

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibilities for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



萬邦投資有限公司  
**MELBOURNE ENTERPRISES LIMITED**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 158)

**INTERIM RESULTS ANNOUNCEMENT 2016/2017**

The Board of Directors is pleased to announce the unaudited interim results of the Company and its subsidiary (the “Group”) for the six months ended 31 March 2017 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|  | Note | Six months ended 31 March |                  |
|--|------|---------------------------|------------------|
|  |      | 2017<br>HK\$'000          | 2016<br>HK\$'000 |
| <b>Revenue</b>   | 2    | 116,260                   | 116,240          |
| Operating costs  |      | (19,980)                  | (15,657)         |
| Gross profit   |      | 96,280                    | 100,583          |
| Other income   |      | 620                       | 331              |
| Administrative expenses  |      | (6,160)                   | (6,061)          |
| Increase/(decrease) in fair values of investment properties  |      | 440,000                   | (83,000)         |
| Operating profit   | 3    | 530,740                   | 11,853           |
| Share of results of associated companies   |      | -                         | (50)             |
| <b>Profit before taxation</b>  |      | 530,740                   | 11,803           |
| Income tax expenses  | 4    | (14,921)                  | (15,601)         |
| <b>Profit/(Loss) for the period and total comprehensive income for the period attributable to equity holders</b> |      | 515,819                   | (3,798)          |
| <b>Earnings/(Loss) per share</b>   |      |                           |                  |
| Basic and diluted  | 6    | HK\$20.63                 | (HK\$ 0.15)      |

## CONDENSED CONSOLIDATED BALANCE SHEET

|  | Note | 31 March<br>2017<br>HK\$'000 | 30 September<br>2016<br>HK\$'000 |
|--|------|------------------------------|----------------------------------|
| <b>Non-current assets</b>                    |      |                              |                                  |
| Property, plant and equipment                | 7    | 2,703                        | 3,025                            |
| Investment properties                        | 7    | 6,467,000                    | 6,027,000                        |
| Investment in associates                     |      | 471                          | 853                              |
| Available-for-sale investment                | 8    | 58,102                       | 58,102                           |
| Advances to an investee company              |      | 29,605                       | 29,605                           |
|  |      | 6,557,881                    | 6,118,585                        |
| <b>Current assets</b>                        |      |                              |                                  |
| Debtors, deposits and prepayments            | 9    | 5,764                        | 6,324                            |
| Cash and bank balances                       |      | 212,678                      | 219,981                          |
| Prepaid income tax                           |      | 438                          | -                                |
|  |      | 218,880                      | 226,305                          |
| <b>Current liabilities</b>                   |      |                              |                                  |
| Creditors, accruals and deposits             | 10   | 47,003                       | 48,143                           |
| Current tax payable                          |      | 16,690                       | 34,711                           |
|  |      | 63,693                       | 82,854                           |
| <b>Net current assets</b>                    |      | 155,187                      | 143,451                          |
| <b>Total assets less current liabilities</b> |      | 6,713,068                    | 6,262,036                        |
| <b>Non-current liabilities</b>               |      |                              |                                  |
| Provision for long service payments          |      | 12,535                       | 11,981                           |
| Deferred tax liabilities                     |      | 1,778                        | 1,778                            |
|  |      | 14,313                       | 13,759                           |
| <b>Net assets</b>                            |      | 6,698,755                    | 6,248,277                        |
| <b>Equity</b>                                |      |                              |                                  |
| Share capital                                |      | 125,000                      | 125,000                          |
| Investment revaluation reserve               |      | 58,101                       | 58,101                           |
| Retained profits                             |      | 6,458,154                    | 6,000,176                        |
| Proposed dividend                            |      | 57,500                       | 65,000                           |
| <b>Total equity</b>                          |      | 6,698,755                    | 6,248,277                        |

## 1. PRINCIPAL ACCOUNTING POLICIES

The Unaudited Condensed Consolidated Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The accounting policies and methods of computation used in the preparation of the Unaudited Condensed Consolidated Interim Financial Information are consistent with those set out in the annual financial statements for the year ended 30 September 2016, except for the adoption of the following new standards and amendments to existing standards issued by the HKICPA:

|   |  |
|---|--|
| HKFRS 14  | Regulatory Deferral Accounts   |
| Amendments to HKFRS 11                              | Accounting for Acquisitions of Interests in Joint Operations         |
| Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011) | Investment Entities: Applying the Consolidation Exception            |
| Amendments to HKAS 1                                | Disclosure Initiative  |
| Amendments to HKAS 16 and HKAS 38                   | Clarification of Acceptable Methods of Depreciation and Amortisation |
| Amendments to HKAS 16 and HKAS 41                   | Agriculture: Bearer Plants   |
| Amendments to HKAS 27                               | Equity Method in Separate Financial Statements                       |
| Annual Improvement Project                          | Annual Improvements 2012 – 2014 Cycle                                |

The adoption of these new standards and amendments to standards does not have any significant effect on the results and financial position of the Group.

The Group has not early adopted any other new or revised HKFRS that have been issued but are not yet mandatory for the current accounting year. The Group has already commenced an assessment of the impact of these new or revised HKFRS, certain of which may be relevant to the Group’s operations and may give rise to changes in accounting policies, changes in disclosures and remeasurement of certain items in the consolidated financial statements. The Group is not yet in a position to ascertain their impact on its results of operations and financial position.

## 2. SEGMENT INFORMATION

The Board collectively has been identified as the chief operating decision-maker. The Board reviews the Group's internal reporting in order to assess performance and allocate resources.

The Board considers property investment in Hong Kong as the sole operating segment of the Group.

|   | Six months ended 31 March |                  |
|---|---------------------------|------------------|
|   | 2017<br>HK\$'000          | 2016<br>HK\$'000 |
| (a) <b>Revenue</b>  |                           |                  |
| Property investment   | 116,260                   | 116,240          |
| (b) <b>Contribution to profit before taxation</b>           |                           |                  |
| Property investment -                                       |                           |                  |
| Rental operations   | 90,740                    | 94,853           |
| Increase/(decrease) in fair values of investment properties | 440,000                   | (83,000)         |
|   | 530,740                   | 11,853           |
| Share of results of associated companies                    | -                         | (50)             |
| Profit before taxation                                      | 530,740                   | 11,803           |

Revenue (representing turnover) represents gross rental and service income from investment properties.

## 3. OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

|                 | Six months ended 31 March |                  |
|-----------------|---------------------------|------------------|
|                 | 2017<br>HK\$'000          | 2016<br>HK\$'000 |
| Crediting:      |                           |                  |
| Interest income | 189                       | 167              |
| Charging:       |                           |                  |
| Depreciation    | 322                       | 328              |

## 4. INCOME TAX EXPENSES

|                         | Six months ended 31 March |                  |
|-------------------------|---------------------------|------------------|
|                         | 2017<br>HK\$'000          | 2016<br>HK\$'000 |
| Current income tax      |                           |                  |
| - Hong Kong profits tax | 14,921                    | 15,601           |

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits for the period.

## 5. INTERIM DIVIDEND

The Board declares an interim dividend of HK\$2.3 per share (2016: HK\$2.2 per share) for the year ending 30 September 2017. The Register of Members will be closed from Wednesday, 7 June to Friday, 9 June 2017, both days inclusive, during which period no transfer of shares will be registered. To ensure their entitlement to the interim dividend, shareholders are reminded to lodge their transfers not later than 4:30p.m. on Tuesday, 6 June 2017 with Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Dividend warrants will be posted to shareholders by Thursday, 15 June 2017.

## 6. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the profit for the period attributable to equity holders of HK\$515,819,000 (2016: loss for the period attributable to equity holders of HK\$3,798,000) and the 25,000,000 shares (2016: 25,000,000 shares) in issue throughout the six months ended 31 March 2017.

Diluted earnings/(loss) per share equals basic earnings/(loss) per share because there were no potential dilutive shares outstanding during the period.

## 7. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

|                                  | <b>Investment<br/>properties<br/>HK\$'000</b> | <b>Property,<br/>plant and<br/>equipment<br/>HK\$'000</b> | <b>Total<br/>HK\$'000</b> |
|----------------------------------|---|---|---------------------------|
| Net book value at 1 October 2016 | 6,027,000                                     | 3,025   | 6,030,025                 |
| Increase in fair value           | 440,000                                       | -   | 440,000                   |
| Depreciation                     | -   | (322)   | (322)                     |
| Net book value at 31 March 2017  | <u>6,467,000</u>                              | <u>2,703</u>  | <u>6,469,703</u>          |

The investment properties are held under long leases (over 50 years) in Hong Kong and were revalued on 31 March 2017 on an open market value basis by an independent professionally qualified valuer, C S Surveyors Limited.

## 8. AVAILABLE-FOR-SALE INVESTMENT

|                                     | <b>31 March<br/>2017<br/>HK\$'000</b> |
|-------------------------------------|---------------------------------------|
| At 1 October 2016 and 31 March 2017 | <u>58,102</u>                         |

As at 30 September 2016 and 31 March 2017, available-for-sale investment represents equity interest in an unlisted company, Billion Park Investment Limited which invests in a project in Foshan through its associated companies.

**9. DEBTORS, DEPOSITS AND PREPAYMENTS**

|                                  | <b>31 March<br/>2017<br/>HK\$'000</b> | <b>30 September<br/>2016<br/>HK\$'000</b> |
|----------------------------------|---------------------------------------|---|
| Trade debtors                    |                                       |   |
| Within 30 days past due          | 2,709                                 | 3,114                                     |
| 31 to 60 days past due           | 764                                   | 683                                       |
| 61 to 90 days past due           | 343                                   | 403                                       |
| Over 90 days past due            | 241                                   | 205                                       |
|                                  | <u>          </u>                     | <u>          </u>                         |
| Amount past due but not impaired | 4,057                                 | 4,405                                     |
|                                  | <u>          </u>                     | <u>          </u>                         |

Trade debtors mainly represent rentals receivable. The Group normally does not grant credit to trade debtors.

**10. CREDITORS, ACCRUALS AND DEPOSITS**

|                                | <b>31 March<br/>2017<br/>HK\$'000</b> | <b>30 September<br/>2016<br/>HK\$'000</b> |
|--------------------------------|---------------------------------------|---|
| Trade creditors within 30 days | 276                                   | 1,152                                     |
|                                | <u>          </u>                     | <u>          </u>                         |

The carrying amounts of creditors, accruals and deposits approximate their fair value.

## **BUSINESS REVIEW**

### **Group Results**

Net profit for the six months ended 31 March 2017 amounted to HK\$515.8 million (2016: net loss of HK\$3.8 million). Profit resulted in the current period is related to the increase in fair value of investment properties amounted to HK\$440.0 million (2016: fair value loss of HK\$83.0 million). After allowing for the effect of fair value changes of the investment properties, the underlying operating profit from rental operations decreased 4.3% from HK\$94.9 million to HK\$90.7 million compared with the corresponding period of 2016, while revenue for the period increased by 0.1% to HK\$116.3 million (2016: HK\$116.2 million).

### **Significant Investments**

The Group's investment properties at Melbourne Plaza and Kimley Commercial Building in Central were approximately 95.1% and 83.0% let respectively as at 31 March 2017 (2016: approximately 93.6% and 83.4% let).

### **Liquidity and Financial Resources**

The Group's working capital requirement was financed by its rental income. As at 31 March 2017, the Group had cash and bank balances totaling HK\$212.7 million (30 September 2016: HK\$220.0 million). During the period, the Group did not undertake any borrowings or overdraft facilities.

### **Employees and Remuneration Policies**

The Group employs 16 employees. The Group recognises the importance of the strength of its human resources for its success. Remuneration for employees is maintained at market competitive levels and promotion and salary increments are assessed on a performance basis.

### **Material Acquisitions, Disposals and Future Developments**

There were no acquisitions or disposals of subsidiary companies and associated companies during the period. There are no other plans for material capital investments or future developments.

### **Purchase, Sale or Redemption of Shares**

The Company has not redeemed any of its shares during the six months ended 31 March 2017. Neither the Company nor its subsidiary company has purchased or sold any of the Company's shares in the same period.

### **Audit Committee**

The Audit Committee has reviewed the unaudited interim financial report. The external auditor conducted a review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. On 18 May 2017, the Committee met with the management and the external auditor to review the unaudited interim financial statements.

### **Code on Corporate Governance Practices**

During the financial period, the Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited except that non-executive directors are not appointed for a specific term as they are subject to retirement by rotation and re-election at annual general meeting in accordance with the Articles of Association of the Company.

**Requirement In Connection With Publication of “Non-Statutory Accounts” Under Section 436 of The Hong Kong Companies Ordinance Cap. 622**

The financial information relating to the year ended 30 September 2016 included in this announcement of interim results 2016/2017 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

- a) The Company had delivered the financial statements for the year ended 30 September 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance;
- b) The Company’s auditor had reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

**Publication of Interim Report on The Internet**

The interim report will be available from Group’s website at [www.irasia.com/listco/hk/melbournweb](http://www.irasia.com/listco/hk/melbournweb) and the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) on or before 30 June 2017.

**Chung Yin Shu, Frederick**  
Secretary

Hong Kong, 19 May 2017

*As at the date of this announcement, the Board of the Company 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.*