



GW PLASTICS HOLDINGS BERHAD (881786-X)
Incorporated In Malaysia

**PRO FORMA UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2010**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30 June 2010 RM'000	Preceding Year Quarter Ended 30 June 2009 RM'000	Current Year To Date 30 June 2010 RM'000	Preceding Year To Date 30 June 2009 RM'000
Revenue	80,582	NA	157,937	NA
Cost of sales	(70,836)	NA	(139,267)	NA
Gross profit	<u>9,746</u>	<u>NA</u>	<u>18,670</u>	<u>NA</u>
Other Income	-	NA	144	NA
Marketing and distribution expenses	(1,640)	NA	(3,480)	NA
Administrative expenses	(2,208)	NA	(4,114)	NA
Finance costs	(285)	NA	(427)	NA
Other expenses	(244)	NA	(272)	NA
Profit before tax	<u>5,369</u>	<u>NA</u>	<u>10,521</u>	<u>NA</u>
Income tax expense	(564)	NA	(1,381)	NA
Net Profit for the period	<u><u>4,805</u></u>	<u><u>NA</u></u>	<u><u>9,140</u></u>	<u><u>NA</u></u>
Other comprehensive income	-	NA	-	NA
Total comprehensive income for the period	<u><u>4,805</u></u>	<u><u>NA</u></u>	<u><u>9,140</u></u>	<u><u>NA</u></u>
Profit attributable to :				
Owners of the parent	4,805	NA	9,140	NA
Minority interests	-		-	
	<u><u>4,805</u></u>	<u><u>NA</u></u>	<u><u>9,140</u></u>	<u><u>NA</u></u>
Earnings per share attributable to owner of the the parent :				
Basic earnings per share (sen) (3)	<u><u>2.18</u></u>	<u><u>NA</u></u>	<u><u>4.15</u></u>	<u><u>NA</u></u>
Diluted earnings per share (sen) (4)	<u><u>2.04</u></u>	<u><u>NA</u></u>	<u><u>3.87</u></u>	<u><u>NA</u></u>

Notes :

NA denotes not applicable.

1. The Pro Forma Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Pro Forma Consolidated Financial Information and the Accountants' Report for the financial period ended 31 March 2010 and their accompanying notes appended to the interim financial statements as disclosed in the Prospectus of the Company dated 23 September 2010.

2. No comparative figures are available as this is the first interim financial report being announced.

3. Based on the issued share capital of 220,000,000 shares after the completion of the Acquisitions (as defined under Note A11 below) but prior to the Public Issue.

4. Based on the issued share capital of 236,000,000 shares after the completion of the Acquisitions and the Public Issue.



GW PLASTICS HOLDINGS BERHAD (881786-X)
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**PRO FORMA UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION AS AT 30 JUNE 2010**

	As at 30 June 2010 RM'000	As at 31 December 2009 RM
ASSETS		
Non-current assets		
Property, plant and equipment	157,618	NA
Deferred tax assets	3,190	NA
	<u>160,808</u>	<u>NA</u>
Current Assets		
Inventories	35,523	NA
Trade and other receivables	45,004	NA
Tax recoverable	388	NA
Cash and bank balances	7,929	NA
	<u>88,844</u>	<u>NA</u>
Total Assets	<u>249,652</u>	<u>NA</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	40,667	NA
Loans and borrowings	32,014	NA
	<u>72,681</u>	<u>NA</u>
Net current assets	<u>16,163</u>	<u>NA</u>
Non-current liabilities		
Loans and borrowings	7,978	NA
Total liabilities	80,659	NA
Net assets	168,993	NA
Equity attributable to owners of the parent		
Share Capital	110,000	NA
Share premium	33,489	NA
Merger reserve	(48,248)	NA
Revaluation reserves	2,558	NA
Retained earnings	71,194	NA
Total equity	<u>168,993</u>	<u>NA</u>
Total equity and liabilities	<u>249,652</u>	<u>NA</u>
Net assets per share attributable to equity holders of the parent (RM) - Note 3	0.77	NA

Notes :

NA denotes not applicable.

1. The Pro Forma Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Pro Forma Consolidated Financial Information and the Accountants' Report for the financial period ended 31 March 2010 and their accompanying notes appended to the interim financial statements as disclosed in the Prospectus of the Company dated 23 September 2010.

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3. Based on the issued share capital of 220,000,000 shares after the completion of the Acquisitions but prior to the Public Issue.



GW PLASTICS HOLDINGS BERHAD (881786-X)

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PRO FORMA UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2010

	← Attributable to Equity Holders of the Company →				Distributable Retained Profit RM'000	Total RM'000
	← Non-distributable →		Merger Reserve RM'000	Revaluation Reserve RM'000		
	Share Capital RM'000	Share Premium RM'000				
As at 1 January 2010	*	0	0	0	(5)	(5)
Effect arising from merger	110,000	33,489	(48,248)	2,558	62,059	159,858
	<u>110,000</u>	<u>33,489</u>	<u>(48,248)</u>	<u>2,558</u>	<u>62,054</u>	<u>159,853</u>
Total comprehensive income for the period	0	0	0	0	9,140	9,140
As at 30 June 2010	<u>110,000</u>	<u>33,489</u>	<u>(48,248)</u>	<u>2,558</u>	<u>71,194</u>	<u>168,993</u>

Notes :

* denotes RM2

1. The Pro Forma Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Pro Forma Consolidated Financial Information and the Accountants' Report for the financial period ended 31 March 2010 and their accompanying notes appended to the interim financial statements as disclosed in the Prospectus of the Company dated 23 September 2010.

2. No comparative figures are available as this is the first interim financial report being announced.



GW PLASTICS HOLDINGS BERHAD (881786-X)
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PRO FORMA UNAUDITED CONDENSED STATEMENT OF CASH FLOW
FOR THE SECOND QUARTER ENDED 30 JUNE 2010

	6 Months Ended	
	30 June 2010	30 June 2009
	RM'000	RM'000
Net cash flows used in operating activities	(1,206)	NA
Net cash flows used in investing activities	(11,779)	NA
Net cash flows generated from financing activities	4,619	NA
Net decrease in cash and cash equivalents	(8,366)	NA
Cash and cash equivalents at beginning of period	16,295	NA
Cash and cash equivalents at end of period	7,929	NA

Note :

NA denotes not applicable.

1. The Pro Forma Condensed Statement of Cash Flow has been prepared before taking into consideration the proceeds from the Public Issue and the proposed utilisations of the proceeds. The Pro Forma Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Pro Forma Consolidated Financial Information and the Accountants' Report for the financial period ended 31 March 2010 and their accompanying notes appended to the interim financial statements as disclosed in the Prospectus of the Company dated 23 September 2010.

2. No comparative figures are available as this is the first interim financial report being announced.



GW PLASTICS HOLDINGS BERHAD (881786-X)
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010

**PART A - EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS ("FRS") 134
: INTERIM FINANCIAL REPORTING**

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with FRS134 : Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities Malaysia Berhad ("Bursa Securities"). This is the first interim financial report on the consolidated financial results for the second quarter ended 30 June 2010 announced by the Company. The consolidated financial results was prepared on a pro forma basis with the assumption that the group structure was in existence since the beginning of the financial period as the Acquisitions of the subsidiaries were subsequently completed only on 11 August 2010.

The interim financial report should be read in conjunction with the Pro Forma Consolidated Financial Information and the Accountants' Report for the financial period ended 31 March 2010 and their accompanying notes appended to the interim financial statements as disclosed in the Prospectus of the Company dated 23 September 2010.

A2. Summary of significant accounting policies

Significant accounting policies adopted are consistent with the Pro Forma Consolidated Financial Information and the Accountants' Report for the financial period ended 31 March 2010 as disclosed in the Prospectus of the Company dated 23 September 2010.

The Group has not adopted the following standards, amendments and interpretations that have been issued but not yet effective:

(a) Effective for financial periods beginning on or after 1 July 2010

FRS 1: First-time Adoption of Financial Reporting Standards

FRS 3: Business Combinations (revised)

Amendments to FRS 2: Share-based Payment

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

Amendments to FRS 127: Consolidated and Separate Financial Statements

Amendments to FRS 138: Intangible Assets

Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 12: Service Concession Agreements

IC Interpretation 15: Agreements for the Construction of Real Estate

IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17: Distributions of Non-cash Assets to Owners

(b) Effective for financial periods beginning on or after 1 March 2010

Amendments to FRS 132: Classification of Rights Issues

(c) Effective for financial periods beginning on or after 1 January 2011

Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters

Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions

Amendments to FRS 7: Improving Disclosures about Financial Instruments

IC Interpretation 4: Determining whether an Arrangement contain a Lease

IC Interpretation 18: Transfers of Assets from Customers

TR 3: Guidance on Disclosures of Transition to IFRSs

TR i-4: Shariah Compliant Sale Contracts

Except for the changes in accounting policies arising from the adoption of the revised FRS 3 and the amendments to FRS 127, as well as the new disclosures required under the Amendments to FRS 7, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application.

A3. Auditors' Report on preceding annual financial statements

Auditors' report on audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2009 were not subject to any qualification.

A4. Seasonal or cyclical factors

Generally the Group's business operations were not subject to any seasonal or cyclical factors, however, the Group has traditionally performed better during the second half of the financial year.

A5. Unusual items

There were no unusual items affecting the nature and amount of assets, liabilities, equity, net income and cash flows for the quarter ended 30 June 2010.

A6. Changes in estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

A7. Valuation of property, plant and equipment

There was no amendment to the valuation of property, plant and equipment of the Group during the current quarter under review.

A8. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period ended 30 June 2010 except for those disclosed in Note A11.

A9. Dividend paid

No dividend was paid by the Company during the financial period under review.

A10. Segment reporting

No segmental reporting is prepared as the Group principally operates within one industry and geographically resides in one country.

A11. Material events subsequent to the Balance Sheet date

- (a) The Company had on 6 May 2010 entered into a conditional sale and purchase agreement with the shareholders of Great Wall Plastic Industries Berhad ("GWPI") for the acquisition of the entire issued and paid-up share capital comprising 88,004,400 ordinary shares of RM1.00 each in GWPI, for a total purchase consideration of RM136,252,000, which is to be satisfied via the issuance of 219,999,996 new ordinary shares of RM0.50 each, at an issue price of approximately RM0.62 each.

- (b) The Company had on 6 May 2010 entered into a conditional sale and purchase agreement with GWPI for the acquisition of the entire issued and paid-up share capital of GWPI's subsidiary, GW Packaging Sdn Bhd ("GWP"), comprising 6,000,002 ordinary shares of RM1.00 each, for a cash consideration of RM10,000,000, which is to be reflected as an amount owing from the Company to GWPI.

The above transactions (collectively defined as "Acquisitions") were completed on 11 August 2010.

A12. Changes in the compositions of the Group

Following the completion of the Acquisitions as stated in Note A11 above, GWPI and GWP have become wholly owned subsidiaries of the Company.

A13. Changes in contingent liabilities or contingent assets

The Group does not have any material contingent liabilities or contingent assets as at the date of this report.

A14. Capital commitments

Approved and contracted for:
Property, plant and equipment

As at
30 June 2010
RM'000

21,561

A15. Related party transactions

As at the date of this report, the Group does not have any related party transactions.



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010

PART B - EXPLANATORY NOTES PURSUANT TO PARA 9.22 AND APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

The Group achieved a revenue of RM157.937 million and a profit before tax of RM10.521million during the period under review due to an increase in capacity and value added activities.

B2. Variation of results against preceding quarter

No comparative figures are presented for the immediate preceding quarter as this is the first consolidated results of the Group presented.

B3. Current year prospects

As disclosed in the Prospectus dated 23 September 2010, the Group has invested in new capacities and value add activities. The resultant increase in volume and the improvement in operational efficiency and value add margins is envisaged to contribute positively to the results of the Group. Barring any unforeseen circumstances, the Board of Directors is optimistic that the current year's results will be higher than that recorded in 2009.

B4. Profit forecast or profit guarantee

The Group has not issued any profit forecast or profit guarantee for the financial period under review.

B5. Income Tax Expense

	Current Quarter Ended 30.06.2010 RM'000	Current Year To Date 30.06.2010 RM'000
Income tax	42	400
Deferred tax	<u>522</u>	<u>981</u>
	<u>564</u>	<u>1,381</u>

The Group enjoyed a lower effective tax rate of 13.12% than the statutory tax rate of 25%, mainly due to the utilisation of reinvestment allowance at the subsidiary level.

B6. Sale of unquoted investments and / or properties

There were no profits on sale of investments for the current quarter and financial period to-date. However, a profit on disposal of property, plant and equipment amounting to RM95,331 was included in other operating income.

B7. Purchase or disposal of quoted securities

There was no purchase or disposal of quoted securities by the Group during the financial period under review.

B8. Status of corporate proposals

(1) In conjunction with, and as an integral part of our Listing on the Main Market of Bursa Securities we undertook the following :

(a) Acquisitions

- (i) The Company had on 6 May 2010 entered into a conditional sale and purchase agreement with the shareholders of Great Wall Plastic Industries Berhad ("GWPI") for the acquisition of the entire issued and paid-up share capital comprising 88,004,400 ordinary shares of RM1.00 each in GWPI, for a total purchase consideration of RM136,252,000, which is to be satisfied via the issuance of 219,999,996 new ordinary shares of RM0.50 each, at an issue price of approximately RM0.62 each.
- (ii) The Company had on 6 May 2010 entered into a conditional sale and purchase agreement with GWPI for the acquisition of the entire issued and paid-up share capital of GWPI's subsidiary, GW Packaging Sdn Bhd ("GWP"), comprising 6,000,002 ordinary shares of RM1.00 each, for a cash consideration of RM10,000,000, which is to be reflected as an amount owing from the Company to GWPI.

The above transactions were completed on 11 August 2010.

(b) Public Issue

A public issue of 16,000,000 new ordinary shares of RM0.50 each, representing 6.78% of the enlarged issued and paid-up share capital of the Company, at an issue price of RM0.76 per share, payable in full upon application.

(c) Offer for sale (" Offer for Sale")

An Offer for Sale of 45,420,000 ordinary shares of RM0.50 each, at an offer price of RM0.76 per share.

(2) Listing

Upon completion inter alia, of the Public Issue and Offer for Sale, the Company will be admitted to the Official List of Bursa Securities for the listing of and quotation for the entire enlarged issued and paid-up share capital of RM118,000,000 comprising 236,000,000 shares of RM0.50 each on the Main Market of Bursa Securities. The admission was approved by Bursa Securities vide its letter dated 25 August 2010.

(3) **Utilisation of proceeds**

The gross proceeds of RM12,160,000 from the public issue of 16,000,000 new shares will be utilised in the following manner :

	Proposed Utilisation RM'000	Timeframe for Utilisation
Building of new factory block	9,000	Within 12 months
Working capital	960	Within 12 months
To defray listing expenses	<u>2,200</u>	Within 1 month
Total gross proceeds	<u><u>12,160</u></u>	

B9. Borrowings and debts securities

The Group's borrowings as at 30 June 2010 are as follows:-

	As at 30 June 2010 RM'000
Short term borrowings:	
<u>Unsecured</u>	
- revolving credit	23,000
- term loans	<u>9,014</u>
	32,014
Long term borrowings:	
<u>Unsecured</u>	
- term loans	7,978
Total borrowings	<u><u>39,992</u></u>

B10. Off balance sheet financial instruments

There were no off balance sheet financial instruments as at the date of this report.

B11. Material litigation

There was no material litigation as at the date of this report.

B12. Dividends

There was no interim dividend declared during the current quarter under review.

B13. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated based on the profit after tax attributable to the equity holders of Company divided by the enlarged share capital of 220,000,000 shares but prior to the Public Issue.

b) Diluted earnings per share

Diluted earnings per share is calculated based on the profit after tax attributable to the equity holders of Company divided by the enlarged share capital of 236,000,000 shares after the Public Issue.

B14. Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors on 14 October 2010

By Order of the Board
GW PLASTICS HOLDINGS BERHAD

Lee Ying Fong
Company Secretary

Dated: 14 October 2010