

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

**Quarterly report on consolidated results for the 1st QUARTER ended 31 MAR 2015**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**

(The figure has not been audited)

	1st QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR Unaudited 31-Mar-15 RM '000	PRECEDING YEAR Unaudited 31-Mar-14 RM '000	CURRENT YEAR Unaudited 31-Mar-15 RM '000	PRECEDING YEAR Unaudited 31-Mar-14 RM '000
Revenue	319	50	319	50
Cost of Sales ##	(91)	(55)	(91)	(55)
Gross Profit/(Loss)	<u>228</u>	<u>(5)</u>	<u>228</u>	<u>(5)</u>
Other Income / (Loss)	6	556	6	556
Depreciation Expense ##	(84)	(520)	(84)	(520)
Operating Expenses	(314)	(756)	(314)	(756)
Profit/(Loss) from Operations	<u>(164)</u>	<u>(725)</u>	<u>(164)</u>	<u>(725)</u>
Finance Costs	(277)	(720)	(277)	(720)
Interest Income	-	-	-	-
Profit/(Loss) before Taxation	<u>(441)</u>	<u>(1,445)</u>	<u>(441)</u>	<u>(1,445)</u>
Taxation	-	-	-	-
Profit/(Loss) after Taxation from Continuing Operations	<u>(441)</u>	<u>(1,445)</u>	<u>(441)</u>	<u>(1,445)</u>
(Loss)/Profit after Taxation from Discontinued / Disposal Group	-	-	-	-
Profit / (Loss) after Tax	<u>(441)</u>	<u>(1,445)</u>	<u>(441)</u>	<u>(1,445)</u>
Minority Interest ("MI")	-	-	-	-
Net Profit / (Loss) after MI	<u>(441)</u>	<u>(1,445)</u>	<u>(441)</u>	<u>(1,445)</u>
<b>Profit / (Loss) attributable to:</b>				
Owners of the Company	(441)	(1,445)	(441)	(1,445)
Non Controlling Interests	-	-	-	-
<b>Profit / (Loss) for the period</b>	<u>(441)</u>	<u>(1,445)</u>	<u>(441)</u>	<u>(1,445)</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>(0.34)</u>	<u>(1.11)</u>	<u>(0.34)</u>	<u>(1.11)</u>
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 2014 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 1st QUARTER ended 31 MARCH 2015**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
(The figure has not been audited)

	1st QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	Unaudited 31-Mar-15 RM '000	Unaudited 31-Mar-14 RM '000	Unaudited 31-Mar-15 RM '000	Unaudited 31-Mar-14 RM '000
<b>Profit / (Loss) for the period</b>	(441)	(1,445)	(441)	(1,445)
<b>Other Comprehensive Income/(Loss), Net of Tax:</b>				
Realization of deferred tax liabilities upon disposal of assets	-	-	-	-
Realization of revaluation reserves upon disposal of assets	-	-	-	-
Transfer of revaluation reserve to accumulated loss	-	-	-	-
<b>Other Comprehensive Income/(Loss) for the period</b>	-	-	-	-
<b>Total Comprehensive Income/(Loss) for the period</b>	<u>(441)</u>	<u>(1,445)</u>	<u>(441)</u>	<u>(1,445)</u>
<b>Total Comprehensive Income/(Loss) attributable to:</b>				
Owners of the Company	(441)	(1,445)	(441)	(1,445)
Non-controlling Interests	-	-	-	-
<b>Total Comprehensive Income/(Loss) for the period</b>	<u>(441)</u>	<u>(1,445)</u>	<u>(441)</u>	<u>(1,445)</u>

*This statement should be read in conjunction with the the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.*

NOTES TO STATEMENT OF COMPREHENSIVE INCOME: (Additional information)	1st QUARTER	1st QUARTER	CUMMULATIVE	CUMMULATIVE
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	Unaudited 31-Mar-15 RM ' 000	Unaudited 31-Mar-14 RM ' 000	Unaudited 31-Mar-15 RM ' 000	Unaudited 31-Mar-14 RM ' 000
<b>Profit / (Loss) for the period is arrived at after charging and crediting the following:</b>				
Depreciation and Amortization	(84)	(520)	(84)	(520)
Provision for Impairment of PPE	-	-	-	-
Provision for Impairment of Development Expenditure	-	-	-	-
Allowance for Impairment of Receivables	-	-	-	-
Allowance for Impairment of Receivables no longer required	-	-	-	-
Provision for and write off of Inventories	-	-	-	-
Write back of provision for doubtful debts	-	-	-	-
Write back of provision for Inventories	-	-	-	-
Gain or (Loss) on disposal of quoted and unquoted investments or properties	-	-	-	-
Property Plant Equipment written off	-	-	-	-
Foreign Exchange gain or loss	-	-	-	-
Fair value Gain / (Loss) on derivative financial Instruments	-	-	-	-
<b>Exceptional items:</b>				
Product defects compensation	-	-	-	-
Prior year expense write off no longer required	-	-	-	-
Provision for Retirement Benefit / Gratuity	-	-	-	-
Provision for Voluntary Separation Scheme overprovided	-	-	-	-
Waiver of Non-Trade debts	-	-	-	-
Write back of Non-Trade debts	-	-	-	-
Gain / (Loss) on Disposal of Property Plant Equipment	6	-	6	-

**IRM GROUP BERHAD (628000-T)**  
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**Quarterly report on consolidated results for the 1st QUARTER ended 31 MARCH 2015**  
**CONDENSED CONSOLIDATED BALANCE SHEET**

(The figure has not been audited)

	Unaudited 31-Mar-15 RM '000	Audited 31-Dec-14 RM '000
PROPERTY, PLANT & EQUIPMENT	1,746	1,930
CAPITAL WORK IN PROGRESS	33,078	32,475
<b>CURRENT ASSETS</b>		
Inventories	1	91
Trade debtors	-	35
Other debtors, deposits and prepayments	1,395	1,442
Cash and bank balances	82	106
	<u>1,478</u>	<u>1,674</u>
Assets classified as Held for Sale	-	-
	<u>1,478</u>	<u>1,674</u>
<b>CURRENT LIABILITIES</b>		
Trade creditors	602	602
Finance Lease Liabilities (HP creditors)	282	171
Other creditors and accruals	33,795	33,402
Short Term Borrowings	18,293	18,016
Taxation payable	222	222
	<u>53,194</u>	<u>52,411</u>
Liabilities associated with Assets classified as Held for Sale	-	-
	<u>53,194</u>	<u>52,411</u>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>	<u>(51,716)</u>	<u>(50,738)</u>
	<u><b>(16,892)</b></u>	<u><b>(16,332)</b></u>
<b>FINANCED BY</b>		
Share capital	65,000	65,000
Share Premium	2,063	2,063
Revaluation Reserves	-	-
Retained profit / (Loss)	(84,115)	(83,673)
Shareholders Fund	<u>(17,052)</u>	<u>(16,611)</u>
Minority Interest	-	-
	<u>(17,052)</u>	<u>(16,611)</u>
<b>LONG TERM BORROWING</b>		
Provision for Retirement benefits	160	160
Finance Lease Liabilities (HP Creditors)	-	118
	<u>(16,892)</u>	<u>(16,332)</u>
<b>Net Assets ("NA") per share (sen) #</b>	<u>(13.12)</u>	<u>(12.8)</u>

*This statement should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 1st QUARTER ended 31 MARCH 2015**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(The figure has not been audited)

UNAUDITED as at 31 MARCH 2015	Non-Distributable		Non-Distributable		Distributable		Total RM '000	Minority Interest RM '000	Total Equity RM '000
	Share Capital RM '000	Share Premium RM '000	Revaluation Reserve RM '000	Retained Profit/(Loss) RM '000	Share Premium RM '000	Revaluation Reserve RM '000			
As at 1 January 2015	65,000	2,063	-	(83,673)	-	-	(16,611)	-	(16,611)
<b>Other Comprehensive Income / (Loss):</b>									
Other Comprehensive Income for the period	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income for the period	-	-	-	(441)	-	-	(441)	-	(441)
Net profit / (Loss) for the period	-	-	-	(84,114)	-	-	(84,114)	-	(84,114)
<b>As at 31 March 2015</b>	<b>65,000</b>	<b>2,063</b>	<b>-</b>	<b>(83,673)</b>	<b>-</b>	<b>-</b>	<b>(16,611)</b>	<b>-</b>	<b>(16,611)</b>

AUDITED as at 31 DECEMBER 2014	Non-Distributable		Non-Distributable		Distributable		Total RM '000	Minority Interest RM '000	Total Equity RM '000
	Share Capital RM '000	Share Premium RM '000	Revaluation Reserve RM '000	Retained Profit/(Loss) RM '000	Share Premium RM '000	Revaluation Reserve RM '000			
Balance at 1 January 2014	65,000	2,063	12,469	(78,251)	1,281	-	1,281	-	1,281
<b>Other Comprehensive Income / (Loss):</b>									
Other comprehensive income for the financial year	-	-	(12,469)	14,881	2,412	-	2,412	-	2,412
Total comprehensive loss for the financial year	-	-	(12,469)	14,881	2,412	-	2,412	-	2,412
Loss for the financial year	-	-	-	(20,304)	(20,304)	-	(20,304)	-	(20,304)
<b>Balance at 31 December 2014</b>	<b>65,000</b>	<b>2,063</b>	<b>-</b>	<b>(83,673)</b>	<b>(16,611)</b>	<b>-</b>	<b>(16,611)</b>	<b>-</b>	<b>(16,611)</b>

This statement should be read in conjunction with the the audited financial statements for the year ended 31 December 2014 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 2015**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
(The figure has not been audited)

	Unaudited 31-Mar-15 RM '000	Audited 31-Dec-14 RM '000
<b>Cash flows from/ (used in) operating activities</b>		
Profit/(Loss) before taxation -		
Continuing Operations	(441)	(20,304)
Discontinued Operations / Disposal Group	-	
<b>Adjustment for:</b>		
Depreciation	84	1,371
Provision for impairment PPE	-	15,205
(Gain) / Loss on Disposal of PPE	-	-
Written off PPE	-	16
Allowance for Retirement benefits	-	-
Unrealised Loss / (Gain) on Foreign Exchange	-	-
Interest expenses	277	2,852
Allowance for Doubtful Debts	-	-
Allowance for Doubtful Receivables	-	282
Allowance for Doubtful Debts - No longer required	-	(297)
Bad Debts Written Off	-	-
Inventories Written Down / (write-back)	-	245
Interest income	-	(5)
(Gain)/Loss on disposal of property, plant & equipment	(6)	(1,268)
(Gain)/Loss on disposal of non-current assets held for sale	-	(1,814)
Provision for retrenchment / gratuity	-	735
Operating profit/(loss) before working capital changes	(86)	(2,981)
<b>Changes in working capital:</b>		
Inventories	90	-
Receivables	73	(955)
Payables	394	17,621
Net cash flows from/ (used in) operating activities	471	13,686
Retrenchment expenses paid	-	(82)
Taxation refund	-	-
Net cash generated from/(used in) operating activities	471	13,604
<b>Net cash generated from/(used in) investing activities</b>		
Capital work-in-progress incurred	(603)	(21,350)
Interest Income received	-	5
Proceeds from disposal of property, plant and equipment	115	2,586
Proceeds from disposal assets held for sale	-	46,500
Purchase of property, plant and equipment	-	-
Net cash generated from/(used in) investing activities	(488)	27,741
<b>Cash flows from/ (used in) financing activities</b>		
Proceeds / (Repayments ) of short term borrowings	-	(30,095)
Proceeds from Term Loan	-	-
Repayments of Term Loan	-	(8,905)
Hire Purchase proceeds / (repayment)	(7)	(93)
Interest paid	-	(2,852)
Drawdown/(placement) of fixed deposits	-	-
Net cash generated from/(used in) financing activities	(7)	(41,944)
Net increase/(decrease) in cash and cash equivalents	(24)	(599)
Cash and cash equivalents brought forward	(2,613)	(2,014)
Cash and cash equivalents carried forward	<u>(2,637)</u>	<u>(2,613)</u>
<b>Cash and cash equivalent comprise of:</b>		
Cash and Bank balances	82	106
Overdraft (in Bank Borrowings)	(2,719)	(2,719)
	<u>(2,637)</u>	<u>(2,613)</u>

*This statement should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.*

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Quarterly report on consolidated results for the 1st QUARTER ended 31 MARCH 2015

**A NOTES TO THE INTERIM FINANCIAL REPORT**

**A1 Basis of preparation**

The interim financial report are unaudited and have been prepared in compliance with MFRS 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 2014. 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 2014.

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.

The Group has adopted the Malaysian Financial Reporting Standard (MFRS) framework and MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards for the first time in these condensed interim financial statements. The transition to the MFRS framework does not have any material financial impact to the financial statements of the

**A2 Changes in Accounting Policies**

The audited financial statements of the Group for the year ended 31 December 2014 were prepared in accordance with FRS. Except for certain differences, the requirements for FRS and MFRS are similar. The significant accounting policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2014.

**A3 Comparatives**

There are no comparative amounts to be restated due to the adoption of new and revised MFRSs.

**A4 Audit report of preceding annual financial statements**

For the preceding year annual audited financial statements ended 31 December 2014, the Auditors had expressed a "Disclaimer of Opinion" report because they were of the opinion that there were conditions that indicate the existence of material uncertainties which may cast doubt about the Group's and the Company's ability to continue as a going concern.

The Board of Directors however was of the contrary view to the auditors' opinion to subject the financial statement to disclaimer of opinion on a going concern issue. The material uncertainties highlighted by the auditors were actually to be resolved via the regularisation exercise of which the relevant agreement has been signed on 30 April 2015.

**A5 Seasonal or cyclical factors**

The Company has ceased its vinyl operation temporarily. Therefore no seasonal and cyclical factors is relevant.

**A6 Unusual items affecting assets, liabilities, equity, net income or cash flows**

There is no other unusual items affecting assets, liabilities, equity, net income or cash flows of the Group since the last annual audited financial statements save as disclosed in the note to the statement of comprehensive income and B11.

Due to financial constraint and negative business environment, IRMSB has ceased its vinyl production.

**A7 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.

**A8 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.

**A9 Dividend paid**

No dividend has been paid in the current financial quarter.

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**Quarterly report on consolidated results for the 1st QUARTER ended 31 MARCH 2015**

**A10 Segment Information**

The Group's businesses were comprised of the following segments:

- (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)
- (c) Renewable Energy Operations (produce electric power via solar farm and biomass power plant)

The Group has ceased its manufacturing of PVC Resins and Compounds (vinyl production) whilst the solar farm is under construction. The Group has discontinued pursuing the biomass power project. Year to date revenue was generated from sale of existing stocks.

Following are the performance analysis between quarters:

OPERATING UNITS' BUSINESS	Current 1st Quarter		Preceding Year	
	Profit/(Loss)		1st Quarter	
	Revenue	taxation	Revenue	taxation
	RM '000	RM '000	RM '000	RM '000
PVC Resins and Compounds	319	(373)	50	(1,401)
Downstream Fabricated Applications - Pipes & Calendaring	-	(17)	-	-
Renewable Energy - Solar farm & Biomass power plant	-	-	-	-
	<u>319</u>	<u>(390)</u>	<u>50</u>	<u>(1,401)</u>
add: Other Income (reclassified into restated Total Revenue)	-	-	-	-
less: Inter-Segment Sales	-	-	-	-
add: Holding Company	-	(51)	-	(44)
add: Goodwills / Assets Diminution / Interco debt	-	-	-	-
<b>Total</b>	<u><b>319</b></u>	<u><b>(441)</b></u>	<u><b>50</b></u>	<u><b>(1,445)</b></u>

OPERATING UNITS' BUSINESS	Current 1st Quarter		Preceding Quarter	
	Profit/(Loss)		Profit/(Loss)	
	Revenue	taxation	Revenue	taxation
	RM '000	RM '000	RM '000	RM '000
PVC Resins and Compounds	319	(373)	14	(629)
Downstream Fabricated Applications - Pipes & Calendaring #	-	(17)	-	(178)
Renewable Energy - Solar farm & Biomass power plant	-	-	-	-
	<u>319</u>	<u>(390)</u>	<u>14</u>	<u>(807)</u>
add: Other Income (reclassified into restated Total Revenue)	-	-	-	-
less: Inter-Segment Sales	-	-	-	-
add: Holding Company	-	(51)	-	(44)
add: Goodwills / Assets Diminution	-	-	-	-
<b>Total</b>	<u><b>319</b></u>	<u><b>(441)</b></u>	<u><b>14</b></u>	<u><b>(851)</b></u>

SEGMENT ASSETS & LIABILITIES	@ 31 Mar 2015		@ 31 Dec 2014	
	Assets	Liabilities	Assets	Liabilities
	RM '000	RM '000	RM '000	RM '000
PVC Resins and Compounds	13,322	26,481	14,578	26,388
Downstream Fabricated Applications - Pipes & Calendaring	205	10,740	1,155	10,791
Renewable Energy - Solar farm & Biomass power plant	<u>34,486</u>	<u>28,551</u>	<u>33,787</u>	<u>27,851</u>
	<u>48,013</u>	<u>65,772</u>	<u>49,519</u>	<u>65,030</u>
less: Unallocated / Consolidation adjustments	(11,710)	(12,417)	(12,528)	(12,401)
<b>Total</b>	<u><b>36,302</b></u>	<u><b>53,355</b></u>	<u><b>36,992</b></u>	<u><b>52,629</b></u>

**IRM GROUP BERHAD (628000-T)**  
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**Quarterly report on consolidated results for the 1st QUARTER ended 31 MARCH 2015**

**A11 Valuation of property, plant and equipment**

The property, plant and equipment of the Group are stated at cost/valuation less accumulated depreciation and any accumulated impairment losses. 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 2014.

**A12 Material events subsequent to the end of the quarter**

There is no material events subsequent to the end of the quarter save as disclosed in B6 and B11 of the announcement.

**A13 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.

**A14 Contingent liabilities**

The Group does not have any contingent liabilities save for corporate guarantee issued to financial institutions for banking facilities provided to a subsidiary with an outstanding balance of approximately RM18 million.

**A15 Capital commitments**

There were no capital commitments as at the date save for a subsidiary IRM Solar Sdn Bhd that has issued conditional contracts for supplies of plant and equipment for the Solar farm project totalling to RM9.5 million.

**A16 Significant related party transactions**

There were no related party transactions as at the date of this announcement.

**A17 Cash and cash equivalents**

	As at 31-Mar-15 RM('000)	As at 31-Dec-14 RM('000)
Cash and cash equivalent comprise of:		
Cash and Bank balances	82	106
Deposits with licensed banks	-	-
Overdraft (in Bank Borrowings)	<u>(2,719)</u>	<u>(2,719)</u>
	<u>(2,637)</u>	<u>(2,613)</u>
Cash and Bank Balance classified as held for Sale	-	-
Fixed Deposits with Banks classified as held for Sale	-	-
	<u><u>(2,637)</u></u>	<u><u>(2,613)</u></u>

**A18 Inventories**

During the period under review, there were no further written down or allowance made for slow moving or obsolete inventories.



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Quarterly report on consolidated results for the 1st QUARTER ended 31 MARCH 2015

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS**

**B1 Review of performance**

Following is the summary of the current quarter financial performance in comparison to the corresponding period last year:

	CURRENT YEAR QUARTER ended 31-Mar-15 RM' 000	CORRESPONDING PRECEDING YEAR QUARTER ended 31-Mar-14 RM' 000	CHANGES  RM' 000
Revenue	319	50	269
Consolidated Profit/(Loss) Before Tax	(441)	(1,445)	1,004
less: Taxation	-	-	-
Consolidated Profit/(Loss) After Tax			
Continuing Operations	(441)	(1,445)	1,004
Discontinued Operations / Disposal Group	-	-	-
Minority Interest (MI)	-	-	-
Net Profit/(Loss) After MI	(441)	(1,445)	1,004

**Detailed Segment Analysis:**

	Current 1st Quarter		Cumulative Quarter	
	Revenue	Profit/Loss after Tax	Revenue	Profit/Loss after Tax
	RM '000	RM '000	RM '000	RM '000
PVC Resins & Compounds	319	(373)	319	(373)
Downstream Fabricated Applications	-	(17)	-	(17)
Renewable Energy Operations	-	-	-	-
HQ	-	(51)	-	(51)
<b>TOTAL</b>	<b>319</b>	<b>(441)</b>	<b>319</b>	<b>(441)</b>

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

Following is the summary of the current quarter financial performance in comparison to the preceding quarter:

	CURRENT QUARTER ended 31-Mar-15 RM' 000	IMMEDIATE PRECEDING QUARTER ended 31-Dec-14 RM' 000	CHANGES  RM' 000
Revenue	319	14	305
Consolidated Profit/(Loss) Before Tax	(441)	(851)	410
less: Taxation	-	-	-
Consolidated Profit/(Loss) After Tax			
Continuing Operations	(441)	(851)	410
Discontinued Operations / Disposal Group	-	-	-
Minority Interest (MI)	-	-	-
Net Profit/(Loss) After MI	(441)	(851)	410

**B3 Prospects**

In reference to the earlier announcements, IRM Group Berhad (IRMGB), subsequent to the termination of the Agreements entered with Permintex Automotive Sdn Bhd, had on 30 April 2015 entered into a Restructuring Agreement for a corporate restructuring exercise with Saujana Petroleum Sdn Bhd (SPSB) involving the acquisition of their oil and gas marine logistic businesses. The full details of the exercise have been duly announced on that day. The Group is currently working hard with the SPSB to ensure timely submission of the scheme and its subsequent approval by the authorities and shareholders, and in the finality the relisting of IRMGB shares and the lifting of the PN 17 status.

The Group is also deploying all the available resources towards completion of the Solar Plant currently under construction.

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Quarterly report on consolidated results for the 1st QUARTER ended 31 MARCH 2015

**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.

**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>@31 Mar 15</u>	<u>@31 Mar 14</u>	<u>@31 Mar 15</u>	<u>@31 Mar 14</u>
	RM '000	RM '000	RM '000	RM '000
Current Year Taxation	-	-	-	-
Tax adjustment	-	-	-	-
Total Tax Expense	-	-	-	-
Effective Tax Rate	0.0%	0.0%	0.0%	0.0%

In view of substantial unabsorbed accumulated losses and the cessation of company's vinyl operation, no tax is payable for the current period.

**B6 Status of Corporate Proposals announced**

- i) On 13 March 2012, the Company announced that IRM Solar Sdn Bhd, a subsidiary company has been granted the Feed-in Tariff ("FiT") Approval by Sustainable Energy Development Authority Malaysia (SEDA) to install Solar PV Power Station Non-Individual with maximum capacity of 5.0 MW at Perlis. The project is under development and progressing accordingly.

SEDA, vide its letter dated 29 May 2014, has granted to IRM Solar an extension of time for the Initial Operation Date (IOD) and Feed-in Tariff Commencement Date (FitCD) on 30 September 2014 and 31 October 2014 respectively.

IRM Solar subsequently on 18 December 2014 submitted its application to SEDA for a further extension of time and is currently awaiting feedback from SEDA.

- iii) On the 30 April 2015, IRM Group Berhad (IRMGB) had entered into a Restructuring Agreement with Saujana Petroleum Sdn Bhd (SPSB) to undertake a series of proposals to regularize the financial condition of the Group including inter-alia the acquisition of its oil & gas marine logistic business.

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

- (a) The Group borrowings are as follows:

	@ 31 Mar 15			@ 31 Dec 14		
	<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:	-	-	-	-	-	-
Unsecured:	18,293	-	18,293	18,016	-	18,016
Total	18,293	-	18,293	18,016	-	18,016

- (b) All borrowings are denominated in Ringgit Malaysia

**B9 Derivative Financial Instruments (Off balance sheet financial instruments)**

There is no outstanding derivative financial instruments as at end of 31 March 2015.

**B10 Realised and Unrealised Profits / (Losses) Disclosures**

	As at 31-Dec-14 RM '000	As at 31-Dec-14 RM '000
Total unappropriated profit of IRMGB and its subsidiaries:		
Realised	(145,643)	(145,201)
Unrealised	-	-
	(145,643)	(145,201)
Consolidation Adjustments	61,528	61,528
Total group unappropriated profit as per Consolidated Accounts:	(84,115)	(83,673)

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

Quarterly report on consolidated results for the 1st QUARTER ended 31 MARCH 2015

**B11 Material litigation**

The are no new litigations. Following are status of outstanding material litigation:

- i. Hong Leong Bank Berhad ("HLBB"), via its appointed solicitor Messrs. Shook Lin & Bok had issued a demand letter dated 20 August 2013 against the Company and Industrial Resins (Malaysia) Sdn. Bhd. ("IRMSB"), its wholly-owned subsidiary, demanding payment for an outstanding banking facility due of RM9,462,491.38 (as at 31 July 2013)

HLBB's appointed solicitor subsequently via its letter dated 22 October 2013 has recalled the banking facilities and demanding payment within seven days for the total outstanding amount due and payable under the banking facilities granted totalling to RM12,539,663.99.

IRMSB, on 21 April 2014, has partially paid the outstanding amount utilised from the Tanks disposal proceeds. The Group as part of the regularisation plan, has also submitted a proposal and currently in discussion with the bank for the settlement of the remaining balance of the outstanding loan.

HLBB on 8 January 2015 via its solicitor has issued another letter demanding payment within seven days for the total outstanding amount due and payable under the banking facilities granted totalling to RM8,762,513.30 (as at 31 December 2014).

HLBB subsequently on 26 February 2015 via its solicitor has issued a Statement of Claim and Writ of Summon in respect of the outstanding amount claimed by HLBB for the banking facilities provided to IRMSB. Case management for the matter is fixed on 9 March 2015 before the High Court of Malaya at Kuala Lumpur.

On 24 April 2015, HLBB, IRMGB and IRMSB entered into a consent judgement in which IRMSB did not contest the amount claimed but HLBB agreed to defer the execution of the judgement for 7 months from the date of the consent judgement. The Group as part of the regularisation plan, also submitted a proposal for the settlement of the outstanding.

- ii. CIMB Bank Berhad ("CIMB"), via its appointed solicitor Messrs. Anad & Noraini, on 23 September 2013 had issued a Letter of Demand against the IRMSB demanding payment of a sum of RM29,713,367.03 (As at 13 September 2013) together with the interest accruing thereon from 14 September 2013 till date of full settlement owing by IRMSB to CIMB.

CIMB's appointed solicitor subsequently on 23 September 2013 had issued a Letter of Demand against the Company being a Guarantor for a facility granted to IRMSB, demanding payment of a sum of RM26,402,833.27 (As at 13 September 2013) together with the interest accruing thereon from 14 September 2013 till date of full settlement owing by IRMSB to CIMB.

The above banking facility is secured by lands held under Geran 37838, Lot No. 2064 and Geran 29462, Lot 2065 both of Mukim Tebrau, District of Johor Bahru, State of Johor ("the Lands"). IRMSB subsequent to the Sales and Purchase Agreement entered with Pyramid Presentations Sdn. Bhd on 5 September 2013 had paid CIMB RM30.6 million on 26 September 2014 sourced from the balance proceeds received from the sale of the Lands.

The Group as part of the regularisation plan, submitted a proposal for the settlement of the remaining outstanding balance of about RM2 million.

- iii. Pejabat Tenaga Kerja Johor Bahru on 20 May 2014 upon hearing of the complaint received from 11 of IRMSB's former staff has requested IRMSB to pay a total of RM356,953.93 being the outstanding retrenchment benefit, within 14 days to the office to be received on behalf of the complainants.

IRMSB, through an appointed solicitor, had appeal against the award to the Johor Bharu Hgh Court where it was heard on 5 March 2015. The Court on 24 March 2015 dismissed IRMSB's appeal. The Notice of Appeal to the Court of Appeal against the decision of the Johor Bharu High Court was filed on 23 April 2015.

- iv. IRMSB has received a Letter of Demand from Messrs Lee Hishamuddin Allen & Gledhill acting for Al-Rajhi Banking & Investment Corporation (Malaysia) Berhad ("Al Rajhi") on 10 March 2015. The Letter of Demand is in respect of an amount totalling RM7,093,447.58 claimed by Al Rajhi for outstanding banking facilities provided to IRMSB.

Al Rajhi via its appointed solicitor Messrs Lee Hishamuddin Allen & Gledhill issued another letter of demnd dated 1 April 2015 to IRMSB as well as the Company being the Guarantor. Both the Company and IRMSB were given 14 days from the date of the Demand Letter to pay Al Rajhi.

The Group as part of the regularisation plan, submitted a proposal for the settlement of the outstanding.

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

Quarterly report on consolidated results for the 1st QUARTER ended 31 MARCH 2015

**B11 Material litigation (cont.)**

- vi. IRMSB, entered into a sale and purchase agreement dated 5 September 2013 with Pyramid Presentations Sdn Bhd. ("Purchaser") for the sale of freehold lands held under Geran 37838, Lot No. 2064 and Geran 29462, Lot No. 2065 both of Mukim Tebrau, District of Johor Bahru, State of Johor. Full payment of the purchase price was received.

It is IRMSB's contention that the vacant possession of the lands has been handed over to the Purchaser on 11 November 2014. However, the Purchaser's Solicitors has vide various letters deemed that vacant possession had not been handed over as the parties have not conducted a joint inspection on the properties even though IRMSB has expressed that it is ready and willing to conduct the joint inspection with the Purchaser. IRMSB then reminded the Purchaser that it was ready and willing to conduct joint inspection on a date to be agreed. However, no date was ever set. The Purchaser later claimed that IRMSB should compensate their loss of rental for the properties from 11 November 2014. IRMSB has denied this as the keys and control of the properties were clearly handed over to the Purchaser on 11 November 2014 and they have no basis of claiming so.

As at to date, IRMSB has not received any letter of demand or summons from the Purchaser's Solicitors. The Company's solicitor is of the opinion that there is no legal basis for the claim.

**B12 Dividends**

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

**B13 Earnings per share**

	Individual Quarter		Cummulative Quarter	
	Current Year	Preceeding Year	Current Year	Preceeding Year
	<u>1st Quarter</u>	<u>1st Quarter</u>	<u>1st Quarter</u>	<u>1st Quarter</u>
	<u>31-Mar-15</u>	<u>31-Mar-14</u>	<u>31-Mar-15</u>	<u>31-Mar-14</u>
a. Basic				
Net Profit / (Loss) for the period (RM '000)	(441)	(1,445)	(441)	(32,360)
Weighted Average Number of shares in issue ( '000)	130,000	130,000	130,000	130,000
Basic Earnings / (Loss) per share (sen)	(0.34)	(1.11)	(0.34)	(24.89)
b. Diluted				
The Group does not have any convertible securities and accordingly Diluted EPS is not applicable.				

**B14 Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 May 2015.