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 2011

HIGHLIGHTS

For the year ended 31 December 2011

Revenue	HK$154.1 million (2010 : HK$139.4 million)
(Loss) / Profit for the year	HK$(1.2) million (2010 : HK$20.8 million)
(Loss) / Earnings per share	HK(1) cent (2010 : HK13 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 2011 and the audited consolidated financial position as at 31 December 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2011

	Notes	**2011**	2010
		HK$'000	HK$'000
Revenue	5	**154,139**	139,376
Cost of sales and services		**(79,230)**	(71,266)
Gross profit		**74,909**	68,110
Other income	6	**5,033**	27,896
Selling and distribution expenses		**(2,316)**	(3,626)
Administrative expenses		**(41,899)**	(43,291)
Other operating expenses		**(33,230)**	(24,961)
Finance costs	7	**(6,024)**	(5,188)
(Loss)/profit before income tax	8	**(3,527)**	18,940
Income tax credit	9	**2,351**	1,907
(Loss)/profit for the year		**(1,176)**	20,847
Other comprehensive (loss)/income			
– Exchange differences on translating foreign operations		**(771)**	6,789
– Gain on revaluation of property held for own use, net of tax		**1,775**	1,038
Other comprehensive income for the year		**1,004**	7,827
Total comprehensive (loss)/income for the year		**(172)**	28,674
(Loss)/profit for the year attributable to:			
– Owners of the Company		**(1,071)**	20,971
– Non-controlling interests		**(105)**	(124)
		(1,176)	20,847
Total comprehensive (loss)/income attributable to:			
– Owners of the Company		**(67)**	28,798
– Non-controlling interests		**(105)**	(124)
		(172)	28,674
(Loss)/earnings per share for (loss)/profit attributable to the owners of the Company during the year			
- Basic (HK cents)	11	**(1)**	13

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

	Notes	2011 HK$'000	2010 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**290,100**	177,007
Available-for-sale investment		**580**	580
Deposits paid		**—**	4,814
		290,680	182,401
Current assets			
Inventories and consumables		**35,085**	31,090
Trade receivables	12	**45,506**	35,286
Prepayments, deposits and other receivables		**10,312**	12,609
Pledged bank deposits		**3,519**	3,697
Cash and cash equivalents		**25,156**	66,002
		119,578	148,684
Current liabilities			
Trade and bill payables	13	**37,294**	46,391
Receipt in advance, accruals and other payables		**30,089**	23,355
Bank borrowings		**12,650**	6,769
Finance lease payables		**29,172**	18,917
Provision		**—**	—
Provision for tax		**—**	1,169
		109,205	96,601
Net current assets		**10,373**	52,083
Total assets less current liabilities		**301,053**	234,484
Non-current liabilities			
Bank borrowings		**32,193**	—
Finance lease payables		**68,930**	33,248
Deferred tax liabilities		**6,200**	7,334
		107,323	40,582
Net assets		**193,730**	193,902

	Notes	2011	2010
		HK$'000	HK$'000
EQUITY			
Share capital		**2,000**	2,000
Reserves		**190,443**	190,510
Equity attributable to the Company's owners		**192,443**	192,510
Non-controlling interests		**1,287**	1,392
Total equity		**193,730**	193,902

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 Main Board 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").

Pursuant to the announcement made by the directors of the Company (the "Directors") and the joint announcement made by the Directors and an independent third party, Eagle Legend International Holdings Limited ("Eagle Legend") on 15 February 2010 and 20 February 2012 respectively, Mulpha had entered into a conditional agreement (the "agreement") for the sale of 75% of the entire issued share capital of the Company ("Sale Shares") at HK$1.90 per share to an Eagle Legend, involving a change in control. Upon completion of the Agreement, Eagle Legend will become the Group's ultimate holding company.

2. BASIS OF PREPARATION

Statement of compliance

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on HKEX (the "Listing Rules").

3. ADOPTION OF HKFRSs

(a) Adoption of new / revised HKFRSs - effective 1 January 2011

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

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

HKAS 24 (Revised) – Related Party Disclosures

HKAS 24 (Revised) amends the definition of related party and clarifies its meaning. This may result in changes to those parties who are identified as being related parties of the reporting entity. It also introduces simplified disclosure requirements applicable to related party transactions where the Group and the counterparty are under the common control, joint control or significant influence of a government, government agency or similar body. These new disclosures are not relevant to the Group because the Group is not a government related entity.

(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.

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets[1]
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income[2]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 12	Disclosure of Interests in Other Entities[3]
HKFRS 13	Fair Value Measurement[3]
HKAS 27 (2011)	Separate Financial Statements[3]
HKAS 19 (2011)	Employee Benefits[3]
Amendments to HKFRS 7	Disclosure – Offsetting Financial Assets and Financial Liabilities[3]
Amendments to HKAS 32	Presentation – Offsetting Financial Assets and Financial Liabilities[4]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures
HKFRS 9	Financial Instruments[5]

[1] Effective for annual periods beginning on or after 1 July 2011
[2] Effective for annual periods beginning on or after 1 July 2012
[3] Effective for annual periods beginning on or after 1 January 2013
[4] Effective for annual periods beginning on or after 1 January 2014
[5] Effective for annual periods beginning on or after 1 January 2015

Amendments to HKAS 1 (Revised) – Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

HKFRS 9 – Financial Instruments

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, classification 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.

HKFRS 10 – Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

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 2011						
Revenue						
From external customers	29,001	123,523	1,615	—	—	154,139
From inter segment	7,320	2,197	—	—	(9,517)	—
Reportable segment revenue	36,321	125,720	1,615	—	(9,517)	154,139
Reportable segment profit/(loss)	(2,627)	5,024	(315)	(55)	(1,944)	83
Unallocated corporate expenses						(1,259)
Loss for the year						(1,176)
Other reportable segment information						
Interest income	28	1	45	—	—	74
Interest expenses	(612)	(5,411)	(1)	—	—	(6,024)
Depreciation of non-financial assets	(6,847)	(25,891)	(492)	—	—	(33,230)
Allowance for impairment of trade receivables	—	(464)	—	—	—	(464)
Gain on disposal of property, plant and equipment	63	131	—	—	—	194
Income tax (expense)/credit	(111)	2,462	—	—	—	2,351
Additions to non-current segment assets during the year	28,959	124,353	25	—	(2,460)	150,877
At 31 December 2011						
Reportable segment assets	92,447	320,099	4,117	121	(6,893)	409,891
Unallocated segment assets						367
Total assets						410,258
Reportable segment liabilities	45,606	181,757	318	15	(11,445)	216,251
Unallocated segment liabilities						277
Total liabilities						216,528

	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
At 31 December 2010						
Reportable segment assets	91,793	241,504	4,705	97	(7,403)	330,696
Unallocated segment assets						389
Total assets						331,085
Reportable segment liabilities	39,101	170,994	1,021	547	(75,037)	136,626
Unallocated segment liabilities						557
Total liabilities						137,183

The following table presents the revenue from external customers by locations / jurisdictions 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	Holland HK$'000	Sri Lanka HK$'000	Poland HK$'000	Others HK$'000	Total HK$'000
Year ended 31 December 2011	**25,898**	**119,248**	**1,953**	**1,886**	**1,149**	**1,290**	**676**	**2,039**	**154,139**
Year ended 31 December 2010	27,476	108,763	4	—	—	246	1,152	1,735	139,376

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 (2010: 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:

	2011 HK$'000	2010 HK$'000
Sale of machinery	**35,992**	29,306
Sale of spare parts	**4,942**	6,246
Rental income from leasing of		
- owned plant and machinery	**75,864**	62,431
- leased plant and machinery	**19,506**	28,547
Service income	**17,835**	12,846
	154,139	139,376

6. OTHER INCOME

	2011 HK$'000	2010 HK$'000
Bank interest income	**74**	326
Compensation received	**384**	851
Dividend income	**—**	310
Net foreign exchange gain	**1,728**	1,307
Gain on disposal of property, plant and equipment	**194**	23,836
Reversal of provisions of buy-back options	**—**	767
Sales of fixing angles	**116**	385
Commission income	**274**	—
Insurance claims	**1,614**	—
Others	**649**	114
	5,033	27,896

7. FINANCE COSTS

	2011 HK$'000	2010 HK$'000
Interest charges on financial liabilities stated at amortised cost:		
– Bank loans wholly repayable within five years (Note (i))	**415**	689
– Bank loans not wholly repayable within five years (Note (i))	**703**	—
– Finance lease payables wholly repayable within five years	**4,030**	3,543
– Advances from fellow subsidiaries	**—**	432
– Advance from a related company	**—**	3
– Trade payables	**876**	520
– Others	**—**	1
	6,024	5,188

Note:

(i) 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 bank borrowings which includes a repayment on demand clause amounted to approximately HK$7,000 (2010: HK$689,000).

8. (LOSS)/PROFIT BEFORE INCOME TAX

	2011	2010
	HK$'000	HK$'000
(Loss)/profit before income tax is arrived at after charging/(crediting):		
Auditor's remuneration		
– Current year	**823**	1,255
– Overprovision in respect of prior year	**(323)**	—
Cost of inventories recognised as an expense	**35,579**	26,852
Depreciation of property, plant and equipment (Note (i))		
– Owned assets	**18,818**	15,917
– Leased assets	**14,412**	9,050
Allowance for impairment of trade receivables (Note (ii))	**464**	—
Gain on disposal of property, plant and equipment	**(194)**	(23,836)
Fair value gain of derivative financial instruments	**—**	(159)
Listing expenses	**—**	8,259
Operating lease charges in respect of land and buildings	**2,354**	3,426
Provision for loss of legal claim (Note (iii) and 14)	**149**	—
Staff costs (including directors' remuneration)		
– Wages, salaries and bonuses	**21,796**	16,762
– Contribution to defined contribution pension plans (Note (iv))	**2,223**	1,500
Net foreign exchange gain	**(1,728)**	(1,307)
Net rental income from subletting of plant and machinery	**(5,936)**	(5,964)

Notes:

(i) Depreciation of approximately HK$33,230,000 (2010: HK$24,961,000) and HK$nil (2010: HK$6,000) have been charged to other operating expenses and administrative expenses respectively.

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

(iii) Provision for loss of legal claim had been included in administrative expenses.

(iv) During the year, the Group had no forfeited contributions available to reduce its contributions to the pension schemes (2010: nil).

9. INCOME TAX CREDIT

	2011	2010
	HK$'000	HK$'000
Current tax – overseas		
– Overprovision in respect of prior years	**1,204**	—
Deferred tax		
– Credit to profit or loss	**—**	1,907
– Overprovision in prior year	**1,147**	—
	1,147	1,907
Total income tax credit	**2,351**	1,907

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, Vietnam and Macau profits tax have 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 Singapore profits tax has been provided as the Group has no assessable profit for the year (2010: nil).

Hong Kong profits tax is calculated at 16.5% (2010: 16.5%) on the estimated assessable profits for the year. Overseas tax is calculated at the rates applicable in the respective jurisdictions.

10. DIVIDEND

No dividend has been paid or declared by the Company for the year ended 31 December 2011 (2010: nil).

11. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the loss attributable to owners of the Company of approximately HK$1,071,000 (2010: a profit of HK$20,971,000) and on the weighted average number of 200,000,000 (2010: 157,476,028) ordinary shares in issue during the year.

No diluted (loss)/earnings per share is presented as the Group has no dilutive potential shares during the year (2010: 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:

	2011	2010
	HK$'000	HK$'000
0 – 30 days	**16,201**	11,887
31 – 60 days	**10,852**	10,307
61 – 90 days	**6,647**	1,160
Over 90 days	**11,806**	11,932
	45,506	35,286

13. TRADE AND BILL PAYABLES

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

	2011	2010
	HK$'000	HK$'000
0 – 30 days	**28,261**	12,639
31 – 60 days	**4,819**	11,501
61 – 90 days	**931**	469
Over 90 days	**3,283**	21,782
	37,294	46,391

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 (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. On 11 November 2011, the Group and the 1st defendant agreed to make joint sanctioned payment to the Plaintiff of HK$230,000 on top of the statutory employees' compensation and the related legal cost which had been provided in the statement of comprehensive income as expense. In the opinion of the directors, the Group may be liable to further administrative costs and disbursements of the Plaintiff. As of the date of report, the directors of the Company consider that the potential outstanding amount of claims would be immaterial. The corresponding indemnity provided by Mulpha is recognised as income for the year ended 31 December 2011.

OPERATIONAL AND FINANCIAL REVIEW

OVERALL PERFORMANCE

For the year ended 31 December 2011, the Group generated revenue of approximately HK$154.1 million (2010: approximately HK$139.4 million) with a loss for the year of approximately HK$1.2 million (2010: profit of approximately HK$20.8 million).

BUSINESS REVIEW

For the year ended 31 December 2011, the Group recorded a revenue of approximately HK$154.1 million against HK$139.4 million achieved in the previous year.

The increase in revenue for the year under review was mainly attributable to a higher level of sale of machinery which recorded a revenue of approximately HK$36.0 million, representing an increase of approximately 22.9% against HK$29.3 million achieved in 2010. In 2011, the economy of Hong Kong, Singapore and other Southeast Asian countries was relatively better than the traditional developed countries in America and Europe. Many construction projects were launched in these Asian regions, which led to the increase in demand of cranes and relevant machineries.

Meanwhile, our rental business recorded revenue of approximately HK$95.4 million for the year ended 31 December 2011, representing an increase of approximately 4.8% as compared to that of approximately HK$91.0 million for 2010. Revenue from rental operations was also higher thanks to the increase in construction activities in Hong Kong and Singapore during 2011.

The sales of spare parts and service income recorded revenue of approximately HK$22.7 million for the year, representing an increase of approximately 18.8% as compared to that of approximately HK$19.1 million for the same period in 2010. The demand for service and spare parts increased in line with the growing demand in the Group's machinery.

DIVIDEND

The Directors do not recommend the payment of any dividends for the year ended 31 December 2011.

FINANCIAL REVIEW

Result for the Year

As detailed in the Section of BUSINESS REVIEW above, the Group's overall revenue increased in the year under review as compared to last year. The result for the year, however, changed from net profit of HK$20.8 million for 2010 to net loss of HK$1.2 million for 2011. In addition to disposal of old premise, yielding a one-off gain of approximately HK$23.8 million in last year, expenses of approximately HK$1.2 million for relocation of the storage facility incurred in the current year also led to the change of result for the year.

For expanding the operating scale, the Group acquired 29 cranes in the current year and the number of its employees increased from 90 in 2010 to 99 in 2011. Accordingly, the depreciation charges and staff costs for the current year increased by approximately HK$8.3 million and HK$5.7 million respectively, as compared to the amounts for the previous year. Together with the increase in interest charges of approximately HK$0.8 million for acquisition properties and cranes, the increases in the depreciation charges and staff costs also resulted in the change of the Group's performance for the year under review.

Liquidity and Financial Resources

The Group held cash and cash equivalents of approximately HK$25.2 million (2010: approximately HK$66.0 million). Lower cash level is principally due to acquisition of property, plant and equipment of HK$40.3 million by the Group's internal funds for expansion of its business in Singapore. The total equity of the Group maintained stable at approximately HK$193.7 million as at 2011 financial year ended (2010: approximately HK$193.9 million).

Gearing

The Group monitors capital using a gearing ratio, which is total debts (sum of bank borrowings and finance lease payables) divided by total equity. The gearing ratio was 0.7 as at 31 December 2011 (2010: 0.3). The increase in gearing ratio is resulted from the increase in bank borrowings of approximately HK$38.1 million and finance lease payables of HK$45.9 million principally for acquisition of property, plant and equipment for developing the Group's business in Singapore.

Pledge of Assets

The Group's banking facilities were secured by the assets of the Group, including pledged bank deposits, land and building, building at cost, plant and machinery, with aggregate carrying amounts of HK$66.2 million (2010: HK$15.3 million).

Exchange Rate Exposure

As at 31 December 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 dominated in Singapore dollar. Purchases of tower cranes, spare parts and accessories from suppliers were 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 was 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 most of the borrowings and finance lease arrangement, if applicable, are charged by reference to prevailing market rates.

Contingent Liabilities

At the end of the reporting period, the Group and the Company did not have any significant contingent liabilities.

Commitments

The Group had capital commitments, which are contracted but not provided for, in respect of purchase of property, plant and equipment amounting to HK$4.0 million as at 31 December 2011 (2010: HK$43.3 million).

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2011, the Group had a total of 99 (2010: 90) 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

Due to the bulk launching of projects of Housing & Development Board of Singapore Government and the New Home Ownership Scheme proposed in the Policy Address 2011-12 made by the Chief Executive of Hong Kong, the Group anticipates that the construction industry in Singapore and Hong Kong, in which the Group's business depends, will be blooming next year. To take the advantage of the favourable business environment mentioned above, the Board of Directors will continue to seek potential investment opportunities, to diversify our business portfolios (including other construction equipment), and to improve business performance of the Group.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

Shareholders' attention should be drawn to the joint announcement issued by the Company and Eagle Legend International Holdings Limited ("Eagle Legend") on 20 February 2012, which sets out information regarding the conditional sale and purchase of 75% holdings of the Company's entire issued share capital and possible mandatory unconditional cash offer to acquire all the issued shares of the Company (other than those shares already owned by or agreed to be acquired by Eagle Legend and parties acting in concert with it).

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 ended 31 December 2011.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year ended 31 December 2011, 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 Listing Rules. During the year ended 31 December 2011, 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 during the year ended 31 December 2011.

AUDIT COMMITTEE

The Company established the Audit Committee 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 2011.

PUBLICATION OF RESULTS ANNOUNCEMENT

This annual results announcement is published on the website of The Stock Exchange of Hong Kong Limited (http://www.hkexnews.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, 22 February 2012

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.