Manta Holdings Company Limited
敏達控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 936)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

HIGHLIGHTS

For the year ended 31 December 2010

Revenue	HK$139.4 million (2009 : HK$183.5 million)
Profit for the year	HK$20.8 million (2009 : HK$28.5 million)
Earnings per share	HK13 cents (2009 : HK24 cents)
Proposed final dividend	Nil

The board of directors (the "Director(s)") (the "Board") of Manta Holdings Company Limited (the "Company") announces the audited consolidated results for the year ended 31 December 2010 and the audited consolidated financial position as at 31 December 2010 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2010

	Notes	**2010** **HK$'000**	2009 HK$'000
Revenue	5	**139,376**	183,509
Cost of sales and services		**(71,266)**	(92,720)
Gross profit		**68,110**	90,789
Other income	6	**27,896**	2,288
Selling and distribution expenses		**(3,626)**	(2,085)
Administrative expenses		**(43,291)**	(26,200)
Other operating expenses		**(24,961)**	(21,360)
Finance costs	7	**(5,188)**	(6,527)
Profit before income tax expense	8	**18,940**	36,905
Income tax credit/(expense)	9	**1,907**	(8,414)
Profit for the year		**20,847**	28,491
Other comprehensive income			
– Exchange differences on translating foreign operations		**6,789**	4,454
– Gain on revaluation of property held for own use		**1,038**	1,618
Other comprehensive income for the year		**7,827**	6,072
Total comprehensive income for the year		**28,674**	34,563
Profit for the year attributable to:			
– Owners of the Company		**20,971**	28,517
– Non-controlling interests		**(124)**	(26)
		20,847	28,491
Total comprehensive income attributable to:			
– Owners of the Company		**28,798**	34,589
– Non-controlling interests		**(124)**	(26)
		28,674	34,563
Earnings per share for profit attributable to the owners of the Company during the year			
– Basic (HK cents)	11	**13**	24

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2010

	Notes	2010	2009
		HK$'000	HK$'000
			(restated)
			(Note 3(a))
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**177,007**	145,883
Available-for-sale investment		**580**	580
Deposits paid		**4,814**	—
		182,401	146,463
Current assets			
Inventories and consumables		**31,090**	36,865
Trade receivables	12	**35,286**	31,274
Prepayments, deposits and other receivables		**12,609**	10,128
Pledged bank deposits		**3,697**	9,838
Cash and cash equivalents		**66,002**	45,970
		148,684	134,075
Current liabilities			
Trade payables	13	**46,391**	31,587
Receipt in advance, accruals and other payables		**23,355**	30,132
Derivative financial instrument		**—**	159
Amounts due to fellow subsidiaries		**—**	36,768
Amount due to a related company		**—**	167
Bank borrowings		**6,769**	8,399
Finance lease payables		**18,917**	27,468
Provision		**—**	767
Provision for tax		**1,169**	1,087
		96,601	136,534

	Notes	**2010**	2009
		HK$'000	HK$'000
			(restated)
			(Note 3(a))
Net current assets/(liabilities)		**52,083**	(2,459)
Total assets less current liabilities		**234,484**	144,004
Non-current liabilities			
Finance lease payables		**33,248**	40,851
Deferred tax liabilities		**7,334**	8,893
		40,582	49,744
Net assets		**193,902**	94,260
EQUITY			
Share capital		**2,000**	—
Reserves		**190,510**	92,744
Equity attributable to the Company's owners		**192,510**	92,744
Non-controlling interests		**1,392**	1,516
Total equity		**193,902**	94,260

Notes:

1. GENERAL

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The address of its registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business is located at Flat H, 9/F., Valiant Industrial Centre, 2-12 Au Pui Wan Street, Fo Tan, Shatin, Hong Kong. The Company and its subsidiaries (collectively known as the "Group") is principally engaged in 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 Company's shares have been listed on the Mainboard of The Stock Exchange of Hong Kong Limited (the "HKEX") since 19 July 2010. The directors of the Company consider the Group's ultimate holding company as Mulpha International BHD ("Mulpha").

2. GROUP REORGANISATION AND BASIS OF PRESENTATION

Pursuant to a group reorganisation (the "Group Reorganisation") carried out by the Group to rationalise the structure of the Group in preparation for the initial public offering of the Company's shares on the HKEX, the Company became the holding company of the subsidiaries comprising the Group. This was accomplished by the follow steps:

(a) As at 11 March 2010, the date of incorporation of the Company, its authorised share capital was HK$50,000 divided into 5,000,000 ordinary shares of par value HK$0.01 each. Following incorporation, 1 ordinary share was allotted and issued at par to Reid Services Limited, the sole subscriber of the Company. Reid Services Limited transferred its 1 ordinary share of the Company to Jumbo Hill Group Limited ("Jumbo Hill"), a wholly owned subsidiary of Mulpha.

(b) On 25 June 2010, Chief Strategy Limited ("Chief Strategy") acquired Manta Engineering and Equipment Company, Limited ("MEECL"), Manta Equipment Rental Company Limited ("MERCL") and Manta Equipment Services Limited ("MESL"), from their beneficial owners. The consideration for the acquisition has been satisfied by the allotment and issue, credited as fully paid, of a total of 300 ordinary shares of Chief Strategy ("Chief Strategy Shares") to the beneficial owners. The consideration for the acquisition of each of MEECL, MERCL and MESL was satisfied by the allotment and issue of 100 Chief Strategy Shares, as to 1 Chief Strategy Share to Mulpha Trading Sdn Bhd ("Mulpha Trading"), a wholly owned subsidiary of Mulpha, as to 87 Chief Strategy Shares to Manta Far East Sdn Bhd ("Manta Far East"), a wholly owned subsidiary of Mulpha and as to 12 Chief Strategy Shares to Pan Ocean International Limited ("Pan Ocean"), all credited as fully paid.

(c) On 25 June 2010, Mulpha Trading directed Chief Strategy to allot and issue the 3 Chief Strategy Shares to Jumbo Hill.

(d) On 25 June 2010, Manta Far East directed Chief Strategy to allot and issue the 261 Chief Strategy Shares to Jumbo Hill.

(e) On 25 June 2010, Gold Lake Holdings Limited ("Gold Lake") acquired the entire share capital of Manta Equipment (S) Pte Ltd ("ME(S)L") from its beneficial owners. The consideration for the acquisition was satisfied by the allotment and issue of 100 ordinary shares of Gold Lake ("Gold Lake Shares"), as to 88 Gold Lake Shares to Mulpha Trading and as to 12 Gold Lake Shares to Pan Ocean, all credited as fully paid.

(f) On 25 June 2010, Mulpha Trading directed Gold Lake to allot and issue the 88 Gold Lake Shares to Jumbo Hill.

(g) On 25 June 2010, the Company acquired Chief Strategy and Gold Lake from their respective direct shareholders, namely Jumbo Hill and Pan Ocean. The consideration for the acquisition was satisfied by allotment and issue of 99,999,999 ordinary shares of the Company as to 87,999,999 ordinary shares to Jumbo Hill and as to 12,000,000 ordinary shares to Pan Ocean, all credited as fully paid.

(h) Subsequent to the completion of the aforesaid Group Reorganisation, Pan Ocean transferred its entire shareholding in the Company, namely 12,000,000 ordinary shares of the Company to Jumbo Hill at the consideration of S$1,768,000 on 25 June 2010.

(i) On 25 June 2010, the amounts due to fellow subsidiaries, which are wholly owned by Mulpha, of approximately HK$25,565,000 was capitalised. 31,550,000 ordinary shares of HK$0.01 each were issued at a price of approximately HK$0.81 each to Jumbo Hill. A share premium of approximately HK$25,249,000 arose and was recorded as equity of the Company.

Subsequent to the Group Reorganisation, on 19 July 2010, the Company issued totally 50,000,000 shares to public under placing and public offer ("Share Offer") at HK$0.01 per share, and the shares of Company were listed on the HKEX. The total number of issued shares of the Company after the Share Offer was 200,000,000 shares.

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 financial statements 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 consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group include the results and cash flows 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 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.

The interests of equity holders other than the Single Party in the combining companies have been presented as non-controlling interests in the financial statements.

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.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new / revised HKFRSs - effective 1 January 2010

HKFRSs (Amendments)	Improvements to HKFRSs
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HK Interpretation 5	Presentation of Financial Statements – Classification by Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except as explained below, the adoption of these new / revised standards and interpretations has no significant impact on the Group's financial statements.

HKAS 27(Revised) – Consolidated and Separate Financial Statements

The revised HKAS 27 requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners, accordingly, such transactions are recognised within equity. When control is lost and any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The adoption of revised HKAS 27 has had no impact on the current year.

HK Interpretation 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The interpretation is a clarification of an existing standard, HKAS 1 Presentation of Financial Statements. It sets out the conclusion reached by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that a term loan which contains a clause which gives the lender the unconditional right to demand repayment at any time shall be classified as a current liability in accordance with paragraph 69(d) of HKAS 1 irrespective of the probability that the lender will invoke the clause without cause.

In order to comply with the requirements of HK Interpretation 5, the Group has changed its accounting policy on the classification of term loans that contain a repayment on demand clause. Under the new policy, term loans with clauses which give the lender the unconditional right to call the loan at any time are classified as current liabilities in the statement of financial position. Previously such term loans were classified in accordance with the agreed repayment schedule unless the Group had breached any of the loan covenants set out in the agreement as of the reporting date or otherwise had reason to believe that the lender would invoke its rights under the immediate repayment clause within the foreseeable future.

The new accounting policy has been applied retrospectively with consequential reclassification adjustments to comparatives as at 31 December 2009. The reclassification has had no effect on reported profit or loss, total comprehensive income or equity for any period presented.

Effect of adoption of HK Interpretation 5 on the consolidated statement of financial position is summarised below:

	31 December 2010 HK$'000	31 December 2009 HK$'000	1 January 2009 HK$'000
Increase/(decrease) in			
Current liabilities			
– Bank borrowings	**4,563**	6,299	—
Non-current liabilities			
– Bank borrowings	**(4,563)**	(6,299)	—

The Group had not made a retrospective statement at 1 January 2009 as there was no non-current portion of bank borrowings at that date. No consolidated statement of financial position at 1 January 2009 is presented.

(b) New / revised HKFRSs that have been issued but are not yet effective

The following new / revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Improvements to HKFRSs 2010[2&3]
Amendments to HKAS 32	Classification of Rights Issues[1]
Amendments to HK(IFRIC) – Interpretation 14	Prepayments of a Minimum Funding Requirement[3]
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments[2]
HKAS 24 (Revised)	Related Party Disclosures[3]
Amendments to HKFRS 7	Disclosure – Transfers of Financial Assets[4]
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets[5]
HKFRS 9	Financial Instruments[6]

1 Effective for annual periods beginning on or after 1 February 2010
2 Effective for annual periods beginning on or after 1 July 2010
3 Effective for annual periods beginning on or after 1 January 2011
4 Effective for annual periods beginning on or after 1 July 2011
5 Effective for annual periods beginning on or after 1 January 2012
6 Effective for annual periods beginning on or after 1 January 2013

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government.

The amendments to HKFRS 7 improve the derecognition disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

The Group is in the process of making an assessment of the potential impact of these new / revised HKFRSs and the directors so far concluded that the application of these new / revised HKFRSs will have no material impact on the Group's financial statements.

4. SEGMENT REPORTING

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

Each of these operating segments is managed separately as each of the product and service lines requires different resources. All inter-segment transfers are carried out at prices mutually agreed between the parties.

Segment result excludes corporate expenses which mainly include listing expenses. Segment assets include all assets but exclude corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarter. Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.

No asymmetrical allocation has been applied to reportable segments.

The Group's operating businesses are structured and managed separately according to the geographic location of their operations. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. Information regarding the Group's reportable segments as provided to the Group's executive directors is set out below:

	Hong Kong HK$'000	Singapore HK$'000	Vietnam HK$'000	Macau HK$'000	Inter segment elimination HK$'000	Total HK$'000
Year ended 31 December 2010						
Revenue						
From external customers	26,205	111,903	1,268	—	—	139,376
From inter segment	11,316	—	—	—	(11,316)	—
Reportable segment revenue	37,521	111,903	1,268	—	(11,316)	139,376
Reportable segment profit/(loss)	(120)	30,257	(374)	(92)	1,584	31,255
Unallocated corporate expenses						(10,408)
Profit for the year						20,847
Other reportable segment information						
Interest income	36	258	32	—	—	326
Interest expenses	(581)	(4,591)	(16)	—	—	(5,188)
Depreciation of non-financial assets	(5,766)	(18,656)	(545)	—	—	(24,967)
Gain on disposal of property, plant and equipment	—	23,836	—	—	—	23,836
Fair value gain of derivative financial instrument	159	—	—	—	—	159
Income tax credit	1,907	—	—	—	—	1,907
Reversal of provisions of buy-back options	767	—	—	—	—	767
Additions to non-current segment assets during the year	7,452	52,032	—	—	—	59,484

	Hong Kong HK$'000	Singapore HK$'000	Vietnam HK$'000	Macau HK$'000	Inter segment elimination HK$'000	Total HK$'000
Year ended 31 December 2009						
Revenue						
From external customers	46,536	133,282	1,705	1,986	—	183,509
From inter segment	6,235	33	—	—	(6,268)	—
Reportable segment revenue	52,771	133,315	1,705	1,986	(6,268)	183,509
Reportable segment profit/(loss)	11,598	17,002	(79)	81	(111)	28,491
Other reportable segment information						
Interest income	255	235	—	—	—	490
Interest expenses	(1,213)	(5,428)	(62)	—	176	(6,527)
Depreciation of non-financial assets	(8,478)	(12,981)	(52)	—	—	(21,511)
Allowance for impairment of inventories	—	—	(5)	—	—	(5)
Fair value loss of derivative financial instrument	(159)	—	—	—	—	(159)
Allowance for impairment of trade receivables	—	—	(67)	—	—	(67)
Recovery of impaired trade receivables	—	1,027	—	—	—	1,027
Loss on disposal of property, plant and equipment	(14)	—	—	—	—	(14)
Income tax credit/(expense)	35	(8,449)	—	—	—	(8,414)
Additions to non-current segment assets during the year	7,510	31,129	588	—	(110)	39,117

The following table presents the revenue from external customers by locations/jurisdictions based on the locations of customers which the Group derived revenue for the year.

	Hong Kong HK$'000	Singapore HK$'000	Vietnam HK$'000	Macau HK$'000	The People's Republic of China HK$'000	Sri Lanka HK$'000	Poland HK$'000	Others HK$'000	Total HK$'000
Year ended 31 December 2010	**27,476**	**108,763**	**4**	**—**	**—**	**246**	**1,152**	**1,735**	**139,376**
Year ended 31 December 2009	33,488	120,083	1,705	5,184	9,850	138	11,758	1,303	183,509

The Group's revenue from external customers for different products and services is set out in note 5.

No customer attributed more than 10% of the Group's total revenue (2009: nil).

5. REVENUE

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

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

	2010 HK$'000	2009 HK$'000
Sale of machinery	**29,306**	51,182
Sale of spare parts	**6,246**	12,446
Rental income from leasing of		
– owned assets	**62,431**	72,752
– leased assets	**28,547**	28,762
Service income	**12,846**	18,367
	139,376	183,509

6. OTHER INCOME

	2010	2009
	HK$'000	HK$'000
Bank interest income	**326**	490
Compensation received	**851**	418
Dividend income	**310**	—
Net foreign exchange gain	**1,307**	—
Gain on disposal of property, plant and equipment	**23,836**	—
Recovery of impaired trade receivables	**—**	1,027
Reversal of provisions of buy-back options	**767**	—
Sales of fixing angles	**385**	58
Territory commission	**—**	274
Others	**114**	21
	27,896	2,288

7. FINANCE COSTS

	2010	2009
	HK$'000	HK$'000
Interest charges on financial liabilities stated at amortised cost:		
– Bank loans wholly repayable within five years	**689**	108
– Finance lease payables wholly repayable within five years	**3,543**	3,030
– Advances from fellow subsidiaries	**432**	786
– Advance from a related company	**3**	10
– Trade payables	**520**	2,336
– Others	**1**	257
	5,188	6,527

The analysis shows the finance costs of bank borrowings, including term loans which contain a repayment on demand clause in accordance with the agreed scheduled repayments dates set out in the loan agreements. The interest on term loans which include a repayment on demand clause amounted to approximately HK$689,000 (2009: HK$108,000).

8. PROFIT BEFORE INCOME TAX EXPENSE

	2010	2009
	HK$'000	HK$'000
Profit before income tax expense is arrived at after charging/(crediting):		
Auditor's remuneration	**1,255**	286
Cost of inventories recognised as an expense	**26,852**	39,017
Depreciation of property, plant and equipment (Note (i))		
– Owned assets	**15,917**	11,221
– Leased assets	**9,050**	10,290
Allowance for impairment of trade receivables (Note (ii))	**—**	67
Allowance for impairment of inventories (Note (iii))	**—**	5
(Gain)/loss on disposal of property, plant and equipment	**(23,836)**	14
Fair value (gain)/loss of derivative financial instruments	**(159)**	159
Listing expenses	**8,259**	—

Notes:

(i) Depreciation of approximately HK$24,961,000 (2009: HK$21,346,000) has been charged to other operating expenses. Depreciation of approximately HK$6,000 (2009: HK$165,000) has been charged to administrative expenses.

(ii) Allowance for impairment on trade receivables had been included in administrative expenses.

(iii) Allowance for impairment of inventory had been included in cost of inventories.

9. INCOME TAX CREDIT/(EXPENSE)

	2010	2009
	HK$'000	HK$'000
Current tax – overseas		
– Current year	**—**	(1,087)
Deferred tax		
– Current year	**1,907**	(7,362)
– Overprovision in prior year	**—**	35
	1,907	(7,327)
Total income tax credit/(expense)	**1,907**	(8,414)

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

Hong Kong and Vietnam Profits Tax has not been provided as the Group has (i) no assessable profit or (ii) allowable tax losses brought forward to set off against the assessable profits during the year. No provision for Macau Profits Tax has been provided as the Group has sufficient tax losses brought forward to set off against the assessable profits during the year.

No provision for Singapore Profits Tax has been provided as the Group has no assessable profit for the year. Singapore Profits Tax had been provided for the year ended 31 December 2009 at a tax rate of 17% on the estimated assessable profit.

10. DIVIDEND

No dividend has been paid or declared by the Company since the date of incorporation.

11. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of approximately HK$20,971,000 (2009: HK$28,517,000) and on the weighted average number of 157,476,028 ordinary shares (2009: 118,450,000) in issue during the year, as adjusted to reflect the ordinary shares issued for the Group Reorganisation (Note 2) and capitalisation issue.

No diluted earnings per share is presented as the Group has no dilutive potential shares during the year (2009: nil).

12. TRADE RECEIVABLES

The ageing analysis of trade receivables as at the reporting date, net of impairment, based on invoice date, is as follows:

	2010	2009
	HK$'000	HK$'000
0 – 30 days	**11,887**	13,505
31 – 60 days	**10,307**	9,595
61 – 90 days	**1,160**	272
Over 90 days	**11,932**	7,902
	35,286	31,274

13. TRADE PAYABLES

The ageing analysis of trade payables as at the reporting date, based on invoice date, is as follows:

	2010	2009
	HK$'000	HK$'000
0 – 30 days	**12,639**	21,012
31 – 60 days	**11,501**	5,875
61 – 90 days	**469**	1,433
Over 90 days	**21,782**	3,267
	46,391	31,587

14. OUTSTANDING CLAIM

The Group had received two letters dated 8 June 2009 and 26 May 2010 in relation to intended common law claim lodged by a staff of security guard company retained by the Group for his injury on 21 September 2008 in the course of his employment. According to the legal counsel of the Company, as the staff was not the direct employee of the Group, it is very hard to establish a claim / action against the Group for his occupational safety in terms of the occupier liability. In the opinion of the legal counsel, the Group had no duty to provide a safety working place for its non employee. No formal legal action was taken by the claimant against the Group. If the action be taken and the outcome is unfavourable to the Group, the amount of estimated potential loss would be around HK$410,000 for settlement sum and HK$350,000 for the legal costs.

No provision for the claim has been made as at reporting date as the directors of the Company consider it is not probable that the claim would be material and there would not be any a significant impact to the Group's financial results. Mulpha has agreed to indemnify the Company for the claim amount, if any.

Even though the final outcome of this claim is still uncertain as of the date of this report, the directors of the Company are of the opinion that the ultimate liability, if any, will not have a material adverse impact upon the Group's financial position.

OPERATIONAL AND FINANCIAL REVIEW

OVERALL PERFORMANCE

For the year ended 31 December 2010, the Group generated revenue of approximately HK$139.4 million (2009: approximately HK$183.5 million) with a profit for the year of approximately HK$20.8 million (2009: approximately HK$28.5 million).

BUSINESS REVIEW

For the year ended 31 December 2010, the Group recorded a revenue of approximately HK$139.4 million against HK$183.5 million achieved in the previous year.

The decrease in revenue for the year under review was mainly attributable to a lower level of sale of machinery which recorded a revenue of approximately HK$29.3 million against HK$51.2 million achieved in 2009. The construction industry was generally cautious with the fragile recovery from the global financial crisis and that has resulted in lower trading volume as the Company's customers awaited for bidding results of projects before commitment to purchase tower cranes.

Meanwhile, our rental business recorded revenue of approximately HK$91.0 million for the year ended 31 December 2010, representing a decrease of approximately 10.3% as compared to that of approximately HK$101.5 million for 2009. Revenue from rental operations was also lower due to the more competitive rental rates that persisted during the year 2010.

The sales of spare parts and service income recorded revenue of approximately HK$19.1 million for the year, representing a decrease of approximately 38.0% as compared to that of approximately HK$30.8 million for the same period in 2009. The demand for service and spare parts decreased with the cautious outlook of the construction and infrastructure sectors during 2010.

DIVIDEND

The Directors do not recommend the payment of any dividends for the year ended 31 December 2010.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group maintains a stable financial position with cash and cash equivalents of approximately HK$66.0 million (2009: approximately HK$46.0 million) and a current ratio of 1.54 (2009: 0.98 (restated)) as at 31 December 2010. The total equity of the Group amounted to approximately HK$193.9 million as at 2010 financial year ended (2009: approximately HK$94.3 million).

Gearing

The Group monitors capital using a gearing ratio, which is total debt (sum of bank borrowings, finance lease payables, amounts due to fellow subsidiaries and a related company) divided by total equity. The gearing ratio was 0.3 as at 31 December 2010 (2009: 1.2).

Pledge of Assets

The Group's banking facilities are secured by the assets of the Group, including pledged bank deposits, land and building, plant and machinery, with aggregate carrying amounts of HK$15.3 million (2009: HK$26.0 million).

Exchange Rate Exposure

As at 31 December 2010, more than half the revenue and part of assets and liabilities of the Group are denominated in currencies other than Hong Kong dollar. In particular, the revenue generated from our rental operations in Singapore is primarily dominated in Singapore dollar. Purchases of tower cranes, spare parts and accessories from suppliers are usually denominated in Euro or US dollar. For foreign currency purchases, hedging arrangements to hedge against foreign exchange fluctuations may be entered. However, no hedging arrangement is undertaken for revenue generated from our Singapore and Vietnam operations.

Treasury Policies

The Group generally finances its ordinary operations with internally generated resources or banking facilities. The interest rates of the bank borrowing and finance lease arrangement, if applicable, are charged by reference to prevailing market rates.

Contingent Liabilities

At 31 December 2010, the Group and the Company did not have any significant contingent liabilities (2009: Nil).

Commitments

The Group has capital commitments, which are contracted but not provided for, in respect of purchase of a property, amounting to HK$43.3 million as at 31 December 2010 (2009: Nil).

Use of proceeds

The Company's shares have been listed on the Stock Exchange since 19 July 2010. Proceeds from the issuance of new shares pursuant to the Company's initial public offering amounted to approximately HK$38.1 million (net of related issuing expenses). Such net proceeds have been utilized in the following manner:

	Amount raised (HK$ million)	**Amount used as at 31 December 2010** (HK$ million)
Purchase crane for rental purpose	20.0	3.2
Purchase crane for trading purpose	11.0	5.4
General working capital	3.8	3.8
Expansion and improvement of storage facilities	3.3	—
	38.1	12.4

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2010, the Group had a total of 90 (2009: 82) employees in Hong Kong, Singapore and Vietnam. The Group has not had any significant problems with its employees or disruptions due to labour disputes nor has it experienced difficulties in the recruitment and retention of experienced staff. The Group remunerates its employees based on industry practices. Its staff benefits, welfare and statutory contributions, if any, are made in accordance with individual performance and prevailing labour laws of its operating entities.

FUTURE PROSPECTS

The Group anticipates that the next year will be no less challenging than the previous year under review but the Board of Directors will continue to seek potential investment opportunities, to diversify our business portfolios (including other construction equipment), and to improve our business performance.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to the existing Shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During 2010, no Directors or their respective associates (as defined in the Listing Rules) are considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's issued share capital were held by members of the public as at the date of this report as required under the Listing Rules.

CORPORATE GOVERNANCE PRACTICES

The Company believes that good corporate governance will not only improve management accountability and investor confidence, but also will lay a good foundation for the long-term development of the Company. Therefore the Company will strive to develop and implement effective corporate governance practices and procedures. The Company and the Board have adopted the code provisions of the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). Throughout the period since our listing on the Main Board of the Stock Exchange on 19 July 2010, the Company has complied with the Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions of Directors of Listing Companies (the "Model Code") set out in Appendix 10 to the Listing Rules as its code of conduct for securities transactions by Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding Directors' securities transactions since the listing of the Company on the Stock Exchange on 19 July 2010.

AUDIT COMMITTEE

The Company established the Audit Committee on 25 June 2010 in compliance with Rule 3.21 of the Listing Rules. The Audit Committee comprises three Independent Non-executive Directors, with Mr. Louie Chun Kit as the chairman and other two members are Mr. Cheung Chi Wai Vidy and Mr. Lau Wing Yuen. Mr. Louie Chun Kit, the chairman of the Company's Audit Committee, has considerable experience in accounting and financial management, which is in line with the requirement of Rule 3.10(2) of the Listing Rules.

The Audit Committee reports to the Board and is authorised by the Board to assess matters relating to the accounts of financial statements. The Audit Committee oversees all financial reporting procedures and the effectiveness of the Company's internal controls, to advise the Board on the appointment and re-appointment of external auditor, and to review and oversee the independence and objectivity of external auditor.

The Audit Committee is responsible to recommend to the Board on matters related to the appointment, re-appointment and removal of the external auditor, which is subject to the approval from the Board and the shareholder at the general meetings of the Company.

The Audit Committee has reviewed with the management the annual results of the Group for the year ended 31 December 2010.

PUBLICATION OF RESULTS ANNOUNCEMENT

This annual 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).

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

Hong Kong, 23 February 2011

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.