MANTA

Manta Holdings Company Limited
敏達控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code：936

2011 Interim Report

Contents

Corporate Information

EXECUTIVE DIRECTORS
Mr Chung Tze Hien (Chairman)
Mr Quek Chang Yeow
Mr Lai Siu Shing

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr Cheung Chi Wai Vidy
Mr Lau Wing Yuen
Mr Louie Chun Kit

COMPANY SECRETARY
Ms Lo Hang I

AUTHORISED REPRESENTATIVES
Mr Lai Siu Shing
Ms Lo Hang I

PRINCIPAL BANKERS
Hong Kong
DBS Bank (Hong Kong) Limited
Singapore
United Overseas Bank Limited
DBS Bank Limited

AUDITOR
BDO Limited

PRINCIPAL SHARE REGISTRAR
Appleby Trust (Cayman) Limited
Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman
KY1-1108, Cayman Islands

HONG KONG SHARE REGISTRAR
Tricor Investor Services Limited
26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong

AUDIT COMMITTEE
Mr Louie Chun Kit (Chairman)
Mr Cheung Chi Wai Vidy
Mr Lau Wing Yuen

REMUNERATION COMMITTEE
Mr Chung Tze Hien (Chairman)
Mr Louie Chun Kit
Mr Cheung Chi Wai Vidy
Mr Lau Wing Yuen

NOMINATION COMMITTEE
Mr Quek Chang Yeow (Chairman)
Mr Louie Chun Kit
Mr Cheung Chi Wai Vidy
Mr Lau Wing Yuen

COMPLIANCE ADVISER
Altus Capital Limited

REGISTERED OFFICE
Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman
KY1-1108, Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS
Flat H, 9/F, Valiant Industrial Centre, 2-12 Au Pui Wan Street,
Fotan, Shatin, New Territories, Hong Kong

WEBSITE
www.mantagroup.com.hk

STOCK CODE
936

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
Profit/(loss) for the period attributable to:			
Owners of the Company		402	198
Non-controlling interests		(22)	(57)
		380	141
Total comprehensive income/(loss) attributable to:			
Owners of the Company		4,960	676
Non-controlling interests		(22)	(57)
		4,938	619
		HK cent	HK cent
Earnings per share for profit attributable to the owners of the Company during the period			
– Basic	9	0.2	0.2

Consolidated statement of financial position

as at 30 June 2011

	Notes	Unaudited At 30 June 2011 HK$'000	Audited At 31 December 2010 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	10	271,921	177,007
Available-for-sale investment		580	580
Deposit paid		—	4,814
		272,501	182,401
Current assets			
Inventories and consumables		29,850	31,090
Trade receivables	11	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
		118,438	148,684
Current liabilities			
Trade payables	12	56,696	46,391
Receipt in advance, accruals and other payables		20,935	23,355
Bank borrowings	13	8,152	6,769
Finance lease payables	14	24,130	18,917
Provision for tax		1,228	1,169
		111,141	96,601
Net current assets		7,297	52,083
Total assets less current liabilities		279,798	234,484

Consolidated statement of financial position (Continued)

as at 30 June 2011

	Notes	Unaudited At 30 June 2011 HK$'000	Audited At 31 December 2010 HK$'000
Non-current liabilities			
Bank borrowings	13	32,743	—
Finance lease payables	14	43,715	33,248
Deferred tax liabilities		4,500	7,334
		80,958	40,582
Net assets		198,840	193,902
EQUITY			
Share capital	15	2,000	2,000
Reserves		195,470	190,510
Equity attributable to the owners of the Company		197,470	192,510
Non-controlling interests		1,370	1,392
Total equity		198,840	193,902

Consolidated statement of changes in equity

for the six months ended 30 June 2011

	Equity attributable to the owners of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve	Property revaluation reserve	Translation reserve	Accumulated losses	Total		
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Unaudited for the six months ended 30 June 2010									
At 1 January 2010	—	—	121,985	2,377	3,976	(35,594)	92,744	1,516	94,260
Issue of ordinary shares	1,000	—	(1,000)	—	—	—	—	—	—
Loan capitalisation	316	25,249	—	—	—	—	25,565	—	25,565
Transactions with owners	1,316	25,249	(1,000)	—	—	—	25,565	—	25,565
Profit/(loss) for the period	—	—	—	—	—	198	198	(57)	141
Other comprehensive income for the period:									
Exchange difference arising on translation of financial statements of foreign operations	—	—	—	—	154	—	154	—	154
Surplus on revaluation of property held for own use, net of tax	—	—	—	324	—	—	324	—	324
Total comprehensive income/(loss) for the period	—	—	—	324	154	198	676	(57)	619
At 30 June 2010	1,316	25,249	120,985	2,701	4,130	(35,396)	118,985	1,459	120,444
Unaudited for the six months ended 30 June 2011									
At 1 January 2011	2,000	69,968	120,985	3,352	10,765	(14,560)	192,510	1,392	193,902
Profit/(loss) for the period	–	–	–	–	–	402	402	(22)	380
Other comprehensive income for the period:									
Exchange difference arising on translation of financial statements of foreign operations	–	–	–	–	3,580	–	3,580	–	3,580
Surplus on revaluation of property held for own use, net of tax	–	–	–	978	–	–	978	–	978
Total comprehensive income/(loss) for the period	–	–	–	978	3,580	402	4,960	(22)	4,938
At 30 June 2011	2,000	69,968	120,985	4,330	14,345	(14,158)	197,470	1,370	198,840

Condensed consolidated statement of cash flows

for the six months ended 30 June 2011

	Unaudited Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
Net cash generated from operating activities	39,524	17,361
Net cash (used in)/generated from investing activities	(44,582)	219
Net cash used in financing activities	(11,475)	(33,694)
Decrease in cash and cash equivalents	(16,533)	(16,114)
Cash and cash equivalents at 1 January	66,002	45,970
Effect of exchange rates changes on cash and cash equivalents	(283)	—
Cash and cash equivalents at 30 June	49,186	29,856
Analysis of cash and cash equivalents		
Cash and bank balances	49,186	33,428
Bank overdraft	—	(3,572)
	49,186	29,856

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 ("Mulpha"), 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.

3. SEGMENT INFORMATION *(Continued)*

Information regarding the Group's reportable segments as provided to the Group's executive directors is set out below:

	Hong Kong	Singapore	Vietnam	Macau	Inter segment elimination	Total
	Unaudited Six months ended 30 June 2011					
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue						
From external customers	13,557	59,178	882	—	—	73,617
From inter segment	—	2,134	—	—	(2,134)	—
Reportable segment revenue	13,557	61,312	882	—	(2,134)	73,617
Reportable segment profit/(loss)	(2,770)	3,524	(68)	(58)	323	951
Unallocated corporate expenses						(571)
Profit for the period						380
	Unaudited At 30 June 2011					
Reportable segment assets	85,208	308,188	4,677	74	(7,441)	390,706
Unallocated segment assets						233
Total assets						390,939

3. SEGMENT INFORMATION *(Continued)*

Unaudited
Six months ended 30 June 2010

	Hong Kong	Singapore	Vietnam	Macau	Inter segment elimination	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue						
From external customers	16,260	51,470	667	—	—	68,397
From inter segment	18,915	193	—	—	(19,108)	—
Reportable segment revenue	35,175	51,663	667	—	(19,108)	68,397
Reportable segment profit/(loss)	1,435	2,187	(170)	(35)	744	4,161
Unallocated corporate expenses						(4,020)
Profit for the period						141

Audited
At 31 December 2010

	Hong Kong	Singapore	Vietnam	Macau	Inter segment elimination	Total
Reportable segment assets	91,793	241,504	4,705	97	(7,403)	330,696
Unallocated segment assets						389
Total assets						331,085

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 HK$'000	2010 HK$'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
– Advance from a related company	—	3
– Trade payables	927	364
– Others	19	1
	3,298	4,181

7. LOSS BEFORE INCOME TAX

	Unaudited Six months ended 30 June 2011 HK$'000	2010 HK$'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 (note 16)	350	—
Staff costs		
– Wages, salaries and bonus	13,084	9,916
– Contribution to defined contribution pension plans	1,164	731

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. CAPITAL EXPENDITURES

During the period, the Group incurred capital expenditures of approximately HK$106,244,000 (2010: HK$8,591,000) which were mainly related to the additions of property, plant and equipment.

11. 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	(192)	(189)
Trade receivables, net	25,884	35,286

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	6,191	11,932
	25,884	35,286

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

13. BANK BORROWINGS

	Unaudited At 30 June 2011	Audited At 31 December 2010
	HK$'000	HK$'000
Carrying amount repayable based on the scheduled repayment dates set out in the loan agreements:		
Within one year	4,972	2,206
More than one year, but not exceeding two years	35,923	4,563
	40,895	6,769
Portion classified as current liabilities	(8,152)	(6,769)
Non-current portion	32,743	—

13. BANK BORROWINGS *(Continued)*

Bank borrowings were denominated in Hong Kong Dollars and Singapore Dollars with effective interest rate of 2.53% to 5% (At 31 December 2010: 5%) per annum at 30 June 2011.

At 30 June 2011, the bank borrowings of the Group were secured by bank deposits with carrying amounts of approximately HK$3,523,000 (At 31 December 2010: approximately HK$3,697,000), land and building carried at fair value of approximately HK$5,910,000 (At 31 December 2010: approximately HK$4,998,000), building carried at cost with carrying amount of approximately HK$55,863,000 (At 31 December 2010: approximately HK$3,697,000), plant and machinery of the Group with carrying amounts of approximately HK$6,968,000 (At 31 December 2010: approximately HK$6,636,000) and corporate guarantees executed by the Company.

The current liabilities included bank borrowings of approximately HK$3,180,000 (At 31 December 2010: approximately HK$4,563,000) that are not scheduled to repay within one year. They were classified as current liabilities as the related loan agreements contain a clause that provided the lender with an unconditional right to demand repayment at any time at its own discretion.

14. FINANCE LEASE PAYABLES

	Unaudited At 30 June 2011	Audited At 31 December 2010
	HK$'000	HK$'000
Total minimum lease payments:		
Due within one year	27,389	21,627
Due in the second to fifth years	46,246	34,933
	73,635	56,560
Future finance charges on finance leases	(5,790)	(4,395)
Present value of finance lease liabilities	67,845	52,165
Present value of minimum lease payments:		
Due within one year	24,130	18,917
Due in the second to fifth years	43,715	33,248
	67,845	52,165
Less: Portion due within one year included under current liabilities	(24,130)	(18,917)
Portion due after one year included under non-current liabilities	43,715	33,248

14. FINANCE LEASE PAYABLES *(Continued)*

The Group has entered into finance leases for items of plant and machinery. The average lease term is 3 to 5 years. At the end of the lease term, the Group has the option to purchase the leased equipment at a price that is expected to be sufficiently lower than the fair value of the leased asset at the end of the lease. None of the leases include contingent rentals.

At 30 June 2011, finance lease payables bore interest at fixed interest rates of 2.1% to 8.3% (At 31 December 2010: 5.0% to 8.3%) per annum.

Finance lease payables are effectively secured by the underlying assets as the rights to the leased assets would be reverted to the lessor in the event of default by repayment by the Group.

15. SHARE CAPITAL

	Number of shares	Amount
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2011 and at 30 June 2011	200,000,000,000	2,000,000
Issued and fully paid:		
At 1 January 2011 and at 30 June 2011	200,000,000	2,000

16. 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 (the "Plaintiff") retained by the Group for his injury on 21 September 2008 in the course of his employment. Since no formal legal action was taken by the Plaintiff against the Group, the Group, after consulting a legal adviser, considered that no provision for the claim should be made in the financial statements for the year ended 31 December 2010 because the directors of the Company considered it was not probable that the claim would be material and there would not be any significant impact on the Group's financial results. Besides, Mulpha agreed to indemnify for the Company for the claim amount if any.

On 23 May 2011, the Plaintiff filed with the District Court his claim for his injury against the security guard company (the "1st defendant") and the Group. According to the legal counsel (the "Legal Counsel"), the Group, being the owner and occupier of the premises, may be held liable for the breach of occupiers' liability. For the benefit of the Group, the Legal Counsel advised the Group to negotiate settlement outside the court with both the 1st defendant and the Plaintiff. Based on the evidence available to the Legal Counsel, the estimated cost to the Group, including the share of damages to the Plaintiff and the legal cost, would be approximately HK$350,000 which has been provided in the statement of comprehensive income as expense for the six months period ended 30 June 2011. The corresponding indemnity provided by Mulpha is recognised as income for the six months period ended 30 June 2011.

17. COMMITMENTS

(a) Operating lease commitment - as lessor

The Group had future aggregate minimum lease receipts in respect of plant and machinery owned by the Group under non-cancellable operating leases as follows:

	Unaudited At 30 June 2011	Audited At 31 December 2010
	HK$'000	HK$'000
Within one year	39,951	11,576
In the second to fifth years, inclusive	3,342	1,576
	43,293	13,152

The Group had future aggregate minimum lease receipts in respect of plant and machinery subletted by the Group under non-cancellable operating leases as follows:

	Unaudited At 30 June 2011	Audited At 31 December 2010
	HK$'000	HK$'000
Within one year	9,175	5,694
In the second to fifth years, inclusive	412	899
	9,587	6,593

The Group leases its plant and machinery under operating leases arrangements which run for an initial period of one to two years. All leases are on a fixed rental basis and do not include contingent rentals. The terms of leases generally require the lessee to pay security deposits.

17. COMMITMENTS *(Continued)*

(b) Operating lease commitment - as lessee

The total future minimum lease payments of the Group in respect of plant and machinery, and properties under non-cancellable operating leases are as follows:

	Unaudited At 30 June 2011	Audited At 31 December 2010
	HK$'000	HK$'000
Within one year	**1,704**	1,563
In the second to fifth years, inclusive	**2,592**	3,449
After five years	**1,784**	1,913
	6,080	6,925

The leases run for a period of one to two years. All rentals are fixed over the lease terms and do not include contingent rentals.

(c) Capital commitment

	Unaudited At 30 June 2011	Audited At 31 December 2010
	HK$'000	HK$'000
Property, plant and equipment – a property contracted but not provided for	**–**	43,323

The acquisition of the property was completed in January 2011.

18. RELATED PARTY TRANSACTIONS

Saved as disclosed elsewhere in this interim financial report, the Group has the following related party transactions during the period.

(i) Significant related party transactions during the period

	Unaudited Six months ended 30 June	
	2011 HK$'000	2010 HK$'000
Management fee payable to ultimate holding company	**–**	30
Interest paid to fellow subsidiaries	**–**	432
Interest paid to a related company	**–**	3
Rental paid to a fellow subsidiary	**–**	5

The terms of transactions were mutually agreed by the Group and the ultimate holding company/fellow subsidiaries/a related company.

(ii) Key management personnel compensation

	Unaudited Six months ended 30 June	
	2011 HK$'000	2010 HK$'000
Directors and other members of key management		
Short-term employee benefits	**1,677**	1,526
Post employment benefit	**59**	46
	1,736	1,572

19. APPROVAL OF THE INTERIM FINANCIAL REPORT

This unaudited interim financial report was approved and authorised for issue by the board of directors of the Company on 23 August 2011.

Independent review report

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To the Board of Directors of Manta Holdings Company Limited 敏達控股有限公司
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 3 to 21 which comprises the consolidated statement of financial position of Manta Holdings Company Limited as of 30 June 2011 and the related consolidated statement of comprehensive income, consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion on this interim financial report based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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 Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34.

BDO Limited
Certified Public Accountants
Joanne Y.M. Hung
Practising Certificate Number: P05419

Hong Kong, 23 August 2011

Management Discussion and Analysis

INTERIM DIVIDEND

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

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	Percentage of shareholding
		(Note 1)	
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 the unaudited interim financial report 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.

By Order of the Board
Chung Tze Hien
Chairman

Hong Kong, 23 August 2011

As at the date of this report 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.