

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30TH JUNE 2013

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30th June 2013 RM'000	Preceding Year Quarter Ended 30th June 2012 RM'000	Current Year To Date 30th June 2013 RM'000	Preceding Year To Date 30th June 2012 RM'000
Revenue	-	96,616	-	184,220
Cost of sales	-	(84,903)	-	(161,420)
Gross profit	-	11,713	-	22,800
Interest income	1,196	23	2,548	45
Other Income	-	326	71,468	720
Marketing and distribution expenses	-	(1,935)	-	(3,883)
Administrative expenses	(68)	(2,768)	(151)	(5,180)
Finance costs	-	(321)	-	(663)
Other expenses	(1)	(103)	(53)	(202)
Profit before tax	1,127	6,935	73,812	13,637
Income tax expense	-	(689)	(60)	(2,195)
Net profit for the period	1,127	6,246	73,752	11,442
Other comprehensive income	-	(34)	-	(23)
Total comprehensive income for the period	<u>1,127</u>	<u>6,212</u>	<u>73,752</u>	<u>11,419</u>
Profit attributable to :				
Owners of the parent	1,127	6,246	73,752	11,442
Minority interests	-	-	-	-
	<u>1,127</u>	<u>6,246</u>	<u>73,752</u>	<u>11,442</u>
Total comprehensive income attributable to :				
Owners of the parent	1,127	6,212	73,752	11,419
Minority interests	-	-	-	-
	<u>1,127</u>	<u>6,212</u>	<u>73,752</u>	<u>11,419</u>
Earnings per share attributable to owner of the parent :				
Basic earnings per share (sen) - Note B11	0.48	2.65	31.30	4.85
Dilutes earnings per share (sen)	NA	NA	NA	NA

NA denotes not applicable

Note :

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31st December 2012 and the accompanying explanatory notes attached to the interim financial statements.

GW PLASTICS HOLDINGS BERHAD (881786-X)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2013

	As at 30th June 2013 RM'000	As at 31st December 2012 RM'000
ASSETS		
Current assets		
Trade and other receivables	994	-
Tax recoverable	-	7
Short term deposits	148,101	-
Cash and bank balances	121	1,430
Assets classified as held for sale	-	287,641
	<u>149,216</u>	<u>289,078</u>
TOTAL ASSETS	<u>149,216</u>	<u>289,078</u>
 EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	225	1,310
Provision for taxation	42	-
Liabilities directly associated with assets classified as held for sale	-	75,909
	<u>267</u>	<u>77,219</u>
Net current assets	148,949	211,859
Equity attributable to owners of the parent		
Share capital	118,000	118,000
Share premium	28,372	35,609
Treasury shares	(274)	(274)
Retained earnings	2,851	58,524
Total equity	<u>148,949</u>	<u>211,859</u>
Total equity and liabilities	<u>149,216</u>	<u>289,078</u>
 Net assets per share attributable to equity holders of the parent (RM) - Note 2	0.63	0.90

Notes :

1. The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31st December 2012.

2. Based on the number of issued share capital of 235,625,000 ordinary shares as at 30th June 2013 and 31st December 2012 (net of treasury shares) respectively.

GW PLASTICS HOLDINGS BERHAD (881786-X)
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30TH JUNE 2013**

	← Attributable to Equity Holders of the Company →				Distributable Retained Earnings RM'000	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Non-distributable			
			Merger Reserve RM'000	Treasury Share RM'000	Other Reserve RM'000	
As at 1st January 2013	118,000	35,609	-	(274)	-	211,859
Total comprehensive income for the period	-	-	-	-	-	73,752
Transactions with owners						
Dividends paid	-	-	-	-	-	(136,662)
Disposal of subsidiaries	-	(7,237)	-	-	-	7,237
As at 30th June 2013	<u>118,000</u>	<u>28,372</u>	<u>-</u>	<u>(274)</u>	<u>-</u>	<u>148,949</u>
As at 1st January 2012	118,000	35,609	(48,248)	-	23	201,075
Total comprehensive income for the period	-	-	-	-	(23)	11,419
Transactions with owners						
Dividend paid	-	-	-	-	-	(7,080)
Purchase of treasury shares	-	-	-	(274)	-	(274)
Appropriation of retained earnings	-	-	48,248	-	-	(48,248)
As at 30th June 2012	<u>118,000</u>	<u>35,609</u>	<u>-</u>	<u>(274)</u>	<u>-</u>	<u>205,140</u>

Note : The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31st December 2012.

GW PLASTICS HOLDINGS BERHAD (881786-X)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30TH JUNE 2013

	6 Months Ended	
	30th June 2013	30th June 2012
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before tax	73,812	13,637
Adjustment for		
Depreciation	-	7,214
Interest expense	-	663
Interest income	(2,548)	(45)
Gain on disposal of investment in subsidiaries	(71,468)	-
Gain on disposal of property, plant and equipment	-	(44)
Net unrealised foreign exchange gain	-	(196)
Operating (loss) / profit before working capital changes	(204)	21,229
Inventories	-	(3,662)
Receivables	(994)	(4,949)
Payables	(1,085)	9,836
Cash (used in) / generated from operations	(2,283)	22,454
Interest paid	-	(663)
Interest received	2,548	45
Tax paid	(11)	(850)
Net cash generated from operating activities	254	20,986
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	-	(5,884)
Proceeds from disposal of investment in subsidiaries	283,200	-
Proceeds from disposal of property, plant and equipment	-	120
Proceeds from disposal of securities investment	-	131
Net cash generated from / (used in) investing activities	283,200	(5,633)
Cash Flows From Financing Activities		
Dividends paid	(136,662)	(7,080)
Drawn down from loans and borrowings	-	40,945
Repayment of loans and borrowings	-	(44,730)
Purchase of treasury shares	-	(274)
Net cash used in financing activities	(136,662)	(11,139)
Net increase in cash and cash equivalents	146,792	4,214
Effect of exchange rate changes on cash and cash equivalents	-	(2)
Cash and cash equivalents at beginning of the period	1,430	10,233
Cash and cash equivalents at end of the period	148,222	14,445
 Represented by :		
Short term deposit	148,101	-
Cash and bank balances	121	14,445
	148,222	14,445

Note :

The condensed statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 31st December 2012.

GW PLASTICS HOLDINGS BERHAD (881786-X)
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30TH JUNE 2013

PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS FRAMEWORK") (MFRS) 134 : INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS134 : Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31st December 2012. These interim financial statements contain selected explanatory notes which provide explanations of events and transaction that are significant to an understanding of the changes in the financial position and performance of the Company.

A2 Summary of significant accounting policies

The significant accounting policies adopted are consistent with the audited financial statements for the financial year ended 31st December 2012.

The Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework issued by the Malaysian Accounting Standards Board ("MASB") with effect from 1st January 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia's existing Financial Reporting Standards ("FRS") framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board ("IASB"). Whilst all FRSs issued under the previous FRS framework were equivalent to the MFRSs issued under the MFRS framework, there are some differences in relation to the transitional provisions and effective dates contained in certain of the FRSs.

The following MFRSs and IC Interpretations issued by the MASB have been adopted by the Group during the current period:

Effective for annual periods commencing on or after 1st January 2013

MFRS 3	Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 101	Presentation of items of Other Comprehensive Income (Amendments to MFRS 101)
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 127	Consolidated and Separate Financial Statements (IAS 127 revised by IASB in December 2003)
MFRS 128	Investments in Associates and Joint Ventures
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards - Government Loans
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009 - 2011 Cycle)
Amendments to MFRS 7	Disclosures: Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 101	Presentation of Financial Statements (Annual Improvements 2009 - 2011 Cycle)

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PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS FRAMEWORK") (MFRS) 134 : INTERIM FINANCIAL REPORTING

A2 Summary of significant accounting policies (Cont'd)

Effective for annual periods commencing on or after 1st January 2013 (Cont'd)

Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2009 - 2011 Cycle)
Amendments to MFRS 132	Financial Instruments: Presentation (Annual Improvements 2009 - 2011 Cycle)
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2009 - 2011 Cycle)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009 - 2011 Cycle)

The following MFRSs and IC Interpretations have been issued by the MASB and are not yet effective:

Effective for annual periods commencing on or after 1st January 2014

Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities

Effective for annual periods commencing on or after 1st January 2015

MFRS 9	Financial Instruments
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The directors expect that the new MFRSs, IC Interpretations and Amendments to MFRSs which are issued and effective for periods beginning on or after 1st January 2013 do not have any material impact on the financial statements of the Company. The financial effects of the above MFRSs are still being assessed due to the complexity of these new MFRSs and Amendments to MFRSs, and their proposed changes.

A3 Auditors' Report on preceding annual financial statements

The auditors' report on the audited financial statements of the Company for the financial year ended 31st December 2012 were not subject to any qualification.

A4 Exceptional or Unusual Items

There were no items of exceptional or unusual nature that affect the assets, liabilities, equity, net income or cash flows of the Company in the current financial quarter.

A5 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.

A6 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial period ended 30th June 2013.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30TH JUNE 2013

PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS FRAMEWORK") (MFRS) 134 : INTERIM FINANCIAL REPORTING

A7 Dividend paid

On 8th February 2013, the Company paid a special single tier dividend of RM0.58 per ordinary share of RM0.50 each, being part of the proceeds from the disposals of its subsidiaries as disclosed under Note A11.

A8 Segment reporting

Following the completion of the disposals of the subsidiaries on 8th January 2013 as disclosed under Note A11, the Company has not recognised the sales revenue of the disposed subsidiaries for the short period from 1st January to 7th January 2013 as the amount involved was considered as immaterial. The segmental information of the Company for the corresponding quarter are as follows:

	Current Quarter		Cumulative Quarter	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Operating revenue:				
- Local	-	37,481	-	73,972
- Export	-	59,135	-	110,248
Total operating revenue	<u>-</u>	<u>96,616</u>	<u>-</u>	<u>184,220</u>

A9 Profit before tax

The following amounts have been included in arriving at profit before tax :

	Current Quarter		Cumulative Quarter	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Interest income	1,196	23	2,548	45
Interest expense	-	321	-	663
Depreciation of property, plant and equipment	-	3,625	-	7,214
Gain on disposal of investment in subsidiaries	-	-	71,468	-
Gain on disposal of property, plant and equipment	-	(70)	-	44
Gain on disposal of quoted or unquoted investmer	-	30	-	30
Net foreign exchange gain				
- unrealised	-	-	-	196
- realised	-	123	-	206
	<u>-</u>	<u>123</u>	<u>-</u>	<u>206</u>

A10 Material events subsequent to the Balance Sheet date

Save as disclosed under Note B7, there were no material events that have arisen subsequent to the financial period ended 30th June 2013.

A11 Changes in the composition of the Group

The Company has completed its disposal of 100% equity interest in Great Wall Plastics Industries Berhad and 100% equity interest in GW Packaging Sdn. Bhd. to Scientex Packaging Film Sdn. Bhd. on 8th January 2013.

The Company has no other subsidiary and remained as a single entity as at the end of the quarter under

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30TH JUNE 2013

PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS FRAMEWORK") (MFRS) 134 : INTERIM FINANCIAL REPORTING

A12 Changes in contingent liabilities and contingent assets

The Company does not have any material contingent liabilities and contingent assets for the current financial period.

A13 Capital commitments

The were no capital commitments as at 30th June 2013.

A14 Significant related party transactions

The Company does not have any related party transactions during the current quarter under review.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30TH JUNE 2013

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

B1 Performance review

Following the completion of the disposals of the subsidiaries on 8th January 2013 as disclosed under Note A11, there was no business revenue reported in the quarter under review except for the interest income derived from placement of funds in short term deposits during the quarter under review.

B2 Material changes in the profit before taxation for the current quarter as compared with the preceding quarter

The Group recorded a decrease in profit before taxation by RM71.558 million in the current quarter as compared to the preceding quarter. The decrease in profit before taxation was due to the gain of RM71.468 million arising from the disposal of investment in subsidiaries recorded in the preceding quarter.

B3 Current year prospects

Arising from the completion of the Proposed Disposals on 8th January 2013, the Company is considered as an affected listed issuer pursuant to Practice Note 17 ("PN 17") of the Listing Requirements. The Company is currently in the process of identifying new businesses and / or assets that have the requisite track record and future prospects to be acquired to enable the Company to regularize its condition and to maintain the listing status on the Main Market of Bursa Securities. In the event that the Company enters into a definitive agreement prior to the completion of the Proposed Distribution, the Company has approximately five (5) months to submit its regularisation plan to the relevant authorities for approval.

B4 Profit forecast or profit guarantee

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

B5 Income tax expense

	Current Quarter		Cumulative Quarter	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current provision	-	411	-	888
- Prior year (over) / under provision	-	(38)		(38)
Deferred tax				
- Origination and reversal of temporary differences	-	316	-	1,345
Total income tax expense	-	689	-	2,195

No provision for taxation has been made for the Company in the quarter under review mainly due to the interest earned from the short term deposits is tax exempted.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30TH JUNE 2013

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

B6 Profit / (Loss) on sale of unquoted investments and / or properties

The Company recorded a gain of RM71,468,409 arising from the completion of disposal of 100% equity interest in Great Wall Plastic Industries Berhad and 100% equity interest in GW Packaging Sdn. Bhd. to Scientex Packaging Film Sdn. Bhd. for a cash consideration of RM283,200,000 in the previous quarter ("1Q13"). There were no significant sales of unquoted investments or properties during the current quarter.

B7 Status of corporate proposals

There were no corporate proposals that have been announced but not completed as at 2nd August 2013, being the latest practicable date except for the following:-

- (i) Completion of disposal of 100% equity interest in Great Wall Plastic Industries Berhad and 100% equity interest in GW Packaging Sdn. Bhd. by the Company to Scientex Packaging Film Sdn. Bhd. for a total cash consideration of RM283,200,000;
- (ii) Proposed distribution of the cash proceeds arising from the Proposed Disposals to all the entitled shareholders of the Company ("Proposed Distribution")
- (iii) Proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Distribution ("Proposed M & A Amendments");

(hereinafter collectively referred to as the "Proposals").

A special dividend of 58 sen per share, being part of the proceeds from the Proposed Disposals was paid on 8th February 2013, to shareholders of the Company whose names were registered in the Record of Depositors as at 23rd January 2013. Approximately RM143.731 million (61 sen per share) shall be distributed to entitled shareholders via a proposed capital reduction after obtaining the confirmation by the High Court of Malaya for the proposed capital reduction, at the entitlement date to be determined by the Directors and announced later.

Arising from the completion of the Proposed Disposals on 8th January 2013, the Company is considered as an affected listed issuer pursuant to Practice Note 17 ("PN 17") of the Listing Requirements. The Company is currently in the process of identifying new businesses and / or assets that have the requisite track record and future prospects to be acquired to enable the Company to regularise its condition and to maintain the listing status on the Main Market of Bursa Securities. In the event that the Company enters into a definitive agreement prior to the completion of the Proposed Distribution, the Company has approximately five (5) months to submit its regularisation plan to the relevant authorities for approval.

In the absence of any acceptable alternative proposal(s) to regularise the Company's condition prior to the completion of the Proposed Distribution, the Company will apply to Bursa Securities for the delisting of the Company from the Main Market of Bursa Securities and subsequently be listed.

B8 Borrowings and debt securities

There was no borrowings by the Company.

B9 Material litigation

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

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30TH JUNE 2013

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

B10 Dividend

The Board of Directors does not recommend any dividend for the current financial quarter.

B11 Earnings per share

Basic earnings per share

Basic earnings per share is calculated based on the profit after tax for the period under review attributable to the equity holders of the Company divided by the weighted average number of ordinary shares of RM0.50 each in issue during the said period after adjusting for the number of ordinary shares purchased.

	Current Quarter		Cumulative Quarter	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
Net profit attributable to shareholders for the period (RM'000)	<u>1,127</u>	<u>6,246</u>	<u>73,752</u>	<u>11,442</u>
Weighted average number of ordinary shares of RM0.50 each ('000)	<u>235,625</u>	<u>235,952</u>	<u>235,625</u>	<u>235,976</u>
Basic earnings per share of RM0.50 each (sen)	<u>0.48</u>	<u>2.65</u>	<u>31.30</u>	<u>4.85</u>

B12 Realised and unrealised retained earnings

Total retained earnings of the Group as follows:-

	As at	As at
	30.06.2013	30.06.2012
	RM'000	RM'000
Realised	2,851	96,971
Unrealised	-	(40,377)
	<u>2,851</u>	<u>56,594</u>
Less : Consolidated adjustment	-	(4,789)
	<u>2,851</u>	<u>51,805</u>

B13 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 2nd August 2013