

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

Quarterly report on consolidated results for the 1ST QUARTER ended 31 MARCH 2011
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-11 RM '000	Reclassified Unaudited 31-Mar-10 RM '000	Unaudited 31-Mar-11 RM '000	Reclassified Unaudited 31-Mar-10 RM '000
Revenue	42,067	46,597	42,067	46,597
Cost of Sales	(40,917)	(43,223)	(40,917)	(43,223)
Gross Profit/(Loss)	1,150	3,374	1,150	3,374
Other Income	-	-	-	-
Other Expenses	-	-	-	-
Other Operating Income / (Loss)	242	(45)	242	(45)
Operating Expenses	(1,852)	(1,860)	(1,852)	(1,860)
Profit/(Loss) from Operations	(460)	1,469	(460)	1,469
Finance Costs	(534)	(453)	(534)	(453)
Interest Income	-	-	-	-
Profit/(Loss) before Taxation	(994)	1,016	(994)	1,016
Taxation	-	-	-	-
Profit/(Loss) after Taxation from Continueing Operations	(994)	1,016	(994)	1,016
(Loss)/Profit after Taxation from Discontinued / Disposal Group	-	-	-	-
Net Profit / (Loss) after MI	(994)	1,016	(994)	1,016
Profit / (Loss) attributable to:				
Owners of the Company	(994)	1,016	(994)	1,016
Non Controlling Interests	-	-	-	-
Profit / (Loss) for the period	(994)	1,016	(994)	1,016
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)	(0.76)	0.78	(0.76)	0.78
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 2010 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.

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Quarterly report on consolidated results for the 1ST QUARTER ended 31 MARCH 2011
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(The figure has not been audited)

	FIRST QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	Unaudited 31-Mar-11 RM '000	Unaudited Restated 31-Mar-10 RM '000	Unaudited 31-Mar-11 RM '000	UnAudited Restated 31-Mar-10 RM '000
Profit / (Loss) for the period	(994)	1,016	(994)	1,016
Other Comprehensive Income/(Loss), Net of Tax:				
Surplus on revaluation of properties	-	-	-	-
Income Tax relating to components of other comprehensive income	-	-	-	-
Other Comprehensive Income/(Loss) for the period	-	-	-	-
Total Comprehensive Income/(Loss) for the period	(994)	1,016	(994)	1,016
Total Comprehensive Income/(Loss) attributable to:				
Owners of the Company	(994)	1,016	(994)	1,016
Non-controlling interests	-	-	-	-
Total Comprehensive Income/(Loss) for the period	(994)	1,016	(994)	1,016

This statement should be read in conjunction with the the audited financial statements for the year ended 31 December 2010 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 1ST QUARTER ended 31 MARCH 2011

CONDENSED CONSOLIDATED BALANCE SHEET

(The figure has not been audited)

	Unaudited 31-Mar-11 RM '000	Audited 31-Dec-10 RM '000
PROPERTY, PLANT & EQUIPMENT	57,995	58,383
INVESTMENT PROPERTIES	2,300	2,300
ASSETS HELD FOR SALE	-	-
OTHER INVESTMENTS	-	-
CURRENT ASSETS		
Inventories	20,862	23,715
Trade debtors	14,345	15,654
Other debtors, deposits and prepayments	2,598	2,775
Taxation (Recoverable)	575	575
Deposit with licensed bank	405	395
Cash and bank balances	75	817
	<u>38,860</u>	<u>43,930</u>
Assets classified as Held for Sale	580	580
	<u>39,440</u>	<u>44,510</u>
CURRENT LIABILITIES		
Trade creditors	9,668	10,795
Hire purchase creditors	60	83
Other creditors and accruals	4,246	8,496
Short Term Borrowings	42,946	41,657
Derivative Financial Instruments	86	172
Taxation	-	1
	<u>57,006</u>	<u>61,204</u>
Liabilities associated with Assets classified as Held for Sale	-	-
	<u>57,006</u>	<u>61,204</u>
NET CURRENT ASSETS	(17,566)	(16,695)
	<u>42,729</u>	<u>43,988</u>
FINANCED BY		
Share capital	65,000	65,000
Share Premium	2,063	2,063
Revaluation Reserves	3,058	3,058
Retained profit / (Loss)	(28,403)	(18,085)
Profit / (Loss) for the period	(994)	(10,319)
Shareholders Fund	<u>40,723</u>	<u>41,717</u>
Minority Interest	-	-
	<u>40,723</u>	<u>41,717</u>
LONG TERM BORROWING	925	1,190
DEFERRED TAXATION	873	873
HP Creditors	208	208
	<u>42,729</u>	<u>43,988</u>
Net Assets ("NA") per share (sen) #	<u>31.3</u>	<u>32.1</u>

This statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 1ST QUARTER ended 31 MARCH 2011
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(The figure has not been audited)

UNAUDITED as at 31 MARCH 2011	Non-Distributable	Non-Distributable	Non-Distributable	Distributable	Total	Minority Interest	Total Equity
	Share Capital	Share Premium	Revaluation Reserve	Retained Profit			
	RM '000	RM '000	RM '000	RM '000			
As at 1 January 2011	65,000	2,063	3,058	(28,403)	41,717	-	41,717
Other Comprehensive Income / (Loss):							
Issued during the period	-	-	-	-	-	-	-
Arising from acquisition of property plant equipment	-	-	-	-	-	-	-
Arising from acquisition of subsidiaries	-	-	-	-	-	-	-
Revaluation Reserve arising from revalued assets	-	-	-	-	-	-	-
Transferred to deferred taxation	-	-	-	-	-	-	-
Net profit / (Loss) for the period / Total Comprehensive Income / (Loss) for the period	-	-	-	(994)	(994)	-	(994)
As at 31 MARCH 2011	<u>65,000</u>	<u>2,063</u>	<u>3,058</u>	<u>(29,397)</u>	<u>40,723</u>	<u>-</u>	<u>40,723</u>

AUDITED as at 31 DECEMBER 2010	Non-Distributable	Non-Distributable	Non-Distributable	Distributable	Total	Minority Interest	Total Equity
	Share Capital	Share Premium	Revaluation Reserve	Retained Profit			
	RM '000	RM '000	RM '000	RM '000			
Balance at 1 January 2010	65,000 *	2,063	3,177	(18,204)	52,036	-	52,036
Effect of adopting FRS	-	-	-	-	-	-	-
Balance at 1 January 2010	<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>
Other Comprehensive Income / (Loss):							
Issued during the period	-	-	-	-	-	-	-
Arising from acquisition of property plant equipment	-	-	-	-	-	-	-
Arising from acquisition of subsidiaries	-	-	-	-	-	-	-
Revaluation reserve arising from revalued assets	-	-	-	-	-	-	-
Transferred to deferred taxation	-	-	-	-	-	-	-
Realisation of revaluation reserve on depreciation of devalued asset	-	-	(119)	119	-	-	-
Balance at 31 December 2010	<u>65,000</u>	<u>2,063</u>	<u>3,058</u>	<u>(18,085)</u>	<u>52,036</u>	<u>-</u>	<u>52,036</u>
Net profit / (Loss) for the period / Total Comprehensive Income / (Loss) for financial year	-	-	-	(10,319)	(10,319)	-	(10,319)
Balance at 31 December 2010	<u>65,000</u>	<u>2,063</u>	<u>3,058</u>	<u>(28,403)</u>	<u>41,717</u>	<u>-</u>	<u>41,717</u>

This statement should be read in conjunction with the the audited financial statements for the year ended 31 December 2010 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 1ST QUARTER ended 31 MARCH 2011
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figure has not been audited)

	2011 Unaudited 3 months ended 31-Mar-11 RM '000	2010 Audited 12 months ended 31-Dec-10 RM '000
Cash flows from/ (used in) operating activities		
Profit/(Loss) before taxation - Continuing Operations	(994)	(10,232)
Adjustment for:		
Fair value adjustments for Investment properties	-	200
Fair value loss on derivative financial instrument	86	172
Property Plant Equipment written off	-	0
Depreciation	512	2,132
(Gain) / Loss on Disposal of PPE	-	(33)
Allowance for Retirement benefits	-	27
Provision for Voluntary Separation Scheme (VSS)	-	1,703
Unrealised Loss / (Gain) on Foreign Exchange	-	(39)
Interest expenses	533	2,015
Allowance for Doubtful Debts - No longer required	-	(132)
Tax Recoverable written (back) / off	-	(35)
Allowance for Slow Moving Inventories	-	125
Interest income	-	(9)
Waiver of Debts	-	668
Operating profit/(loss) before working capital changes	<u>137</u>	<u>(3,438)</u>
Changes in working capital:		
Inventories	2,853	(3,426)
Receivables	1,486	(4,993)
Payables	(5,549)	4,696
Bills Payable	-	9,195
Net cash flows from/ (used in) operating activities	<u>(1,073)</u>	<u>2,034</u>
Retirement Benefits paid	-	(10)
Taxation (paid) / recovered	-	(4)
Tax refund	-	35
Interest paid	(533)	(2,015)
Interest income	-	9
Net cash generated from/(used in) operating activities	<u>(1,606)</u>	<u>49</u>
Cash flows from/ (used in) investing activities		
Proceeds from disposal of property, plant and equipment	-	33
Purchase of property, plant and equipment	(124)	(1,605)
Net cash generated from/(used in) investing activities	<u>(124)</u>	<u>(1,572)</u>
Cash flows from/ (used in) financing activities		
Proceeds / (Repayments) of short term borrowings	5,096	(1,081)
Repayments of Term Loan	(266)	(1,005)
Hire Purchase proceeds / (repayment)	(23)	(76)
Net cash generated from/(used in) financing activities	<u>5,096</u>	<u>(1,081)</u>
Net increase/(decrease) in cash and cash equivalents	3,366	(2,604)
Cash and cash equivalents brought forward	7	2,612
Cash and cash equivalents carried forward	<u>3,373</u>	<u>7</u>
Cash and cash equivalent comprise of:		
Cash and Bank balances	75	817
Deposits with licensed banks	405	395
Overdraft (in Bank Borrowings)	2,893	(1,204)
	<u>3,373</u>	<u>7</u>

This statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2010. 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 2010.

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 2011, the Group adopted the following new and amended FRSs and IC Interpretations mandatory for annual financial period beginning on or after 1 January 2011.

FRS 3	Business Combinations (Revised)
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 101	Presentation of Financial Statements
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 132	Financial Instruments: Presentations
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 17	Distributions of Non-Cash Assets to Owners

(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 2011 are not applicable to the Group:

FRS 1	First time Adoption of Financial Reporting Standards
Amendments to FRS 1	First time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-Based Payment
Amendments to FRS 2	Share-Based Payment
	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-Current Assets Held for Sale and Discontinued Operations
Amendments to FRS 128	Investment in Associates
Amendments to FRS 131	Interests in Joint Ventures
Amendments to FRS 138	Intangible Assets
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation

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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 124	Related Party Disclosures	01-Jan-12
Amendments to FRS 132	Financial Instruments: Presentations	01-Mar-11
IC Interpretation 14	Prepayments of a Minimum Funding Requirement	01-Jul-11
IC Interpretation 15	Agreements for the Construction of Real Estates	01-Jan-12
IC Interpretation 18	Transfers of Assets from Customers	*
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	01-Jul-11

* 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.

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 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.

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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/Wood Composite Products)

OPERATING UNITS' BUSINESS	Current 1st Quarter Profit/(Loss) after		Preceding 1st Quarter 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	41,821	(918)	46,628	1,104
Downstream Fabricated Applications - Pipes & Calendaring #	1,204	(26)	948	12
	<u>43,025</u>	<u>(944)</u>	<u>47,576</u>	<u>1,116</u>
less: Inter-Segment Sales	(958)	-	(979)	-
add: Holding Company	-	(50)	-	(100)
add: Goodwills / Assets Diminution / Interco debt	-	-	-	-
Total	<u>42,067</u>	<u>(994)</u>	<u>46,597</u>	<u>1,016</u>

OPERATING UNITS' BUSINESS	Cummulative Current 1st Quarter Profit/(Loss) after		Cummulative Preceding 1st Quarter 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	41,821	(918)	46,628	1,104
Downstream Fabricated Applications - Pipes & Calendaring #	1,204	(26)	948	12
	<u>43,025</u>	<u>(944)</u>	<u>47,576</u>	<u>1,116</u>
less: Inter-Segment Sales	(958)	-	(979)	-
add: Holding Company	-	(50)	-	(100)
add: Goodwills / Assets Diminution	-	-	-	-
Total	<u>42,067</u>	<u>(994)</u>	<u>46,597</u>	<u>1,016</u>

SEGMENT ASSETS & LIABILITIES	Current 1st Quarter @ 31MAR 2011		Preceding 1st Quarter @ 31 MAR 2010	
	<u>Assets</u> RM '000	<u>Liabilities</u> RM '000	<u>Assets</u> RM '000	<u>Liabilities</u> RM '000
PVC Resins and Compounds	101,917	58,296	116,631	55,403
Downstream Fabricated Applications - Pipes & Calendaring #	3,523	6,703	2,119	5,463
	<u>105,440</u>	<u>64,999</u>	<u>118,750</u>	<u>60,866</u>
less: Unallocated / Consolidation adjustments	(6,279)	(6,562)	(5,642)	(808)
Total	<u>99,161</u>	<u>58,437</u>	<u>113,108</u>	<u>60,058</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 2010.

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.

A12 Contingent liabilities

As at 31 MARCH 2011, 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 MARCH 2011, only \$42.946 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>@31-03-11</u>	<u>'@31-12-10</u>
	RM('000)	RM('000)
Cash and cash equivalent comprise of:		
Cash and Bank balances	75	817
Deposits with licensed banks	405	395
Overdraft (in Bank Borrowings)	2,893	(1,204)
	<u>3,373</u>	<u>7</u>
Cash and Bank Balance classified as held for Sale	-	-
Fixed Deposits with Banks classified as held for Sale	-	-
	<u>3,373</u>	<u>7</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 31-Mar-10 RM' 000 <i>Reclassified</i>	CURRENT YEAR QUARTER ended 31-Mar-11 RM' 000	CHANGES RM' 000
Revenue - Continued Operations	46,597	42,067	(4,530)
Consolidated Profit/(Loss) Before Tax	1,016	(994)	(2,010)
less: Taxation	-	-	-
Consolidated Profit/(Loss) After Tax			
Continuing Operations	1,016	(994)	(2,010)
Discontinued Operations / Disposal Group	-	-	-
Minority Interest (MI)	-	-	-
Net Profit/(Loss) After MI	1,016	(994)	(2,010)
RESINS & COMPOUNDS VOLUME (MTS)	12,351	11,490	(861)
AVERAGE UNIT PRICES (RM / MT)	3.77	3.66	(0.11)

Current 1st Quarter Revenue at *RM 42.067 Million* is 10% lower than the corresponding Q1 (*Re-classified*) of the preceeding year. This is due to a decrease in volume and lower prices for current Q1. Average PVC resins price and margin were lower. Compounds price and margin were higher. Unit Contribution for current Q1 is also lower. The lower volume and overall lower contribution margin resulted in a loss for the current year. The preceeding year Q1 results of the Discontinued/Disposal group was reclassified into the Continuing Operation.

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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 31-Dec-10 RM' 000	CURRENT QUARTER ended 31-Mar-11 RM' 000	CHANGES RM' 000
Revenue - Continued Operations	43,244	42,067	(1,177)
Consolidated Profit/(Loss) Before Tax	(4,010)	(994)	3,016
less: Taxation	(40)	-	40
Consolidated Profit/(Loss) After Tax			
Continuing Operations	(4,050)	(994)	3,056
Discontinued Operations / Disposal Group	-	-	-
Minority Interest (MI)	-	-	-
Net Profit/(Loss) After MI	(4,050)	(994)	3,056

Turnover for the 1st Quarter 2011 at RM 42.067 Million is 3 % lower compared to the immediate preceding 4th Quarter 2010 (*with the Discontinued/Disposal group re-classified*) with a reduced Net Loss after Tax After MI of RM (0.994) Million. (The loss in 2010 Q4 includes a provision of RM1.7 Million for one off VSS payment). The main reason for the reduced loss is the improved price and better contribution margins for both resins and compounds although volume for both were lower. Contributions from downstream fabrication units were negligible.

B3 Prospects

The current high and volatile vinyl price and uncertainty from the Japan earthquake and nuclear fallout 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 Year	Preceding Year	Current Year	Preceding Year
	<u>1st Quarter</u>	<u>1st Quarter</u>	<u>1st Quarter</u>	<u>1st Quarter</u>
	<u>@31Mar11</u>	<u>@31Mar10</u>	<u>@31Mar11</u>	<u>@31Mar10</u>
	RM '000	RM '000	RM '000	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 during the financial quarter ended 31 MARCH 2011. The company entered into a Sales & Purchase Agreement in February 2011 for the disposal of a piece of land in Sepang.

B7 Quoted securities

There were no purchases or disposals of quoted securities during the financial quarter ended 31 MARCH 2011.

B8 Status of Corporate Proposals announced

During Q4 for 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 to date.

On 24 March 2011, the Group announce that a wholly owned subsidiary, IRM COMPOSITE SDN BHD ("IRMC") entered into an agreement with Perbadanan Kemajuan Negeri Perak ("PKNP") for a joint business collaboration for a bamboo concession in the state of Perak. Details of collaborative effort for implementations are currently being worked out.

B9 Group's borrowings and debt securities

(a) The Group borrowings are as follows:

	@ 31 MAR 11			@ 31 MAR 10		
	<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:	22,696	925	23,621	18,360	1,945	20,305
Unsecured:	17,358	-	17,358	14,911	-	14,911
Total	40,054	925	40,979	33,271	1,945	35,216

(b) All borrowings are denominated in Ringgit Malaysia

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B10 Derivative Financial Instruments (Off balance sheet financial instruments)

Details of outstanding derivative financial instruments as at end of 31 MARCH 2011.

Type of Derivatives	Contract / Notional Value RM '000	Fair Value RM '000	Gain/(Loss) Fair Value Changes RM '000	Purpose
Forward exchange contracts (Mature within 2 months)	14,851	14,765	(86)	Hedging for Material purchase

B11 Realised and Unrealised Profits / (Losses) Disclosures

	As at 31-Mar-11 RM '000	As at 31-Dec-10 RM '000
Total unappropriated profit of IRMGB and its subsidiaries:		
Realised	(28,477)	(27,397)
Unrealised	(920)	(1,006)
Total group unappropriated profit as per Consolidated Accounts:	(29,397)	(28,403)

B12 Material litigation

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

B13 Dividends

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

B14 Earnings per share

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	<u>1st Quarter</u> <u>@31Mar11</u>	<u>1st Quarter</u> <u>@31Mar10</u>	<u>1st Quarter</u> <u>@31Mar11</u>	<u>1st Quarter</u> <u>@31Mar10</u>
a. Basic				
Net Profit / (Loss) for the period (RM '000)	(994)	1,016	(994)	1,016
Weighted Average Number of shares in issue ('000)	130,000	130,000	130,000	130,000
Basic Earnings / (Loss) per share (sen)	(0.76)	0.78	(0.76)	0.78

b. Diluted

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

B15 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 MAY, 2011**.