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MELBOURNE ENTERPRISES LIMITED

萬邦投資有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 158)

**CONTINUING CONNECTED TRANSACTION
TENANCY AGREEMENT**

On 12 July 2018, the Company as landlord and Promising Realty as tenant entered into the New Tenancy Agreement in respect of the leasing of the Premises.

As Promising Realty is ultimately owned by an executive Director, namely Mr. Frederick Chung and a non-executive Director, namely Mr. Robert Chung and their associates, Promising Realty is a connected person of the Company under the Listing Rules and the New Tenancy Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As each of the Annual Cap Amounts exceeds HK\$3,000,000 and one of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules is more than 0.1% but all applicable percentage ratios are less than 5%, the transactions contemplated under the New Tenancy Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent shareholders' approval requirements under the Listing Rules.

THE NEW TENANCY AGREEMENT

Pursuant to the Existing Tenancy Agreement dated 20 July 2016, the Company as landlord leased the Premises to Promising Realty as tenant for the period from 1 August 2016 to 31 July 2018. Particulars of the Existing Tenancy Agreement were disclosed in the announcement of the Company dated 20 July 2016.

As the Existing Tenancy Agreement is due to expire on 31 July 2018, the Company entered into the New Tenancy Agreement on 12 July 2018 in respect of the leasing of the Premises to Promising Realty for a term of two years from 1 August 2018. The principal terms of the New Tenancy Agreement are as follows:-

- Parties : the Company as landlord and Promising Realty as tenant
- Premises being leased : Room Nos. 2401-2411 on the 24th Floor together with the use of the Roof Floor of Melbourne Plaza, 33 Queen's Road Central, Hong Kong

Tenancy term	: 1 August 2018 to 31 July 2020
Rental	: HK\$334,536 per month exclusive of rates, air-conditioning charges and management fee
Air-conditioning charges and management fee	: air-conditioning charges of HK\$21,460 per month and management fee of HK\$21,460 per month
Deposit	: HK\$63,120, all of which was transferred from the Existing Tenancy Agreement

The rental, air-conditioning charges and management fee are all payable in advance on the first day of each and every calendar month. According to the New Tenancy Agreement, the Company may, once in every twelve months, by one month's written notice increase the air-conditioning charges and/or management fee by not more than 10% of the original amount of such charges and/or fees.

Based on the monthly rental, air-conditioning charges and management fee payable by Promising Realty to the Company under the Existing Tenancy Agreement and the New Tenancy Agreement, as well as the additional air-conditioning charges which may be payable by Promising Realty to the Company in the event that Promising Realty uses air-conditioning services outside of normal hours, and also taking into account any increment in the air-conditioning charges and management fee, it is expected that the aggregate annual maximum amount payable to the Company under the Existing Tenancy Agreement and the New Tenancy Agreement for the year ending 30 September 2018 and the annual maximum amount payable to the Company under the New Tenancy Agreement for each of the two years ending 30 September 2019 and 30 September 2020 will not exceed HK\$4,350,000, HK\$4,600,000 and HK\$3,900,000 respectively (collectively referred to as the "**Annual Cap Amounts**").

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW TENANCY AGREEMENT

As Promising Realty is connected to an executive Director, namely Mr. Frederick Chung and a non-executive Director, namely Mr. Robert Chung, in the manner set out below and had been a long term tenant of the Premises, the Company would prefer to rent the Premises to such company which the Company is familiar with and which it can ensure punctual payment of rental and related charges. Since the Existing Tenancy Agreement is due to expire on 31 July 2018 and due to the reason set out above, the Company has agreed to continue leasing the Premises to Promising Realty.

The terms of the New Tenancy Agreement were negotiated on an arm's length basis and the rental, air-conditioning charges and management fee chargeable under the New Tenancy Agreement were determined with reference to the rental of other premises of Melbourne Plaza as agreed amongst the Company and other tenants recently.

The Directors (including the independent non-executive Directors) consider that the terms of the New Tenancy Agreement and the transactions contemplated thereunder are fair and reasonable, and are on normal commercial terms and in the ordinary course of business of the Company, and are in the interests of the Company and its shareholders as a whole. None of the Directors had a material interest in the transactions contemplated under the New Tenancy Agreement. However, in view of the interests of Mr. Frederick Chung, Mr. Robert Chung and their associates in Promising Realty as mentioned below and that each of Mr. Chung, Mr. Frederick Chung and Mr. Robert Chung are also

directors of Promising Realty, each of them has abstained from voting in respect of the resolutions proposed at the meeting of the Board to approve the New Tenancy Agreement, the transactions contemplated thereunder and the Annual Cap Amounts.

LISTING RULES IMPLICATIONS

As Promising Realty is ultimately owned by an executive Director, namely Mr. Frederick Chung and a non-executive Director, namely Mr. Robert Chung and their associates, Promising Realty is a connected person of the Company under the Listing Rules and the New Tenancy Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As each of the Annual Cap Amounts exceeds HK\$3,000,000 and one of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules is more than 0.1% but all applicable percentage ratios are less than 5%, the transactions contemplated under the New Tenancy Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent shareholders' approval requirements under the Listing Rules.

GENERAL

The principal activities of the Company are property investment and investment holding in Hong Kong.

The principal activity of Promising Realty is building management.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:-

“Annual Cap Amounts”	collectively, (i) the aggregate annual maximum amount payable to the Company under the Existing Tenancy Agreement and the New Tenancy Agreement for the year ending 30 September 2018 and (ii) the annual maximum amount payable to the Company under the New Tenancy Agreement for the each of the two years ending 30 September 2019 and 30 September 2020, the amounts of which are set out in the section titled “ <i>The New Tenancy Agreement</i> ” of this announcement
“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Company”	Melbourne Enterprises Limited 萬邦投資有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 158)
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company

“Existing Tenancy Agreement”	the tenancy agreement dated 20 July 2016 entered into between the Company as landlord and Promising Realty as tenant in respect of the leasing of the Premises for the period from 1 August 2016 to 31 July 2018
“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
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Chung”	Mr. Chung Ming Fai, an executive Director
“Mr. Frederick Chung”	Mr. Chung Yin Shu, Frederick, an executive Director
“Mr. Robert Chung”	Mr. Chung Wai Shu, Robert, a non-executive Director
“New Tenancy Agreement”	the tenancy agreement dated 12 July 2018 entered into between the Company as landlord and Promising Realty as tenant in relation to the leasing of the Premises for the period from 1 August 2018 to 31 July 2020
“Premises”	Rooms 2401-2411 on the 24th Floor together with the use of the Roof Floor of Melbourne Plaza, 33 Queen’s Road Central, Hong Kong
“Promising Realty”	Promising Realty Limited, a company which shares are ultimately owned by Mr. Frederick Chung, Mr. Robert Chung and their associates
“%”	per cent.

By Order of the Board
MELBOURNE ENTERPRISES LIMITED
 萬邦投資有限公司
 Chung Yin Shu, Frederick
Director

Hong Kong, 12 July 2018

As at the date of this announcement, the Board comprises (a) three executive directors, namely Mr. Chung Ming Fai, Mr. Chung Yin Shu, Frederick and Mr. Tsang On Yip, Patrick; (b) one non-executive director, namely Mr. Chung Wai Shu, Robert; and (c) three independent non-executive directors, namely Dr. Fong Yun Wah, Mr. Lo Pak Shiu and Mr. Yuen Sik Ming, Patrick.