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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)**

## ANNUAL RESULTS ANNOUNCEMENT 2022/2023

The board of directors of Melbourne Enterprises Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiary (the “**Group**”) for the year ended 30 September 2023 as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 30 September 2023*

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Revenue</b>	2	<b>157,894</b>	158,707
Operating costs		<u>(40,965)</u>	<u>(35,858)</u>
Gross profit		<b>116,929</b>	122,849
Other income		<b>7,754</b>	1,108
Administrative expenses		<b>(16,303)</b>	(12,440)
Changes in fair values of investment properties		<u>(221,126)</u>	<u>(220,800)</u>
<b>Loss before taxation</b>	3	<b>(112,746)</b>	(109,283)
Income tax expenses	4	<u>(16,419)</u>	<u>(18,107)</u>
<b>Loss for the year attributable to equity holders</b>		<u><b>(129,165)</b></u>	<u>(127,390)</u>
<b>Other comprehensive loss</b>			
<i>Item that will not be classified subsequently to profit or loss</i>			
Fair value loss on financial asset at fair value through other comprehensive income		<u>(16,479)</u>	<u>(9,167)</u>
<b>Total comprehensive loss attributable to equity holders</b>		<u><b>(145,644)</b></u>	<u>(136,557)</u>
<b>Loss per share</b>			
Basic and diluted	6	<u><b>(HK\$5.17)</b></u>	<u>(HK\$5.10)</u>

**CONSOLIDATED BALANCE SHEET***At 30 September 2023*

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment	7	155	55
Investment properties	7	7,064,000	7,282,700
Investment accounted for using the equity method		–	–
Financial asset at fair value through other comprehensive income	8	72,627	89,106
Advances to an investee company		29,605	29,605
Deferred rent receivables	9	221	2,228
		<u>7,166,608</u>	<u>7,403,694</u>
<b>Current assets</b>			
Debtors, other receivables, deposits and prepayments	9	11,094	9,448
Cash and bank balances		254,113	244,429
		<u>265,207</u>	<u>253,877</u>
<b>Current liabilities</b>			
Creditors, accruals and deposits	10	40,378	40,602
Current tax payable		18,275	8,824
		<u>58,653</u>	<u>49,426</u>
<b>Net current assets</b>		<u>206,554</u>	<u>204,451</u>
<b>Total assets less current liabilities</b>		<u>7,373,162</u>	<u>7,608,145</u>
<b>Non-current liabilities</b>			
Provision for long service payments		15,363	14,756
Deferred tax liabilities		2,466	2,412
		<u>17,829</u>	<u>17,168</u>
<b>Net assets</b>		<u>7,355,333</u>	<u>7,590,977</u>
<b>Equity</b>			
Share capital		125,000	125,000
Fair value through other comprehensive income reserve		72,626	89,105
Retained profits		7,157,707	7,376,872
<b>Total equity</b>		<u>7,355,333</u>	<u>7,590,977</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). They have been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial asset at fair value through other comprehensive income, which have been measured at fair value.

#### (a) Adoption of Amendments to Existing Standards

The Group has adopted the following amendments to existing standards that are mandatory and relevant to the Group’s operation for the financial year ended 30 September 2023:

Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
HKFRSs Amendments	Annual Improvements to HKFRSs 2018–2020 Cycle
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations

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

#### (b) New Standard, Interpretation, Amendments to Existing Standards Which Are Not Yet Effective

The following new standard, interpretation and amendments to existing standards are mandatory for accounting periods beginning on or after 1 October 2023 or later periods but which the Group has not early adopted:

HKFRS 17 and Amendments to HKFRS 17	Insurance Contracts
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 21	Lack of Exchangeability
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The Group will apply these new standard, interpretation and amendments to existing standards as and when they become effective. The Group has already commenced an assessment of the related impact to the Group and 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 operation decision-maker. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>(a) Revenue</b>		
Property investment		
Rental income	139,159	140,864
Property management fee income	18,735	17,843
	<u>157,894</u>	<u>158,707</u>
<b>(b) Contribution to loss before taxation</b>		
Property investment – Rental operations	108,380	111,517
Changes in fair values of investment properties	(221,126)	(220,800)
	<u>(112,746)</u>	<u>(109,283)</u>

Revenue comprises gross rental and service income from investment properties in Hong Kong.

## 3. LOSS BEFORE TAXATION

Loss before taxation is stated after crediting and charging the following:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Crediting:		
Interest income	7,609	973
Charging:		
Outgoings in respect of investment properties	39,250	34,536
Directors' emoluments	2,605	2,527
Auditor's remuneration	916	999
Depreciation	33	108
Staff costs (excluding Directors' emoluments)		
Salaries and other emoluments ( <i>note</i> )	6,081	5,393
Long service payments	3,491	260
Contributions to mandatory provident fund scheme	120	120

*Note:* For the year ended 30 September 2022, wages subsidies of HK\$346,000 (2023: Nil) from the Employment Support Scheme ("ESS") under the Anti-epidemic Fund of the Hong Kong Government were net off in salaries and other emoluments. The ESS aims to retain employment and combat the coronavirus disease 2019.

**4. INCOME TAX EXPENSES**

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Current income tax</b>		
– Hong Kong profits tax	<b>16,429</b>	17,973
– (Over)/under-provision in respect of prior year	<b>(64)</b>	14
	<b>16,365</b>	17,987
<b>Deferred income tax</b>	<b>54</b>	120
	<b>16,419</b>	18,107

For the years ended 30 September 2023 and 2022, 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 will be taxed at 8.25%, and assessable profits above HK\$2 million of the qualifying corporation will be 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 will continue to be taxed at the flat rate of 16.5%.

**5. DIVIDENDS**

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interim dividend paid of HK\$1.80 (2022: HK\$1.80) per share	<b>45,000</b>	45,000
Final dividend proposed of HK\$1.80 (2022: HK\$1.80) per share	<b>45,000</b>	45,000
	<b>90,000</b>	90,000

At a meeting held on 15 December 2023, the Directors recommended a final dividend of HK\$1.80 per share. This proposed dividend will be accounted for as an appropriation of retained profits for the year ending 30 September 2024.

**6. LOSS PER SHARE**

The calculation of basic loss per share is based on the loss attributable to equity holders of HK\$129,165,000 (2022: HK\$127,390,000) and the 25,000,000 shares in issue throughout the years ended 30 September 2023 and 2022.

Diluted loss per share equals basic loss per share because there were no potential dilutive shares outstanding during the years ended 30 September 2023 and 2022.

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

	<b>Investment properties</b> <i>HK\$'000</i>	<b>Property, plant and equipment</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
Net book value at 30 September 2022	7,282,700	55	7,282,755
Additions	2,426	133	2,559
Decrease in fair value	(221,126)	–	(221,126)
Depreciation	–	(33)	(33)
	<u>7,064,000</u>	<u>155</u>	<u>7,064,155</u>
Net book value at 30 September 2023	<u>7,064,000</u>	<u>155</u>	<u>7,064,155</u>

The investment properties are held under long leases (over 50 years) in Hong Kong and were revalued at 30 September 2023 and 2022 on an open market value basis by an independent professionally qualified valuer, C S Surveyors Limited.

**8. FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	<i>HK\$'000</i>
At 1 October 2022	89,106
Change in fair value	<u>(16,479)</u>
At 30 September 2023	<u>72,627</u>

As at 30 September 2023 and 2022, the financial asset at fair value through other comprehensive income represents the Group's 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**

	<b>2023</b> <i>HK\$'000</i>	<b>2022</b> <i>HK\$'000</i>
Trade debtors	4,554	2,747
Deferred rent receivables ( <i>note</i> )	3,373	6,055
Prepayment and deposits	1,914	1,890
Other receivables	1,474	984
	<u>11,315</u>	<u>11,676</u>
Represented by:		
Current assets	11,094	9,448
Non-current assets	221	2,228
	<u>11,315</u>	<u>11,676</u>

*Note:* Deferred rent receivables represent the accumulated difference between effective rental revenue and actual rental receipts. Deferred rent receivables of HK\$221,000 (2022: HK\$2,228,000) 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:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade debtors		
Within 30 days	<b>2,283</b>	1,532
31 to 60 days	<b>969</b>	578
61 to 90 days	<b>550</b>	293
Over 90 days	<b>752</b>	344
	<u><b>4,554</b></u>	<u>2,747</u>

The Group normally does not grant credit period to trade debtors. For the years ended 30 September 2023 and 2022, no trade debtors were written-off.

#### 10. CREDITORS, ACCRUALS AND DEPOSITS

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade creditors	<b>1,843</b>	1,144
Accruals and deposits	<b>38,535</b>	39,458
	<u><b>40,378</b></u>	<u>40,602</u>

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

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade creditors		
Within 30 days	<b>1,843</b>	1,122
More than 90 days	<b>–</b>	22
	<u><b>1,843</b></u>	<u>1,144</u>

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

## **BUSINESS REVIEW**

### **Group Results**

The Group's performance has declined for the year ended 30 September 2023 compared to the year ended 30 September 2022 as a result of reduced market rent and rent concessions requested by tenants. Loss attributable to equity holders for the year amounted to HK\$129.2 million (2022: HK\$127.4 million). The loss mainly resulted from the current year's decrease in fair value of investment properties. The fair value loss of investment properties for the current year is HK\$221.1 million while the fair value loss of investment properties for the year of 2022 was HK\$220.8 million. After allowing for the effect of fair value changes of investment properties, the underlying operating profit from rental operations decreased by 3.0% from HK\$111.5 million for 2022 to HK\$108.4 million for 2023. Revenue for the year amounted to HK\$157.9 million (2022: HK\$158.7 million), decreased by 0.5% year-on-year.

### **Significant Investments**

The Group's investment properties at Melbourne Plaza and Kimley Commercial Building in Central were approximately 93% and 85% let as at 30 September 2023 respectively (2022: approximately 91% and 74% let respectively).

### **Liquidity and Financial Resources**

The Group's working capital requirement was financed by its rental income. As at 30 September 2023, the Group had cash and bank balances HK\$254.1 million (2022: HK\$244.4 million). During the year, the Group did not take up 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 of employees is maintained at 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 subsidiaries and investments accounted for using the equity method during the year. There are no other plans for material capital investments or future developments.

## **BOOK CLOSE DATES FOR 2023 AGM**

Book close dates (both days inclusive) : Tuesday, 23 January 2024 to Friday, 26 January 2024

Latest time to lodge transfers with Share Registrar : 4:30 p.m. on Monday, 22 January 2024

Address of Share Registrar : Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Hong Kong

## **RECORD DATE FOR PROPOSED FINAL DIVIDEND**

Record date and latest time to lodge transfers with Share Registrar : 4:30 p.m. on Friday, 2 February 2024

Address of Share Registrar : Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Hong Kong

Payment date : on or about Thursday, 15 February 2024

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

The Company has not redeemed any of its shares during the year. Neither the Company nor its subsidiary company has purchased or sold any of the Company’s shares during the year.

## **AUDIT COMMITTEE**

The Audit Committee was established in accordance with the requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the purpose of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The Audit Committee has reviewed the framework and policies of risk management, the systems of internal control and the financial statements for the year ended 30 September 2023. The Audit Committee consists of four Independent Non-executive Directors and two Non-executive Directors.

The figures in respect of the Group’s consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended 30 September 2023 as set out in the preliminary announcement have been agreed by the Group’s auditor, PricewaterhouseCoopers, to the amounts set out in the Group’s audited consolidated financial statements for the year ended 30 September 2023. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

## **CORPORATE GOVERNANCE CODE**

During the financial year, the Company has fully complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix 14 of the Listing Rules.

## **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 years ended 30 September 2023 and 30 September 2022 included in this preliminary announcement of annual results of 2022/2023 does not constitute the Company’s statutory annual consolidated financial statements for those years 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 (Cap. 622) is as follows:

- a) The Company had delivered the financial statements for the year ended 30 September 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 30 September 2023 in due course.
- b) The Company’s auditor had reported on the financial statements of the Group for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

## **PUBLICATION OF ANNUAL REPORT ON THE INTERNET**

The annual report will be available from the Group’s website at [www.irasia.com/listco/hk/melbourneweb](http://www.irasia.com/listco/hk/melbourneweb) and the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) on or before 26 January 2024.

By Order of the Board  
**Melbourne Enterprises Limited**  
**Chung Yin Shu, Frederick**  
*Executive Director*

Hong Kong, 15 December 2023

*As at the date of this announcement, the Board of the Company comprises (a) two executive directors, namely Mr. Chung Yin Shu, Frederick and Mr. Tsang On Yip, Patrick (Mr. Kenneth Lau as his alternate); (b) two non-executive directors, namely Mr. Chung Wai Shu, Robert and Mr. Wong Tak Wai, Alvin; and (c) four independent non-executive directors, namely Mr. Wong Kai Tung, Tony, Mr. Lo Pak Shiu, Mr. Yuen Sik Ming, Patrick and Ms. Ling Kit Sum, Imma.*