THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect about this Composite Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **MANTA HOLDINGS COMPANY LIMITED**, you should at once hand this Composite Document and the accompanying Form(s) of Acceptance and Transfer to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities, or other agent through whom the sale or transfer was effected for onward transmission to the purchaser(s) or the transferee(s).

This Composite Document should be read in conjunction with the accompanying Form(s) of Acceptance and Transfer, the contents of which form part of the terms and conditions of the Offer.

EAGLE LEGEND INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the British Virgin Islands with limited liability)

MANTA HOLDINGS COMPANY LIMITED

敏達控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 936)

COMPOSITE DOCUMENT RELATING TO MANDATORY UNCONDITIONAL CASH OFFER BY YU MING INVESTMENT MANAGEMENT LIMITED ON BEHALF OF EAGLE LEGEND INTERNATIONAL HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN THE ISSUED SHARE CAPITAL OF MANTA HOLDINGS COMPANY LIMITED (OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY EAGLE LEGEND INTERNATIONAL HOLDINGS LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

Financial adviser to the Offeror

禹銘投資管理有限公司
YU MING INVESTMENT MANAGEMENT LIMITED

Independent financial adviser to the Independent Board Committee of Manta Holdings Company Limited

海通國際
HAITONG

Capitalized terms used on this cover page shall have the same meanings as those defined in this Composite Document.

A letter from Yu Ming containing, among other things, principal terms of the Offer is set out on pages 5 to 13 of this Composite Document.

A letter from the Board is set out on pages 14 to 18 of this Composite Document.

A letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Offer is set out on pages 19 and 20 of this Composite Document.

A letter from Haitong containing its advice to the Independent Board Committee in respect of the Offer is set out on pages 21 to 31 of this Composite Document.

The procedures for acceptance and other related information in respect of the Offer are set out in the Appendix I to this Composite Document and the accompanying Form(s) of Acceptance and Transfer. Form(s) of Acceptance and Transfer should be received by the Registrar as soon as possible and in any event not later than 4:00 p.m. on Monday, 2nd April, 2012 (or such later time and/or date as the Offeror may determine and announce, with the consent of the Executive, in accordance with the Takeovers Code).

12th March, 2012

CONTENT

The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company.

Despatch date of this Composite Document and commencement date of the Offer *(Note 1)*	Monday, 12th March, 2012
Latest time and date for acceptance of the Offer *(Note 2)*	4:00 p.m. on Monday, 2nd April, 2012
Closing Date *(Note 2)*	Monday, 2nd April, 2012
Announcement of the results of the Offer (or its extension or revision, if any), to be posted on the website of the Stock Exchange *(Note 2)*	no later than 7:00 p.m. on Monday, 2nd April, 2012
Latest date for posting of remittances in respect of valid acceptances received under the Offer *(Note 3)*	Thursday, 12th April, 2012

Notes:

1. The Offer, which is unconditional, is made on the date of posting of this Composite Document, and is capable of acceptance on and from that date until the Closing Date.

2. The latest time and date for acceptance will be at 4:00 p.m. on Monday, 2nd April, 2012 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror and the Company will jointly issue an announcement through the website of the Stock Exchange no later than 7:00 p.m. on Monday, 2nd April, 2012 stating whether the Offer has been extended, revised or has expired. In the event that the Offeror decides to extend the Offer, at least 14 days' notice by way of an announcement will be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer.

3. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event within 10 days after the date of receipt by the Registrar of a duly completed acceptance in accordance with the Takeovers Code. Acceptance of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to paragraph 4 headed "Right of withdrawal" in Appendix I to this Composite Document for further information on the circumstances where acceptances may be withdrawn.

4. The Company will set the book closure arrangements for the purpose of the annual general meeting for the financial year ended 31st December, 2011, which will be separately announced once such arrangement is finalized in due course.

All references to date and time contained in this Composite Document refer to Hong Kong date and time.

In this Composite Document, unless the context otherwise requires. The following terms shall have the following meanings:

"acting in concert"	has the meaning ascribed to it under the Takeovers Code
"associates"	has the meaning ascribed to it under the Takeovers Code
"Board"	the board of directors of the Company
"Business Day(s)"	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 5:00 p.m. or on which a ''black'' rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are general open for business throughout their normal business hours
"BVI"	the British Virgin Islands
"Closing Date"	2nd April, 2012, the closing date of the Offer, or if the Offer is extended, any subsequent closing date as may be determined and announced jointly by the Offeror and the Company, with the consent of the Executives, in accordance with the Takeovers Code
"Company"	Manta Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
"Completion"	completion of the sale and purchase of the Sale Shares contemplated under the Share Purchase Agreement
"Composite Document"	this composite offer and response document in respect of the Offer to be jointly despatched by the Offeror and the Company in accordance with the Takeovers Code
"Conditions"	the conditions precedent to Completion as set out in Clause 2 of the Share Purchase Agreement
"Consideration"	consideration payable for the sale and purchase of the Sale Shares under the Share Purchase Agreement
"Director(s)"	director(s) of the Company from time to time

"Encumbrances"	any charge, mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, retention of title, right of pre-emption, right of first refusal or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"Form(s) of Acceptance and Transfer"	the form(s) of acceptance and transfer in respect of the Offer accompanying this Composite Document
"Group"	the Company and its subsidiaries
"Guarantor"	Mulpha International Bhd, a public limited liability company incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad, as the guarantor to the Vendor under the Share Purchase Agreement and the ultimate beneficial owner of the Vendor
"Haitong"	Haitong International Capital Limited, a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being appointed as the independent financial adviser to the Independent Board Committee in respect of the Offer
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Independent Board Committee"	the independent board committee of the Board, comprising all the independent non-executive Directors, namely Mr. Cheung Chi Wai Vidy, Mr. Lau Wing Yuen and Mr. Louie Chun Kit, which has been established to make recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance
"Independent Shareholder(s)"	holders(s) of the Share(s), other than the Offeror and parties acting in concert with it
"Joint Announcement"	the announcement jointly published by the Offeror and the Company dated 20th February, 2012 in relation to, among other things, the Share Purchase Agreement and the Offer

"Last Trading Day"	14th February, 2012, being the last trading day prior to the suspension of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 15th February, 2012 pending the release of the Joint Announcement
"Latest Practicable Date"	9th March, 2012, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macau Special Administrative Region of the People's Republic of China
"Main Board"	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM Board of the Stock Exchange
"Offer"	the mandatory unconditional cash offer for all the issued Shares (other than those already owned by or agreed to be acquired by the Offeror and parties acting in concert with it) to be made by Yu Ming on behalf of the Offeror pursuant to Rule 26.1 of the Takeovers Code
"Offeror" or "Purchaser"	Eagle Legend International Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, and the purchaser of the Sale Shares under the Share Purchase Agreement
"Offer Period"	the period from 20th February, 2012, being the date of the Joint Announcement, to 4:00 p.m. on the Closing Date, or such other date or date to which the Offeror may decide to extend or revise the Offers in accordance to the Takeovers Code
"Offer Price"	HK$1.90 per Share
"Offer Share(s)"	50,000,000 Shares that is subject to the Offer
"Overseas Shareholder(s)"	Shareholder(s) whose address(es) as stated in the register of members of the Company is or are outside Hong Kong
"PRC"	the People's Republic of China, for the purpose of this Composite Document only, excludes Taiwan, Hong Kong and the Macau Special Administrative Region of the People's Republic of China

"Registrar"	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, with its addresses at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong
"Relevant Period"	the period commencing on 20th August, 2011, being the date falling six months before the date of the Joint Announcement up to and including the Latest Practicable Date
"Sale Shares"	150,000,000 Shares acquired by the Offeror pursuant to the Share Purchase Agreement, representing 75% of the entire issued share capital of the Company, as at the date of Completion
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)	share(s) of nominal value of HK$0.01 each in the share capital of the Company
"Share Purchase Agreement"	the sale and purchase agreement dated 14th February, 2012 entered into between the Offeror, the Vendor and the Guarantor in relation to the sale and purchase of the Sales Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	The Hong Kong Code on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission of Hong Kong
"Vendor"	Jumbo Hill Group Limited, a company incorporated in the BVI and beneficially owned as to 100% by the Guarantor
"Yu Ming"	Yu Ming Investment Management Limited, a licensed corporation permitted to carry out Types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities under the SFO
"%"	per cent.

禹銘投資管理有限公司
YU MING INVESTMENT MANAGEMENT LIMITED

To the Independent Shareholders

12th March, 2012

Dear Sir or Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY YU MING INVESTMENT MANAGEMENT LIMITED ON BEHALF OF EAGLE LEGEND INTERNATIONAL HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN THE ISSUED SHARE CAPITAL OF MANTA HOLDINGS COMPANY LIMITED (OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY EAGLE LEGEND INTERNATIONAL HOLDINGS LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

On 14th February, 2012, the Offeror, the Vendor and the Guarantor entered into the Share Purchase Agreement, pursuant to which the Offeror has conditionally agreed to purchase and the Vendor conditionally agreed to sell the Sale Shares, representing 75% of the entire issued share capital of the Company. The Consideration for the Sale Shares pursuant to the Share Purchase Agreement is HK$285,000,000, equivalent to approximately HK$1.90 per Sale Share. On 23rd February, 2012, the Conditions in the Share Purchase Agreement were fulfilled and Completion took place.

Immediately following Completion, the Offeror and parties acting in concert with it were interested in 150,000,000 Shares, representing 75% of the entire issued share capital of the Company.

Accordingly, pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares other than those owned or agreed to be acquired by it and parties acting in concert with it.

This letter sets out, amongst other things, principal terms of the Offer, together with the information on the Offeror and the Offeror's intention regarding the Company. Further details of the Offer are also set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance and Transfer.

THE OFFER

Principal terms of the Offer

We are making the Offer for and on behalf of the Offeror, to acquire the Offer Shares on the following basis:—

For each Offer Share. . . . . **HK$1.90 in cash**

The Offer Price is the same as the purchase price per Sale Share under the Share Purchase Agreement.

As at the Latest Practicable Date, there were 200,000,000 Shares in issue. The Company does not have any outstanding options, warrants or other derivatives or relevant securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, warrants, derivatives or relevant securities of the Company.

The procedures for acceptance and further details of the Offer are set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance and Transfer.

Comparisons of value

The Offer Price of HK$1.90 per Offer Share is equal to the price per Sale Share paid by the Offeror under the Share Purchase Agreement and represents:

(i) a premium of approximately 13.10% over the closing price of HK$1.68 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a premium of approximately 11.76% over the average closing price of approximately HK$1.70 per Share for the last five trading days immediately prior to and including the Last Trading Day;

(iii) a premium of approximately 13.10% over the average closing price of approximately HK$1.68 per Share for the last ten trading days immediately prior to and including the Last Trading Day;

(iv) a premium of approximately 25.83% over the average closing price of approximately HK$1.51 per Share for the last thirty trading days immediately prior to and including the Last Trading Day;

(v) a premium of approximately 95.88% over the audited net asset value of approximately HK$0.97 per Share as at 31st December, 2011 and a premium of approximately 91.92% over the unaudited net asset value of approximately HK$0.99 per Share as at 30th June, 2011; and

(vi) a discount of approximately 0.52% to the closing price of HK$1.91 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

Highest and lowest prices

The highest closing price of the Shares as quoted on the Stock Exchange during the Relevant Period was HK$1.95 per Share on 21st February, 2012 and the lowest closing price of the Shares as quoted on the Stock Exchange during the Relevant Period was HK$1.20 on 6th October, 2011, 7th October, 2011, 10th October, 2011 and 11th October, 2011.

Value of the Offer

As at the Latest Practicable Date, there were 200,000,000 Shares in issue. Assuming that there is no change in the issued share capital of the Company prior to the making of the Offer, based on the Offer Price of HK$1.90 per Offer Share, the entire issued share capital of the Company is valued at approximately HK$380,000,000. As the Offeror and parties acting in concert with it held 150,000,000 Shares as at the Latest Practicable Date, only 50,000,000 Shares will be subject to the Offer and the Offer is valued at approximately HK$95,000,000 based on the Offer Price.

Financial resources available for the Offer

The Offeror intends to finance the Offer by way of a loan facility from Sun Hung Kai Investment Services Limited. Yu Ming has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer. The payment of interest on, repayment of, or security for any liability (contingent or otherwise) for, such loans will not depend to any significant extent on the business of the Group.

Effect of accepting the Offer

By accepting the Offer, the Independent Shareholders will sell their Shares fully paid and free from all liens, charges, Encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them or subsequently becoming attached to them including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of posting of this Composite Document. From the date of the Joint Announcement up to the Latest Practicable Date, there was no dividend or distribution declared, paid or made by the Company.

The Offer is unconditional in all respects and will open for acceptance from the date of this Composite Document until 4:00 p.m. on the Closing Date. Acceptance of the Offer tendered by the Independent Shareholders shall be unconditional and irrevocable once given and cannot be withdrawn except in circumstances set out in Rule 19.2 of the Takeovers Code.

Overseas Shareholders

As the Offer to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions). Acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a warranty by such person that such person is permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations.

Stamp duty

In Hong Kong, sellers' ad valorem stamp duty arising in connection with acceptance of the Offer will be payable by each of the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the cash amount payable by the Offeror to such Independent Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant Independent Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

INFORMATION ON THE OFFEROR

The Offeror, incorporated in the BVI on 3rd January, 2012 with limited liability, is an investment holding company established for the purpose of holding the Sale Shares. Prior to the date of the Share Purchase Agreement, the Offeror had not conducted any business since its incorporation, and save for the cash used for the settlement of the Consideration under the Share Purchase Agreement and the Offer, the Offeror does not have any material assets as at the Latest Practicable Date. The entire issued share capital of the Offeror is beneficially owned as to 43.0% by Mr. So Chung, 28.5% by Ms. So Man and 28.5% by Ms. So Wai. Mr. So Chung, Ms. So Man and Ms. So Wai are siblings. Particulars of the beneficial owners of the Offeror are set out below: -

Mr. So Chung, aged 29, is a licensed person under the SFO permitted to carry out type 6 (advising on corporate finance) regulated activities. He is currently a manager at Kingston Corporate Finance Limited and has previously worked as a research analyst at Kingston Securities Limited. Both companies are the subsidiaries of Kingston Financial Group Limited, shares of which are listed on the Stock Exchange (stock code: 1031). Mr. So holds a Bachelor degree in Economics from Simon Fraser University, Canada;

Ms. So Man, aged 27, has been working as general manager of Chinawide Securities Limited and Vinson Finance Limited since October 2010 and she has been actively involved in securities brokerage and money lending business, project financing, human resources management and general office administration. She is currently a director of Vinson Finance Limited. Chinawide Securities Limited is a licensed corporation under the SFO permitted to carry out types 1 (dealing in securities) and 4 (advising on securities) regulated activities. Vinson Finance Limited is a licensed money lender mainly engaged in money lending business in Hong Kong. Ms. So graduated from the Fashion Institute of Design & Merchandising in the United States of America; and

Ms. So Wai, aged 26, is a licensed person under the SFO permitted to carry out type 1 (dealing in securities) regulated activities. She has approximately 2 years of administrative experience in property investment and banking fields. She has also been involved in equity sales since June 2011.

The Offeror nominated Mr. So Chung and Ms. So Man as executive Directors and Mr. So Chung to be the Chairman of the Company. The Offeror considers that Mr. So Chung's background as a licensed person and his working experience at the Kingston Group will be beneficial to the Group to ensure good corporate governance culture and practices are in place, and Ms. So Man's experience, in particular, in project financing and human resources management will be beneficial to the Group in respect of obtaining financial resources for its operation and human resources management.

INFORMATION ON THE GROUP

The Company is incorporated in the Cayman Islands on 11th March, 2010 with limited liability, Shares of which are listed on the Stock Exchange. The Group is principally engaged in trading of construction machinery and spare parts, leasing of construction machinery and providing repair and maintenance services in respect of construction machinery in Hong Kong, Macau, Singapore and Vietnam.

INTENTIONS OF THE OFFEROR REGARDING THE GROUP

Following close of the Offer, the Offeror intends to continue the existing businesses of the Group with the existing management. As at the Latest Practicable Date, the Offeror does not intend to introduce any major changes to the existing operation and business of the Company and has no intention or plan (i) for any acquisition or disposal of assets and/or business by the Group; (ii) to redeploy the fixed assets of the Company; and (iii) to discontinue the employment of the Group's employees as a result of the Offer, save for the proposed change to the composition of the Board set out below.

Up to the Latest Practicable Date, the Offeror does not contemplate any agreement, arrangement, understanding, intention or negotiation (concluded or otherwise) about any acquisition of business and/or assets, or disposal, termination or scaling-down of the Group's existing business or assets.

Up to the Latest Practicable Date, save for the proposed change of the composition of the Board set out in the forthcoming paragraphs, the Offeror intends to retain all employees of the Group, and none of the existing management has indicated whether they will or will not leave the Group subsequent to the completion of the Offer. The Offeror believes it will be able to retain sufficient personnel or find appropriate replacement (when required) for the operation of the existing business of the Group should there be any vacancies through market recruitment intermediaries.

As at the Latest Practicable Date, the Offeror does not have any business plan on the existing business of the Group. Immediately after the close of the Offer, the Offeror will conduct a review of the financial position and operations of the Group in order to formulate a long-term strategy for the Group and explore other business/investment opportunities for enhancing its future development and strengthening its revenue bases. As at the Latest Practicable Date, the Offeror has not identified such investment or business opportunities.

Proposed change to the composition of the Board

As at the Latest Practicable Date, 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. The Offeror nominated Mr. So Chung as an executive Director and chairman of the Company and Ms. So Man as an executive Director; Mr. Lam Woon Kun as non-executive Director; and Ms. Lo Miu Sheung, Mr. Chan Mo and Mr. Ho Gar Lok as independent non-executive Directors and the appointment of these new Directors will take effect from the Business Day after the despatch of this Composite Document. It is also intended that all the existing executive and independent non-executive Directors as at the Latest Practicable Date will resign as Directors after the close of the Offer. Biographies of the new Directors nominated are as follows:-

Executive Directors

Biographies of Mr. So Chung and Ms. So Man are set out in the paragraph headed "Information on the Offeror" in this letter.

Non-executive Director

Mr. Lam Woon Kun, aged 36, is a licensed person under the SFO permitted to carry out types 1 (dealing in securities) and 4 (advising on securities) regulated activities. He is currently the director and responsible officer of Chinawide Securities Limited, and has over 7 years of experience in securities trading services. Mr. Lam was also involved in the business of silver and watch manufacturing and wholesale from 2004 to 2010.

Mr. Lam Woon Kun is a cousin of Mr. So Chung, Ms. So Man and Ms. So Wai.

Independent Non-executive Directors

Ms. Lo Miu Sheung Betty, aged 49, is a qualified solicitor in Hong Kong and has over 23 years of experience in general legal practice, with specialisation on conveyancing, commercial and probate laws. Ms. Lo has been in active practice since qualification and is currently a consultant of Messrs. K.C. Ho & Fong, Solicitors. Ms. Lo graduated from The University of Hong Kong with a Bachelor degree in Laws (LL.B) in 1985. She also holds a Postgraduate Certificate in Laws (PCLL).

Ms. Lo was an independent non-executive director of Kong Sun Holdings Limited (stock code: 295) from 15th February, 2007 to 2nd June, 2009.

Ms. Lo was also an independent non-executive director of Wah Lee Resources Holdings Limited ("Wah Lee Resources", presently known as Kai Yuan Holdings Limited (stock code: 1215)) from 13th January, 2001 to 17th February, 2001. Wah Lee Resources was incorporated in Bermuda in August 1996 and was engaged in the distribution of air conditioning systems, audio visual products and photographic products, trading of other electrical consumer products under various brand names to the PRC.

Pursuant to an announcement dated 19th February, 2001 issued by Wah Lee Resources, a winding-up petition was issued on 15th February, 2001 by the trustee for the holders of convertible bonds issued by Wah Lee Resources. As a result, pursuant to an order of the Supreme Court of Bermuda dated 16th February, 2001, joint provisional liquidators were appointed to Wah Lee Resources.

Pursuant to an announcement dated 10th December, 2001 issued by Wah Lee Resources, upon the completion of certain restructuring agreements on the same date, the joint provisional liquidators were discharged and released with effect from 10th December, 2001 pursuant to an order of the Bermuda Court.

Mr. Chan Mo, JP, aged 51, is a businessman engaged in golf and related business in the PRC. He was appointed as a Justice of the Peace under Section 3(1)(b) of the Justices of the Peace Ordinance (Cap. 510) on 1st July, 2011. He is also a member of the 10th Guangdong Provincial Committee of Chinese People's Political Consultative Conference and a director of Tung Wah Group of Hospitals for the year 2010/2011 and a honorary life president of Hong Kong Island Chaoren Association Limited.

Mr. Ho Gar Lok, aged 28, is the audit principal of Paul W.C. Ho & Company. Mr. Ho graduated from the University of Birmingham, England with a Bachelor's Degree in Accounting and Finance and is a member of the Hong Kong Institute of Certified Public Accountants. He previously worked in an international accounting firm before joining Paul W.C. Ho & Company.

Maintaining the listing status of the Group

The Offeror has no intention to privatise the Group. The Offeror intends the Company to remain listed on the Stock Exchange. The directors of the Offeror and the new directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps (including but not limited to placing of existing Shares and/or issue of new Shares) to ensure that not less than 25% of the entire issued share capital of the Company will be held by the public at all times.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that:—

(i) a false market exists or may exist in the trading of the Shares; or

(ii) that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

PROCEDURES FOR ACCEPTANCE OF THE OFFER

To accept the Offer, Independent Shareholders should complete the accompanying Form(s) of Acceptance and Transfer for the Shares in accordance with the instructions printed thereon. The Form(s) of Acceptance and Transfer form part of the terms of the Offer.

The completed Form(s) of Acceptance and Transfer should then be forwarded, together with the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for not less than the number of the Shares in respect of which you intend to tender under the Offer, by post or by hand, to the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in an envelope marked "Manta Share Offer" as soon as possible after the receipt of this Composite Document but in any event not later than 4:00 p.m. on the Closing Date.

No acknowledgement of receipt of any Form(s) of Acceptance and Transfer and the title documents will be given.

Your attention is drawn to the paragraph headed "General procedures for acceptance of the Offer" as set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance and Transfer.

Settlement of the Offer

Provided that the accompanying Form(s) of Acceptance and Transfer for the Shares, together with the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are valid, complete and in good order and have been received by the Registrar no later than 4:00 p.m. on the Closing Date, a cheque for the amount due to each of the accepting Independent Shareholders in respect of the Shares tendered under the Offer (less seller's ad valorem stamp duty payable by them, as the case maybe) will be despatched to the accepting Independent Shareholders by ordinary post at their own risk within 10 days from the date of receipt of all relevant documents which render such acceptance complete and valid by the Registrar.

Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be paid by the Offeror in full in accordance with the terms of the Offer (save with respect of the payment of seller's ad valorem stamp duty) set out in this Composite Document (including Appendix I) and the accompanying Form(s) of Acceptance and Transfer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Independent Shareholder.

Tax Implications

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of their acceptance of the Offer. It is emphasised that none of the Offeror, the Company, their respective ultimate beneficial owners and parties acting in concert with any of them, Yu Ming, Haitong, the Registrar or any of their respective directors or any persons involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance of the Offer.

COMPULSORY ACQUISTION

The Offeror does not intend to exercise any right which may be available to it under the provisions of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) to compulsorily acquire any outstanding Offer Shares not acquired under the Offer after the close of the Offer.

GENERAL

To ensure equality of treatment of all Shareholders, those Shareholders who hold the Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owner of the Shares, whose investments are registered in nominee names, to accept the Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Offer.

All documents and remittances will be sent to the Shareholders by ordinary post at their own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members, in case of joint holders whose name appear first in the said register of members, unless otherwise specified in the accompanying Form(s) of Acceptance and Transfer completed, returned and received by the Registrar. None of the Offeror, the parties acting in concert with the Offeror, Yu Ming, the Company, Haitong, the Registrar or any of their respective directors, officers, associates, agents or any other person involved in the Offer will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form(s) of Acceptance and Transfer, which form part of this Composite Document. In addition, your attention is also drawn to the "Letter from the Board", the "Letter from the Independent Board Committee" and the letter of advice by the independent financial adviser to the Independent Board Committee in respect of the Offer as set out in the "Letter from Haitong" contained in this Composite Document.

Yours faithfully,
For and on behalf of
Yu Ming Investment Management Limited
Warren Lee
Managing Director

MANTA HOLDINGS COMPANY LIMITED
敏達控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 936)

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

Registered office
Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

Head Office and Principal Place of Business
Unit H, 9/F
Valiant Industrial Centre
2-12 Au Pui Wan Street
Fo Tan, Shatin
New Territories
Hong Kong

12th March, 2012

To the Independent Shareholders

Dear Sir or Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY YU MING INVESTMENT MANAGEMENT LIMITED ON BEHALF OF EAGLE LEGEND INTERNATIONAL HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN THE ISSUED SHARE CAPITAL OF MANTA HOLDINGS COMPANY LIMITED (OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY EAGLE LEGEND INTERNATIONAL HOLDINGS LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

On 14th February, 2012, the Company was informed by the Vendor that the Offeror, the Vendor and the Guarantor entered into the Share Purchase Agreement, pursuant to which the Offeror has conditionally agreed to purchase and the Vendor conditional agreed to sell the Sale Shares, representing 75% of the entire issued share capital of the Company. The Consideration for the Sale Shares pursuant to the Share Purchase Agreement is HK$285,000,000, equivalent to approximately HK$1.90 per Sale Share. On 23rd February, 2012, the Conditions in the Share Purchase Agreement were fulfilled and Completion took place.

Immediately following Completion, the Offeror and parties acting in concert with it were interested in 150,000,000 Shares, representing 75% of the entire issued share capital of the Company. Accordingly, pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares which other than those owned or agreed to be acquired by it and parties acting in concert with it.

Pursuant to Rule 2.1 and Rule 2.8 of the Takeovers Code, the Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Cheung Chi Wai Vidy, Mr. Lau Wing Yuen and Mr. Louie Chun Kit, has been established to make recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance. Haitong is appointed as the independent financial adviser to the Independent Board Committee in respect of the Offer after the approval by the Independent Board Committee.

The purpose of this Composite Document is to provide you with, among other things, (i) information relating to the Group, the Offeror and the Offer; (ii) the "Letter from the Independent Board Committee" containing its recommendation to the Independent Shareholders in respect of the Offer; and (iii) the "Letter from Haitong" containing its recommendation to the Independent Board Committee in respect of the Offer.

THE OFFER

Principal terms of the Offer

Yu Ming is making the Offer for and on behalf of the Offeror, to acquire the Offer Shares on the following basis:

For each Offer Share. . . . .**HK$1.90 in cash**

The Offer Price is the same as the purchase price per Sale Share under the Share Purchase Agreement.

Further details of the Offer, including procedures for acceptance and further terms of the Offer are contained in the "Letter from Yu Ming" as set out on pages 5 to 13 of this Composite Document, Appendix I to this Composite Document and the accompanying Form(s) of Acceptance and Transfer.

INFORMATION ON THE GROUP

The Company is incorporated in the Cayman Islands on 11th March, 2010 with limited liability, Shares of which are listed on the Stock Exchange. The Group is principally engaged in trading of construction machinery and spare parts, leasing of construction machinery and providing repair and maintenance services in respect of construction machinery in Hong Kong, Macau, Singapore and Vietnam.

The following is a summary of the audited consolidated financial results of the Group for each of the years ended 31st December, 2009, 2010 and 2011.

HK$'000	**For the year ended 31st December, 2009** *(Audited)*	**For the year ended 31st December, 2010** *(Audited)*	**For the year ended 31st December, 2011** *(Audited)*
Revenue	183,509	139,376	154,139
Net profits/(loss) before taxation and extraordinary items	36,905	18,940	(3,527)
Net profits/(loss) after taxation and extraordinary items attributable to owners of the Group	28,517	20,971	(1,071)
Net assets attributable to owners of the Group	92,744 (restated)	192,510	192,443

As at the Latest Practicable Date, there were 200,000,000 Shares in issue which were fully paid-up and rank pari passu in all aspects with each other, including in particular as to dividends, voting rights and capital.

The Company does not have any outstanding options, warrants or other derivatives or relevant securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, warrants, derivatives or relevant securities of the Company.

The following table sets out the shareholding structure of the Company (i) prior to Completion; and (ii) after Completion and as at Latest Practicable Date:

	Prior to Completion		**After Completion and as at Latest Practicable Date**	
	No. of shares	*Approximate %*	*No. of shares*	*Approximate %*
Mulpha International Bhd *(Note 1)*	150,000,000	75.00	—	—
The Offeror *(Note 2)*	—	—	150,000,000	75.00
Public Shareholders	50,000,000	25.00	50,000,000	25.00
Total	200,000,000	100.00	200,000,000	100.00

Note:

1. Mulpha International Bhd, a company listed on the Main Market of Bursa Malaysia Securities Berhad, is the 100% holding company of Mulpha Trading Sdn Bhd, which in turn holds 100% in Mulpha Strategic Limited. Mulpha

Strategic Limited is the 100% holding company of Jumbo Hill Group Limited, which holds the Sale Shares directly. Based on the interim report of the Company for the six months period ended 30th June, 2011, Madam Yong Pit Chin is, directly and indirectly, interested in approximately 34.80% of the issued share capital of Mulpha International Bhd.

2. The Offeror, a company incorporated in the BVI with limited liability, is beneficially owned as to 43.0% by Mr. So Chung, 28.5% by Ms. So Man and 28.5% by Ms. So Wai as at the Latest Practicable Date. Mr. So Chung, Ms. So Man and Ms. So Wai are siblings.

INFORMATION ON THE OFFEROR

Your attention is drawn to the paragraph headed "Information on the Offeror" in the "Letter from Yu Ming" as set out on pages 5 to 13 of this Composite Document.

INTENTIONS OF THE OFFEROR REGARDING THE GROUP

It is the intention of the Offeror to continue the existing businesses of the Group with the existing management. As at the Latest Practicable Date, the Offeror does not intend to introduce any major changes to the existing operation and business of the Company and has no intention or plan (i) for any acquisition or disposal of assets and/or business by the Group; (ii) to redeploy the fixed assets of the Company; and (iii) to discontinue the employment of the Group's employees as a result of the Offer, save for the proposed change to the composition of the Board.

Your attention is drawn to the paragraph headed "Intentions of the Offeror regarding the Group" in the "Letter from Yu Ming" as set out on pages 5 to 13 of this Composite Document, which set out more information on the intentions of the Offeror in respect of the Group, its business and employees.

The Board has noted the intention of the Offeror in respect of the Group and its employees and is willing to render cooperation and support to the Offeror, which are in the interests of the Company and the Shareholders as a whole.

Maintaining the listing status of the Group

As set out in the "Letter from Yu Ming" on pages 5 to 13 of this Composite Document, the Offeror has no intention to privatise the Group. The Offeror intends the Company to remain listed on the Stock Exchange. The directors of the Offeror and the new directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps (including but not limited to placing of existing Shares and/or issue of new Shares) to ensure that not less than 25% of the entire issued share capital of the Company will be held by the public at all times.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that:—

(i) a false market exists or may exist in the trading of the Shares; or

(ii) that there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.

RECOMMENDATION

The Independent Board Committee is established to make recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to acceptance.

We recommend Independent Shareholders to read the "Letter from the Independent Board Committee" as set out on pages 19 and 20 of this Composite Document which contains its recommendation to the Independent Shareholders in respect of the Offer, and the "Letter from Haitong" as set out on pages 21 to 31 of this Composite Document containing its advice to the Independent Board Committee in respect of the Offer.

Yours faithfully,
For and on behalf of the Board
Manta Holdings Company Limited
Lai Siu Shing
Executive Director

MANTA HOLDINGS COMPANY LIMITED
敏 達 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 936)

To the Independent Shareholders

12th March, 2012

Dear Sir or Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY YU MING INVESTMENT MANAGEMENT LIMITED ON BEHALF OF EAGLE LEGEND INTERNATIONAL HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN THE ISSUED SHARE CAPITAL OF MANTA HOLDINGS COMPANY LIMITED (OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY EAGLE LEGEND INTERNATIONAL HOLDINGS LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

We refer to the Composite Document dated 12th March, 2012 jointly issued by the Offeror and the Company of which this letter forms part. Terms used in this letter shall have the meanings as defined in the Composite Document unless the context requires otherwise.

We have been appointed by the Board to establish the Independent Board Committee to make recommendation to you as to (i) whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned, and (ii) acceptance of the Offer, after taking into account the advice from Haitong, the independent financial adviser to the Independent Board Committee.

Details of advice from Haitong and the principal factors it has taken into consideration in arriving at its recommendations are set out in the "Letter from Haitong" on pages 21 to 31 of this Composite Document. Details of the Offer are set out in the "Letter from Yu Ming", Appendix I of this Composite Document and the accompanying Form(s) of Acceptance and Transfer.

Having taken into account the advice and recommendations of Haitong and the principal factors taken into consideration by it in arriving at its opinion, we are of the opinion that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned. Therefore we recommend Independent Shareholders to accept the Offer. However, in view of the recent upsurge of both the trading price and volume of the Shares after the date of the Joint Announcement, we recommend Independent Shareholders should monitor the market price of the Shares during the Offer Period, and instead of accepting the Offer, consider selling their Shares in the market should the proceeds net of all transaction costs of such sale exceed the amount receivable under the Offer. Notwithstanding our recommendation, the Independent Shareholders should consider carefully the terms of the Offer and the "Letter from Haitong" in this Composite Document.

Yours faithfully,
For and on behalf of the
Independent Board Committee of
Manta Holdings Company Limited

Cheung Chi Wai Vidy	**Lau Wing Yuen**	**Louie Chun Kit**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the letter of advice from Haitong to the Independent Board Committee, which has been prepared for the purpose of inclusion in this Composite Document.

海通國際
HAITONG

25th Floor
New World Tower
16-18 Queen's Road Central
Hong Kong

12th March, 2012

To the Independent Board Committee of Manta Holdings Company Limited

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY
YU MING INVESTMENT MANAGEMENT LIMITED
ON BEHLAF OF
EAGLE LEGEND INTERNATIONAL HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES IN THE ISSUED CAPITAL OF
MANTA HOLDINGS COMPANY LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED TO
BE ACQUIRED BY EAGLE LEGEND INTERNATIONAL HOLDINGS LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee in relation to the Offer. Details of the Offer are contained in the composite document to the Shareholders dated 12th March, 2012 (the "**Document**") of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Document unless the context otherwise requires.

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Cheung Chi Wai Vidy, Mr. Lau Wing Yuen and Mr. Louie Chun Kit, has been established to make recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable, and as to acceptance. We, Haitong International Capital Limited, have been approved by the Independent Board Committee as the independent financial adviser to advise the Independent Board Committee in the same regard.

Haitong International Finance Co., Ltd., a fellow subsidiary of Haitong International Capital Limited, held 1,000 shares of Sun Hung Kai & Co. Limited, a company listed on the Stock Exchange. Based on publicly available information, Mr. Lee Seng Huang ("**Mr. Lee**") is the controlling shareholder and executive chairman of Sun Hung Kai & Co. Limited, and is one of the trustees of Lee and Lee Trust, being a discretionary trust. Based on the latest disclosure of interest, they together owned approximately 57.42% interests in the share capital of Allied Group Limited and were therefore deemed to have interests in Sun Hung Kai & Co. Limited through Allied Properties Limited, its 71.10% owned subsidiary. Mr. Lee is the son of Ms. Yong Pit Chin, a major shareholder of Mulpha International Bhd., which was the controlling shareholder of the Company before Completion. Save as disclosed above, Haitong International Capital Limited is not associated with the Company and the Offeror, or their respective substantial shareholders, or any party acting, or presumed to be acting, in concert with any of them respectively. Accordingly, Haitong International Capital Limited is considered eligible to give independent advice on the Offer. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company or the Offeror, or their substantial Shareholders or any party acting in concert, or presumed to be acting in concert with any of them.

Our review and analyses were based upon, amongst others, the Letter from Yu Ming and the Letter from the Board as set out in this Document, the annual report of the Company for the year ended 31st December, 2011 (the "**2011 Annual Report**") and the annual report of the Company for the year ended 31st December, 2010 (the "**2010 Annual Report**"). We have discussed with the Board with the past performance and future prospects of the Company and have also reviewed the trading performance of the Shares on the Stock Exchange, valuation of comparable companies, and have considered the future intention of the Offeror regarding the Company as stated in the letter from Yu Ming.

We have also relied on the information and facts supplied, and the opinions expressed, by the Company and have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects at the time they were made and continue to be true, accurate and complete in all material aspects up to the Latest Practicable Date. We have also sought and received confirmation from the Company that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view and have no reason to believe that any material information has been withheld, nor doubt the truth, accuracy and completeness of the information provided. We have not, however, conducted any independent investigation into the business and affairs of the Company or the Offeror or associates of any of them, nor have we carried out any independent verification of the information supplied.

In relation to the Offer, we have not considered the tax implications on the Independent Shareholders of the acceptance or non-acceptance of the Offer since these are particular to the individual circumstances. In particular, Independent Shareholders who are overseas residents or subject to overseas taxation or Hong Kong taxation on securities dealings should consider their own tax position and, if in any doubt, should consult their own professional advisers.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in respect of the Offer, we have considered the following principal factors and reasons:

1 Background

(a) *Information on the Group*

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 in Hong Kong, Singapore, Vietnam and Macau.

The Company listed its Shares on the Stock Exchange (the "**Listing**") on 19th July, 2010 (the "**Listing Date**") and raised a net proceed of HK$38.1 million.

(b) ***Historical financial information of the Group***

Set out below is a summary of the financial highlights of the Group for the three years ended/ as at 31st December, 2009, 2010 and2011 as extracted from the 2011 Annual Report and the 2010 Annual Report, respectively:-

	31st December,		
	2011	**2010**	**2009**
	HK$'000	*HK$'000*	*HK$'000*
Revenue	154,139	139,376	183,509
Cost of sales and services	(79,230)	(71,266)	(92,720)
Gross profit	74,909	68,110	90,789
Gross profit margin	48.6%	48.9%	49.5%
Other income	5,033	27,896	2,288
Selling and distribution expenses	(2,316)	(3,626)	(2,085)
Administrative expenses	(41,899)	(43,291)	(26,200)
Other operating expenses	(33,230)	(24,961)	(21,360)
Finance costs	(6,024)	(5,188)	(6,527)
(Loss)/profit before taxation	(3,527)	18,940	36,905
(Loss)/profit attributable to equity holders	(1,071)	20,971	28,517
Gross profit less operating expenses *(Note 1)*	(2,536)	(3,768)	41,144
Total assets	410,258	331,085	280,538
Total liabilities	216,528	137,183	186,278
Net assets	193,730	193,902	94,260
Gearing ratio *(Note 2)*	73.8%	30.4%	81.4%

Note 1: Operating expenses include selling and distribution expenses, administrative expenses and other operating expenses.

Note 2: gearing ratio is calculated based on total debts (sum of bank borrowings and finance lease payable) divided by total equity.

For the year ended 31st December, 2011, the revenue increased to approximately HK$154.1 million, representing a 10.6% increase compared with that of last year. Approximately 61.9% of the revenue was attributable to rental income from leasing of plant and machinery; approximately 23.4% of the revenue was attributable to sale of machinery, the remaining parts of the revenue attributable to sale of spare parts and service income.

The gross margin of the Group slightly dropped from approximately 48.9% for the year ended 31st December, 2010 to approximately 48.6% for the year ended 31st December, 2011.

The Group reported a net loss before taxation of approximately HK$3.5 million for the year ended 31st December, 2011,the main reason was that the operating expenses of approximately HK$77.4 million was larger than its gross profit of approximately HK$74.9 million.

The gearing ratio of the Group increased from approximately 30.4% as at 31st December, 2010 to 73.8% as at 31st December, 2011, it was mainly caused by the increase of finance lease payable by approximately HK$45.9 million and the bank borrowing balance of approximately HK$38.1 million.

For the year ended 31st December, 2010, the Group recorded a net profit attributable to the equity holder of the Company of approximately HK$21.0 million. However, it included a one-off gain on disposal of property, plant and equipment of approximately HK$23.8 million. Taken out the aforesaid one-off gain, the Company would be recorded a loss. The operating expenses of approximately HK$71.9 million could not be covered by the Group's gross profit of approximately HK$68.1 million.

The Group recorded a declining profit attributable to equity holders from the year ended 31st December, 2009 to the year ended 31st December, 2010 and recorded a loss attributable to equity holders for the year ended 31st December, 2011. Such change was mainly contributed by the decrease in the gross profit from approximately HK$90.8 million for the year ended 31st December, 2009 to approximately HK$68.1 million for the year ended 31st December, 2010 and approximately HK$74.9 million for the year ended 31st December, 2011, as a result of the decrease in revenue and slight decrease in the gross profit margin during the period under review.

Throughout the past three financial years, the Company did not declare or pay any dividends.

As shown above, the financial performance of the Group worsened with revenue and gross profit declined from the year ended 31st December, 2009 to the year ended 31st December, 2011 and there were two consecutive financial years that the gross profit cannot cover the operating expenses.

(c) ***Prospects***

As set out in the 2011 Annual Report, 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 will continue to seek potential investment opportunities, to diversify its business portfolios (including other construction equipment), and to improve business performance of the Group.

We consider that the ability of the Group to achieve its plan highly depends on, amongst others, (i) whether the relevant government of the jurisdictions will continue, and the timing as to the execution of, the policy as stated in the paragraph above; and (ii) the Group's ability to compete with its competitors in the industry.

(d) ***Intentions of the Offeror regarding the Group***

As stated in the Letter from Yu Ming, following the close of the Offer, the Offeror intends to continue the existing businesses of the Group with the existing management. As at the Latest Practicable Date, the Offeror does not intend to introduce any major changes to the existing operation and business of the Company and has no intention or plan (i) for any acquisition or disposal of assets and/or business by the Group; (ii) to redeploy the fixed assets of the Company; and (iii) to discontinue the employment of the Group's employees as a result of the Offer, save for the proposed change to the composition of the Board as detailed in the Letter from Yu Ming.

Up to the Latest Practicable Date, the Offeror does not contemplate any agreement, arrangement, understanding, intention or negotiation (concluded or otherwise) about any acquisition of business and/or assets, or disposal, termination or scaling-down of the Group's existing business or assets.

Up to the Latest Practicable Date, save for the proposed change of the composition of the Board as detailed in the Letter from Yu Ming, the Offeror intends to retain all employees of the Group, and none of the existing management has indicated whether they will or will not leave the Group subsequent to the completion of the Offer. The Offeror believes it will be able to retain sufficient personnel or find appropriate replacement (when required) for the operation of the existing business of the Group should there be any vacancies through market recruitment intermediaries.

As at the Latest Practicable Date, the Offeror does not have any business plan on the existing business of the Group. Immediately after the close of the Offer, the Offeror will conduct a review of the financial position and operations of the Group in order to formulate a long-term strategy for the Group and explore other business/investment opportunities for enhancing its future development and strengthening its revenue bases. As at the Latest Practicable Date, the Offeror has not identified such investment or business opportunities.

2 **Comparison with historical Share prices**

The Offer Price of HK$1.90 per Offer Share represents:

(a) a discount of approximately 0.52% to the closing price of HK$1.91 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;

(b) a premium of approximately 13.10% over the closing price of HK$1.68 per Share as quoted on the Stock Exchange on the Last Trading Day;

(c) a premium of approximately 11.76% over the average closing price of approximately HK$1.70 per Share for the last five trading days immediately prior to and including the Last Trading Day;

(d) a premium of approximately 13.10% over the average closing price of approximately HK$1.68 per Share for the last ten trading days immediately prior to and including the Last Trading Day;

(e) a premium of approximately 25.83% over the average closing price of approximately HK$1.51 per Share for the last thirty trading days immediately prior to and including the Last Trading Day; and

(f) a premium of approximately 95.88% over the audited net asset value of approximately HK$0.97 per Share as at 31st December, 2011.

i. ***Share price performance of the Company***

Set out below is the Share price performance of the Company from the Listing Date to the Latest Practicable Date:

Source: Bloomberg

The offer price of the Listing was HK$1.00. Subsequent to the Listing, the closing Share price was at all time above HK$1.00, but below the Offer Price of HK$1.90 up to the Last Trading Date. Following the publication of the Joint announcement on 20th February, 2012 (the "**Joint Announcement Date**"), the closing Share price was above the Offer Price since then. We consider that the increase in the Share price after the publication of the Joint Announcement was mainly attributable to the Offer and therefore the current level of the Share price might not be able to maintain after the close of the Offer. Accordingly, the Offer price of HK$1.90 which is higher than the closing Share price since the Listing Date to the Last Trading Date is beneficial to the Independent Shareholders.

ii. ***Trading volume of the Shares***

	Total trading volume of the Shares *(Note 1)*	**Percentage of total trading volume of the Shares to the total issued Shares** *(Note 2)*	**Percentage of total trading volume of the Shares to the public** *(Note 3)*
2010			
July	44,690,000	22.35%	89.38%
August	4,895,000	2.45%	9.79%
September	1,575,000	0.79%	3.15%
October	2,520,000	1.26%	5.04%
November	1,050,000	0.53%	2.10%
December	550,000	0.28%	1.10%
2011			
January	3,345,000	1.67%	6.69%
February	890,000	0.45%	1.78%
March	2,450,000	1.23%	4.90%
April	1,570,000	0.79%	3.14%
May	1,025,000	0.51%	2.05%
June	3,137,000	1.57%	6.27%
July	950,000	0.48%	1.90%
August	555,000	0.28%	1.11%
September	1,045,000	0.52%	2.09%
October	200,000	0.10%	0.40%
November	330,000	0.17%	0.66%
December	240,000	0.12%	0.48%
2012			
January	255,000	0.13%	0.51%
February (on and before the Joint Announcement Date)	1,050,000	0.53%	2.10%
February (after the Joint Announcement Date)	4,595,000	2.30%	9.19%
March (on and before the Latest Practicable Date)	1,540,000	0.77%	3.08%

Notes:

1. Source: Bloomberg

2. The calculation is based on the number of Shares in issue as at the end of each month from the monthly return of the Company, being 200,000,000 Shares for the period.

3. Based on the number of Shares in issue as set out in note 1 above excluding the relevant number of Shares held by the substantial Shareholders and the Directors in the corresponding month.

As set out above, the trading volume of the Shares to the total issued Shares was substantial during the first month after the Listing and then gradually decreased to lower than 0.5% during the fourth quarter of 2011. The trading volume remained at a low level in 2012 until the Joint Announcement Date. We consider that the high level of trading volume recorded after the Joint Announcement Date was mainly attributable to the Offer and therefore the current level of the trading volume of the Share might not be able to maintain after the close of the Offer. Accordingly, the Offer provides an exit for the Independent Shareholders to realise their investments in the market, which may not be available previously due to the thin trading volume.

3 **Comparison with comparable companies**

We have identified five companies (the "**Industry Comparables**") which are an exhaustive list of companies listed on the Stock Exchange with more than 90% revenue generated from the sale and leasing of construction machinery. We consider the list of Industry Comparables a fair representation of comparable companies to the business of the Group as (i) their businesses are closely comparable to that of the Group; and (ii) substantial portion of their consolidated turnover are derived from the trading of construction machinery and spare parts, leasing of the construction machinery and providing repair and maintenance services based on their respective latest published audited financial statements. These companies are Changsha Zoomlion Heavy Industry Science and Technology Development Co., Ltd, Era Mining Machinery Limited, International Mining Machinery Holdings Limited, Lonking Holdings Limited and Sany Heavy Equipment International Holdings Co. Ltd.

The table below shows the price to earnings ratio (the "**P/E**") and the enterprise value to earnings before interest, tax, depreciation and amortisation ratio (the "**EV/EBITDA**") of the Industry Comparables:

Company	**Stock Code**	**Principal Business**	**P/E** (note 1) (times)	**EV/EBITDA** (note 2) (times)
Changsha Zoomlion Heavy Industry Science and Technology Development Co., Ltd	1157	The company is principally engaged in the research, development, manufacturing and sale and leasing of concrete machinery, crane machinery, environmental and sanitation equipment, road construction and pile foundation machinery and other related heavy machinery and capital equipment in the PRC, and manufacturing and sale of concrete machinery in Italy.	16.30	8.54

Company	Stock Code	Principal Business	P/E (note 1) (times)	EV/EBITDA (note 2) (times)
Era Mining Machinery Limited	8043	The company is principally engaged inmanufacturing and sales of mining machinery.	35.79	12.35
International Mining Machinery Holdings Limited	1683	The Group is principally engaged in the manufacture and sale of mining machinery in Mainland China.	27.15	14.07
Lonking Holdings Limited	3339	The principal activities of the group are the manufacture and distribution of wheel loaders, roadrollers, excavators, fork lifts and other infrastructure machinery and the provision of finance lease for the infrastructure machinery.	5.81	6.37
Sany Heavy Equipment International Holdings Co. Ltd	631	The company is principally engaged in the manufacture and sale of integrated excavation machinery, integrated coal mining equipment and coal mining transportation equipment in the PRC.	24.74	15.54
		Mean	21.96	11.37
		Median	24.74	12.35
The Company *(Note 3)*			N/A	12.53

Notes:

1. Calculated based on the market capitalisation of the relevant company as at the Latest Practicable Date over the relevant company's latest published profit attributable to shareholders.

2. Source: Bloomberg

3. The implied P/E of the Company is not available as the Group has a reported loss attributable to the Shareholders for the year ended 31st December, 2011.

(a) ***The P/E***

The P/E is regarded as one of the common valuation methods to value sales and lease of construction manchinery companies such as the Company. However, the Company has a reported loss attributable to the Shareholders for the year ended 31st December, 2011. As such, the P/E of the Company is not available for evaluation purposes so that the P/E of the Industry Comparables set out in the table above is for reference only.

(b) ***The EV/EBITDA***

EV/EBITDA is often used in conjunction with, or as an alternative to, the P/E to determine the fair market value of a company.

As set out in the table above, the EV/EBITDA range from approximately 6.37 times to 15.54 times with an average of approximately 11.37 times and a median of approximately 12.35 times. As such, EV/EBITDA of the Company as implied by the Offer Price (the "**Implied EV/EBITDA**") of 12.53 times represents a premium to both the mean and median of that of the Industry Comparables and is within the range of that of the Industry Comparables. On the basis of the above, we consider that the Offer Price is fair and reasonable as far as the Independent Shareholders are concerned.

RECOMMENDATION

Having considered the above principal factors and reasons, in particular:

- the Offer Price of HK$1.90 is higher than the closing Share price since the Listing Date up to the Last Trading Date;
- the trading volume was relatively thin so that some of the Independent Shareholders may not be able to realise their investments in the market within a short period of time; and
- the Implied EV/EBITDA of 12.53 times represents a premium to both the mean and median of that of the Industry Comparables and is within the range of that of the Industry Comparables,

we consider that the Offer Price is fair and reasonable and recommend the Independent Board Committee to advise the Independent Shareholders to accept the Offer. In view of the recent upsurge of both the trading price and volume of the Shares after the Joint Announcement Date, we recommend the Independent Shareholders who would like to realise part or all of their investments in the Company to closely monitor the market price of the Shares during the Offer period and, instead of accepting the Offer, consider selling their Shares in the market should the proceeds, net of all transaction costs, of such sale exceed the amount receivable under the Offer. For those Independent Shareholders who may not be able to realise a higher return from selling of their Shares in the open market, they are recommended to accept the Offer which provides them with a reasonable exit to realise their investments.

Independent Shareholders who wish to accept the Offer are recommended to read carefully the procedures for accepting the Offer as detailed in the section headed "Further terms of acceptance of the Offer" in Appendix I to the Document, and also the accompanying Form of Acceptance.

Yours faithfully,
For and on behalf of
Haitong International Capital Limited

Derek C.O. Chan	**Edmond Kwan**
Head of Corporate Finance	*Executive Director - Corporate Finance*

1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER

To accept the Offer, you should complete and sign the accompanying Form(s) of Acceptance and Transfer in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer.

(a) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Share(s) is/are in your name, and you wish to accept the Offer, you must send the duly completed Form(s) of Acceptance and Transfer together with the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), by post or by hand, to the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong in an envelope marked "Manta Share Offer".

(b) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Shares, you must either:

(i) lodge your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the duly completed Form(s) of Acceptance and Transfer together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or

(ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and send the duly completed Form(s) of Acceptance and Transfer together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or

(iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited (which is normally one Business Day before the latest date on which acceptances of the Offer must be received by the Registrar). In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

(iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited (which is normally one Business Day before the latest date on which acceptances of the Offer must be received by the Registrar).

(c) If the Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Offer in respect of your Shares, the Form(s) of Acceptance and Transfer should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) should be forwarded to the Registrar as soon as possible thereafter. If you have lost your Share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

(d) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete the Form(s) of Acceptance and Transfer and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to Yu Ming and/or the Offeror or their respective agent(s) to collect from the Registrar on your behalf the relevant Share certificate(s) when issued and to deliver such certificate(s) to the Registrar as if it was/they were delivered to the Registrar with the Form(s) of Acceptance and Transfer.

(e) Acceptance of the Offer will be treated as valid only if the completed Form(s) of Acceptance and Transfer is received by the Registrar no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive in accordance to the Takeover Code and the Registrar has recorded that the acceptance and the relevant documents as required under this paragraph have been so received, and is:

(i) accompanied by the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if the Share certificate(s) is/are not in your name, such other documents in order to establish your right to become the registered holder of the relevant Shares; or

(ii) from a registered Shareholder or his/her/its personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or

(iii) certified by the Registrar or the Stock Exchange.

(f) If the Form(s) of Acceptance and Transfer is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.

(g) Seller's ad valorem stamp duty for transfer of Shares registered on the Registrar arising in connection with acceptance of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the cash amount payable by the Offeror to such Independent Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

(h) No acknowledgement of receipt of any Form(s) of Acceptance and Transfer, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. ACCEPTANCE PERIOD AND REVISIONS

(a) Unless the Offer has previously been revised or extended, with the consent of the Executive, in accordance with the Takeovers Code, the Form(s) of Acceptance and Transfer must be received by 4:00 p.m. on the Closing Date in accordance with the instructions printed on the relevant Form(s) of Acceptance and Transfer, and the Offer will be closed on the Closing Date.

(b) The Offeror and the Company will jointly issue an announcement through the website of the Stock Exchange no later than 7:00 p.m. on the Closing Date stating whether the Offer has been extended, revised or has expired.

(c) In the event that the Offeror decides to extend the Offer, at least 14 days' notice by way of announcement will be given, before the latest time and date for acceptance of the Offer, to those Independent Shareholders who have not accepted the Offer.

(d) If the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offers will be entitled to the revised terms. The revised Offer must be kept open for at least 14 days following the date on which the revised offer document is posted.

(e) If the closing date of the Offer is extended, any reference in this Composite Document and in the Form(s) of Acceptance and Transfer to the closing date shall, except where the context otherwise requires be deemed to refer to the closing date of the Offer so extended.

3. ANNOUNCEMENT

(a) By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must publish an announcement on the website of the Stock Exchange by 7:00 p.m. on the Closing Date stating whether the Offer has been extended, revised or has expired.

Such announcement must state the following:

(i) the total number of Shares and rights over Shares for which acceptances of the Offer have been received;

(ii) the total number of Shares and rights over Shares held, controlled or directed by the Offeror or its concert parties before the Offer Period;

(iii) the total number of Shares and rights over Shares acquired or agreed to be acquired by the Offeror or its concert parties during the Offer Period;

(iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any parties acting in concert with it has borrowed or lent, save for any borrowed securities which have been either on-lent or sold; and

(v) the percentages of the relevant classes of share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

(b) In computing the total number of Shares represented by acceptances, only valid acceptances in complete and good order and which have been received by the Registrar no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.

4. RIGHT OF WITHDRAWAL

(a) Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in subparagraph (b) below.

(b) If the Offeror is unable to comply with the requirements set out in paragraph 3 of this Appendix headed "Announcement" above, the Executive may require pursuant to Rule 19.2 of the Takeovers Code that the Independent Shareholders who have tendered acceptance to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirement of Rule 19 of the Takeovers Code can be met.

In such case, when the Independent Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form(s) of Acceptance and Transfer to the relevant Independent Shareholder(s).

5. SETTLEMENT OF THE OFFER

Provided that the accompanying Form(s) of Acceptance and Transfer for the Shares, together with the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are valid, complete and in good order and have been received by the Registrar no later than 4:00 p.m. on the Closing Date, a cheque for the amount due to each of the accepting Independent Shareholders in respect of the Shares tendered under the Offer (less seller's ad valorem stamp duty payable by them, as the case maybe) will be despatched to the accepting Independent Shareholders by ordinary post at their own risk within 10 days from the date of receipt of all relevant documents which render such acceptance complete and valid by the Registrar.

Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be paid by the offeror in full in accordance with the terms of the Offer (save with respect of the payment of seller's ad valorem stamp duty) set out in this Composite Document (including this Appendix) and the accompanying Form(s) of Acceptance and Transfer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholder.

6. OVERSEAS SHAREHOLDERS

The making of the Offer to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions). Acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a warranty by such person that such person is permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations.

7. TAX IMPLCATIONS

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of their acceptance of the Offer. It is emphasised that none of the Offeror, the Company, their ultimate beneficial owners and parties acting in concert with any of them, Yu Ming, Haitong, the Registrar or any of their respective directors or any persons involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance of the Offer.

8. GENERAL

(a) All communications, notices, Form(s) of Acceptance and Transfer, certificates, transfer receipts and other documents of title or of indemnity or of any other nature to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, at their own risk, and neither of the Offeror nor Yu Ming accepts any liability for any loss or any other liabilities whatsoever which may arise as a result.

(b) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror that the Shares tendered under the Offer are sold by such person or persons free from all liens, charges, claims, equities, Encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them, including the rights to receive dividends if any, declared, made or paid by the Company on the posting of this Composite Document.

(c) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares in respect of which it is indicated in the Form(s) of Acceptance and Transfer the aggregate number of Shares held by such nominee for such beneficial owners who accept the Offer.

(d) The provisions set out in the accompanying Form(s) of Acceptance and Transfer form part of the terms of the Offer.

(e) The accidental omission to despatch this Composite Document and/or the accompanying Form(s) of Acceptance and Transfer and transfer or either of them to any person to whom the Offer is made shall not invalidate the Offer in any way.

(f) The Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.

(g) Due execution of Form(s) of Acceptance and Transfer will constitute an authority to the Offeror or its agents to complete and execute on behalf of the person accepting the Offer, and to do any other act that may be necessary or expedient for the purpose of vesting in the Offeror, or such other person as it may direct.

(h) The Offer is made in accordance with the Takeovers Code.

(i) The English text of this Composite Document and of the accompanying Form(s) of Acceptance and Transfer shall prevail over the Chinese text.

1. THREE-YEAR SUMMARY OF FINANCIAL INFORMATION

a. The following is a summary of the audited financial results of the Group for each of three years ended 31st December, 2011 as extracted from the published annual reports of the Company.

	For the year ended 31st December,		
	2011	**2010**	**2009**
	HK$'000	*HK$'000*	*HK$'000*
Revenue	154,139	139,376	183,509
(Loss)/profit before taxation	(3,527)	18,940	36,905
Income tax credit /(taxation)	2,351	1,907	(8,414)
(Loss)/profit for the year	(1,176)	20,847	28,491
(Loss)/profit Attributable to:			
Owners of the Company	(1,071)	20,971	28,517
Non-controlling interests	(105)	(124)	(26)
	(1,176)	20,847	28,491
Dividend	—	—	—
(Loss)/earnings per share:			
Basic	HK(1) cents	HK13 cents	HK24 cents

There were neither extraordinary nor exceptional items during each of the three years ended 31st December, 2011

The reports of the auditors of the Company, BDO Limited, for each of the two years ended 31st December, 2011, and, Grant Thornton, Certified Public Accountants, Hong Kong, for the year ended 31st December, 2009 do not contain any qualifications.

2. FINANCIAL INFORMATION OF THE COMPANY FOR THE YEAR ENDED 31ST DECEMBER, 2011

Set out below is the full text of the audited consolidated financial statements of the Company for the year ended 31st December, 2011 extracted from the annual report of the Company for the year ended 31st December, 2011.

Consolidated Statement of Comprehensive Income
for the year ended 31st December, 2011

	Notes	**2011** *HK$'000*	**2010** *HK$'000*
Revenue	8	154,139	139,376
Cost of sales and services		(79,230)	(71,266)
Gross profit		74,909	68,110
Other income	9	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	10	(6,024)	(5,188)
(Loss)/profit before income tax	11	(3,527)	18,940
Income tax credit	12	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	16	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)	14	(1)	13

Consolidated Statement of Financial Position
as at 31st December, 2011

	Notes	**2011**	**2010**
		HK$'000	*HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	16	290,100	177,007
Available-for-sale investment	17	580	580
Deposits paid	21	—	4,814
		290,680	182,401
Current assets			
Inventories and consumables	19	35,085	31,090
Trade receivables	20	45,506	35,286
Prepayments, deposits and other receivables	21	10,312	12,609
Pledged bank deposits	22	3,519	3,697
Cash and cash equivalents	22	25,156	66,002
		119,578	148,684
Current liabilities			
Trade and bill payables	23	37,294	46,391
Receipt in advance, accruals and other payables	24	30,089	23,355
Bank borrowings	25	12,650	6,769
Finance lease payables	26	29,172	18,917
Provision	27	—	—
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

	Notes	**2011**	**2010**
		HK$'000	*HK$'000*
Non-current liabilities			
Bank borrowings	25	32,193	—
Finance lease payables	26	68,930	33,248
Deferred tax liabilities	28	6,200	7,334
		107,323	40,582
Net assets		193,730	193,902
EQUITY			
Share capital	29	2,000	2,000
Reserves	30	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

Statement of Financial Position
as at 31st December, 2011

	Notes	**2011**	**2010**
		HK$'000	*HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Investments in subsidiaries	18	105,597	105,597
Current assets			
Amounts due from subsidiaries	18	57,428	39,597
Prepayments	21	367	389
Cash and cash equivalents	22	1,111	21,322
		58,906	61,308
Current liability			
Accruals	24	277	557
Net current assets		58,629	60,751
Total assets less current liabilities and net assets		164,226	166,348
EQUITY			
Share capital	29	2,000	2,000
Reserves	30	162,226	164,348
Total equity		164,226	166,348

Consolidated Statement of Changes in Equity

for the year ended 31st December, 2011

	Share capital	Share premium*	Merger reserve*	Property revaluation reserve*	Translation reserves*	Accumulated losses*	Equity attributable to the owners of the Company	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1st January, 2010	—	—	121,985	2,377	3,976	(35,594)	92,744	1,516	94,260
Issue of ordinary shares at the date of incorporation and on group reorganisation (Notes 29(iii))	1,000	—	(1,000)	—	—	—	—	—	—
Issue of ordinary shares on loan capitalisation (Note 29(iv))	316	25,249	—	—	—	—	25,565	—	25,565
Issue of ordinary shares on capitalisation issue (Note 29(v))	184	(184)	—	—	—	—	—	—	—
Issue of ordinary shares under share offer (Note 29(vi))	500	49,500	—	—	—	—	50,000	—	50,000
Share issue expenses (Note 29(vi))	—	(4,597)	—	—	—	—	(4,597)	—	(4,597)
Transactions with owners	2,000	69,968	(1,000)	—	—	—	70,968	—	70,968
Profit/(loss) for the year	—	—	—	—	—	20,971	20,971	(124)	20,847
Other comprehensive income	—	—	—	1,038	6,789	—	7,827	—	7,827
Total comprehensive (loss)/income for the year	—	—	—	1,038	6,789	20,971	28,798	(124)	28,674
Depreciation transfer on property held for own use carried at fair value, net of tax	—	—	—	(63)	—	63	—	—	—
Balance at 31st December, 2010	2,000	69,968	120,985	3,352	10,765	(14,560)	192,510	1,392	193,902

	Share capital HK$'000	Share premium* HK$'000	Merger reserve* HK$'000	Property revaluation reserve* HK$'000	Translation reserves* HK$'000	Accumulated losses* HK$'000	Equity attributable to the owners of the Company HK$'000	Non-controlling interests HK$'000	Total HK$'000
Balance at 1st January, 2011	2,000	69,968	120,985	3,352	10,765	(14,560)	192,510	1,392	193,902
Loss for the year	—	—	—	—	—	(1,071)	(1,071)	(105)	(1,176)
Other comprehensive (loss)/income	—	—	—	1,775	(771)	—	1,004	—	1,004
Total comprehensive (loss)/income for the year	—	—	—	1,775	(771)	(1,071)	(67)	(105)	(172)
Depreciation transfer on property held for own use carried at fair value, net of tax	—	—	—	(91)	—	91	—	—	—
Balance at 31st December, 2011	2,000	69,968	120,985	5,036	9,994	(15,540)	192,443	1,287	193,730

* At 31st December, 2011, the reserves accounts comprise the consolidated reserves of HK$190,443,000 (2010: HK$190,510,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows
for the year ended 31st December, 2011

	Notes	**2011** *HK$'000*	**2010** *HK$'000*
Cash flows from operating activities			
(Loss)/profit before income tax		(3,527)	18,940
Adjustments for:			
Bank interest income	9	(74)	(326)
Dividend income	9	—	(310)
Gain on disposal of property, plant and equipment	9	(194)	(23,836)
Allowance for impairment of trade receivables		464	—
Depreciation of property, plant and equipment	16	33,230	24,967
Fair value gain of derivative financial instruments		—	(159)
Interest expenses	10	6,024	5,188
Reversal of provisions for buy-back options	27	—	(767)
Operating profits before working capital changes		35,923	23,697
Decrease in inventories and consumables		1,912	6,555
Increase in trade receivables		(10,684)	(4,012)
Decrease/(increase) in prepayments, deposits and other receivables		2,297	(2,481)
Decrease in amounts due to a related party and fellow subsidiaries		—	(11,370)
(Decrease)/increase in trade and bill payables		(9,097)	14,804
Increase/(decrease) in receipt in advance, accruals and other payables		6,734	(6,777)
Cash generated from operations		27,085	20,416
Interest paid		(6,024)	(5,188)
Net cash generated from operating activities		21,061	15,228
Cash flows from investing activities			
Interest received		74	326
Dividend received		—	310
Purchase of property, plant and equipment	34	(40,369)	(21,536)
Deposit paid for property, plant and equipment		—	(4,814)
Decrease in pledged bank deposits		178	6,141
Proceeds from disposal of property, plant and equipment		418	30,159
Net cash (used in)/generated from investing activities		(39,699)	10,586

	Notes	2011 HK$'000	2010 HK$'000
Cash flows from financing activities			
Repayment of obligations under finance leases		(27,758)	(52,970)
Proceeds of issue of shares		—	50,000
Share issue expenses		—	(4,597)
Proceeds from new borrowings		10,984	9,026
Repayment of borrowings		(4,494)	(11,282)
Net cash used in financing activities		(21,268)	(9,823)
Net (decrease)/increase in cash and cash equivalents		(39,906)	15,991
Cash and cash equivalents at 1st January		66,002	45,970
Effect of exchange rates changes on cash and cash equivalents		(940)	4,041
Cash and cash equivalents at 31st December		25,156	66,002

Notes to the Financial Statements

1. GENERAL

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 principal activities of the subsidiaries are described in Note 18.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "HKEX") since 19th 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 and the joint announcement made by the directors of the Company and an independent third party, Eagle Legend International Holdings Limited ("Eagle Legend"), dated 14th February, 2012 and 20th 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 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

(a) Statement of compliance

The financial statements on pages 21 to 80 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").

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for land and buildings carried at fair value, which are measured at fair values as explained in the accounting policies set out below.

(c) **Functional and presentation currency**

The financial statements are presented in Hong Kong Dollars (HK$), which is the same as the functional currency of the Company.

3. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the year ended 31st December, 2011 were approved and authorised for issue by the board of directors on 22nd February, 2012.

4. ADOPTION OF HKFRSS

(a) **Adoption of new/revised HKFRSs - effective 1st 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 1st July, 2011
2 Effective for annual periods beginning on or after 1st July, 2012
3 Effective for annual periods beginning on or after 1st January, 2013
4 Effective for annual periods beginning on or after 1st January, 2014
5 Effective for annual periods beginning on or after 1st 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.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Contingent consideration balances arising from business combinations whose acquisition dates preceded 1st January, 2010 (i.e. the date the Group first applied HKFRS 3 (2008)) have been accounted for in accordance with the transition requirements in the standard. Such balances are not adjusted upon first application of the standard. Subsequent revisions to estimates of such consideration are treated as adjustments to the cost of these business combinations and are recognised as part of goodwill.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

(b) **Subsidiaries**

Subsidiaries are entities over which the Company is able to exercise control. Control is achieved where the Company, directly or indirectly, has the power to govern the financial and operating policies of the entities so as to obtain benefits from their activities. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable at the reporting date.

(c) **Property, plant and equipment**

Land and building carried at fair value is property where the fair value of the leasehold land and buildings cannot be measured separately at the inception of the lease and the building is not clearly held under an operating lease which is stated at revalued amounts, being fair value at the date of revaluation less subsequent accumulated depreciation. Fair value is determined in appraisals by external professional valuers with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of leasehold land at the inception of the lease, and other items of plant and equipment, are stated at cost less accumulated depreciation and accumulated impairment losses.

Any surplus arising on revaluation of land and buildings is recognised in other comprehensive income and is accumulated in the property revaluation reserve in equity, unless the carrying amount of that asset has previously suffered a revaluation decrease. To the extent that any decrease has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase dealt with in other comprehensive income. A decrease in net carrying amount of land and buildings arising on revaluations is recognised in other comprehensive income to the extent of the revaluation surplus in the property revaluation reserve relating to the same asset and the remaining decrease is recognised in profit or loss.

Depreciation is calculated on the straight-line basis to write off the cost of property, plant and equipment, less any estimated residual values, over the following estimated useful lives:

Land and building carried at fair value	Over the lease terms
Building carried at cost	30 years
Plant and machinery	5 to 10 years
Furniture and fixture	5 to 6 years
Office and other equipment	2 to 6 years
Motor vehicles	3 to 5 years
Leasehold improvements	30 years

The assets' residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at the reporting date.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Any revaluation surplus remaining in equity is transferred to retained earnings on the disposal of land and building carried at fair value.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

(d) **Leasing**

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee. All other leases are classified as operating leases.

The Group as lessor

Assets leased out under operating leases are measured and presented according to the nature of the assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the rental income.

Rental income is recognised in accordance with Note 5(h). Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

The Group as lessee

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

(e) **Financial instruments**

(i) ***Financial assets***

Financial assets are classified into loans and receivables and available-for-sale investment.

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the receivables expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any of such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

Available-for-sale investment

These assets are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses (see the policy below) and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

For available-for-sale equity investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses.

(ii) ***Impairment loss on financial assets***

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

— significant financial difficulty of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payments;

— granting concession to a debtor because of debtor's financial difficulty;

— it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

— a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

If any such evidence exists, the impairment loss is measured and recognised as follows:

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in the profit or loss of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

Available-for-sale financial assets

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss and there is objective evidence that the asset is impaired, an amount is removed from equity and recognised in profit or loss as an impairment loss. That amount is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Reversals in respect of investment in equity instruments classified as available-for-sale and stated at fair value are not recognised in the profit or loss. The subsequent increase in fair value is recognised in other comprehensive income. Impairment losses in respect of debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss were recognised. Reversal of impairment losses in such circumstances are recognised in profit or loss.

Financial assets carried at cost

The amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Financial assets other than trade receivables that are stated at amortised cost, impairment losses are written off against the corresponding assets directly. Where the recovery of trade receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(iii) ***Financial liabilities***

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. The Group's financial liabilities include trade, bill and other payables, accruals, bank borrowings and finance lease payables.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as in accordance with the Group's accounting policy for borrowing costs.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the profit or loss.

Bank borrowings

Bank borrowings are recognised initially at fair value, net of transaction costs incurred. Bank borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Bank borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Finance lease payables

Finance lease payables are measured at initial value less the capital element of lease repayments.

Other financial liabilities

Other financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

(iv) ***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) ***Derecognition***

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

(f) **Inventories and consumables**

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using first-in first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Consumables for own consumption or provision of services are stated at cost. Cost is determined using the weighted average method.

(g) **Cash and cash equivalents**

Cash and cash equivalents include cash at bank and on hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services and the use by others of the Group's assets yielding interest, dividend and rentals, net of rebates and discounts. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

(i) Revenue from sales of goods is recognised when the significant risks and rewards of ownership have been transferred to the customers, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold. Normally, risk is transferred upon dispatch of goods and customer has accepted the goods.

(ii) Rental income receivable from operating leases is recognised in profit or loss on a straight-line basis over the periods covered by the lease term, except where an alternative basis is more representative of the time pattern of benefits to be derived from the use of the leased asset.

(iii) Service income is recognised when the services are rendered.

(iv) Interest income is recognised on a time-proportion basis using the effective interest method.

(v) Dividend income is recognised when the right to receive payment is established.

(i) **Income taxes**

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income.

Current tax assets and current tax liabilities are presented in net if, and only if,

— the Group has the legally enforceable right to set off the recognised amounts; and

— intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

— the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

— the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

  — the same taxable entity; or

  — different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(j) **Foreign currency**

Transactions entered into by the Company/group entities in currencies other than currency of the primary economic environment in which it/they operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. HK$) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

(k) **Employee benefits**

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

The employees of the Group's subsidiaries which operate in Hong Kong are required to participate in the Mandatory Provident Fund ("MPF") Schemes Ordinance, for all of its employees who are eligible to participate in the MPF scheme. Contributions are made based on a percentage of the employees' basic salaries.

The employees of the Group's subsidiaries which operate in Singapore are required to participate in the Central Provident Fund ("CPF") Scheme, for all of its employees who are eligible to participate in the CPF scheme. The Group is required to contribute a certain percentage of its payroll costs to the CPF scheme.

The employees of the Group's subsidiaries which operate in Vietnam and Macau are required to participate in central pension scheme operated by the local municipal governments. The Group is required to contribute 20% of its payroll costs to the central pension scheme in Vietnam and certain percentage of its payroll cost to the central pension scheme in Macau.

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

(l) **Impairment of non-financial assets**

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

— Property, plant and equipment under cost model; or

— Investments in subsidiaries.

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

(m) **Capitalisation of borrowing costs**

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(n) **Provisions and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(o) **Share capital**

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

(p) **Related parties**

(a) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of key management personnel of the Group or the Company's parent.

(b) An entity is related to the Group if any of the following conditions apply:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

6. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In the application of the Group's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Useful life of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment, this estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(b) Fair value of land and building carried at fair value

Land and building carried at fair value of the Group is stated at fair value less accumulated depreciation in accordance with the accounting policy stated in Note 5(c). The fair value of the leasehold land and building is determined by a firm of independently qualified professional surveyors. Such valuation was based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

In making the judgment, consideration has been given to assumptions that are mainly based on market conditions existing at the balance sheet dates and appropriate capitalisation rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

(c) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the tax losses can be utilised. Recognition of deferred tax assets primarily involves management judgment and estimations regarding the taxable profits of the entities in which the losses arose. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(d) **Allowance for slow-moving inventories**

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgment and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

(e) **Impairment loss for trade and other receivables**

The Group makes impairment loss for impairment losses on trade and other receivables based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment losses on trade and other receivables requires the use of judgment and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed. If the financial conditions of the debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

7. 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	**Singapore**	**Vietnam**	**Macau**	**Inter segment elimination**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31st 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)

	Hong Kong	Singapore	Vietnam	Macau	Inter segment elimination	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
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	—	2,351	—	—	—	2,351
Additions to non-current segment assets during the year	28,959	124,353	25	—	(2,460)	150,877
At 31st 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	Singapore	Vietnam	Macau	Inter segment elimination	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31st December, 2010						
Revenue						
From external customers	26,205	111,903	1,268	—	—	139,376
From inter segment	11,316	—	—	—	(11,316)	—
Reportable segment revenue	37,521	111,903	1,268	—	(11,316)	139,376
Reportable segment profit/(loss)	(120)	30,257	(374)	(92)	1,584	31,255
Unallocated corporate expenses						(10,408)
Profit for the year						20,847
Other reportable segment information						
Interest income	36	258	32	—	—	326
Interest expenses	(581)	(4,591)	(16)	—	—	(5,188)
Depreciation of non-financial assets	(5,766)	(18,656)	(545)	—	—	(24,967)
Gain on disposal of property, plant and equipment	—	23,836	—	—	—	23,836
Fair value gain of derivative financial instrument	159	—	—	—	—	159
Income tax credit	1,907	—	—	—	—	1,907
Reversal of provisions of buy-back options	767	—	—	—	—	767
Additions to non-current segment assets during the year	7,452	52,032	—	—	—	59,484

	Hong Kong	Singapore	Vietnam	Macau	Inter segment elimination	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31st 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	Singapore	Vietnam	Macau	Holland	Sri Lanka	Poland	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31st December, 2011	25,898	119,248	1,953	1,886	1,149	1,290	676	2,039	154,139
Year ended 31st 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 8.

No customer attributed more than 10% of the Group's total revenue (2010: nil).

8. 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	2010
	HK$'000	*HK$'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

9. OTHER INCOME

	2011	2010
	HK$'000	*HK$'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

10. FINANCE COSTS

	2011	2010
	HK$'000	*HK$'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	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).

11. (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 31)	149	—
Staff costs (including directors' remuneration (Note 15))		
— 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 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).

12. 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 (Note 28)	1,147	—
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.

A reconciliation of income tax credit and accounting (loss)/profit at applicable tax rate is as follows:

	2011 *HK$'000*	2010 *HK$'000*
(Loss)/profit before income tax	(3,527)	18,940
Tax calculated at the domestic tax rate of 16.5% (2010: 16.5%)	(582)	3,125
Tax effect of different tax rates of subsidiaries	3	151
Tax effect of non-deductible expenses	905	5,491
Tax effect of non-taxable income	(170)	(4,821)
Tax effect of temporary difference not recognised	—	(425)
Tax effect of prior year's unrecognised tax losses utilised this year	(195)	(658)
Tax effect of tax losses not recognised	—	(4,770)
Overprovision in respect of prior years	(2,351)	—
Others	39	—
Income tax credit	(2,351)	(1,907)

13. DIVIDEND

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

14. (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: no).

15. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

	Directors' fees	Other emoluments			
		Salaries, allowances and other benefits	Discretionary bonuses	Contribution to pension plans	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2011					
Executive directors					
Mr. Chung Tze Hien	120	—	120	—	240
Mr. Quek Chang Yeow	—	1,280	558	76	1,914
Mr. Lai Siu Shing	—	872	70	12	954
Independent non-executive directors					
Mr. Cheung Chi Wai Vidy	80	—	—	—	80
Mr. Lau Wing Yuen	80	—	—	—	80
Mr. Louie Chun Kit	110	—	—	—	110
	390	2,152	748	88	3,378
2010					
Executive directors					
Mr. Chung Tze Hien	62	—	—	—	62
Mr. Quek Chang Yeow	—	1,014	412	64	1,490
Mr. Lai Siu Shing	—	1,088	69	12	1,169
Independent non-executive directors					
Mr. Cheung Chi Wai Vidy	31	10	—	—	41
Mr. Lau Wing Yuen	31	10	—	—	41
Mr. Louie Chun Kit	31	27	—	—	58
	155	2,149	481	76	2,861

There were no arrangements under which a director waived or agreed to waive any remuneration during the year (2010: nil).

During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group, or as compensation for loss of office (2010: nil).

(b) **Five highest paid individuals**

The five individuals whose emoluments were the highest in the Group included 2 directors for the year (2010: 2 directors) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining 3 individuals for the year (2010: 3 individuals) are as follows:

	2011	**2010**
	HK$'000	*HK$'000*
Salaries and other emoluments	1,771	1,597
Discretionary bonuses	448	348
Contribution to pension plans	199	134
	2,418	2,079

The emoluments of non-director individuals fell within the following bands:

	2011	**2010**
Nil to HK$1,000,000	2	3
HK$1,000,001 to HK$1,500,000	1	—

During the year, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office (2010: nil).

16. PROPERTY, PLANT AND EQUIPMENT — GROUP

	Land and building carried at fair value HK$'000	Building carried at cost HK$'000	Plant and machinery HK$'000	Furniture and fixture HK$'000	Office and other equipment HK$'000	Motor vehicles HK$'000	Leasehold improvements HK$'000	Total HK$'000
At 1st January, 2010								
Cost or valuation	4,068	5,160	251,430	2,890	3,713	3,093	—	270,354
Accumulated depreciation	—	(516)	(116,151)	(2,719)	(3,134)	(1,951)	—	(124,471)
Net carrying amount	4,068	4,644	135,279	171	579	1,142	—	145,883
Year ended 31st December, 2010								
Opening net carrying amount	4,068	4,644	135,279	171	579	1,142	—	145,883
Additions	—	—	53,769	20	296	585	—	54,670
Disposals	—	(4,889)	(1,340)	(1)	(7)	(86)	—	(6,323)
Depreciation	(108)	(102)	(23,918)	(99)	(258)	(482)	—	(24,967)
Transfer to inventories	—	—	(780)	—	—	—	—	(780)
Valuation adjustment	1,038	—	—	—	—	—	—	1,038
Exchange differences	—	347	7,056	1	3	79	—	7,486
Closing net carrying amount	4,998	—	170,066	92	613	1,238	—	177,007
At 31st December, 2010 and 1st January, 2011								
Cost or valuation	4,998	—	310,630	2,658	3,692	3,483	—	325,461
Accumulated depreciation	—	—	(140,564)	(2,566)	(3,079)	(2,245)	—	(148,454)
Net carrying amount	4,998	—	170,066	92	613	1,238	—	177,007

	Land and building carried at fair value	Building carried at cost	Plant and machinery	Furniture and fixture	Office and other equipment	Motor vehicles	Leasehold improvements	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31st December, 2011								
Opening net carrying amount	4,998	—	170,066	92	613	1,238	—	177,007
Additions	—	47,819	96,863	177	361	989	4,668	150,877
Disposals	—	—	(155)	—	—	(69)	—	(224)
Depreciation	(135)	(1,702)	(30,348)	(77)	(328)	(548)	(92)	(33,230)
Transfer to inventories	—	—	(5,907)	—	—	—	—	(5,907)
Valuation adjustment	1,775	—	—	—	—	—	—	1,775
Exchange differences	—	61	(276)	1	6	7	3	(198)
Closing net carrying amount	6,638	46,178	230,243	193	652	1,617	4,579	290,100
At 31st December, 2011								
Cost or valuation	6,638	47,819	398,645	2,630	3,983	3,898	4,668	468,281
Accumulated depreciation	—	(1,641)	(168,402)	(2,437)	(3,331)	(2,281)	(89)	(178,181)
Net carrying amount	6,638	46,178	230,243	193	652	1,617	4,579	290,100

The analysis of net carrying amounts for the above assets under the cost or valuation model is as follows:

	Land and building carried at fair value	Building carried at cost	Plant and machinery	Furniture and fixture	Office and other equipment	Motor vehicles	Leasehold improvements	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31st December, 2011								
At cost	—	46,178	230,243	193	652	1,617	4,579	283,462
At valuation	6,638	—	—	—	—	—	—	6,638
	6,638	46,178	230,243	193	652	1,617	4,579	290,100
At 31st December, 2010								
At cost	—	—	170,066	92	613	1,238	—	172,009
At valuation	4,998	—	—	—	—	—	—	4,998
	4,998	—	170,066	92	613	1,238	—	177,007

The Group's land and building carried at fair value were valued at 31st December, 2011 on an open market value basis by a firm of independent qualified professional surveyor, LCH (Asia-Pacific) Surveyors Limited ("LCH"), members of LCH are professional members of the Hong Kong Institute of Surveyors. Fair values were estimated based on recent market transactions, which were then adjusted for specific conditions relating to the land and buildings. The revaluation surplus was credited to other comprehensive income.

Had the land and building carried at fair value been measured on cost model, the net carrying amount would have been as follows:

	2011	**2010**
	HK$'000	*HK$'000*
Cost	1,871	1,871
Accumulated depreciation	(686)	(653)
Net carrying amount	1,185	1,218

At 31st December, 2011, the Group's land and building carried at fair value was situated in the Hong Kong (2010: Hong Kong) and is held under medium term lease (2010: medium term lease).

At 31st December, 2011, the Group's building carried at cost was situated in Singapore and is held under medium term lease.

At 31st December, 2011, the net carrying amount of the Group's plant and machinery (2010: plant and machinery and motor vehicles) included an amount of HK$148,171,000 (2010: HK$71,588,000) in respect of assets held under finance lease (Note 26).

At 31st December, 2011, the net carrying amount of the Group's plant and machinery included an amount of HK$9,913,000 (2010 HK$6,636,000) were pledged as security for bank borrowings (Note 25).

At 31st December, 2011, the net carrying amount of the Group's land and building carried at fair value included an amount of approximately HK$6,638,000 (2010: HK$4,998,000) were pledged as security for bank borrowings (Note 25).

At 31st December, 2011, the net carrying amount of the Group's building carried at cost included an amount of approximately HK$46,178,000 (2010: nil) were pledged as security for bank borrowings (Note 25).

17. AVAILABLE-FOR-SALE INVESTMENT — GROUP

	2011	**2010**
	HK$'000	*HK$'000*
Unlisted equity investment, at cost	580	580

The Group had 15% equity interest in 深圳能科達機械工程有限公司, Shenzhen Nectar Engineering & Equipment Co., Ltd.*, a Sino-foreign-owned joint venture enterprise incorporated in the People's Republic of China (the "PRC").

* The English translation of the company name is for reference only. The official name of this company is in Chinese.

The fair value of unlisted equity securities was not disclosed as the fair value cannot be measured reliably. There was no open market on the unlisted investment and the management has no intention to dispose of such investment at reporting date.

18. INTERESTS IN SUBSIDIARIES — COMPANY

	2011	2010
	HK$'000	*HK$'000*
Investments in subsidiaries		
Unlisted shares, at cost	105,597	105,597
Amounts due from subsidiaries	57,428	39,597

The amounts due from subsidiaries were unsecured, interest free and repayable on demand.

During the year, the Company's former subsidiary namely Manta Engineering Pte Limited, which was incorporated in Singapore, was struck off from the register in accordance with Section 344(10) of the Companies Act.

At 31st December, 2011, the particulars of the subsidiaries in which the Company has direct or indirect interests are set out as follows:

Name	Place of incorporation	Particulars of issued and fully paid share capital/registered capital	Effective interest held by the Company	Principal activities
Interests held directly				
Chief Strategy Limited	BVI	300 ordinary shares of USD1 each	100%	Investment holding
Gold Lake Holdings Limited	BVI	100 ordinary shares of USD1 each	100%	Investment holding
Interests held indirectly				
Manta Engineering and Equipment Company, Limited	Hong Kong	145,306 ordinary shares of HK$100 each	100%	Trading in construction machinery and spare parts
Manta Equipment Rental Company Limited	Hong Kong	96,148 ordinary shares of HK$100 each	100%	Leasing of construction machinery and provision of repair and maintenance services

Name	Place of incorporation	Particulars of issued and fully paid share capital/registered capital	Effective interest held by the Company	Principal activities
Interests held directly				
Manta Equipment (S) Pte Ltd	Singapore	10,000,000 ordinary shares of S$1 each	100%	Trading and leasing of construction machinery and provision of repair and maintenance services
Manta Equipment Services Limited	Hong Kong	1,132 ordinary shares of HK$100 each	100%	Investment holding
Manta-Vietnam Construction Equipment Leasing Limited	Vietnam	Owner invest equity VND10,649,879,390	67%	Leasing of construction equipment
Manta Engineering and Equipment (Macau) Company Limited	Macau	1 quota with nominal value of MOP25,000	100%	Leasing of construction equipment
Manta Services (S) Pte Limited	Singapore	10,000 ordinary shares of S$1 each	100%	Inactive

19. INVENTORIES AND CONSUMABLES — GROUP

	2011	2010
	HK$'000	*HK$'000*
Cranes and spare parts	35,085	31,090

20. TRADE RECEIVABLES — GROUP

	2011	2010
	HK$'000	*HK$'000*
Trade receivables, gross	46,025	35,475
Less: Provision for impairment	(519)	(189)
Trade receivables, net	45,506	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 and rental agreement.

The directors of the Company consider that the fair values of trade receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

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

The movement in the allowance for impairment of trade receivables during the year is as follows:

	2011	**2010**
	HK$'000	*HK$'000*
At 1st January	189	221
Impairment loss recognised	464	—
Bad debts written off	(117)	—
Net exchange differences	(17)	(32)
At 31st December	519	189

At each reporting date, the Group reviews receivables for evidence of impairment on both an individual and collective basis. At 31st December, 2011, the Group has determined trade receivables of approximately HK$519,000 as individually impaired (2010: HK$189,000). Based on this assessment, approximately HK$464,000 (2010: nil) impairment loss had been provided and HK$117,000 (2010: nil) impairment loss was written off for the year. The impaired trade receivables are due from customers experiencing financial difficulties that were in default or delinquency of payments.

The Group did not hold any collateral as security or other credit enhancements over the impaired trade receivables, whether determined on an individual or collective basis.

The ageing analysis of the Group's trade receivables that are not impaired is as follows:

	2011	2010
	HK$'000	*HK$'000*
Neither past due nor impaired	15,574	11,456
Not more than 3 months past due	24,685	16,838
Over 3 months past due	5,247	6,992
	45,506	35,286

Trade receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a number of customers that have a good track record of repayment with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES — GROUP AND COMPANY

	2011	2010
	HK$'000	*HK$'000*
Group		
Non-current portion		
Deposit paid for acquisition of a property (Note 32(c))	—	4,814
Current portion		
Prepayments	7,695	9,107
Deposits	1,246	2,637
Other receivables	1,371	865
	10,312	12,609
Company		
Prepayments	367	389

None of the above financial assets was either past due or impaired. The financial assets included in the above balances related to counterparties for which there was no recent history of default.

The carrying amounts of deposits and other receivables of the Group approximate their fair values as this financial asset which is measured at amortised cost, is expected to be repaid within a short timescale, such that the time value of money is not significant.

22. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS — GROUP AND COMPANY

Pledged bank deposits have maturities of 9 months as at 31st December, 2011 (2010: 9 months) and such deposits have been pledged to certain banks as securities for bank borrowings (Note 25) (2010: bank borrowings and finance lease payables (Note 26)). The effective interest rates of the Group's pledged bank deposits were set out in note 35(a). The directors of the Company considered that the fair value of the short-term bank deposits is not materially different from their carrying amount because of the short maturity period on their inception.

Cash and cash equivalents represent cash at bank and on hand. Cash at bank earns interest at floating rates based on daily bank deposits rates. The Group's and the Company's exposures to foreign currency risk were set out in note 35(c).

23. TRADE AND BILL PAYABLES — GROUP

	2011	**2010**
	HK$'000	*HK$'000*
Trade payables	24,298	46,391
Bill payables	12,996	—
	37,294	46,391

The credit period is generally for a period of 0 to 60 days or based on the terms agreed in the purchase agreement. At 31st December, 2011, trade payables of approximately HK$14,634,000 (2010: HK$23,599,000) were interest-bearing at 4.5%-5% per annum (2010: 5% per annum).

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

The fair values of trade and bill payables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

24. RECEIPT IN ADVANCE, ACCRUALS AND OTHER PAYABLES — GROUP AND COMPANY

	2011	2010
	HK$'000	*HK$'000*
Group		
Receipt in advance	24,091	14,190
Accruals	5,625	4,874
Other payables	373	4,291
	30,089	23,355
Company		
Accruals	277	557

The carrying amounts of accruals and other payables of the Group and the Company approximate their fair values as these financial liabilities which are measured at amortised cost, are expected to be repaid within a short timescale, such that the time value of money is not significant.

25. BANK BORROWINGS — GROUP

	2011	2010
	HK$'000	*HK$'000*
Repayable :		
Within one year	9,939	2,206
More than one year, but not exceeding two years	6,523	2,319
More than two years, but not exceeding five years	8,386	2,244
More than five years	19,995	—
	44,843	6,769
Portion classified as current liabilities	(12,650)	(6,769)
Non-current portion	32,193	—

Bank borrowings were denominated in Hong Kong Dollars and Singapore Dollars. The effective interest rates of the Group's bank borrowings were set out in note 35(a).

At 31st December, 2010 and 2011, bank borrowings of the Group were secured by bank deposits (Note 22), land and building carried at fair value, building carried at cost and plant and machinery of the Group (Note 16) and corporate guarantees executed by the Company.

The carrying values of the Group's borrowings approximate their fair values.

The current liabilities included bank borrowings of approximately HK$2,756,000 (2010: 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.

26. FINANCE LEASE PAYABLES — GROUP

	2011	**2010**
	HK$'000	*HK$'000*
Total minimum lease payments:		
Due within one year	33,910	21,627
Due in the second to fifth years	76,532	34,933
	110,442	56,560
Future finance charges on finance leases	(12,340)	(4,395)
Present value of finance lease liabilities	98,102	52,165
Present value of minimum lease payments:		
Due within one year	29,172	18,917
Due in the second to fifth years	68,930	33,248
	98,102	52,165
Less: Portion classified as current liabilities	(29,172)	(18,917)
Non-current portion	68,930	33,248

The Group has entered into finance leases for items of property, plant and equipment. 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 for it to be reasonably certain, at the inception of the lease, that the option will be exercised. None of the leases include contingent rentals.

Finance lease payables bore interest at fixed interest rates. The effective interest rates on the Group's finance lease payables as at reporting date ranged from 2.1% to 8.6% (2010: 5.0% to 8.3%).

At 31st December, 2011, finance lease payables of the Group were secured by corporate guarantees executed by the Company.

At 31st December, 2010, finance lease payables of the Group were secured by bank deposits (Note 22) and corporate guarantees executed by the Company.

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.

27. PROVISION — GROUP

The provision represented the best estimate of the Group's liability for a buy-back option arising from sales of cranes. The movement during the year is as follows:

	2011	**2010**
	HK$'000	*HK$'000*
At 1st January	—	767
Provision reversed during the year	—	(767)
At 31st December	—	—

28. DEFERRED TAX — GROUP

Deferred tax is calculated in full on temporary differences under the liability method using the following principal tax rates:

	2011	**2010**
	HK$'000	*HK$'000*
Hong Kong profits tax	16.5%	16.5%
Singapore profits tax	17%	17%

The movement on deferred tax liabilities is as follows:

	Deferred tax liabilities attributable to accelerated tax depreciation
	HK$'000
At 1st January, 2010	(8,893)
Recognised in the profit or loss (Note 12)	1,907
Exchange differences	(348)
At 31st December, 2010 and 1st January, 2011	(7,334)
Recognised in the profit or loss (Note 12)	1,147
Exchange differences	(13)
At 31st December, 2011	(6,200)

29. SHARE CAPITAL

	Notes	2011 Number	2011 Amount *HK$'000*	2010 Number	2010 Amount *HK$'000*
Ordinary shares of HK$0.01 each					
Authorised:					
At 1st January		200,000,000,000	2,000,000	—	—
Upon incorporation	(i)	—	—	5,000,000	50
Increase in authorised ordinary shares	(ii)	—	—	199,995,000,000	1,999,950
At 31st December		200,000,000,000	2,000,000	200,000,000,000	2,000,000
Issued and fully paid:					
At 1st January		200,000,000	2,000	—	—
Upon incorporation	(i)	—	—	1	—
Issue of ordinary shares on group reorganisation	(iii)	—	—	99,999,999	1,000
Issue of ordinary shares on loan capitalisation	(iv)	—	—	31,550,000	316
Issue of ordinary shares on capitalisation issue	(v)	—	—	18,450,000	184
Issue of ordinary shares under Share Offer	(vi)	—	—	50,000,000	500
At 31st December		200,000,000	2,000	200,000,000	2,000

Notes:

(i) The Company was incorporated in the Cayman Islands on 11th March, 2010. At the date of incorporation, the authorised share capital of the Company was HK$50,000 divided into 5,000,000 ordinary shares of HK$0.01 each. Following the incorporation, one ordinary share of HK$0.01 was allotted and issued at par.

(ii) Pursuant to the written resolutions dated 25th June, 2010, the authorised share capital of the Company was increased from HK$50,000 to HK$2,000,000,000 comprising 200,000,000,000 ordinary shares of HK$0.01 each by creation of additional 199,995,000,000 ordinary shares.

(iii) On 25th June, 2010, the Company allotted and issued 99,999,999 ordinary shares, all credited as fully paid, in consideration for the acquisition of certain subsidiaries upon completion of the group reorganisation.

(iv) On 25th June, 2010, the outstanding balance with certain fellow subsidiaries, which are wholly owned by Mulpha, of approximately HK$25,565,000 was capitalised, pursuant to which 31,550,000 ordinary shares of HK$0.01 each were issued at a price of approximately HK$0.81 each to Jumbo Hill Group Limited, the immediate holding company of the Company and a wholly owned subsidiary of Mulpha. A share premium of approximately HK$25,249,000 arose and was recorded as equity of the Company.

(v) On 16th July, 2010, written resolution of all the shareholders were passed pursuant to conditional upon the share premium account of the Company being credited as a result of initial public offering, the directors were authorised to capitalise an amount of approximately HK$184,500 from the share premium account of the Company for paying up in full at par 18,450,000 ordinary shares of HK$0.01 each for allotment and issue to the person(s) whose name(s) appears on the register of members of the Company at the close of business on 16th July, 2010.

(vi) On 19th July, 2010, the Company allotted and issued 50,000,000 ordinary shares of HK$0.01 each upon listing of shares on the HKEX at a price of HK$1 each (the "Share Offer").

30. RESERVES — GROUP AND COMPANY

Merger reserve

The merger reserve of the Group arose as a result of the group reorganisation which was completed on 25th June, 2010, represented the difference between (a) the sum of nominal value of the combined capital and share premium of the Group and (b) the nominal value of the share capital of the Company.

Contributed surplus

Contributed surplus of the Company represented the difference between the net assets value transferred from certain subsidiaries to the Company pursuant to the group reorganisation and the nominal value of share capital and share premium of the Company.

Share premium

The share premium account represented the premium arose from the issue of shares of the Company.

Group

Details of the movements on the Group's reserve are as set out in the consolidation statements of changes in equity.

Company

	Share premium HK$'000	Contributed surplus HK$'000	Accumulated losses HK$'000	Total HK$'000
Balance at 11th March, 2010 (Date of incorporation)	—	—	—	—
Issue of shares pursuant to group reorganisation (Note 29(iii))	—	104,597	—	104,597
Issue of ordinary shares on loan capitalisation (Note 29(iv))	25,249	—	—	25,249
Issue of ordinary shares on capitalisation issue (Note 29(v))	(184)	—	—	(184)
Issue of ordinary shares under share offer (Note 29(vi))	49,500	—	—	49,500
Share issue expenses	(4,597)	—	—	(4,597)
Transactions with owners	69,968	104,597	—	174,565
Loss and total comprehensive loss for the period	—	—	(10,217)	(10,217)
Balance at 31st December, 2010 and 1st January, 2011	69,968	104,597	(10,217)	164,348
Loss and total comprehensive loss for the year	—	—	(2,122)	(2,122)
Balance at 31st December, 2011	69,968	104,597	(12,339)	162,226

31. OUTSTANDING CLAIM — GROUP

The Group had received two letters dated 8th June, 2009 and 26th 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 21st 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 31st 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 23rd 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 11th 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. The corresponding indemnity provided by Mulpha is recognised as income respectively for the year ended 31st December, 2011. 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 these financial statements, the directors of the Company consider that the potential outstanding amount of claims would be immaterial.

32. COMMITMENTS — GROUP AND COMPANY

(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:

	2011	**2010**
	HK$'000	*HK$'000*
Within one year	45,215	11,576
In the second to fifth years, inclusive	1,400	1,576
	46,615	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:

	2011	**2010**
	HK$'000	*HK$'000*
Within one year	5,769	5,694
In the second to fifth years, inclusive	329	899
	6,098	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.

The Company does not have any minimum lease receipts under non-cancellable operating leases.

(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:

	2011	2010
	HK$'000	*HK$'000*
Within one year	1,691	1,563
In the second to fifth years, inclusive	1,966	3,449
After five years	1,900	1,913
	5,557	6,925

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

The Company does not have any significant operating lease commitments as lessee.

(c) **Capital commitment**

	2011	2010
	HK$'000	*HK$'000*
Group		
Property, plant and equipment - plant and machinery (2010: a property)		
Contracted but not provided for	4,009	43,323

The Company does not have any significant capital commitments.

33. RELATED PARTY TRANSACTIONS — GROUP

Saved as disclosed elsewhere in the financial statements, the Group has the following related party transactions during the year.

(i) Significant related party transactions during the year

	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

The remuneration of directors and other members of key management during the year was as follows:

	2011 HK$'000	2010 HK$'000
Short-term employee benefits	3,290	4,528
Post employment benefit	88	210
	3,378	4,738

34. SIGNIFICANT NON-CASH TRANSACTIONS — GROUP

Additions to building carried at cost of approximately HK$31,628,000 and HK$4,814,000 were financed by bank loans and capitalised from non-current deposit respectively.

Additions to property, plant and equipment of approximately HK$74,066,000 (2010: HK$33,134,000) were financed by finance leases.

During the year ended 31st December, 2010, approximately HK$25,565,000 of the amounts due to fellow subsidiaries which are wholly owned by Mulpha were capitalised (Note 29(iv)).

During the year ended 31st December, 2010, an amount of approximately HK$184,000 were capitalised from the share premium account of the Company.

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT — GROUP AND COMPANY

The Group is exposed to a variety of financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk, interest rate risk and fair value risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the board of directors. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets.

It is not the Group's policy to actively engage in the trading of financial instruments for speculative purposes. It identifies ways to access financial markets and monitors the Group's financial risk exposures. Regular reports are provided to the board of directors.

(a) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's bank deposits and cash at bank balances were bearing floating interest rates. The Group also has bank borrowings, trade payables and finance leases payables which bore interests at fixed and floating interest rates. Exposure to interest rate risk exists on those balances subject to floating interest rate when there are unexpected adverse interest rate movements. The Group's policy is to manage its interest rate risk, working within an agreed framework, to ensure that there are no unduly exposures to significant interest rate movements and rates are approximately fixed when necessary.

(i) ***Exposure***

The following table details the interest rate profile of the Group's and the Company's variable rate financial instruments at the reporting date:

	Effective interest rate per annum		Carrying amount	
	2011	**2010**	**2011**	**2010**
	%	*%*	*HK$'000*	*HK$'000*
Group				
Financial assets				
Pledged bank deposits	0.4	0.4	3,519	3,697
Cash and cash equivalents	0-0.2	0-0.2	25,156	66,002
			28,675	69,699
Financial liabilities				
Bank borrowings	3.0-5.0	5.0	44,843	6,769
Net exposure			(16,168)	62,930
Company				
Financial assets				
Cash and cash equivalents	0-0.2	0-0.2	1,111	21,322

The policies to manage interest rate risk have been followed by the Group and the Company consistently throughout the year.

(ii) ***Sensitivity analysis***

The following table illustrates the sensitivity of (loss)/profit after income tax for the year and accumulated losses to a reasonably possible change in interest rates of +1% (2010: +1%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and all other variables are held constant.

	2011	**2010**
	HK$'000	*HK$'000*
Effect on (loss)/profit after income tax for the year and accumulated losses	(134)	524

A - 1% (2010: -1%) change in interest rates would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

The Company has no significant interest rate risks.

(b) **Credit risk**

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its business.

The Group continuously monitor defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties and customers.

The Group's management considers that all the above financial assets that are not impaired under review are of good credit quality, including those that are past due.

None of the Group's financial assets are secured by collateral or other credit enhancement.

In respect of trade and other receivables and deposits, the Group is not exposed to any significant credit risk exposure to any single counterparty/customer or any group of counterparties/customers having similar characteristics. The credit risk for bank deposits and balances is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

(c) **Foreign currency risk**

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group operates internationally and it has operations in Hong Kong, Singapore, Vietnam and Macau. Income and expenses of the Group are primarily denominated in HK$, Singapore Dollars ("S$"), Euro ("EUR"), United States Dollars ("US$") and Vietnamese Dong ("VND"). Thus, it is exposed to foreign currency risk from currency exposures.

The Group's sales are mainly denominated in HK$, S$ and US$ while purchases are mainly denominated in HK$, EUR, S$ and US$. EUR and US$ are not the functional currencies of the Group entities to which these transactions relate.

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

The policies to manage foreign currency risk have been followed by the Group consistently throughout the year and are considered to be effective.

Since HK$ are pegged to US$, there is no significant exposure expected on US$ transactions and balances arising in Hong Kong.

(i) ***Exposure***

Foreign currency denominated financial assets and liabilities, translated into HK$ at the closing rates, are as follows:

	EUR	USD
	HK$'000	*HK$'000*
2011		
Trade receivables	—	114
Cash and cash equivalents	88	2,871
Trade and bill payables	7,825	19,773
2010		
Cash and cash equivalents	94	4,006
Trade payables	3,831	27,458

The Company has no significant foreign currency risks.

(ii) ***Sensitivity analysis***

The following table illustrates the sensitivity of the Group's (loss)/profit after income tax for the year and accumulated losses in regards to 1% (2010: 1%) appreciation in the Group's functional currencies against Euro and 1% (2010: 1%) against USD for the year. These rates are the rates used when reporting foreign currency risk internally to key management personnel and represents management's best assessment of the possible change in foreign exchange rates.

The sensitivity analysis of the Group's exposure to foreign currency risk at reporting date has been determined based on the assumed percentage changes in foreign currency exchange rates taking place at the beginning of the financial year and held constant throughout the year.

	EUR	USD
	HK$'000	*HK$'000*
2011		
(Loss)/profit after income tax and accumulated losses	64	140
2010		
(Loss)/profit after income tax and accumulated losses	31	195

The same % depreciation in the Group's functional currencies against the respective foreign currencies would have the same magnitude on the Group's profit after income tax and retained earnings as shown above and equity but of opposite effect, on the basis that all variables remain constant (2010: -1%).

(d) **Liquidity risk**

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade and other payables and its financing obligations, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major banks and financial institutions to meet its liquidity requirements in the short and longer terms.

The liquidity policies have been followed by the Group since prior years and are considered to have been effective in managing liquidity risks.

The maturity profile of the Group's financial liabilities as at the reporting date, based on the contractual undiscounted payments, was as follows:

	Carrying amount	Total contractual undiscounted cash flow	On demand	Less than one year	More than one year
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2011					
Financial liabilities					
— Trade and bill payables	37,294	37,294	—	37,294	—
— Accruals and other payables	5,998	5,998	5,998	—	—
— Bank borrowings	44,843	55,931	3,595	10,126	42,210
— Finance lease payables	98,102	110,442	—	33,910	76,532
	186,237	209,665	9,593	81,330	118,742
2010					
Financial liabilities					
— Trade payables	46,391	47,688	—	47,688	—
— Accruals and other payables	9,165	9,165	9,165	—	—
— Bank borrowings	6,769	6,769	6,769	—	—
— Finance lease payables	52,165	56,560	—	21,627	34,933
	114,490	120,182	15,934	69,315	34,933

For term loans which contain a repayment on demand clause that can be exercised at the bank's sole discretion, the analysis above shows the cash outflows based on the earliest period in which the Group can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect.

Taking into account the Group's financial position the directors of the Company do not consider it probable that the bank will exercise its discretion to demand immediate repayment. The directors of the Company believe that such term loans will be repaid in accordance with the scheduled payment dates set out in the loan agreements which are summarised in the table below:

	Carrying amount	Total contractual undiscounted cash flow	On demand	Less than one year	More than one year but less than two years	More than two years but less than five years	More than five years
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31st December, 2011	44,843	56,273	—	11,111	8,116	12,059	24,987
31st December, 2010	6,769	7,290	—	2,494	4,796	—	—

The Company has no significant liquidity risks.

(e) **Fair value**

The fair values of the Group's financial assets and liabilities were not materially different from their carrying amounts because of the immediate or short term maturity of these financial instruments. The fair values of non-current liabilities were not disclosed because the carrying values were not materially different from the fair value.

(f) **Summary of financial assets and liabilities by category**

The categories of financial assets and financial liabilities at the reporting dates are included are as follows:

	2011	2010
	HK$'000	*HK$'000*
Group		
Financial assets		
Loans and receivables		
— Trade receivables	45,506	35,286
— Other receivables and deposits	2,617	3,502
— Pledged bank deposits	3,519	3,697
— Cash and cash equivalents	25,156	66,002
	76,798	108,487
At cost less impairment loss		
— Available-for-sale investment	580	580
	77,378	109,067
Financial liabilities		
At amortised cost		
— Trade and bill payables	37,294	46,391
— Accruals and other payables	5,998	9,165
— Bank borrowings	44,843	6,769
— Finance lease payables	98,102	52,165
	186,237	114,490
Company		
Financial assets		
Loans and receivables		
— Amounts due from subsidiaries	57,428	39,597
— Cash and cash equivalents	1,111	21,322
	58,539	60,919
Financial liabilities		
At amortised cost		
— Accruals	277	557

36. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, to maintain an optimal capital structure to reduce the cost of capital and to support the Group's stability and growth. The Group actively and regularly reviews and manages its capital structure, taking into consideration the future capital requirements of the Group, to ensure optimal shareholder returns.

The Group monitors capital using a gearing ratio, which is net debts divided by total capital. Total debts are calculated as the sum of bank borrowings, finance lease payables as shown in the consolidated statement of financial position. The Group aims to maintain the gearing ratio at a reasonable level.

	2011	**2010**
	HK$'000	*HK$'000*
Bank borrowings	44,843	6,769
Finance lease payables	98,102	52,165
Total debts	142,945	58,934
Total equity	193,730	193,902
Total debt to equity ratio	0.7	0.3

3. INDEBTEDNESS

Borrowings

As at the close of business on 31st December, 2011, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, the Group had total outstanding indebtedness of approximately HK$142,945,000 which comprised secured bank borrowings of approximately HK$44,843,000 and secured finance lease payable of approximately HK$98,102,000. All the indebtedness were secured by bank deposits of approximately HK$3,519,000, certain property, plant and equipment excluded building carried at cost of the Group with carrying value of approximately HK$9,913,000, land and buildings carried at fair value and building carried at cost of the Group of approximately HK$52,816,000 and certain plant and machinery held by the Group under finance lease with carrying value of approximately HK$148,171,000 and corporate guarantee by the Company.

Operating lease commitment

As at 31st December, 2011, the total future minimum lease payment commitment of the Group in respect of plant and machinery, and properties under non-cancellable operating leases approximately HK$5,557,000.

Capital commitment

As at 31st December, 2011, the Group had capital commitments in respect of the acquisitions of plant and machinery contracted but not provided for amounting to approximately HK$4,009,000.

Contingent liabilities

As at 31st December, 2011, the Group had no material contingent liabilities.

Save as aforesaid and apart from intra-group liabilities, the Group did not have any debt securities, issued and outstanding, and authorized or otherwise created but unissued, any other outstanding loan capital, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or similar indebtedness, debentures, mortgages, charges, loans, acceptance credits, hire purchase commitments, guarantees or other material contingent liabilities at the close of business on 31st December, 2011 and the Directors confirm that there had been no material changes in the indebtedness and contingent liabilities of the Group since 31st December, 2011 and up to the Latest Practicable Date.

4. MATERIAL CHANGE

The Directors confirmed that there was no material change in the financial or trading position or outlook of the Group since 31st December, 2011 (being the date to which the latest published audited financial statements of the Group have been made up) and up to the Latest Practicable Date.

1. RESPONSIBILITY STATEMENTS

The information contained herein relating to the Offeror, the terms of the Offer and intentions of the Offeror in respect of the Group has been supplied by the directors of the Offeror, who jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document relating to the Offeror, the terms of the Offer and the future intentions of the Offeror in respect of the Group and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Group, the Vendor, the Guarantor and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document the omission of which would make any statement contained herein misleading.

The information contained herein other than information relating to the Offeror, the terms of the Offer and intentions of the Offeror in respect of the Group has been supplied by the Directors, who jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document the omission of which would make any statement contained herein misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company of HK$0.01 each as at the Latest Practicable Date were as follows:

Authorised	*HK$*
200,000,000,000 Shares	2,000,000,000
Issued	
200,000,000 Shares	2,000,000

Save for the Shares, the Company has no outstanding securities, options, derivatives, warrants and other convertible securities or rights affecting the Shares as at the Latest Practicable Date.

All Shares in issue rank pari passu in all respects with each other including rights to dividends, voting and return of capital. The Company has not issued any Shares since 31st December, 2011, the date to which the latest audited financial statements of the Company were made up.

3. DISCLOSURE OF INTEREST

Substantial Shareholders

As at the Latest Practicable Date, details of interests in the shares, underlying shares, debentures or other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company held or controlled by the Offeror and parties acting in concert with it are as follows:

Name of Shareholder	Capacity and nature of interest	Number of Shares held	Approximate % of interest
The Offeror	Beneficial owner	150,000,000	75.00%
Constant Success Holdings Limited	Interest of controlled corporation *(Note)*	150,000,000	75.00%
Mr. So Chung	Interest of controlled corporation *(Note)*	150,000,000	75.00%

Note: The Offeror is a wholly-owned subsidiary of Constant Success Holdings Limited, which is held as to 43.0% by Mr. So Chung through Wonder Ocean International Holdings Limited, 28.5% by Ms. So Man through Jiefei Limited and 28.5% by Ms. So Wai through Fei Teng Holdings Limited as at the Latest Practicable Date. Mr. So Chung, Ms. So Man and Ms. So Wai are siblings.

The Offeror will finance the Offer by way of a loan facility from Sun Hung Kai Investment Services Limited ("SHK"). Save for the Sale Shares purchased under the Share Purchase Agreement being pledged by the Offeror to SHK as security for the loan facility, there was no agreement, arrangement or understanding that the securities acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons. Save for holding the Sale Shares as security to the loan facility and holding Shares for its margin and cash account clients in its ordinary course of brokerage business, SHK does not have any other interest in any securities of the Company as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Offeror and parties acting in concert with it had any interest in the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

4. ADDITIONAL DISCLOSURE OF INTERESTS AND DEALINGS

(a) As at the Latest Practicable Date, save for the 150,000,000 Shares in which Mr. So Chung is deemed to be interested (details of which are described in paragraph 3 above), none of the directors of the Offeror had any interests in any Shares, convertible securities, warrants, options or derivatives of the Company, or had dealt for value in any Shares, convertible securities, warrants, options or derivatives of the Company during the Relevant Period.

(b) Save for the 150,000,000 Shares owned by the Offeror, none of the Offeror or any persons acting in concert with it owned or controlled any Shares, convertible securities, warrants, options or derivatives of the Company as at the Latest Practicable Date, and save for the entering into of the Share Purchase Agreement (which was completed on 23rd February, 2012), none of the Offeror or any persons acting in concert with it had dealt for value in any such securities during the Relevant Period.

(c) As at the Latest Practicable Date, no person had irrevocably committed himself to accept or reject the Offer.

(d) As at the Latest Practicable Date, none of the Offeror or any of the parties acting in concert with it, had entered into any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any other persons.

(e) As at the Latest Practicable Date, none of the Offeror or any of the parties acting in concert with it, had borrowed or lent any Shares or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

(f) As at the Latest Practicable Date, there was no agreement, arrangement or understanding (including any compensation arrangement) exist between the Offeror or any person acting in concert with it and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or was dependent upon the Offer.

(g) As at the Latest Practicable Date, there was no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer.

(h) As at the Latest Practicable Date, there was no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code between the Offeror, any person acting in concert with it or the Offeror's associates, and any other person.

(i) As at the Latest Practicable Date, the Company did not have any beneficial interest in the shares, convertible securities, warrants, options and derivatives of the Offeror, and the Company had not dealt for value in any shares, convertible securities, warrants, options or derivatives of the Offeror during the Relevant Period.

(j) As at the Latest Practicable Date, none of the Directors had any interests in any shares, convertible securities, warrants, options or other derivatives of the Company or the Offeror, and none of the Directors had dealt for value in any shares, convertible securities, warrants, options or other derivatives of the Company or the Offeror during the Relevant Period.

(k) None of (i) the subsidiaries of the Company; (ii) the pension fund of the Company or of a subsidiary of the Company; or (iii) any advisers to the Company (as specified in class (2) of the definition of "associate" under the Takeovers Code) had any interest in the Shares, convertible securities, warrants, options or derivatives of the Company as at the Latest Practicable Date, and none of them had dealt in any Shares, convertible securities, warrants, options or derivatives of the Company during the Relevant Period.

(l) Save for the sale of the Sale Shares by the Vendor pursuant to the Share Purchase Agreement, as at the Latest Practicable Date, no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of "associate" under the Takeovers Code, and no such person had dealt in any Shares, convertible securities, warrants, options or derivatives of the Company during the Relevant Period.

(m) No Shares, convertible securities, warrants, options or derivatives of the Company were managed on a discretionary basis by any fund managers connected with the Company as at the Latest Practicable Date, and none of them had dealt in any Shares, convertible securities, warrants, options or derivatives of the Company during the Relevant Period.

(n) As at the Latest Practicable Date, no Shares or other securities of the Company carrying voting rights or convertible securities, warrants, options or derivatives of the Company had been borrowed or lent by any of the Directors or by the Company.

(o) As at the Latest Practicable Date, no benefit (other than statutory compensation) was or will be given to any Director as compensation for loss of office in any members of the Group or otherwise in connection with the Offer.

(p) As at the Latest Practicable Date, there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer.

(q) As at the Latest Practicable Date, there was no material contract entered into by the Offeror in which any Director has a material personal interest.

5. MARKET PRICES

The table below sets out the closing prices of the Shares on the Stock Exchange on (i) the last Business Day of each of the calendar months during the Relevant Period; (ii) the Last Trading Date; and (iii) the Latest Practicable Date:

Date	**Closing price** *(HK$)*
31st August, 2011	1.45
30th September, 2011	1.30
31st October, 2011	1.42
30th November, 2011	1.42
30th December, 2011	1.38
31st January, 2012	1.49
Last Trading Day	1.68
29th February, 2012	1.88
Latest Practicable Date	1.91

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK$1.95 per Share on 21st February, 2012 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK$1.20 per Share on 6th October, 2011 to 11th October, 2011.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and no litigation or claims of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

7. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company within the two years preceding the date of the Joint Announcement and ending on the Latest Practicable Date and are or maybe material in relation to the business of the Company as a whole:

(a) an underwriting and placing agreement dated 29th June, 2010 executed by, among others, the Company, the executive Directors, Altus Capital Limited and Get Nice Securities Limited in relation to the placing of Shares at the initial public offering of the Company. Details of which are set out in the prospectus of the Company for its initial public offering dated 30th June, 2010;

(b) a deed of indemnity dated 25th June, 2010 executed by Mulpha International Bhd in favour of the Company containing estate duty, tax and other indemnities. Details of which are set out in the prospectus of the Company for its initial public offering dated 30th June, 2010;

(c) a deed of non-competition dated 25th June, 2010 executed by Mulpha International Bhd, Mulpha Trading Sdn Bhd, Mulpha Strategic Limited and the Vendor in favour of the Company. Details of which are set out in the prospectus of the Company for its initial public offering dated 30th June, 2010;

(d) a share swap agreement dated 25th June, 2010 between the Vendor, Pan Ocean International Limited, Mulpha International Bhd and the Company for the sale and purchase of the entire issued share capital of Chief Strategy Limited and Gold Lake Holdings Limited by the Company from the Vendor and Pan Ocean International Limited. The consideration was satisfied by (i) allotment and issue of 99,999,999 Shares, as to 87,999,999 Shares to the Vendor and as to 12,000,000 Shares to Pan Ocean International Limited, all credited as fully paid. Details of which are set out in the prospectus of the Company for its initial public offering dated 30th June, 2010; and

(e) a loan capitalisation agreement dated 25th June, 2010 between Mulpha International Bhd and the Company in relation to the capitalisation of the shareholder's loan owed by the Group to Mulpha International Bhd and its subsidiaries in the respective amounts S$4,278,328 and HK$2,033,490. Details of which are set out in the prospectus of the Company for its initial public offering dated 30th June, 2010.

Save as disclosed above, as at the Latest Practicable Date, no contract (not being contracts entered into in the ordinary course of business carried on by the Group) had been entered into by any member of the Group within the two years before the date of the Joint Announcement and ending on the Latest Practicable Date and are or may be material.

8. EXPERTS AND CONSENTS

The following are the qualifications of the experts contained in this Composite Document:

Name	Qualification
Yu Ming	a licenced corporation permitted to carry out Types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities under the SFO
Haitong	a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Each of Yu Ming and Haitong has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the text of its letter and the reference to its name in the form and context in which they appear herein.

As at the Latest Practicable Date, none of Yu Ming and Haitong had any shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of Yu Ming and Haitong had any direct or indirect interest in any assets which have been, since 31st December, 2011 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. DIRECTORS' SERVICE CONTRACTS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors had entered into any service contracts with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed-term contracts) have been entered into or amended within 6 months preceding the date of the Joint Announcement; (ii) are continuous contracts with a notice period of 12 months or more; or (iii) are fixed-term contracts with more than 12 months to run irrespective of the notice period:

i. Each of Mr. Chung Tze Hien and Mr. Quek Chang Yeow has entered into a service contract with the Company for a term of three years commencing from 19th July, 2010 and expiring on 18th July, 2013, which is renewable automatically unless terminated by either party by giving not less than three months' notice in writing to the other party.

ii. Each of Mr. Cheung Chi Wai Vidy, Mr. Mr. Lau Wing Yuen and Mr. Mr. Louie Chun Kit has entered into a letter of appointment with the Company with a term of three years commencing from 19th July, 2010, which can be terminated by either party by giving not less than one month notice in writing to the other party. Each of Mr. Cheung Chi Wai Vidy and Mr. Lau Wing Yuen is entitled to a remuneration of HK$5,000 per month and an amount of HK$20,000 per annum as an allowance for being a member of the audit committee of the Company. Mr. Louie Chun Kit is entitled to a remuneration of HK$5,000 per month and an amount of HK$50,000 per annum as an allowance for being the chairman of the audit committee of the Company.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection (i) on the website of the Company (www.mantagroup.com.hk); (ii) on the website of the SFC (www.sfc.hk) and; (iii) at the principal office and place of business of the Company at Unit H, 9th Floor, Valiant Industrial Centre, 2-12 Au Pui Wan Street, Fotan, New Territories, Hong Kong from the date of this Composite Document up to and including the Closing Date or the date on which the Offer lapses or is withdrawn (whichever is earlier):

(a) the memorandum and articles of association of the Company;

(b) the memorandum and articles of association of the Offeror;

(c) the annual reports of the Company for the year ended 31st December, 2010 and the year ended 31st December, 2011;

(d) the letter from Yu Ming, the text of which is set out on pages 5 to 13 of this Composite Document;

(e) the letter from the Board, the text of which is set out on pages 14 to 18 of this Composite Document;

(f) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 19 and 20 of this Composite Document;

(g) the letter from Haitong to the Independent Board Committee, the text of which is set out on pages 21 to 31 of this Composite Document;

(h) the written consents referred to under the paragraph headed "Experts and consents" in this Appendix III;

(i) the material contracts referred to under the paragraph headed "Material contracts" in this Appendix III;

(j) the service contracts referred to under the paragraph headed "Directors' service contracts" in this Appendix III; and

(k) the Share Purchase Agreement.

11. MISCELLANEOUS

(a) The registered office of the Company is situated at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands and its head office and principal place of business in Hong Kong is Unit H, 9th Floor, Valiant Industrial Centre, 2-12 Au Pui Wan Street, Fotan, New Territories, Hong Kong.

(b) The registered address of the Offeror is at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands and the correspondence address of the Offeror is at 6th Floor, Winbase Centre, 208-220 Queen's Road Central, Hong Kong.

(c) As at the Latest Practicable Date, the directors of the Offeror comprised Mr. So Chung, Ms. So Man and Ms. So Wai. The Offeror is wholly-owned by Constant Success Holdings Limited and its shareholding details are as follows:

i. 43.0% held by Wonder Ocean International Holdings Limited which is wholly-owned by Mr. So Chung. The director of Wonder Ocean International Holdings Limited is Mr. So Chung;

ii. 28.5% held by Jiefei Limited which is wholly-owned by Ms. So Man. The director of Jiefei Limited is Ms. So Man; and

iii. 28.5% held by Fei Teng Holdings Limited which is wholly-owned by Ms. So Wai. The director of Fei Teng Holdings Limited is Ms. So Wai.

(d) The principal members of the Offeror's concert group includes (i) Constant Success Holdings Limited; (ii) Wonder Ocean International Holdings Limited; (iii) Jiefei Limited; (iii) Fei Teng Holdings Limited; (iv) Mr. So Chung; (v) Ms. So Man; and (vi) Ms. So Wai, whose respective addresses are as follows:

i. The registered address of Constant Success Holdings Limited is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, BVI;

ii. The registered address of Wonder Ocean International Holdings Limited is OMC Chambers, Wickhams Cay 1, Road Town, Tortola, BVI;

iii. The registered address of Jiefei Limited is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, BVI;

iv. The registered address of Fei Teng Holdings Limited is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, BVI; and

v. The correspondence address of Constant Success Holdings Limited, Wonder Ocean International Holdings Limited, Jiefei Limited, Fei Teng Holdings Limited, Mr. So Chung, Ms. So Man and Ms. So Wai is 6th Floor, Winbase Centre, 208-220 Queen's Road Central, Hong Kong.

(e) The branch share registrar and transfer agent of the Company in Hong Kong is Tricor Investor Services Limited, which is located at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.

(f) The registered office of Yu Ming is situated at Room 1801, 18th Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.

(g) The registered office of Haitong is situated at 25th Floor, New World Tower, 16-18 Queen's Road Central, Hong Kong.

(h) The English text of this Composite Document and the accompanying Form(s) of Acceptance and Transfer shall prevail over their respective Chinese text in case of inconsistency.