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Manta Holdings Company Limited

敏達控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 936)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2010**

HIGHLIGHTS

For the six months ended 30 June 2010

Revenue	-16.5% to HK\$68.4 million (six months ended 30 June 2009 : HK\$81.9 million)
Gross Profit	-7.9% to HK\$32.8 million (six months ended 30 June 2009 : HK\$35.6 million)
Profit attributable to owners of the Company	-97.4% to HK\$0.2 million (six months ended 30 June 2009 : HK\$7.5 million)
Earnings per share	HK0.2 cent (six months ended 30 June 2009 : HK6.3 cents)
Proposed interim dividend	Nil (six months ended 30 June 2009 : Nil)

The board of directors (the “Director(s)”) (the “Board”) of Manta Holdings Company Limited (the “Company”) announces the unaudited consolidated statement of comprehensive income for the six months ended 30 June 2010 and the unaudited consolidated statement of financial position as at 30 June 2010 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 30 June 2010

	Notes	Unaudited	
		Six months ended 30 June	
		2010	2009
		HK\$'000	HK\$'000
Revenue	3	68,397	81,878
Cost of sales and services		(35,556)	(46,231)
Gross profit		32,841	35,647
Other income	4	1,548	705
Selling and distribution expenses		(1,733)	(1,596)
Administrative expenses		(18,133)	(11,995)
Operating expenses		(12,296)	(10,268)
Finance costs	5	(4,181)	(3,685)
(Loss)/profit before income tax	6	(1,954)	8,808
Income tax credit/(expense)	7	2,095	(1,357)
Profit for the period		141	7,451
Other comprehensive income for the period			
Exchange difference arising on translation of financial statements of foreign operations		154	2,840
Surplus on revaluation of property held for own use		324	—
		478	2,840
Total comprehensive income for the period		619	10,291

		Unaudited	
		Six months ended 30 June	
	Note	2010	2009
		HK\$'000	HK\$'000
Profit for the period attributable to:			
Owners of the Company		198	7,475
Non-controlling interests		(57)	(24)
		<u>141</u>	<u>7,451</u>
Total comprehensive income attributable to:			
Owners of the Company		676	10,315
Non-controlling interests		(57)	(24)
		<u>619</u>	<u>10,291</u>
		HK cents	HK cents
Earnings per share for profit attributable to the owners of the Company during the period – Basic			
	8	<u>0.2</u>	<u>6.3</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2010

	Notes	Unaudited At 30 June 2010 HK\$'000	Audited At 31 December 2009 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		140,045	145,883
Available-for-sale investment		580	580
		<u>140,625</u>	<u>146,463</u>
Current assets			
Inventories and consumables		39,286	36,865
Trade receivables	9	25,300	31,274
Prepayments, deposits and other receivables		11,547	10,128
Pledged bank deposits		3,709	9,838
Cash and bank balances		33,428	45,970
		<u>113,270</u>	<u>134,075</u>
Current liabilities			
Trade payables	10	40,253	31,587
Receipt in advance, accruals and other payables		22,399	30,132
Derivative financial instruments		—	159
Amounts due to fellow subsidiaries		—	36,768
Amounts due to a related company		—	167
Bank borrowings		7,545	2,100
Finance lease payables		15,949	27,468
Provision		767	767
Provision for tax		1,087	1,087
		<u>88,000</u>	<u>130,235</u>
Net current assets		<u>25,270</u>	<u>3,840</u>
Total assets less current liabilities		<u>165,895</u>	<u>150,303</u>

	Notes	Unaudited At 30 June 2010 HK\$'000	Audited At 31 December 2009 HK\$'000
Non-current liabilities			
Bank borrowings		11,547	6,299
Finance lease payables		27,106	40,851
Deferred tax liabilities		6,798	8,893
		<u>45,451</u>	<u>56,043</u>
Net assets		<u>120,444</u>	<u>94,260</u>
EQUITY			
Share capital		1,316	—
Reserves		117,669	92,744
		<u>118,985</u>	<u>92,744</u>
Equity attributable to the Company's owners		118,985	92,744
Non-controlling interests		1,459	1,516
		<u>120,444</u>	<u>94,260</u>
Total equity		<u>120,444</u>	<u>94,260</u>

Notes:

1. BASIS OF PRESENTATION AND PREPARATION

The Company is a limited liability company incorporated and domiciled in Cayman Islands. The address of the Company's registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and, its principal place of business is Flat H, 9/F., Valiant Industrial Centre, 2-12 Au Pui Wan Street, Fo Tan, Shatin, New Territories, Hong Kong. Pursuant to a group reorganisation (the "Group Reorganisation") as detailed in subsection headed "Group Reorganisation" in note 1.2 of Appendix I of the prospectus dated 30 June 2010 (the "Prospectus"), the Company became the holding company of the subsidiaries now comprising the group (the "Group").

The Group is regarded as a continuing entity resulting from the Group Reorganisation since all of the entities which took part in the Group Reorganisation were controlled by the same single group of shareholders under a contractual arrangement ("Single Party") before and immediately after the Group Reorganisation. Consequently, there was a continuation of the risks and benefits to the Single Party. The Group Reorganisation has been accounted for as a reorganisation under common control in a manner similar to pooling of interests. Accordingly, the interim financial information has been prepared using the merger basis of accounting as if the Group Reorganisation had occurred as of the beginning of the earliest period presented and the Group had always been in existence. The assets and liabilities of the companies now comprising the Group are combined using the existing book values from the Single Party's perspective. The interests of equity holders other than the Single Party in the combining companies have been presented as non-controlling interests in the Group's interim financial report.

The consolidated statement of comprehensive income of the Group for the six-months period ended 30 June 2009 include the results of the Company and its subsidiaries from 1 January 2009, or since the Company's and its subsidiaries' respective dates of incorporation whichever is shorter, as if the current group structure had been in existence throughout the period. The consolidated statement of financial position of the Group as at 31 December 2009 and 30 June 2010 have been prepared to present the state of affairs of the companies now comprising the Group as at the respective dates as if the current group structure had been in existence as at the respective dates.

The assets and liabilities of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination. The profit or loss includes the results of each of the combining entities or businesses from the date of incorporation/establishment or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

All significant intra-group transactions, balances and unrealised gains on transactions have been eliminated on consolidation. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred.

The Company's shares were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 19 July 2010.

Principal activities of the Group include investment holdings, trading of construction machinery and spare parts, leasing of the construction machinery and providing repair and maintenance services in respect of the construction machinery.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim financial report is unaudited, but has been reviewed by Grant Thornton in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

The interim financial report does not include all of the information required in the annual financial statements, and should be read in conjunction with the Group's annual financial information for the year ended 31 December 2009 as set out in Appendix I of the Prospectus.

2. ADOPTION OF NEW OR AMENDED HKFRSs

In the current period, the Group has applied for the first time the following new or amended Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual financial period beginning on 1 January 2010:

HKFRS 3 (Revised 2008)	Business Combinations
HKAS 27 (Revised 2008)	Consolidated and separate financial statements
Various	Annual improvements to HKFRSs 2009

Other than as noted below, the adoption of these new and revised HKFRSs had no material impact on how the results and financial position for the current and prior periods had been prepared and presented.

HKFRS 3 Business combinations (Revised 2008)

The standard is applicable in reporting periods beginning on or after 1 July 2009 and has been applied prospectively. The new standard still requires the use of the purchase method (now renamed the acquisition method) but introduces material changes to the recognition and measurement of consideration transferred and the acquiree's identifiable assets and liabilities, and the measurement of non-controlling interests (previously known as minority interests) in the acquiree.

The Group did not purchase of any of equity interests in the current period. Therefore, the adoption of this revised standard did not have any impact on the interim financial report.

HKAS 27 Consolidated and separate financial statements (Revised 2008)

The revised standard is effective for accounting periods beginning on or after 1 July 2009 and introduces changes to the accounting requirements for the loss of control of a subsidiary and for changes in the Group's interest in subsidiaries. Total comprehensive income must be attributed to the non-controlling interests (formerly "minority interests") even if this results in the non-controlling interests having a deficit balance.

The Group did not have transactions with non-controlling interests in the current period and did not dispose of any of its equity interests in its subsidiaries. Therefore, the adoption of this revised standard did not have any impact on the interim financial report.

3. REVENUE AND SEGMENT INFORMATION

The Group's principal activities are trading of construction machinery and spare parts, leasing of the construction machinery and providing repair and maintenance services in respect of the construction machinery.

Revenue from the Group's principal activities during the period is as follows:

	Unaudited	
	Six months ended 30 June	
	2010	2009
	HK\$'000	HK\$'000
Sales of machineries	16,428	19,688
Sales of spare parts	2,091	3,792
Rental income	42,926	46,409
Service income	6,952	11,989
	<u>68,397</u>	<u>81,878</u>

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's operating locations.

The Group has identified the following reportable segments:

- Hong Kong
- Singapore
- Vietnam
- Macau

Unaudited
Six months ended 30 June 2009

	Hong Kong HK\$'000	Singapore HK\$'000	Vietnam HK\$'000	Macau HK\$'000	Inter segment elimination HK\$'000	Total HK\$'000
Revenue						
From external customers	20,813	58,932	614	1,519	—	81,878
From inter segment	1,710	214	—	—	(1,924)	—
Reportable segment revenue	<u>22,523</u>	<u>59,146</u>	<u>614</u>	<u>1,519</u>	<u>(1,924)</u>	<u>81,878</u>
Reportable segment profit/(loss)	<u>3,007</u>	<u>4,157</u>	<u>(71)</u>	<u>110</u>	<u>248</u>	<u>7,451</u>

Audited
At 31 December 2009

Reportable segment assets	<u>87,070</u>	<u>194,710</u>	<u>6,716</u>	<u>1,440</u>	<u>(9,398)</u>	<u>280,538</u>
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4. OTHER INCOME

Unaudited
Six months ended 30 June
2010 2009
HK\$'000 **HK\$'000**

Bank interest income	30	102
Compensation received	851	316
Dividend income	153	—
Net foreign exchange gain	399	—
Sales of fixing angles	73	11
Territory commission	—	274
Others	42	2
	<u>1,548</u>	<u>705</u>

5. FINANCE COSTS

	Unaudited	
	Six months ended 30 June	
	2010	2009
	HK\$'000	HK\$'000
Interest charges on financial liabilities stated at amortised cost:		
– Bank loans wholly repayable within five years	316	48
– Finance lease payables wholly repayable within five years	3,065	1,360
– Advances from fellow subsidiaries (note)	432	1,436
– Advances from a related company	3	5
– Trade payables	364	719
– Others	1	117
	<u>4,181</u>	<u>3,685</u>

Note:

At 31 December 2009, a fellow subsidiary granted a waiver to the Group. Pursuant to which, the fellow subsidiary waived 75% of the interests on the advance from this fellow subsidiary incurred for the year ended 31 December 2009.

6. (LOSS)/PROFIT BEFORE INCOME TAX

	Unaudited	
	Six months ended 30 June	
	2010	2009
	HK\$'000	HK\$'000
(Loss)/profit before income tax is arrived		
at after charging/(crediting):		
Depreciation of property, plant and equipment		
– Owned assets	8,244	5,595
– Leased assets	4,052	4,673
Net foreign (gain)/loss	(399)	838
Listing expenses	4,020	—
Loss/(gain) on disposal of property, plant and equipment	41	(3)
Recovery of impaired trade receivables	—	(325)
Staff costs		
– Wages, salaries and bonuses	9,916	7,959
– Contribution to defined contribution pension plans	731	349
	<u>9,916</u>	<u>7,959</u>

7. INCOME TAX CREDIT/(EXPENSE)

	Unaudited	
	Six months ended 30 June	
	2010	2009
	HK\$'000	HK\$'000
Deferred tax credit/(expense) - current period	2,095	(1,357)

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any taxation under the jurisdictions of the Cayman Islands and the British Virgin Islands.

No Vietnam Profits Tax has been provided as the Group has no assessable profits for the six months ended 30 June 2010.

No Hong Kong and Macau Profits Tax has been provided as the Group has sufficient tax losses brought forward to set off against the assessable profit incurred for the six months ended 30 June 2010.

Singapore Profits Tax has been provided at a tax rate of 17% on the estimated assessable profits for the six months ended 30 June 2010 (six months ended 30 June 2009: 17%).

8. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 June 2010 is based on the profit attributable to owners of the Company of approximately HK\$198,000 (six months ended 30 June 2009: HK\$7,475,000), and on the weighted average number of 119,501,667 ordinary shares in issue during the period, as adjusted to reflect the ordinary shares issued for the Group Reorganisation and capitalisation issue (six months ended 30 June 2009: 118,450,000).

No diluted earnings per share is presented as the Group has no dilutive potential shares during the six months ended 30 June 2010 (six months ended 30 June 2009: Nil).

9. TRADE RECEIVABLES

The Group's trading terms with its existing customers are mainly on credit. The credit period is generally for a period of 0 – 60 days or based on the terms agreed in the sales agreements.

The ageing analysis of the trade receivables, based on the invoice date, was as follows:

	Unaudited	Audited
	At 30 June	At 31 December
	2010	2009
	HK\$'000	HK\$'000
0 – 30 days	10,931	13,505
31 – 60 days	1,469	9,595
61 – 90 days	6,760	272
Over 90 days	6,140	7,902
	25,300	31,274

10. TRADE PAYABLES

The credit period is generally for a period of 30 – 60 days or based on the terms agreed in the purchases agreements. At 30 June 2010, trade payables of approximately HK\$17,410,000 (at 31 December 2009: HK\$14,558,000) were interest-bearing at 4% to 5% (at 31 December 2009: 4% to 5%) per annum.

The ageing analysis of the trade payables, based on the invoice date, was as follows:

	Unaudited	Audited
	At 30 June	At 31 December
	2010	2009
	HK\$'000	HK\$'000
0 – 30 days	17,356	21,012
31 – 60 days	3,809	5,875
61 – 90 days	2,024	1,433
Over 90 days	17,064	3,267
	<hr/>	<hr/>
	40,253	31,587
	<hr/> <hr/>	<hr/> <hr/>

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Group results

The Group's unaudited consolidated revenue for the six months ended 30 June 2010 decreased by approximately 16.5% times over the same period last year to HK\$68.4 million. The reason for the decrease was mainly due to our customers did not place purchase orders pending the bidding results of several projects. Meanwhile the profit attributable to owners of the Company decreased by HK\$7.28 million to HK\$0.2 million compared to the same period last year.

The gross profit margin for the six months ended 30 June 2010 was approximately 48.0% representing a 4.5% increase as compared to that of 43.5% for the period ended 30 June 2009. The reason for the increase of gross profit margin was mainly due to a change of sales mix.

The administrative expenses increase by approximately HK\$6.1 million over the same period last year. The reason for the increase was mainly due to the inclusion of listing expense amounted to HK\$4.0 million. The operating expense increase by approximately HK\$2.0 million over the same period last year. The reason for the increase was mainly due to increase of depreciation charge for plant and machinery as a result of acquisition of plant and machinery during the six months ended 30 June 2010.

Earnings per share for the period under review was HK0.2 cent (six months ended 30 June 2009: HK6.3 cents).

OUTLOOK

The outlook for the second half of the fiscal year remains uncertain and the Group expects continued pressure on revenue and gross profit margin for its businesses. While there has been more enquiries for sales and rental of cranes, the market conditions of the second half of the fiscal year remains difficult to predict and the management continues to closely evaluate the overall business environment and will adjust its pace of development accordingly. The Group will continue to implement cost-control measures to reduce costs at all level. The management is confident that the Group can overcome the challenges ahead.

FINANCIAL RESOURCES/LIQUIDITY AND CAPITAL STRUCTURE

As at 30 June 2010, the Group had cash and bank balances of HK\$33.4 million (At 31 December 2009: HK\$46.0 million).

As at 30 June 2010, the Group had total assets of approximately HK\$253.9 million, representing a slight decrease of HK\$26.6 million over that of 31 December 2009.

The Group's gearing ratio as at 30 June 2010 was approximately 24.5% (At 31 December 2009: 27.3%), which was calculated on the basis by dividing interest-bearing loans and finance lease payable with the total assets as at the respective period.

The Group's sales are mainly denominated in Hong Kong dollar ("HK\$"), Singapore dollar ("S\$") and United States dollar ("US\$") while purchases are mainly denominated in HK\$, Euro ("EUR"), S\$ and US\$. EUR and US\$ are not the functional currencies of the Group entities to which these transactions relate.

The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The management will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

THE PLEDGE OF GROUP ASSETS

The Group had pledged bank deposit to certain banks and other financial institutions as securities for bank borrowings and finance lease payables. As at 30 June 2010, the Group had pledged bank deposits approximately HK\$3.7 million (At 31 December 2009: HK\$9.8 million)

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2010, the Group had 88 employees (At 30 June 2009: 76).

Remuneration is reviewed annually and certain employees are entitled to commission. In addition to basic salaries, staff benefits include discretionary bonus, medical insurance scheme and mandatory provident fund.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2010, none of the Directors and chief executive of the Company have any interests or short positions in the existing shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which are required to be notified to the Company and the Stock Exchange pursuant of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are deemed or taken to have under such provisions of the SFO) or which are required pursuant to section 352 of the SFO, to be entered in the register maintained by the Company or which are required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS

As at the date of this announcement, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name of substantial shareholders	Nature of interest	Number of ordinary shares of the Company held	
		Direct interest (Note 1)	Percentage of shareholding
Jumbo Hill Group Limited	Beneficial Interest	150,000,000(L)	75%
Mulpha Strategic Limited (note 2)	Interest in a controlled corporation	150,000,000(L)	75%
Mulpha Trading Sdn Bhd (note 3)	Interest in a controlled corporation	150,000,000(L)	75%
Mulpha International Bhd (note 4)	Interest in a controlled corporation	150,000,000(L)	75%
Ms. Yong Pit Chin (note 4)	Interest in a controlled corporation	150,000,000(L)	75%

Notes:

- (1) The letter “L” denotes the entity/person’s long position in the Shares.
- (2) Mulpha Strategic Limited is the holding company of Jumbo Hill Group Limited holding 100% interest in it.
- (3) Mulpha Trading Sdn Bhd is the holding company of Mulpha Strategic Limited holding 100% interest in it.
- (4) Mulpha International Bhd is the holding company of Mulpha Trading Sdn Bhd holding 100% interest in it. Mulpha International Bhd is listed on the Main Market of Bursa Malaysia Securities Berhad. Madam Yong Pit Chin is, directly and indirectly, interested in approximately 34.80% of the issued share capital of Mulpha International Bhd.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has, throughout the six months ended 30 June 2010, complied with the code provisions contained in the Code on Corporate Governance Practices (the “Code”) set out in Appendix 14 to the Listing Rules.

AUDIT COMMITTEE

The Audit Committee was established on 25 June 2010. Its current members include three Independent Non-executive Directors, namely Mr Louie Chun Kit (as Chairman), Mr Cheung Chi Wai Vidy and Mr. Lau Wing Yuen.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including a review of the unaudited interim financial report for the six months ended 30 June 2010 with the management.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the six months ended 30 June 2010, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 June 2010, the Company has adopted the Model Code as the code for dealing in securities of the Company by Directors. Having made specific enquiry, all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the period.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This Interim Results announcement is published on the website of The Stock Exchange of Hong Kong Limited (<http://www.hkex.com.hk>) and the Company's website (<http://www.mantagroup.com.hk>). The interim report of the Company will be despatched to shareholders of the Company and will be available at the aforementioned websites.

By order of the Board
Manta Holdings Company Limited
Chung Tze Hien
Chairman

Hong Kong, 23 August 2010

As at the date of this announcement, the Board comprises Mr. Chung Tze Hien, Mr. Quek Chang Yeow and Mr. Lai Siu Shing as executive Directors and Mr. Cheung Chi Wai Vidy, Mr. Lau Wing Yuen and Mr. Louie Chun Kit as independent non-executive Directors.