

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

Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2010  
CONDENSED CONSOLIDATED INCOME STATEMENT

(The figure has not been audited)

	FOURTH QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	Unaudited 31-Dec-10 RM '000	Restated Unaudited 31-Dec-09 RM '000	Reclassified Unaudited 31-Dec-10 RM '000	Restated Audited 31-Dec-09 RM '000
Revenue	43,244	32,589	183,316	164,991
Cost of Sales	(42,502)	(30,546)	(181,009)	(154,738)
Gross Profit/(Loss)	742	2,043	2,307	10,253
Other Income				
Other Expenses	-	-	-	-
Other Operating Income / (Loss)	(1,973)	179	(1,908)	(174)
Operating Expenses	(2,241)	(2,084)	(8,161)	(7,994)
Profit/(Loss) from Operations	(3,472)	138	(7,762)	2,085
Finance Costs	(538)	(260)	(2,031)	(1,459)
Interest Income	-	16	-	16
Profit/(Loss) before Taxation	(4,010)	(106)	(9,793)	642
Taxation	(40)	(59)	(40)	(59)
Profit/(Loss) after Taxation from Continuing Operations	(4,050)	(165)	(9,833)	583
(Loss)/Profit after Taxation from Discontinued / Disposal Group	-	(0)	-	(0)
Profit / (Loss) after Tax	(4,050)	(165)	(9,833)	583
Minority Interest ("MI")	-	-	-	-
Net Profit / (Loss) after MI	(4,050)	(165)	(9,833)	583
Weighted Average Number of Ordinary Shares in issue	130,000	130,000	130,000	130,000
Earnings Per Share (sen) # attributable to owners of the Company:				
Basic (sen)	(3.12)	(0.13)	(7.56)	0.45
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.

## Preceding Year 2009 figures Restated based on Audited figures and Audit adjustments for Year 2009 incorporated into 2009 Quarter 4 figures (except for reclassification of Other Income RM 2.411 Million from Other Operating Income and Operating Expenses) and for Interest Expense.

**IRM GROUP BERHAD (628000-T)**  
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**Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2010**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(The figure has not been audited)

	FOURTH QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	Unaudited	Restated Unaudited	Reclassified Unaudited	Restated Audited
	<u>31-Dec-10</u>	<u>31-Dec-09</u>	<u>31-Dec-10</u>	<u>31-Dec-09</u>
	RM '000	RM '000	RM '000	RM '000
<b>Profit / (Loss) for the period</b>	(4,050)	(165)	(9,833)	583
<b>Other Comprehensive Income/(Loss), Net of Tax:</b>				
Surplus on revaluation of properties	-	3,237	-	3,237
Income Tax relating to components of other comprehensive income	-	(61)	-	(61)
<b>Other Comprehensive Income/(Loss) for the period</b>	<u>-</u>	<u>3,177</u>	<u>-</u>	<u>3,177</u>
<b>Total Comprehensive Income/(Loss) for the period</b>	<u>(4,050)</u>	<u>3,012</u>	<u>(9,833)</u>	<u>3,760</u>
<b>Total Comprehensive Income/(Loss) attributable to:</b>				
Owners of the Company	(4,050)	3,012	(9,833)	3,760
Non-controlling interests	-	-	-	-
<b>Total Comprehensive Income/(Loss) for the period</b>	<u>(4,050)</u>	<u>3,012</u>	<u>(9,833)</u>	<u>3,760</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.*

**IRM GROUP BERHAD (628000-T)**  
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**Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2010**  
**CONDENSED CONSOLIDATED BALANCE SHEET**

(The figure has not been audited)

	<b>Unaudited 31-Dec-10 RM '000</b>	<b>Audited 31-Dec-09 RM '000</b>
		<b>Reclassified</b>
PROPERTY, PLANT & EQUIPMENT	58,324	58,911
INVESTMENT PROPERTIES	2,500	3,080
ASSETS HELD FOR SALE	-	-
OTHER INVESTMENTS	-	-
DEFERRED TAX ASSETS	-	-
DEVELOPMENT COST	-	-
Deposits with Licensed Bank	-	-
<b>CURRENT ASSETS</b>		
Inventories	23,952	20,414
Trade debtors	15,780	10,707
Other debtors, deposits and prepayments	1,658	3,314
Taxation (Recoverable)	619	930
Deposit with licensed bank	190	387
Cash and bank balances	281	2,638
	<u>42,480</u>	<u>38,390</u>
Assets classified as Held for Sale	580	-
	<u>43,060</u>	<u>38,390</u>
<b>CURRENT LIABILITIES</b>		
Trade creditors	12,238	9,383
Hire purchase creditors	208	290
Other creditors and accruals	2,740	3,658
Short Term Borrowings	44,433	31,672
Taxation	-	-
	<u>59,619</u>	<u>45,003</u>
Liabilities associated with Assets classified as Held for Sale	-	-
	<u>59,619</u>	<u>45,003</u>
<b>NET CURRENT ASSETS</b>	(16,559)	(6,612)
	<u>44,265</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	(9,833)	583
Shareholders Fund	<u>42,203</u>	<u>52,036</u>
Minority Interest	-	-
	<u>42,203</u>	<u>52,036</u>
<b>LONG TERM BORROWING</b>	1,190	2,195
DEFERRED TAXATION	872	1,147
	<u>44,265</u>	<u>55,378</u>
Net Assets ("NA") per share (sen) #	<u>32.5</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.

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Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2010  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figure has not been audited)

UNAUDITED as at 31 DECEMBER 2010	Non-Distributable		Non-Distributable		Distributable		Total RM '000	Minority Interest RM '000	Total Equity RM '000
	Share Capital RM '000	Share Premium RM '000	Revaluation Reserve RM '000	Share Premium RM '000	Retained Profit RM '000	Retained Profit 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	-	-	-	-	(9,833)	-	(9,833)	-	(9,833)
As at 31 DECEMBER 2010	65,000	2,063	3,177		(28,037)		42,203	-	42,203

AUDITED as at 31 DECEMBER 2009	Non-Distributable		Non-Distributable		Distributable		Total RM '000	Minority Interest RM '000	Total Equity RM '000
	Share Capital RM '000	Share Premium RM '000	Revaluation Reserve RM '000	Share Premium RM '000	Retained Profit RM '000	Retained Profit 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	65,000	2,063	-		(20,742)		46,321	-	46,321
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	65,000	2,063	-		(18,786)		48,277	-	48,277
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	65,000	2,063	3,177		(18,204)		52,036	-	52,036

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:

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

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**Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2010**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
(The figure has not been audited)

	2010 Unaudited 12 months ended <u>31-Dec-10</u> RM '000	2009 Audited 12 months ended <u>31-Dec-09</u> RM '000 Reclassified
<b>Cash flows from/ (used in) operating activities</b>		
Profit/(Loss) before taxation -		
Continueing Operations	(9,793)	641
Discontinued Operations / Disposal Group	-	-
<b>Adjustment for:</b>		
Allowance for impairment in Investment / Loss on PPE	-	-
Fair value adjustments for investment properties	-	(50)
Property Plant Equipment written off	-	0
Depreciation	2,115	2,141
(Gain) / Loss on Disposal of PPE	-	(0)
Allowance for Retirement benefits / VSS	1,700	24
Unrealised Loss / (Gain) on Foreign Exchange	-	50
Interest expenses	2,031	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	-	-
<b>Operating profit/(loss) before working capital changes</b>	<b>(3,947)</b>	<b>4,642</b>
<b>Changes in working capital:</b>		
Inventories	(3,538)	1,133
Receivables	(3,417)	9,034
Payables	236	(5,953)
Bills Payable	-	(5,766)
<b>Net cash flows from/ (used in) operating activities</b>	<b>(10,666)</b>	<b>3,090</b>
Retirement Benefits paid	-	(13)
Taxation (paid) / recovered	(4)	(11)
Tax refund	-	11
Interest paid	(2,031)	(1,439)
Interest income	-	16
<b>Net cash generated from/(used in) operating activities</b>	<b>(12,701)</b>	<b>1,655</b>
Proceeds from disposal of property, plant and equipment	-	2
Addition in investment property	-	-
Purchase of property, plant and equipment	(1,528)	(354)
<b>Net cash generated from/(used in) investing activities</b>	<b>(1,528)</b>	<b>(352)</b>
Proceeds from short term borrowings	-	-
Proceeds / (Repayments ) of short term borrowings	9,195	-
Repayments of Term Loan	(1,005)	(2,685)
Hire Purchase proceeds / (repayment)	(82)	(53)
<b>Net cash generated from/(used in) financing activities</b>	<b>8,108</b>	<b>(2,738)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(6,121)</b>	<b>(1,434)</b>
Cash and cash equivalents brought forward	2,612	4,046
<b>Cash and cash equivalents carried forward</b>	<b>(3,509)</b>	<b>2,612</b>
<b>Cash and cash equivalent comprise of:</b>		
Cash and Bank balances	281	2,638
Deposits with licensed banks	190	387
Overdraft (in Bank Borrowings)	(3,980)	(414)
	<b>(3,509)</b>	<b>2,612</b>
Cash and Bank Balance classified as held for sale	-	-
Fixed deposits with banks classified as held for sale	-	-
	<b>(3,509)</b>	<b>2,612</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.*

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**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**

On 1 January 2010, the Group adopted the following new and amended FRSs and IC Interpretations mandatory for annual financial period beginning on or after 1 January 2010.

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

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

The following 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 1	First-time Adoption of Financial Reporting Standards
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
Amendments to FRS 131	Interest in Joint Ventures
Amendments to FRS 138	Intangible Assets
Interpretation 9	Reassessment of Embedded Derivatives
Interpretation 11	FRS 2 - Group and Treasury Share Transactions
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
FRS 1	01-Jul-10
Amendments to FRS 1	01-Jan-11
Amendments to FRS 2	01-Jul-10
Amendments to FRS 2	01-Jul-10
FRS 3	01-Jan-11
Amendments to FRS 5	01-Jul-10
Amendments to FRS 7	01-Jan-11
Amendments to FRS 101	01-Jan-11
Amendments to FRS 121	01-Jan-11
FRS 124	01-Jan-12
FRS 127	01-Jul-10
Amendments to FRS 128	01-Jan-11
Amendments to FRS 131	01-Jan-11
Amendments to FRS 132	01-Mar-11
Amendments to FRS 132	01-Jan-11
Amendments to FRS 134	01-Jan-11
Amendments to FRS 138	01-Jul-10
Amendments to FRS 139	01-Jan-11
Amendments to IC Interpretation 4	01-Jan-11
Amendments to IC Interpretation 9	01-Jul-10
IC Interpretation 12	01-Jul-10
IC Interpretation 13	01-Jan-11
IC Interpretation 14	01-Jul-11
IC Interpretation 15	01-Jan-12
IC Interpretation 16	01-Jul-10
IC Interpretation 17	01-Jul-10
IC Interpretation 18	*
IC Interpretation 19	01-Jul-11

\* During the financial year, MASB approved and issued IC Interpretation 18 - Transfers of Assets from Customers and requires the interpretation to be applied prospectively to all transfers of assets from customers received on or after 1 January 2011.

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The existing FRS 1, FRS 3, FRS 127 and FRS 124 will be withdrawn upon the adoption of the new requirements. IC Interpretation 15 will replace FRS 201 2004. IC Interpretation 8 and IC Interpretation 11 will be withdrawn upon the application of Amendments to FRS 2 - Group Cash-settled Share-based Payment Transactions.

The above FRS1, FRS 2, FRS 128, FRS 131, FRS 138, IC Interpretation 4, 9, 12, 13, 14, 15, 16, 18, and 19 are not applicable to the Group's operations.

The Directors anticipate 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 in the period for initial application except for the following:

**IC Interpretation 17 Distributions of Non-Cash Assets to Owners**

This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The Group should measure the dividend payable at the fair value of the assets to be distributed when the dividend is appropriately authorised and is no longer at the discretion of the Group. On settlement of the dividend, the difference between the dividend paid and the carrying amount of the assets distributed is recognised in profit or loss. If the dividend remains unpaid at the end of the financial year end, the dividend payable carrying amount is reviewed with any changes recognised in equity.

**FRS 124 Related Party Disclosures**

The revised standard modifies the definition of a related party and simplifies disclosures for government-related entities. The disclosure exemptions introduced in the standard do not affect the Group because the Group is not a government-related entity. However, disclosures regarding related party transactions and balance in this financial statement may be affected when the revised standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the Standard.

- (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. Currently, the group identifies two sets of segments (business and geographical) using a risks and rewards approach, with the Group's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. The Group has adopted FRS 8 retrospectively.



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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.

The revised FRS 123 was adopted prospectively by the Group.

**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 4TH Quarter		Preceding 4TH Quarter <i>Restated per Audited A/C</i>	
	Profit/(Loss) after		Profit/(Loss) after	
	<u>Revenue</u> RM '000	<u>taxation</u> RM '000	<u>Revenue</u> RM '000	<u>taxation</u> RM '000
PVC Resins and Compounds	42,740	(9,558)	32,580	38
Downstream Fabricated Applications - Pipes & Calendaring #	3,219	139	409	(18)
	<u>45,959</u>	<u>(9,419)</u>	<u>32,989</u>	<u>20</u>
less: Inter-Segment Sales	(2,715)	-	(400)	-
add: Holding Company	-	(136)	-	(185)
add: Goodwills / Assets Diminution / Interco debt	-	5,505	-	-
<b>Total</b>	<u><b>43,244</b></u>	<u><b>(4,050)</b></u>	<u><b>32,589</b></u>	<u><b>(165)</b></u>

OPERATING UNITS' BUSINESS	Cummulative Current 4TH Quarter		Cummulative Preceding 4TH Quarter <i>Restated per Audited A/C</i>	
	Profit/(Loss) after		Profit/(Loss) after	
	<u>Revenue</u> RM '000	<u>taxation</u> RM '000	<u>Revenue</u> RM '000	<u>taxation</u> RM '000
PVC Resins and Compounds	183,024	(15,122)	164,544	980
Downstream Fabricated Applications - Pipes & Calendaring #	7,598	220	4,037	(12)
	<u>190,622</u>	<u>(14,902)</u>	<u>168,581</u>	<u>968</u>
less: Inter-Segment Sales	(7,306)	-	(3,590)	-
add: Holding Company	-	(436)	-	(385)
add: Goodwills / Assets Diminution	-	5,505	-	-
<b>Total</b>	<u><b>183,316</b></u>	<u><b>(9,833)</b></u>	<u><b>164,991</b></u>	<u><b>583</b></u>

SEGMENT ASSETS & LIABILITIES	Current 4th Quarter @ 31DEC 2010		Preceding 4th Quarter <i>Restated per Audited A/C</i> @ 31 DEC 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	106,515	61,514	107,717	48,524
Downstream Fabricated Applications - Pipes & Calendaring #	3,624	6,760	2,044	32,448
	<u>110,139</u>	<u>68,274</u>	<u>109,761</u>	<u>80,972</u>
less: Unallocated / Consolidation adjustments	(6,874)	(7,210)	(9,380)	(32,626)
<b>Total</b>	<u><b>103,265</b></u>	<u><b>61,064</b></u>	<u><b>100,381</b></u>	<u><b>48,346</b></u>

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

NOTE: # 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 .

A piece of land (which was an investment property classified as Assets Held for Sale) was sold for a consideration of RM580,000 under a Sale & Purchase Agreement dated 22nd February 2011. The transaction is yet to be completed at the date of this report.

**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. The Group decided to use this company as a vehicle to venture into PVC Wood Composite manufacturing and trading business.

**A12 Contingent liabilities**

As at 31 DECEMBER 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 31 DECEMBER 2010, only \$44.433 million out of a total RM 60.0 million 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>@31-12-10</u>	<u>'@31-12-09</u>
	RM('000)	RM('000)
Cash and cash equivalent comprise of:		
Cash and Bank balances	281	2,638
Deposits with licensed banks	190	387
Overdraft (in Bank Borrowings)	<u>(3,980)</u>	<u>(414)</u>
	<u>(3,509)</u>	<u>2,612</u>
Cash and Bank Balance classified as held for Sale	-	-
Fixed Deposits with Banks classified as held for Sale	-	-
	<u>(3,509)</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**

	<b>CORRESPONDING PRECEDING YEAR QUARTER ended 31-Dec-09 RM' 000 <i>Re-stated</i></b>	<b>CURRENT YEAR QUARTER ended 31-Dec-10 RM' 000</b>	<b>CHANGES  RM' 000</b>
Revenue - Continued Operations	32,589	43,244	10,655
Consolidated Profit/(Loss) Before Tax	(106)	(4,010)	(3,904)
less: Taxation	(59)	(40)	19
Consolidated Profit/(Loss) After Tax			
Continuing Operations	(165)	(4,050)	(3,885)
Discontinued Operations / Disposal Group	-	-	-
Minority Interest (MI)	-	-	-
Net Profit/(Loss) After MI	(165)	(4,050)	(3,885)
RESINS & COMPOUNDS VOLUME (MTS)	10,176	12,099	1,923
AVERAGE UNIT PRICES (RM / MT)	3.20	3.57	0.37

Current 4th Quarter Revenue at *RM 43.244 Million* is 32% higher than the corresponding Q4 (*Re-stated*) of the preceding year. This is *partly due to audit adjustment restated into preceding year Q4* and also due to an increase in volume. Unit Contribution for current Q4 is lower. The *results of the Discontinued/Disposal group was reclassified into the Continuing Operation* in Q4. The performance for Q4 include a provision of RM1.7 Million for VSS (Voluntary Separation Scheme).

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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:

	<b>IMMEDIATE PRECEDING QUARTER ended 30-Sep-10 RM' 000 <i>Re-classified</i></b>	<b>CURRENT QUARTER ended 31-Dec-10 RM' 000</b>	<b>CHANGES  RM' 000</b>
Revenue - Continued Operations	43,126	43,244	118
Consolidated Profit/(Loss) Before Tax	(3,081)	(4,010)	(929)
less: Taxation	-	(40)	(40)
Consolidated Profit/(Loss) After Tax			
Continuing Operations	(3,011)	(4,050)	(1,039)
Discontinued Operations / Disposal Group	-	-	-
Minority Interest (MI)	-	-	-
Net Profit/(Loss) After MI	(3,011)	(4,050)	(1,039)

Turnover for the 4th Quarter 2010 at *RM 43.244 Million is almost unchanged* compared to the immediate preceding 3rd Quarter 2010 (*Re-classified*) with a reduced Net Loss after Tax After MI of RM (2.350) Million (before provision of RM1.7 Million for one off VSS payment). The *results of the Discontinued/Disposal group was reclassified during Q4 as the Company decided to re-use the companies for trading / manufacturing operation.*

**B3 Prospects**

The tightening of the vinyl price differential and continuing volatility and uncertainty plus the rising oil price 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	Preceding	Current	Preceding
	Year	Year	Year	Year
	<u>4th Quarter</u>	<u>4th Quarter</u>	<u>4th Quarter</u>	<u>4th Quarter</u>
	<u>@31Dec10</u>	<u>@31Dec09</u>	<u>@31Dec10</u>	<u>@31Dec09</u>
	RM '000	RM '000	RM '000	RM '000
Current Year Taxation	(315)	(59)	(315)	(59)
Deferred Taxation	275	-	275	-
Total Tax Expense	<u>(40)</u>	<u>(59)</u>	<u>(40)</u>	<u>(59)</u>
Effective Tax Rate	-1.0%	-55.3%	-0.4%	9.1%

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.) The current Taxation figure refer to reversal of Recoverable Taxation no longer eligible.

**B6 Unquoted investments and properties**

There were no sale or purchases of unquoted investments and properties during the financial quarter ended 31 DECEMBER 2010.

**B7 Quoted securities**

There were no purchases or disposals of quoted securities during the financial quarter ended 31 DECEMBER 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:

	@ 31 DEC 10			@ 31 DEC 09		
	<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:	15,000	1,190	16,190	12,000	2,195	14,195
Unsecured:	25,453	(0)	25,453	19,258	-	19,258
Total	<u>40,453</u>	<u>1,190</u>	<u>41,643</u>	<u>31,258</u>	<u>2,195</u>	<u>33,453</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 31 DECEMBER 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	Preceeding Year	Current Year	Preceeding Year
	<u>4th Quarter</u>	<u>4th Quarter</u>	<u>4th Quarter</u>	<u>4th Quarter</u>
	<u>@31Dec10</u>	<u>@31Dec09</u>	<u>@31Dec10</u>	<u>@31Dec09</u>
a. Basic				
Net Profit / (Loss) for the period (RM '000)	(4,050)	(165)	(9,833)	583
Weighted Average Number of shares in issue ( '000)	130,000	130,000	130,000	130,000
Basic Earnings / (Loss) per share (sen)	(3.12)	(0.13)	(7.56)	0.45

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 **24 FEBRUARY, 2011**.