

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

Quarterly report on consolidated results for the 2ND QUARTER ended 30 JUNE 2011
CONDENSED CONSOLIDATED BALANCE SHEET

(The figure has not been audited)

	Unaudited 30-Jun-11 RM '000	Audited 31-Dec-10 RM '000
PROPERTY, PLANT & EQUIPMENT	70,141	58,383
INVESTMENT PROPERTIES	-	2,300
ASSETS HELD FOR SALE	-	-
OTHER INVESTMENTS	-	-
CURRENT ASSETS		
Inventories	24,938	23,715
Trade debtors	14,901	15,654
Other debtors, deposits and prepayments	1,961	2,775
Taxation (Recoverable)	575	575
Deposit with licensed bank	405	395
Cash and bank balances	96	817
	<u>42,876</u>	<u>43,929</u>
Assets classified as Held for Sale	2,300	580
	<u>45,176</u>	<u>44,509</u>
CURRENT LIABILITIES		
Trade creditors	9,856	10,795
Hire purchase creditors	40	83
Other creditors and accruals	7,557	8,496
Short Term Borrowings	42,412	41,657
Derivative Financial Instruments	70	172
Taxation	-	1
	<u>59,935</u>	<u>61,204</u>
Liabilities associated with Assets classified as Held for Sale	-	-
	<u>59,935</u>	<u>61,204</u>
NET CURRENT ASSETS	(14,759)	(16,695)
	<u>55,382</u>	<u>43,988</u>
FINANCED BY		
Share capital	65,000	65,000
Share Premium	2,063	2,063
Revaluation Reserves	15,688	3,058
Retained profit / (Loss)	(28,403)	(18,085)
Profit / (Loss) for the period	(700)	(10,319)
Shareholders Fund	<u>53,648</u>	<u>41,717</u>
Minority Interest	-	-
	<u>53,648</u>	<u>41,717</u>
LONG TERM BORROWING	653	1,190
DEFERRED TAXATION	873	873
HP Creditors	208	208
	<u>55,382</u>	<u>43,988</u>
Net Assets ("NA") per share (sen) #	<u>41.3</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.

IRM GROUP BERHAD (628000-T)
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Quarterly report on consolidated results for the 2ND QUARTER ended 30 JUNE 2011
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figure has not been audited)

Cash flows from/ (used in) operating activities		
Profit/(Loss) before taxation -		
Continuing Operations	(700)	(10,232)
Adjustment for:		
Fair value adjustments for Investment properties	-	200
Fair value loss on derivative financial instrument	70	172
Property Plant Equipment written off	-	0
Depreciation	1,026	2,132
(Gain) / Loss on Disposal of PPE	-	(33)
Allowance for Retirement benefits	-	27
Provision for Vol Separation Sch / (No longer required)	(948)	1,703
Unrealised Loss / (Gain) on Foreign Exchange	-	(39)
Interest expenses	1,064	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>512</u>	<u>(3,438)</u>
Changes in working capital:		
Inventories	(1,224)	(3,426)
Receivables	1,566	(4,993)
Payables	(1,102)	4,696
Bills Payable	-	9,195
Net cash flows from/ (used in) operating activities	<u>(248)</u>	<u>2,034</u>
Retirement Benefits paid	-	(10)
Taxation (paid) / recovered	-	(4)
Tax refund	-	35
Interest paid	(1,064)	(2,015)
Interest income	-	9
Net cash generated from/(used in) operating activities	<u>(1,312)</u>	<u>49</u>
<i>Cash flows from/ (used in) investing activities</i>		
	427	(1,572)
Proceeds from disposal of property, plant and equipment	580	33
Purchase of property, plant and equipment	(153)	(1,605)
Net cash generated from/(used in) investing activities	<u>427</u>	<u>(1,572)</u>
<i>Cash flows from/ (used in) financing activities</i>		
	399	(1,081)
Proceeds / (Repayments) of short term borrowings	979	-
Repayments of Term Loan	(537)	(1,005)
Hire Purchase proceeds / (repayment)	(43)	(76)
Net cash generated from/(used in) financing activities	<u>399</u>	<u>(1,081)</u>
Net increase/(decrease) in cash and cash equivalents	(486)	(2,604)
Cash and cash equivalents brought forward	7	2,612
Cash and cash equivalents carried forward	<u>(479)</u>	<u>7</u>
Cash and cash equivalent comprise of:		
Cash and Bank balances	96	817
Deposits with licensed banks	405	395
Overdraft (in Bank Borrowings)	(980)	(1,204)
	<u>(479)</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.

IRM GROUP BERHAD (628000-T)
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Quarterly report on consolidated results for the 2ND QUARTER ended 30 JUNE 2011
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figure has not been audited)

UNAUDITED as at 30 JUNE 2011	Non-Distributable <u>Share Capital</u> RM '000	Non-Distributable <u>Share Premium</u> RM '000	Non-Distributable <u>Revaluation Reserve</u> RM '000	Distributable <u>Retained Profit</u> RM '000	<u>Total</u> RM '000	<u>Minority Interest</u> RM '000	<u>Total Equity</u> 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	-	-	12,630	-	12,630	-	12,630
Transferred to deferred taxation	-	-	-	-	-	-	-
Net profit / (Loss) for the period / Total Comprehensive Income / (Loss) for the period	-	-	-	(700)	(700)	-	(700)
As at 30 JUNE 2011	<u>65,000</u>	<u>2,063</u>	<u>15,688</u>	<u>(29,103)</u>	<u>53,648</u>	<u>-</u>	<u>53,648</u>
AUDITED as at 31 DECEMBER 2010	Non-Distributable <u>Share Capital</u> RM '000	Non-Distributable <u>Share Premium</u> RM '000	Non-Distributable <u>Revaluation Reserve</u> RM '000	Distributable <u>Retained Profit</u> RM '000	<u>Total</u> RM '000	<u>Minority Interest</u> RM '000	<u>Total Equity</u> 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	-	-	-
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 2ND QUARTER ended 30 JUNE 2011
CONDENSED CONSOLIDATED INCOME STATEMENT
(The figure has not been audited)

	2ND QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	Unaudited 30-Jun-11 RM '000	Reclassified Unaudited 30-Jun-10 RM '000	Unaudited 30-Jun-11 RM '000	Reclassified Unaudited 30-Jun-10 RM '000
Revenue	44,373	50,349	86,440	96,946
Cost of Sales	(42,934)	(51,551)	(83,851)	(94,774)
Gross Profit/(Loss)	<u>1,439</u>	<u>(1,202)</u>	<u>2,589</u>	<u>2,172</u>
Other Income	-	-	-	-
Other Expenses	-	-	-	-
Other Operating Income / (Loss)	275	38	517	(7)
Operating Expenses	(889)	(2,075)	(2,741)	(3,935)
Profit/(Loss) from Operations	<u>825</u>	<u>(3,239)</u>	<u>365</u>	<u>(1,770)</u>
Finance Costs	(531)	(549)	(1,065)	(1,002)
Interest Income	-	-	-	-
Profit/(Loss) before Taxation	<u>294</u>	<u>(3,788)</u>	<u>(700)</u>	<u>(2,772)</u>
Taxation	-	-	-	-
Profit/(Loss) after Taxation from Continueing Operations	<u>294</u>	<u>(3,788)</u>	<u>(700)</u>	<u>(2,772)</u>
(Loss)/Profit after Taxation from Discontinued / Disposal Group	-	-	-	-
Net Profit / (Loss) after MI	<u><u>294</u></u>	<u><u>(3,788)</u></u>	<u><u>(700)</u></u>	<u><u>(2,772)</u></u>
Profit / (Loss) attributable to:				
Owners of the Company	294	(3,788)	(700)	(2,772)
Non Controlling Interests	-	-	-	-
Profit / (Loss) for the period	<u><u>294</u></u>	<u><u>(3,788)</u></u>	<u><u>(700)</u></u>	<u><u>(2,772)</u></u>
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)	<u>0.23</u>	<u>(2.91)</u>	<u>(0.54)</u>	<u>(2.13)</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 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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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(The figure has not been audited)

	2ND QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	Unaudited 30-Jun-11 RM '000	Unaudited Restated 30-Jun-10 RM '000	Unaudited 30-Jun-11 RM '000	UnAudited Restated 30-Jun-10 RM '000
Profit / (Loss) for the period	294	(3,788)	(700)	(2,772)
Other Comprehensive Income/(Loss), Net of Tax:				
Surplus on revaluation of properties	12,630	-	12,630	-
Income Tax relating to components of other comprehensive income	-	-	-	-
Other Comprehensive Income/(Loss) for the period	<u>12,630</u>	<u>-</u>	<u>12,630</u>	<u>-</u>
Total Comprehensive Income/(Loss) for the period	<u>12,924</u>	<u>(3,788)</u>	<u>11,930</u>	<u>(2,772)</u>
Total Comprehensive Income/(Loss) attributable to:				
Owners of the Company	12,924	(3,788)	11,930	(2,772)
Non-controlling interests	-	-	-	-
Total Comprehensive Income/(Loss) for the period	<u>12,924</u>	<u>(3,788)</u>	<u>11,930</u>	<u>(2,772)</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.

IRM GROUP BERHAD (628000-T)
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Quarterly report on consolidated results for the 2ND QUARTER ended 30 JUNE 2011

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
Amendments to FRS 5	Non-Current Assets Held for Sale and Discontinued Operations

(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 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
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:

Revaluation as noted in A9 and Provision reversal in A5.

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.

However, out of the provision of RM 1.7 million made in the prior financial year for VSS payment, the amount not utilised and reversed in the current quarter amounts to RM948,000

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 Calendared/Wood Composite Products)

OPERATING UNITS' BUSINESS	Current 2nd Quarter Profit/(Loss) after		Preceding 2nd 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	44,345	436	49,569	(3,687)
Downstream Fabricated Applications - Pipes & Calendaring #	2,393	8	1,710	(1)
	<u>46,738</u>	<u>444</u>	<u>51,279</u>	<u>(3,688)</u>
less: Inter-Segment Sales	(2,365)	-	(930)	-
add: Holding Company	-	(150)	-	(100)
add: Goodwills / Assets Diminution / Interco debt	-	-	-	-
Total	<u>44,373</u>	<u>294</u>	<u>50,349</u>	<u>(3,788)</u>

OPERATING UNITS' BUSINESS	Cumulative Current 2nd Quarter Profit/(Loss) after		Cumulative Preceding 2nd 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	86,166	(482)	96,197	(2,583)
Downstream Fabricated Applications - Pipes & Calendaring #	3,597	(18)	2,658	11
	<u>89,763</u>	<u>(500)</u>	<u>98,855</u>	<u>(2,572)</u>
less: Inter-Segment Sales	(3,323)	-	(1,909)	-
add: Holding Company	-	(200)	-	(200)
add: Goodwills / Assets Diminution	-	-	-	-
Total	<u>86,440</u>	<u>(700)</u>	<u>96,946</u>	<u>(2,772)</u>

SEGMENT ASSETS & LIABILITIES	Current 2nd Quarter @ 30JUN 2011		Preceding 2nd Quarter @ 30 JUN 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	109,485	59,857	112,740	55,200
Downstream Fabricated Applications - Pipes & Calendaring #	5,258	1,237	3,107	6,453
	<u>114,743</u>	<u>61,094</u>	<u>115,847</u>	<u>61,653</u>
less: Unallocated / Consolidation adjustments	7,580	7,713	(5,631)	699
Total	<u>122,323</u>	<u>68,807</u>	<u>110,216</u>	<u>62,352</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 except for the following:

The class of property under Land & Buildings and Chemical Storage Terminal were revalued based on a professional valuers' report by IRMHAMY & CO (dated 30 MAY 2011). However, only the property classified under Chemical Storage Terminal at a Net Carrying Amount of RM 2,369,309 as at 30 June 2011 (Original cost RM 15,939,709 and Net Book Value RM 2,385,433 as at 31Dec 2010) has been revalued to RM 15,000,000 and incorporated into the books of accounts as at 30 June 2011. The class of property grouped under Land & Buildings remain at the carrying amount.

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 completed and money fully paid on 27 MAY 2011.

A piece of commercial property has been reclassified as Assets Held for Sale and is being sold for a consideration of RM2,300,000 under a Sale & Purchase Agreement dated for which a 10% down payment cheque was received on 15 June 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 30 JUNE 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 1,243,000.

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.

The total gross banking facilities was RM 60.0 million.

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.

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A15 Cash and cash equivalents

	<u>@30-06-11</u>	<u>'@31-12-10</u>
	RM('000)	RM('000)
Cash and cash equivalent comprise of:		
Cash and Bank balances	96	817
Deposits with licensed banks	405	395
Overdraft (in Bank Borrowings)	(980)	(1,204)
	<u>(479)</u>	<u>7</u>
Cash and Bank Balance classified as held for Sale	-	-
Fixed Deposits with Banks classified as held for Sale	-	-
	<u>(479)</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 30-Jun-10 RM' 000 <i>Reclassified</i>	CURRENT YEAR QUARTER ended 30-Jun-11 RM' 000	CHANGES RM' 000
Revenue - Continued Operations	50,349	44,373	(5,976)
Consolidated Profit/(Loss) Before Tax	(3,788)	294	4,082
less: Taxation	-	-	-
Consolidated Profit/(Loss) After Tax			
Continuing Operations	(3,788)	294	4,082
Discontinued Operations / Disposal Group	-	-	-
Minority Interest (MI)	-	-	-
Net Profit/(Loss) After MI	(3,788)	294	4,082
RESINS & COMPOUNDS VOLUME (MTS)	13,628	10,841	(2,787)
AVERAGE UNIT PRICES (RM / MT)	3.69	4.09	0.40

Current 2nd Quarter Revenue at *RM 44.373 Million* is 12% lower than the corresponding Q2 (*Re-classified*) of the preceeding year. This is due to a decrease in volume offset by higher prices for current Q2. Average PVC resins price and margin were higher. Compounds price and margin were higher. Unit Contribution for current Q2 is also higher. The reduction in overhead despite a lower volume but overall higher contribution margin resulted in a gain for the current Quarter. The reversal of provision for VSS by RM 948,000 also contributed to the results of the current quarter. The preceeding year Q2 results of the Discontinued/Disposal group was reclassified into the Continueing Operation - but contribution from this sector was negligible.

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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-Mar-11 RM' 000	CURRENT QUARTER ended 30-Jun-11 RM' 000	CHANGES RM' 000
Revenue - Continued Operations	42,067	44,373	2,306
Consolidated Profit/(Loss) Before Tax	(994)	294	1,288
less: Taxation	-	-	-
Consolidated Profit/(Loss) After Tax			
Continuing Operations	(994)	294	1,288
Discontinued Operations / Disposal Group	-	-	-
Minority Interest (MI)	-	-	-
Net Profit/(Loss) After MI	(994)	294	1,288

Turnover for the 2nd Quarter 2011 at RM 44.373 Million is 5 % higher compared to the immediate preceding 1st Quarter 2011 with a gain RM 0.294 Million. The gain in Q2 follows the overhead reduction after the VSS exercise plus the write back of the overprovision subsequent to the VSS exercise during the quarter. The reason for the gain is also due to 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 amidst global uncertainties appears to have peaked in June with signs of it dropping in the coming quarter. But the key determinant of profit ie PVC/VCN differential is still uncertain as to its direction but is still in a not attractive range.

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>2ndQuarter</u>	<u>2ndQuarter</u>	<u>2ndQuarter</u>	<u>2ndQuarter</u>
	<u>@30Jun11</u>	<u>@30Jun10</u>	<u>@30Jun11</u>	<u>@30Jun10</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 30 JUNE 2011.

B7 Quoted securities

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

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 buiness 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:

	@ 30 JUN 11			@ 30 JUN 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:	21,415	653	22,068	12,400	1,710	14,110
Unsecured:	20,016	-	20,016	22,229	-	22,229
Total	<u>41,431</u>	<u>653</u>	<u>42,084</u>	<u>34,629</u>	<u>1,710</u>	<u>36,339</u>

(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 30 JUNE 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)	14,635	14,565	(70)	Hedging for Material purchase

B11 Realised and Unrealised Profits / (Losses) Disclosures

	As at 30-Jun-11 RM '000	As at 30-Mar-11 RM '000
Total unappropriated profit of IRMGB and its subsidiaries:		
Realised	(28,199)	(28,427)
Unrealised	(904)	(920)
Total group unappropriated profit as per Consolidated Accounts:	(29,103)	(29,347)

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		Cummulative Quarter	
	Current Year	Preceeding Year	Current Year	Preceeding Year
	<u>2nd Quarter</u> <u>@30Jun11</u>	<u>2nd Quarter</u> <u>@30Jun10</u>	<u>2nd Quarter</u> <u>@30Jun11</u>	<u>2nd Quarter</u> <u>@30Jun10</u>
a. Basic				
Net Profit / (Loss) for the period (RM '000)	294	(3,788)	(700)	(2,772)
Weighted Average Number of shares in issue ('000)	130,000	130,000	130,000	130,000
Basic Earnings / (Loss) per share (sen)	0.23	(2.91)	(0.54)	(2.13)

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 **16 AUGUST, 2011**.