

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

**Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2011**  
**CONDENSED CONSOLIDATED BALANCE SHEET**

(The figure has not been audited)

	<b>Unaudited 31-Dec-11 RM '000</b>	<b>Audited 31-Dec-10 RM '000</b>
PROPERTY, PLANT & EQUIPMENT	69,757	58,383
INVESTMENT PROPERTIES	-	2,300
ASSETS HELD FOR SALE	-	-
OTHER INVESTMENTS	-	-
<b>CURRENT ASSETS</b>		
Inventories	28,914	23,715
Trade debtors	15,792	15,654
Other debtors, deposits and prepayments	3,012	2,775
Taxation (Recoverable)	575	575
Deposit with licensed bank	411	395
Cash and bank balances	139	817
	<u>48,843</u>	<u>43,929</u>
Assets classified as Held for Sale	-	580
	<u>48,843</u>	<u>44,509</u>
<b>CURRENT LIABILITIES</b>		
Trade creditors	26,804	10,795
Hire purchase creditors	-	83
Other creditors and accruals	5,589	8,496
Short Term Borrowings	36,117	41,657
Derivative Financial Instruments	-	172
Taxation	-	1
	<u>68,510</u>	<u>61,204</u>
Liabilities associated with Assets classified as Held for Sale	-	-
	<u>68,510</u>	<u>61,204</u>
<b>NET CURRENT ASSETS</b>	(19,667)	(16,695)
	<u>50,090</u>	<u>43,988</u>
<b>FINANCED BY</b>		
Share capital	65,000	65,000
Share Premium	2,063	2,063
Revaluation Reserves	10,518	3,058
Retained profit / (Loss)	(26,390)	(18,085)
Profit / (Loss) for the period	(4,600)	(10,319)
Shareholders Fund	<u>46,590</u>	<u>41,717</u>
Minority Interest	-	-
	<u>46,590</u>	<u>41,717</u>
<b>LONG TERM BORROWING</b>	97	1,190
DEFERRED TAXATION	3,195	873
HP Creditors	208	208
	<u>50,090</u>	<u>43,988</u>
<b>Net Assets ("NA") per share (sen) #</b>	<u>35.8</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)**  
(Incorporated in Malaysia)

**Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2011**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

(The figure has not been audited)

	<b>Unaudited 31-Dec-11 RM '000</b>	<b>Audited 31-Dec-10 RM '000</b>
<b>Cash flows from/ (used in) operating activities</b>		
Profit/(Loss) before taxation -		
Continueing Operations	(5,436)	(10,232)
<b>Adjustment for:</b>		
Fair value adjustments for Investment properties	-	200
Fair value loss/(gain) on derivative financial instrument	-	172
Property Plant Equipment written off	-	0
Depreciation	2,747	2,132
(Gain) / Loss on Disposal of PPE	(23)	(33)
Allowance for Retirement benefits	-	27
Provision for Vol Separation Sch / (No longer required)	(948)	1,703
Unrealised Loss / (Gain) on Foreign Exchange	86	(39)
Interest expenses	2,213	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>(1,361)</u>	<u>(3,438)</u>
<b>Changes in working capital:</b>		
Inventories	(5,199)	(3,426)
Receivables	(376)	(4,993)
Payables	13,792	4,696
Bills Payable	-	9,195
Net cash flows from/ (used in) operating activities	<u>6,856</u>	<u>2,034</u>
Retirement Benefits paid	-	(10)
Taxation (paid) / recovered	-	(4)
Tax refund	-	35
Interest paid	(2,213)	(2,015)
Interest income	-	9
Net cash generated from/(used in) operating activities	<u>4,643</u>	<u>49</u>
Proceeds from disposal of property, plant and equipment	2,903	33
Preliminary and Listing Expenses	-	-
Addition in investment property	-	-
Purchase of property, plant and equipment	(1,491)	(1,605)
Net cash generated from/(used in) investing activities	<u>1,412</u>	<u>(1,572)</u>
Proceeds / (Repayments ) of short term borrowings	(7,591)	-
Repayments of Term Loan	(1,093)	(1,005)
Hire Purchase proceeds / (repayment)	(83)	(76)
Net cash generated from/(used in) financing activities	<u>(8,767)</u>	<u>(1,081)</u>
Net increase/(decrease) in cash and cash equivalents	(2,712)	(2,604)
Cash and cash equivalents brought forward	7	2,612
Cash and cash equivalents carried forward	<u>(2,705)</u>	<u>7</u>
<b>Cash and cash equivalent comprise of:</b>		
Cash and Bank balances	139	817
Deposits with licensed banks	411	395
Overdraft (in Bank Borrowings)	(3,255)	(1,204)
	<u>(2,705)</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)  
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2011  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
(The figure has not been audited)

UNAUDITED as at 31 DECEMBER 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	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	-	-	12,630	-	12,630	-	12,630
Transferred to deferred taxation	-	-	(3,158)	-	(3,158)	-	(3,158)
Total Other Comprehensive Income for the period	-	-	9,473	-	9,473	-	9,473
Realisation of revaluation reserve on depreciation of revalued asset	-	-	(2,013)	2,013	-	-	-
	65,000	2,063	10,518	(26,390)	51,190	-	51,190
Net profit / (Loss) for the period / Total Comprehensive Income / (Loss) for the period	-	-	-	(4,600)	(4,600)	-	(4,600)
As at 31 DECEMBER 2011	65,000	2,063	10,518	(30,990)	46,590	-	46,590

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	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	65,000	2,063	3,177	(18,204)	52,036	-	52,036
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 revalued asset	-	-	(119)	119	-	-	-
	65,000	2,063	3,058	(18,085)	52,036	-	52,036
Net profit / (Loss) for the period / Total Comprehensive Income / (Loss) for financial year	-	-	-	(10,319)	(10,319)	-	(10,319)
Balance at 31 December 2010	65,000	2,063	3,058	(28,403)	41,717	-	41,717

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:

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

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

**Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2011**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**

(The figure has not been audited)

	4TH QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	Unaudited 31-Dec-11 RM '000	Reclassified/Restated Unaudited 31-Dec-10 RM '000	Unaudited 31-Dec-11 RM '000	Reclassified/Restated Unaudited 31-Dec-10 RM '000
Revenue	39,524	43,333	166,615	183,405
Cost of Sales ##	(39,290)	(42,531)	(161,780)	(179,438)
Gross Profit/(Loss)	<u>234</u>	<u>802</u>	<u>4,835</u>	<u>3,967</u>
Other Income (include investment income)	23	-	23	-
Other Expenses	-	-	-	-
Other Operating Income / (Loss)	(813)	(1,973)	294	(1,908)
Depreciation Expense ##	(1,213)	(515)	(2,747)	(2,115)
Operating Expenses	(2,077)	(2,241)	(5,627)	(8,161)
Profit/(Loss) from Operations	<u>(3,845)</u>	<u>(3,927)</u>	<u>(3,222)</u>	<u>(8,217)</u>
Finance Costs	(587)	(522)	(2,214)	(2,015)
Interest Income	-	-	-	-
Profit/(Loss) before Taxation	<u>(4,432)</u>	<u>(4,449)</u>	<u>(5,436)</u>	<u>(10,232)</u>
Taxation	836	(87)	836	(87)
Profit/(Loss) after Taxation from Continueing Operations	<u>(3,596)</u>	<u>(4,536)</u>	<u>(4,600)</u>	<u>(10,319)</u>
(Loss)/Profit after Taxation from Discontinued / Disposal Group	-	-	-	-
Net Profit / (Loss) after MI	<u><u>(3,596)</u></u>	<u><u>(4,536)</u></u>	<u><u>(4,600)</u></u>	<u><u>(10,319)</u></u>
<b>Profit / (Loss) attributable to:</b>				
Owners of the Company	(3,596)	(4,536)	(4,600)	(10,319)
Non Controlling Interests	-	-	-	-
<b>Profit / (Loss) for the period</b>	<u><u>(3,596)</u></u>	<u><u>(4,536)</u></u>	<u><u>(4,600)</u></u>	<u><u>(10,319)</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>(2.77)</u>	<u>(3.49)</u>	<u>(3.54)</u>	<u>(7.94)</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.

## DEPRECIATION reclassified from Cost of Sales to disclose as separate item.

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

Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2011  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(The figure has not been audited)

	4TH QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	Unaudited 31-Dec-11 RM '000	Unaudited Restated 31-Dec-10 RM '000	Unaudited 31-Dec-11 RM '000	UnAudited Restated 31-Dec-10 RM '000
Profit / (Loss) for the period	(3,596)	(4,536)	(4,600)	(10,319)
<b>Other Comprehensive Income/(Loss), Net of Tax:</b>				
Surplus on revaluation of properties	-	-	12,630	-
Income Tax relating to components of other comprehensive income	-	-	(3,158)	-
Other Comprehensive Income/(Loss) for the period	-	-	9,473	-
<b>Total Comprehensive Income/(Loss) for the period</b>	<b>(3,596)</b>	<b>(4,536)</b>	<b>4,873</b>	<b>(10,319)</b>
<b>Total Comprehensive Income/(Loss) attributable to:</b>				
Owners of the Company	(3,596)	(4,536)	4,873	(10,319)
Non-controlling interests	-	-	-	-
<b>Total Comprehensive Income/(Loss) for the period</b>	<b>(3,596)</b>	<b>(4,536)</b>	<b>4,873</b>	<b>(10,319)</b>

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.

NOTES TO STATEMENT OF COMPREHENSIVE INCOME:  
(Additional information)

	4TH QUARTER	CUMULATIVE
	CURRENT YEAR	CURRENT YEAR
	Unaudited 31-Dec-11 RM ' 000	Unaudited 31-Dec-11 RM ' 000
Depreciation and Amortization	(1,213)	(2,747)
Provision for and write off of Receivables	-	-
Provision for and write off of Inventories	-	-
Gain or (Loss) on disposal of quoted and unquoted investments or properties	23	23
Impairment of Assets	-	-
Foreign Exchange gain or loss	(86)	(86)
Gain or Loss on derivatives	-	-
Exceptional items:		
Product defects compensation	(473)	(473)
Prior year expense write off no longer required	-	-

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

**Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 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**

The Accounting Policies adopted by the Group is consistent with those of the previous financial year except the following new and revised FRSs and IC Interpretations:

		Effective for Financial period beginning on or after
Amendments to FRS 132	Financial Instruments: Presentations Amendments relating to classification of rights issues	01-Mar-10
FRS 3	Business Combinations (Revised)	01-Jul-10
FRS 127	Consolidated and Separate Financial Statements (Revised)	01-Jul-10
Amendments to FRS 138	Intangible assets	01-Jul-10
IC Interpretation 17	Distributions of Non-Cash Assets to Owners	01-Jul-10
 Improvements to FRSs issued in 2009		
Amendments to FRS 3	Business Combinations	01-Jan-11
Amendments to FRS 7	Improving Disclosures about Financial Instruments.	01-Jan-11
Amendments to FRS 101	Presentation of Financial Statements	01-Jan-11
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates	01-Jan-11
Amendments to FRS 132	Financial Instruments: Presentation	01-Jan-11
Amendments to FRS 134	Interim Financial Reporting	01-Jan-11
Amendments to FRS 139	Financial Instruments: Recognition and Measurement	01-Jan-11
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease	01-Jan-11

Improvements to FRSs issued in 2010 and mandatory for annual financial periods beginning on or after 1 January 2011

Initial application of the above standards, amendments and interpretations did not have any material impact on the financial statements of the Group except for the following:

**FRS 3 Business Combination (Revised)**

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. All payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the Statement of Comprehensive Income. There is a choice to measure the non-controlling interest in the acquiree's net assets. All acquisition-related costs should be expensed.

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

**Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2011**

**FRS 127 Consolidated and Separate Financial Statements (Revised)**

The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. Losses are required to allocate to non-controlling interests, even if it results in the non controlling interest to be in a deficient position.

**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 Company 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 Company. On settlement of the dividend, the difference between 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.

**(b) Standards issued but not yet effective**

To converge with International Financial Reporting Standards ("IFRS") in 2012, the Malaysian Accounting Standards Board ("the MASB"), had on 19 November 2011 issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), which are mandatory for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of real estate, including its parent, significant investor and venture ("Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRSs for an additional one year. Consequently, adoption of the MFRSs by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013. However, the Group and the Company do not qualify as Transitioning Entities and are therefore required to adopt the MFRSs for the financial period beginning on or after 1 January 2012.

Below are the lists of MFRSs and IC Interpretations ("IC Int") issued but not yet effective and have not been early adopted by the Group and the Company:

MFRSs effective on 1 January 2012:

MFRS 1 - 8, 101, 102, 107, 108, 110, 111, 112, 116 - 121, 123, 124, 126 -129, 131 - 134, 136 - 141  
IC Int 1 - 7, 9, 10, 12 -19, 107, 110, 112, 113, 115, 127, 129, 131, 132

MFRSs effective on 1 July 2012:

MFRS 101	Presentation of Financial Statement. Amendments in relation to Presentation of Items Other Comprehensive Income
----------	--

MFRSs effective on 1 July 2013:

MFRS 9	Financial Instruments (IFRS 9 issued by International Accounting Standards Board ("IASB") in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)

MFRS 10 - 13, 119, 127, 128  
IC Int 20

The Group and the Company has not selected which optional exemption from the retrospective application to be applied under MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards. As such, the Directors are unable to anticipate the effects of the adoption of these new MFRSs and IC Int on the financial statements.

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

**Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2011**

**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.

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 that was reclassified as Assets Held for Sale has been 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 completed at the date of this report and full payment received by 13 OCTOBER 2011.

**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.



**IRM GROUP BERHAD (62800-T)**  
(Incorporated in Malaysia)

**Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2011**

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 4th Quarter		Preceding 4th Quarter (Restated)	
	Revenue RM '000	Profit/(Loss) after taxation RM '000	Revenue RM '000	Profit/(Loss) after taxation RM '000
PVC Resins and Compounds	39,162	(3,057)	42,830	(10,021)
Downstream Fabricated Applications - Pipes & Calendaring #	1,463	(151)	3,218	122
	<u>40,625</u>	<u>(3,208)</u>	<u>46,048</u>	<u>(9,899)</u>
less: Inter-Segment Sales	(1,101)	-	(2,715)	-
add: Holding Company	-	(388)	-	(136)
add: Goodwills / Assets Diminution / Interco debt	-	-	-	5,499
<b>Total</b>	<u><b>39,524</b></u>	<u><b>(3,596)</b></u>	<u><b>43,333</b></u>	<u><b>(4,536)</b></u>

OPERATING UNITS' BUSINESS	Cummulative Current 4th Quarter		Cummulative Preceding 4th Quarter (Restated)	
	Revenue RM '000	Profit/(Loss) after taxation RM '000	Revenue RM '000	Profit/(Loss) after taxation RM '000
PVC Resins and Compounds	166,330	(3,633)	183,114	(15,585)
Downstream Fabricated Applications - Pipes & Calendaring #	6,136	(279)	7,597	203
	<u>172,466</u>	<u>(3,912)</u>	<u>190,711</u>	<u>(15,382)</u>
less: Inter-Segment Sales	(5,851)	-	(7,306)	-
add: Holding Company	-	(688)	-	(436)
add: Goodwills / Assets Diminution	-	-	-	5,499
<b>Total</b>	<u><b>166,615</b></u>	<u><b>(4,600)</b></u>	<u><b>183,405</b></u>	<u><b>(10,319)</b></u>

SEGMENT ASSETS & LIABILITIES	Current 4th Quarter @ 31DEC 2011		Preceding 4th Quarter @ 31 DEC 2010	
	Assets RM '000	Liabilities RM '000	Assets RM '000	Liabilities RM '000
PVC Resins and Compounds	119,788	69,410	106,515	61,514
Downstream Fabricated Applications - Pipes & Calendaring #	4,974	8,699	3,624	6,760
	<u>124,762</u>	<u>78,109</u>	<u>110,139</u>	<u>68,274</u>
less: Unallocated / Consolidation adjustments	(6,737)	(6,674)	(6,874)	(7,210)
<b>Total</b>	<u><b>118,025</b></u>	<u><b>71,435</b></u>	<u><b>103,265</b></u>	<u><b>61,064</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.

A9

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

**Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2011**

**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.

**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.

However, on 27 September 2011, the Company acquired two (2) ordinary shares of RM1.00 each fully paid-up in the capital of IRM Solar Sdn. Bhd. (formerly known as Juara Armada Sdn. Bhd.) (Company No. 860374-K) ["IRM Solar"] at a total purchase consideration of RM2.00 from Y. Bhg. Dato' Abd Karim Bin Ahmad Tarmizi (1 ordinary share) and Encik Iqbal Bin Abd Karim (1 ordinary share) ("Acquisition").

Following the Acquisition, IRM Solar became a wholly-owned subsidiary of IRMGB. The acquisition is intended for IRMGB's future expansion.

IRM Solar was incorporated as a private company limited by shares on 11 June 2009. The authorised share capital of IRM Solar is RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital of IRM Solar is RM2.00 divided into two (2) ordinary shares of RM1.00 each. IRM Solar has not commenced business since its incorporation.

The Acquisition is not expected to have any material effect on the earnings and net assets of IRMGB for the financial year ending 31December 2011.

On 17 November 2011, the authorised share capital of IRM Solar Sdn Bhd was increased from RM100,000 to RM10,000,000 by addition of 9,900,000 ordinary shares of RM1 each. At the same time, an allotment of 499,998 ordinary shares of RM1 each fully paid up in the capital of the Company at par value was made to IRM Group Bhd and the consideration to be set-off against part of the amount owing to IRM Group Bhd as at 17 November 2011 and such new ordinary shares when issued shall rank pari pasu in all respect with the existing ordinary shares.in the capital of the company.

On 16 November 2011, the Group announced that IRM Solar Sdn. Bhd. ("IRM Solar") (formerly known as Juara Armada Sdn. Bhd.), a wholly-owned subsidiary of IRMGB had on 5 October 2011 entered into a Joint Venture Agreement ("JV Agreement") with Gumi Asli Elektrikal Sdn. Bhd. ("Gumi Asli") for the purpose of tendering for the construction and completion of 2MW Solar Farm and associated works, Putrajaya, Malaysia (Phase 1) ("Solar Farm Tender") ("Joint Venture") called by TNB Energy Services Sdn. Bhd. ("TNBES").

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

Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2011

A12

**Contingent liabilities**

As at 31 DECEMBER 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.

A15

**Cash and cash equivalents**

	<u>@31-12-11</u>	<u>'@31-12-10</u>
	RM('000)	RM('000)
Cash and cash equivalent comprise of:		
Cash and Bank balances	139	817
Deposits with licensed banks	411	395
Overdraft (in Bank Borrowings)	(3,255)	(1,204)
	<u>(2,705)</u>	<u>7</u>
Cash and Bank Balance classified as held for Sale	-	-
Fixed Deposits with Banks classified as held for Sale	-	-
	<u>(2,705)</u>	<u>7</u>

A16

**Inventories**

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

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

**Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2011**

**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-10 RM' 000 Restated/ Reclassified</b>	<b>CURRENT YEAR QUARTER ended 31-Dec-11 RM' 000</b>	<b>CHANGES  RM' 000</b>
Revenue - Continued Operations	43,333	39,524	(3,809)
Consolidated Profit/(Loss) Before Tax	(4,449)	(4,432)	17
less: Taxation	(87)	836	923
Consolidated Profit/(Loss) After Tax			
Continuing Operations	(4,536)	(3,596)	940
Discontinued Operations / Disposal Group	-	-	-
Minority Interest (MI)	-	-	-
Net Profit/(Loss) After MI	(4,536)	(3,596)	940
 RESINS & COMPOUNDS VOLUME (MTS)	 12,099	 11,741	 (358)
 AVERAGE UNIT PRICES (RM / MT)	 3.58	 3.37	 (0.22)

Current 4th Quarter Revenue at RM 39.524 Million is 9 % lower than the corresponding Q4 (reclassified and restated) of the preceeding year. This is due to a decrease in total volume and lower average price for current Q4. Although average PVC resins price were lower the unit contribution margin were higher. Although compounds price were higher the unit contribution margin were much lower. In spite of the slightly higher contribution, the lower volume and higher depreciation resulted in a loss for the current Quarter (which was partly offset by deferred tax reversal). The preceding year Q4 results of the Discontinued/Disposal group were reclassified into the Continuing Operation - but the operation of this sector resulted in a negative contribution.

**Detailed Segment Analysis:**

	<b>Current 4th Quarter</b>		<b>Cummulative Quarter</b>	
	<b>Revenue</b>	<b>Profit/Loss after Tax</b>	<b>Revenue</b>	<b>Profit/Loss after Tax</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
PVC Resins & Compouds	39,162	(3,057)	166,330	(3,633)
Downstream Fabricated Applications	1,463	(151)	6,136	(279)
TOTAL	40,625	(3,208)	172,466	(3,912)
less: Intersegment Sales	(1,101)		(5,851)	
	39,524		166,615	

**PVC Resins and Compounds** prices rose from Q1 to Q2 but subsequently declined to its year lowest by Q4. The same trend was seen for the unit contribution margins (which follows the vinyl VCM/PVC spread) being lowest in Q4. This accounted for the Q4 loss and the negative performance for the year even though resins volume remain fairly stable (being highest in Q4). The loss was aggravated by the lower Compound volume (Q1 Compound volume dropped but was gradually raised from Q2 to Q4 but did not achieve the Q1 volume). Total overheads for the year was brought down significantly following a VSS and retrenchment at the end of the preceding year. The overall result is a lower loss this year [a loss of RM (3.633) million against previous year restated loss of RM (10.086) million excluding inter-company debt waiver].

**Downstream Fabrication Applications** did not contribute significantly to the Group's performance with a small total loss for the year. Revenue was fairly stable with breakeven position each quarter as the operation was subcontracted out. However, following the assumption of own manufacture, a loss was incurred due to higher depreciation charge. At the end of Q4, the intercompany debt of RM 26.754 million owing to the holding company and a subsidiary was waived and reversed in the books of the two downstream fabrication units.

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

**Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2011**

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

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

	IMMEDIATE PRECEDING QUARTER ended 30-Sep-11 RM' 000	CURRENT QUARTER ended 31-Dec-11 RM' 000	CHANGES  RM' 000
Revenue - Continued Operations	40,651	39,524	(1,127)
Consolidated Profit/(Loss) Before Tax	(304)	(4,432)	(4,128)
less: Taxation	-	836	836
Consolidated Profit/(Loss) After Tax			
Continuing Operations	(304)	(3,596)	(3,292)
Discontinued Operations / Disposal Group	-	-	-
Minority Interest (MI)	-	-	-
Net Profit/(Loss) After MI	(304)	(3,596)	(3,292)

Turnover for the 4th Quarter 2011 at RM 39.524 Million is 3 % lower compared to the immediate preceding 3rd Quarter 2011 with a loss of RM (3.596) Million. (I) The reason for the lower revenue was the drop in price as expected in the last quarter although there was a slight increase in resins and compounds volume. The poorer contribution margins (by about 50%) for both resins and compounds is a main reason for the loss. This loss was made worse by an increase in overheads and higher depreciation. (II) Although revenue of the downstream fabrication units in the current Q4 increased through own operation, this contributed a loss of RM (0.151) million due to higher depreciation charge (about RM200,000) for plant and machinery following the change over from subcontracting in the previous quarters. However, impact of the group loss was lessened by the Deferred Tax reversal during the quarter.

**B3 Prospects**

The vinyl prices peaked in June and drop to bottom out by end of the year. Both VCM/PVC prices are on the down trend like any other polymers. However an explosion in a major VCM production plant in Japan during the last quarter affected regional supply and cause an increase in VCM price. VCM supply is tight and the VCM/PVC price differential is expected to be small.

**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.

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

**Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2011**

**B5 Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	<u>4thQuarter</u>	<u>4thQuarter</u>	<u>4thQuarter</u>	<u>4thQuarter</u>
	<u>@31Dec11</u>	<u>@31Dec10</u>	<u>@31Dec11</u>	<u>@31Dec10</u>
	RM '000	RM '000	RM '000	RM '000
Current Year Taxation	-	(362)	-	(362)
Deferred Taxation	836	275	836	275
Total Tax Expense	<u>836</u>	<u>(87)</u>	<u>836</u>	<u>(87)</u>
Effective Tax Rate	18.9%	-2.0%	15.4%	-0.9%

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 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 progress. 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 business collaboration for a bamboo concession in the state of Perak. Details of collaborative effort for implementations are currently being worked out.

**B7 Group's borrowings and debt securities**

(a) The Group borrowings are as follows:

	@ 31 DEC 11			@ 31 DEC 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:	16,782	97	16,879	15,000	1,190	16,190
Unsecured:	16,080	-	16,080	25,453	(0)	25,453
Total	<u>32,862</u>	<u>97</u>	<u>32,959</u>	<u>40,453</u>	<u>1,190</u>	<u>41,643</u>

(b) All borrowings are denominated in Ringgit Malaysia

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

Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2011

**B7 Material litigation**

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

**B8 Dividends**

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

**B9 Earnings per share**

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	<u>4th Quarter</u> <u>@31Dec11</u>	<u>4th Quarter</u> <u>@31Dec10</u>	<u>4th Quarter</u> <u>@31Dec11</u>	<u>4th Quarter</u> <u>@31Dec10</u>
a. Basic				
Net Profit / (Loss) for the period (RM '000)	(3,596)	(4,536)	(4,600)	(10,319)
Weighted Average Number of shares in issue ( '000)	130,000	130,000	130,000	130,000
Basic Earnings / (Loss) per share (sen)	(2.77)	(3.49)	(3.54)	(7.94)

b. Diluted

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

**B10 Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on **27 FEBRUARY, 2011**.