,000	130,000	130,000	130,000
Basic Earnings / (Loss) per share (sen)	(2.32)	1.54	(4.45)	0.58

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 **25 NOVEMBER, 2010**.