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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 2011**

HIGHLIGHTS

For the six months ended 30 June 2011

Revenue	Increased by 7.6% to HK\$73.6 million (six months ended 30 June 2010 : HK\$68.4 million)
Gross Profit	Increased by 6.1% to HK\$34.8 million (six months ended 30 June 2010 : HK\$32.8 million)
Profit attributable to owners of the Company	Increased by 100.0% to HK\$0.4 million (six months ended 30 June 2010 : HK\$0.2 million)
Earnings per share	HK0.2 cent (six months ended 30 June 2010 : HK0.2 cent)
Proposed interim dividend	Nil (six months ended 30 June 2010 : 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 2011 and the unaudited consolidated statement of financial position as at 30 June 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2011

	Notes	Unaudited	
		Six months ended 30 June	
		2011	2010
		HK\$'000	HK\$'000
Revenue	4	73,617	68,397
Cost of sales and services		(38,856)	(35,556)
Gross profit		34,761	32,841
Other income	5	7,163	1,548
Selling and distribution expenses		(1,759)	(1,733)
Administrative expenses		(23,290)	(18,133)
Operating expenses		(16,288)	(12,296)
Finance costs	6	(3,298)	(4,181)
Loss before income tax	7	(2,711)	(1,954)
Income tax credit	8	3,091	2,095
Profit for the period		380	141
Other comprehensive income for the period			
Exchange difference arising on translation of financial statements of foreign operations		3,580	154
Surplus on revaluation of property held for own use, net of tax		978	324
		4,558	478
Total comprehensive income for the period		4,938	619

		Unaudited	
		Six months ended 30 June	
	Note	2011	2010
		HK\$'000	HK\$'000
Profit/(loss) for the period attributable to:			
Owners of the Company		402	198
Non-controlling interests		(22)	(57)
		<u>380</u>	<u>141</u>
Total comprehensive income/(loss) attributable to:			
Owners of the Company		4,960	676
Non-controlling interests		(22)	(57)
		<u>4,938</u>	<u>619</u>
		HK cent	HK cent
Earnings per share for profit attributable to the owners of the Company during the period			
– Basic	9	<u>0.2</u>	<u>0.2</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2011

		Unaudited	Audited
		At 30 June	At 31 December
		2011	2010
	Notes	HK\$'000	HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		271,921	177,007
Available-for-sale investment		580	580
Deposit paid		—	4,814
		<u>272,501</u>	<u>182,401</u>
Current assets			
Inventories and consumables		29,850	31,090
Trade receivables	10	25,884	35,286
Prepayments, deposits and other receivables		9,814	12,609
Pledged bank deposits		3,523	3,697
Cash and cash equivalents		49,367	66,002
		<u>118,438</u>	<u>148,684</u>
Current liabilities			
Trade payables	11	56,696	46,391
Receipt in advance, accruals and other payables		20,935	23,355
Bank borrowings		8,152	6,769
Finance lease payables		24,130	18,917
Provision for tax		1,228	1,169
		<u>111,141</u>	<u>96,601</u>
Net current assets		<u>7,297</u>	<u>52,083</u>
Total assets less current liabilities		<u>279,798</u>	<u>234,484</u>

	Unaudited	Audited
	At 30 June	At 31 December
	2011	2010
	HK\$'000	HK\$'000
Non-current liabilities		
Bank borrowings	32,743	—
Finance lease payables	43,715	33,248
Deferred tax liabilities	4,500	7,334
	<u>80,958</u>	<u>40,582</u>
Net assets	<u>198,840</u>	<u>193,902</u>
EQUITY		
Share capital	2,000	2,000
Reserves	195,470	190,510
	<u>197,470</u>	<u>192,510</u>
Equity attributable to the owners of the Company	197,470	192,510
Non-controlling interests	1,370	1,392
	<u>198,840</u>	<u>193,902</u>
Total equity	<u>198,840</u>	<u>193,902</u>

Notes

1. BASIS OF PRESENTATION AND PREPARATION

Manta Holdings Company Limited (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 are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “HKEX”). As at 30 June 2011, the parent of the Company is Jumbo Hill Group Limited which is incorporated in the British Virgin Islands (the “BVI”) and the directors of the Company consider the ultimate holding company of the Company is Mulpha International BHD, a listed public limited company, which is incorporated in Malaysia.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the HKEX (the “Listing Rules”) and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (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 statements for the year ended 31 December 2010.

2. ADOPTION OF AMENDED HKFRSs

From 1 January 2011, the Group has applied for the first time the following 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 2011.

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKAS 24 (Revised)	Related Party Disclosures

Other than as noted below, the adoption of these amended HKFRSs did not result in significant changes in the Group’s accounting policies.

Amendment to HKAS 34 Interim Financial Reporting

It emphasises the existing disclosure principles in HKAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The change in accounting policy only results in additional disclosures.

3. SEGMENT INFORMATION

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 assets include all assets but exclude corporate assets 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.

Unaudited
Six months ended 30 June 2010

	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	16,260	51,470	667	—	—	68,397
From inter segment	18,915	193	—	—	(19,108)	—
Reportable segment revenue	<u>35,175</u>	<u>51,663</u>	<u>667</u>	<u>—</u>	<u>(19,108)</u>	<u>68,397</u>
Reportable segment profit/(loss)	1,435	2,187	(170)	(35)	744	4,161
Unallocated corporate expenses						<u>(4,020)</u>
Profit for the period						<u>141</u>

Audited
At 31 December 2010

Reportable segment assets	91,793	241,504	4,705	97	(7,403)	330,696
Unallocated segment assets						<u>389</u>
Total assets						<u>331,085</u>

4. REVENUE

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	
	2011	2010
	HK\$'000	HK\$'000
Sales of machinery	15,688	16,428
Sales of spare parts	1,466	2,091
Rental income from leasing of		
– Owned assets	29,383	26,676
– Leased assets	17,943	16,250
Service income	9,137	6,952
	73,617	68,397

5. OTHER INCOME

	Unaudited	
	Six months ended 30 June	
	2011	2010
	HK\$'000	HK\$'000
Bank interest income	18	30
Compensation received	—	851
Dividend income	—	153
Foreign exchange gain, net	4,871	399
Insurance claim compensation	1,734	—
Sales of fixing angles	5	73
Others	535	42
	7,163	1,548

6. FINANCE COSTS

	Unaudited	
	Six months ended 30 June	
	2011	2010
	HK\$'000	HK\$'000
Interest charges on financial liabilities stated at amortised cost:		
– Bank borrowings wholly repayable within five years	511	316
– Finance lease payables wholly repayable within five years	1,841	3,065
– Advances from fellow subsidiaries	—	432
– Advances from a related company	—	3
– Trade payables	927	364
– Others	19	1
	<u>3,298</u>	<u>4,181</u>

7. LOSS BEFORE INCOME TAX

	Unaudited	
	Six months ended 30 June	
	2011	2010
	HK\$'000	HK\$'000
Loss before income tax is arrived at after charging:		
Depreciation of property, plant and equipment		
– Owned assets	9,942	8,244
– Leased assets	5,997	4,052
Listing expenses	—	4,020
Loss on disposal of property, plant and equipment	1,203	41
Provision for loss of legal claim	350	—
Staff costs		
– Wages, salaries and bonus	13,084	9,916
– Contribution to defined contribution pension plans	1,164	731
	<u>13,084</u>	<u>9,916</u>

8. INCOME TAX CREDIT

	Unaudited	
	Six months ended 30 June	
	2011	2010
	HK\$'000	HK\$'000
Deferred tax - current year	3,091	2,095

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

No Vietnam Profits Tax has been provided as the Group has no assessable profits for the six months ended 30 June 2011 and 2010.

No Hong Kong and Macau Profits Tax has been provided as the Group has no assessable profits for the six months ended 30 June 2011. 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.

No Singapore Profits Tax has been provided as the Group has no assessable profits for the six months ended 30 June 2011 and 2010.

9. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 June 2011 is based on the profit attributable to the owners of the Company of approximately HK\$402,000 (2010: approximately HK\$198,000), and on the weighted average number of 200,000,000 (2010: 119,501,667) ordinary shares in issue during the period.

No diluted earnings per share is presented as the Group has no potential ordinary shares during the six months ended 30 June 2011 (2010: Nil).

10. TRADE RECEIVABLES

	Unaudited At 30 June 2011 HK\$'000	Audited At 31 December 2010 HK\$'000
Trade receivables, gross	26,076	35,475
Less: Provision for impairment	<u>(192)</u>	<u>(189)</u>
Trade receivables, net	<u><u>25,884</u></u>	<u><u>35,286</u></u>

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

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

	Unaudited At 30 June 2011 HK\$'000	Audited At 31 December 2010 HK\$'000
0 – 30 days	8,650	11,887
31 – 60 days	5,352	10,307
61 – 90 days	5,691	1,160
Over 90 days	<u>6,191</u>	<u>11,932</u>
	<u><u>25,884</u></u>	<u><u>35,286</u></u>

11. TRADE PAYABLES

The credit period is generally for a period of 30 to 60 days or based on the terms agreed in the purchase agreement. At 30 June 2011, trade payables of approximately HK\$38,008,000 (At 31 December 2010: approximately HK\$23,599,000) were interest-bearing at 4.5% to 5% (At 31 December 2010: 5%) per annum.

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

	Unaudited At 30 June 2011 HK\$'000	Audited At 31 December 2010 HK\$'000
0 – 30 days	43,766	12,639
31 – 60 days	2,084	11,501
61 – 90 days	4,050	469
Over 90 days	<u>6,796</u>	<u>21,782</u>
	<u><u>56,696</u></u>	<u><u>46,391</u></u>

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL GROUP RESULTS

The Group's unaudited consolidated revenue for the six months ended 30 June 2011 increased by 7.6% as compared to the corresponding period ended 30 June 2010. Increase in revenue for the current period was principally due to increase in sales orders and the more sizeable rental contracts being undertaken by the Group in the current period. The Group made further investments in its crane rental fleet of approximately HK\$55.1 million during the current period and its Singapore operation acquired and relocated to a bigger warehouse office to accommodate the larger fleet of tower cranes. The new property was acquired for HK\$55.3 million and consolidates the Singapore operation to one single location.

The Group maintained stable gross margin at 47.2% in the current period (six months ended 30 June 2010: 48.0%).

The administrative expenses increased by approximately HK\$5.2 million over the same period last year, mainly due to the greater number of staff being employed, and the one-off relocation cost for the Singapore's operation. Operating expenses was up by approximately HK\$4.0 million, the increase principally due to amortization and depreciation charges, proportionate to the new capital expenditures made into the warehouse office and plant and machinery in the six months ended 30 June 2011.

Earnings per share for the period under review was HK0.2 cent (six months ended 30 June 2010: HK0.2 cent).

OUTLOOK

The high inflation and liquidity in the money market added on by the influx of hot money drove the property market to new heights across in Hong Kong, Macau and South East Asia, fuelling the construction of many new residential and commercial projects. Various infrastructure projects have also been announced during the period. The Group therefore is hopeful that the demand for cranes sales and rental would increase, which should translate to improvement in performance for the Group.

FINANCIAL RESOURCES/LIQUIDITY AND CAPITAL STRUCTURE

As at 30 June 2011, the Group had cash and cash equivalents of HK\$49.4 million (At 31 December 2010: HK\$66.0 million).

As at 30 June 2011, the Group had total assets of approximately HK\$390.9 million, representing an increase of HK\$59.9 million over that of 31 December 2010. The increase was mainly attributable to the capital expenditure of HK\$106.2 million incurred during the current period.

The Group's gearing ratio as at 30 June 2011 was approximately 54.7% (At 31 December 2010: 30.4%), which was calculated on the basis by dividing interest-bearing loans and finance lease payables with the total equity as at the respective period. The Group borrowed more loans and entered into more finance lease contracts to acquire the new Singapore property and plant and machinery in the current period.

During the six months ended and as at 30 June 2011, more than half the revenue and part of assets and liabilities of the Group were denominated in currencies other than Hong Kong dollar. In particular, the revenue generated from our rental operations in Singapore is primarily denominated 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.

THE PLEDGE OF GROUP 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 amount of HK\$72.3 million (At 31 December 2010: HK\$15.3 million).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2011, the Group had 100 employees (At 31 December 2010: 90).

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 2011, 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 30 June 2011, 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)	75.00%
Mulpha Strategic Limited (note 2)	Interest in a controlled corporation	150,000,000(L)	75.00%
Mulpha Trading Sdn Bhd (note 3)	Interest in a controlled corporation	150,000,000(L)	75.00%
Mulpha International Bhd (note 4)	Interest in a controlled corporation	150,000,000(L)	75.00%
Ms. Yong Pit Chin (note 4)	Interest in a controlled corporation	150,000,000(L)	75.00%
Sparkling Summer Limited	Beneficial interest	10,090,000(L)	5.05%
Classic Fortune Limited (note 5)	Interest in a controlled corporation	10,090,000(L)	5.05%
COL Capital Limited (note 6)	Interest in a controlled corporation	16,030,000(L)	8.02%
Vigor Online Offshore Limited (note 7)	Interest in a controlled corporation	16,030,000(L)	8.02%
China Spirit Limited (note 8)	Interest in a controlled corporation	16,030,000(L)	8.02%
Madam Chong Sok Un (note 9)	Interest in a controlled corporation	16,030,000(L)	8.02%

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.
- (5) Classic Fortune Limited is the holding company of Sparkling Summer Limited holding 100% interest in it.
- (6) COL Capital Limited is the holding company of Classic Fortune Limited holding 100% interest in it.
- (7) Vigor Online Offshore Limited is the holding company of COL Capital Limited holding 70.11% interest in it.
- (8) China Spirit Limited is the holding company of Vigor Online Offshore Limited holding 100% interest in it.
- (9) Madam Chong Sok Un is interested in 100% of issued share capital of China Spirit Limited.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has, throughout the six months ended 30 June 2011, complied with the code provisions contained in the Code on Corporate Governance Practices 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 this interim results announcement for the six months ended 30 June 2011 with the management.

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

During the six months ended 30 June 2011, 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 2011, 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

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.