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萬邦投資有限公司
MELBOURNE ENTERPRISES LIMITED
(Incorporated in Hong Kong with limited liability)

(Stock Code: 158)

INTERIM RESULTS ANNOUNCEMENT 2021/2022

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 2022.

The Group’s unaudited condensed consolidated balance sheet, unaudited condensed consolidated statement of comprehensive income and explanatory notes 1 to 10 as presented below are extracted from the Group’s unaudited condensed consolidated interim financial information for the six months ended 31 March 2022 (the “Unaudited Condensed Consolidated Interim Financial Information”) which has been reviewed by the Company’s independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 31 March	
		2022 HK\$'000	2021 HK\$'000
Revenue	2	80,070	85,332
Operating costs		(17,441)	(24,074)
Gross profit		62,629	61,258
Other income		203	406
Administrative expenses		(7,382)	(7,255)
Decrease in fair values of investment properties		(15,000)	(131,100)
Profit/(loss) before taxation	3	40,450	(76,691)
Income tax expenses	4	(8,905)	(8,626)
Profit/(loss) for the period attributable to equity holders		31,545	(85,317)
Other comprehensive income			
<i>Item that will not be classified subsequently to profit or loss</i>			
Fair value gain on financial asset at fair value through other comprehensive income		6,535	-
Total comprehensive income/(loss) attributable to equity holders		38,080	(85,317)
Earnings/(loss) per share			
Basic and diluted	6	HK\$1.26	(HK\$3.41)

CONDENSED CONSOLIDATED BALANCE SHEET

		31 March 2022 HK\$'000	30 September 2021 HK\$'000
Non-current assets			
Property, plant and equipment	7	65	84
Investment properties	7	7,488,500	7,503,500
Investment accounted for using equity method		-	-
Financial asset at fair value through other comprehensive income	8	104,808	98,273
Advances to an investee company		29,605	29,605
Deferred rent receivables	9	962	505
		7,623,940	7,631,967
		7,623,940	7,631,967
Current assets			
Debtors, other receivables, deposits and prepayments	9	8,430	9,109
Prepaid income tax		259	-
Cash and bank balances		235,577	250,110
		244,266	259,219
		244,266	259,219
Current liabilities			
Creditors, accruals and deposits	10	40,108	44,753
Current tax payable		-	11,764
		40,108	56,517
		40,108	56,517
Net current assets		204,158	202,702
		204,158	202,702
Total assets less current liabilities		7,828,098	7,834,669
		7,828,098	7,834,669
Non-current liabilities			
Provision for long service payments		15,192	14,843
Deferred tax liabilities		2,292	2,292
		17,484	17,135
		17,484	17,135
Net assets		7,810,614	7,817,534
		7,810,614	7,817,534
Equity			
Share capital		125,000	125,000
Fair value through other comprehensive income reserve		104,807	98,272
Retained profits		7,580,807	7,594,262
		7,810,614	7,817,534
Total equity		7,810,614	7,817,534

1. BASIS OF PREPARATION

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 HKICPA.

The Unaudited Condensed Consolidated Interim Financial Information should be read in conjunction with the Group’s annual audited consolidated financial statements for the year ended 30 September 2021 (the “2021 Annual Financial Statements”), which have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRS”) issued by 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 2021 Annual Financial Statements, except for the adoption of the following amendments to existing standards issued by the HKICPA:

HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 Amendment	Interest Rate Benchmark Reform – Phase 2
HKFRS 16 Amendment	COVID-19 Related Rent Concessions beyond 2021

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

The HKICPA has issued certain new standard, interpretation, amendments and improvements to existing standards which are not yet effective for the year ending 30 September 2022 and have not been early adopted by the Group. The Group will apply these new standard, interpretation, amendments and improvements to existing standards as and when they become effective. The Group has already commenced an assessment of the related impact to the Group and it is not yet in a position to state whether any substantial changes to the Group’s significant accounting policies and presentation of the financial information will be resulted.

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	
	2022	2021
	HK\$'000	HK\$'000
(a) Revenue		
Property investment		
Rental income	70,814	76,528
Property management fee income	9,256	8,804
	<u>80,070</u>	<u>85,332</u>
(b) Contribution to profit/(loss) before taxation		
Property investment -		
Rental operations	55,450	54,409
Decrease in fair values of investment properties	(15,000)	(131,100)
	<u>40,450</u>	<u>(76,691)</u>

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

3. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is stated after crediting and charging the following:

	Six months ended 31 March	
	2022	2021
	HK\$'000	HK\$'000
Crediting:		
Interest income	<u>130</u>	<u>330</u>
Charging:		
Depreciation	<u>43</u>	<u>266</u>

4. INCOME TAX EXPENSES

	Six months ended 31 March	
	2022	2021
	HK\$'000	HK\$'000
Current income tax		
- Hong Kong profits tax	<u>8,905</u>	<u>8,626</u>

4. INCOME TAX EXPENSES (CONTINUED)

For the six months ended 31 March 2022 and 31 March 2021, the provision for Hong Kong profits tax has been calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of a qualifying corporation of the Group is taxed at 8.25%, and assessable profits above HK\$2 million of the qualifying corporation are taxed at 16.5%. The assessable profits of the other entity of the Group in Hong Kong not qualifying for the two-tiered profits tax rates regime continues to be taxed at the flat rate of 16.5%.

5. INTERIM DIVIDEND

At a meeting held on 27 May 2022, the directors declared an interim dividend of HK\$1.8 per share (2021: HK\$1.8 per share) amounting to HK\$45,000,000 (2021: HK\$45,000,000). The dividend will be payable in cash. The interim dividend declared is not reflected as dividend payable in the Unaudited Condensed Consolidated Interim Financial Information, but will be reflected as an appropriation of retained profits for the year ending 30 September 2022.

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\$31,545,000 (2021: loss for the period attributable to equity holders of HK\$85,317,000) and the 25,000,000 shares (2021: 25,000,000 shares) in issue throughout the six months ended 31 March 2022.

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

	Investment properties HK\$'000	Property, plant and equipment HK\$'000	Total HK\$'000
Net book value at 1 October 2021	7,503,500	84	7,503,584
Decrease in fair value	(15,000)	-	(15,000)
Addition	-	24	24
Depreciation	-	(43)	(43)
Net book value at 31 March 2022	<u>7,488,500</u>	<u>65</u>	<u>7,488,565</u>

The investment properties are held under long leases (over 50 years) in Hong Kong and were revalued on 31 March 2022 on an open market value basis by an independent professionally qualified valuer, CS Surveyors Limited.

8. FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	HK\$'000
At 1 October 2021	98,273
Change in fair value	6,535
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At 31 March 2022	104,808
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As at 31 March 2022 and 30 September 2021, financial asset at fair value through other comprehensive income represents equity interest in an unlisted company, Billion Park Investment Limited which invests in a project for the construction of commercial and residential properties and the operation of a golf course in Foshan through its associated companies.

9. DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Balance included HK\$2,123,000 (30 September 2021: HK\$4,105,000) deferred rent receivables. Deferred rent receivables represent the accumulated difference between effective rental revenue and actual rental receipts. Deferred rent receivables amounted to HK\$962,000 (30 September 2021: HK\$505,000) which are expected to be realised twelve months after the balance sheet date are classified as non-current assets.

The ageing analysis of the trade debtors based on invoice date is as follows:

	31 March 2022 HK\$'000	30 September 2021 HK\$'000
Trade debtors		
Within 30 days	2,315	1,871
31 to 60 days	964	591
61 to 90 days	488	313
Over 90 days	625	213
	<hr/>	<hr/>
	4,392	2,988
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Trade debtors mainly represent rental and service income receivable. The Group normally does not grant credit to trade debtors.

For the six months ended 31 March 2022, no loss allowance on trade debtors (2021: nil) was recognised in the condensed consolidated statement of comprehensive income.

10. CREDITORS, ACCRUALS AND DEPOSITS

The ageing analysis of the trade creditors based on invoice date is as follows:

	31 March 2022 HK\$'000	30 September 2021 HK\$'000
Trade creditors		
Within 30 days	754	1,577
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The carrying amounts of creditors, accruals and deposits approximate their fair value.

INTERIM DIVIDEND

At a meeting held on 27 May 2022, the directors declared an interim dividend of HK\$1.8 per share (2021: HK\$1.8 per share). The dividend will be payable in cash. Dividend warrants will be posted to shareholders by Friday, 24 June 2022.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 14 June 2022 to Thursday, 16 June 2022, 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 Friday, 10 June 2022 with Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

BUSINESS REVIEW

Group Results

The Group's performance has improved for the six months ended 31 March 2022 compared to the corresponding period in 2021. Net profit for the six months ended 31 March 2022 amounted to HK\$31.5 million (2021: Net loss of HK\$85.3 million). The profit mainly resulted from the current period's decrease in fair value loss of investment properties. The fair value loss of investment properties for the current period is HK\$15.0 million while the fair value loss of investment properties for the corresponding period of 2021 was HK\$131.1 million. After allowing for the effect of fair value changes of the investment properties, the underlying operating profit from rental operations increased by 2.0% from HK\$54.4 million to HK\$55.5 million compared with the corresponding period of 2021, while revenue for the period decreased by 6.1% to HK\$80.1 million (2021: HK\$85.3 million).

Significant Investments

The Group's investment properties at Melbourne Plaza and Kimley Commercial Building in Central were approximately 93.4% and 78.6% let respectively as at 31 March 2022 (2021: approximately 88.6% and 82.0% let).

Liquidity and Financial Resources

The Group's working capital requirement was financed by its rental income. As at 31 March 2022, the Group had cash and bank balances totaling HK\$235.6 million (30 September 2021: HK\$250.1 million). During the period, the Group did not undertake any borrowings or overdraft facilities.

Employees and Remuneration Policies

The Group employs a total of 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 investments accounted for using the equity method 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 2022. 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 Condensed Consolidated Interim Financial Information. 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 25 May 2022, the Audit Committee met with the management and the external auditor to review the Unaudited Condensed Consolidated Interim Financial Information.

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 2021 included in this announcement of interim results 2021/2022 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 2021 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 and the Stock Exchange’s website at www.hkexnews.hk on or before 30 June 2022.

Chung Yin Shu, Frederick
Secretary

Hong Kong, 27 May 2022

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 (Mr. Kenneth Lau as his alternate); (b) one non-executive director, namely Mr. Chung Wai Shu, Robert; and (c) three independent non-executive directors, namely Mr. Lo Pak Shiu, Mr. Yuen Sik Ming, Patrick and Mr. Wong Kai Tung, Tony.