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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 2023/2024

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 2024 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 September 2024

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	2	161,666	157,894
Operating costs		<u>(36,737)</u>	<u>(40,965)</u>
Gross profit		124,929	116,929
Other income		15,198	7,754
Administrative expenses		(13,707)	(16,303)
Changes in fair values of investment properties		<u>(264,918)</u>	<u>(221,126)</u>
Loss before taxation	3	(138,498)	(112,746)
Income tax expenses	4	<u>(17,859)</u>	<u>(16,419)</u>
Loss for the year attributable to equity holders		<u>(156,357)</u>	<u>(129,165)</u>
Other comprehensive loss			
<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>(9,879)</u>	<u>(16,479)</u>
Total comprehensive loss attributable to equity holders		<u>(166,236)</u>	<u>(145,644)</u>
Loss per share			
Basic and diluted	6	<u>HK\$(6.25)</u>	<u>HK\$(5.17)</u>

CONSOLIDATED BALANCE SHEET

As at 30 September 2024

	Note	30 September 2024 HK\$'000	30 September 2023 HK\$'000
Non-current assets			
Property, plant and equipment	7	162	155
Investment properties	7	6,805,150	7,064,000
Investment accounted for using the equity method		–	–
Financial asset at fair value through other comprehensive income	8	62,748	72,627
Advances to an investee company		29,605	29,605
Deferred rent receivables	9	151	221
		<u>6,897,816</u>	<u>7,166,608</u>
Current assets			
Debtors, other receivables, deposits and prepayments	9	7,992	11,094
Cash and bank balances		265,149	254,113
		<u>273,141</u>	<u>265,207</u>
Current liabilities			
Creditors, accruals and deposits	10	40,408	40,378
Provision for long service payments		8,674	–
Current tax payable		16,381	18,275
		<u>65,463</u>	<u>58,653</u>
Net current assets		<u>207,678</u>	<u>206,554</u>
Total assets less current liabilities		<u>7,105,494</u>	<u>7,373,162</u>
Non-current liabilities			
Provision for long service payments		3,928	15,363
Deferred tax liabilities		2,469	2,466
		<u>6,397</u>	<u>17,829</u>
Net assets		<u>7,099,097</u>	<u>7,355,333</u>
Equity			
Share capital		125,000	125,000
Fair value through other comprehensive income reserve		62,747	72,626
Retained profits		6,911,350	7,157,707
Total equity		<u>7,099,097</u>	<u>7,355,333</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 new standard and amendments to standards

The Group has adopted the following new standard and amendments to standards which are mandatory for the financial year ended 30 September 2024:

HKFRS 17 and Amendments to HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and Disclosure of Accounting HKFRS Practice Statement 2	Disclosure of Accounting Policies
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

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

(b) New standards, amendments to standards and interpretation which are not yet effective

The following new standards, amendments to standards and interpretation which are not yet effective are mandatory for accounting periods beginning on or after 1 October 2024 or later periods but which the Group has not early adopted:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKAS 21	Lack of Exchangeability
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKFRS Amendments	Annual Improvement to HKFRS Accounting Standards – Volume 11
HKFRS 18	Presentation and Disclosure in Financial Statements
HKFRS 19	Subsidiaries without Public Accountability: Disclosures

The Group will apply these new standards, amendments to standards and interpretation as and when they become effective. The Group does not expect that these new standards and amendments would have any material impact to its results and financial position.

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.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(a) Revenue		
Property investment		
Rental income	140,959	139,159
Property management fee income	20,707	18,735
	<u>161,666</u>	<u>157,894</u>
(b) Contribution to loss before taxation		
Property investment – Segment result	126,420	108,380
Changes in fair values of investment properties	(264,918)	(221,126)
	<u>(138,498)</u>	<u>(112,746)</u>

Revenue comprises 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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Crediting:		
Interest income	8,982	7,609
Dividend income from financial asset at fair value through other comprehensive income	6,024	–
	<u>15,006</u>	<u>7,609</u>
Charging:		
Outgoings in respect of investment properties	35,707	39,250
Directors' emoluments	2,664	2,605
Depreciation	56	33
Staff costs (excluding Directors' emoluments)		
Salaries and other emoluments	5,507	6,081
Long service payments	740	3,491
Contributions to mandatory provident fund scheme	161	120
Auditor's remuneration		
Audit services	1,034	916
Non-audit services	415	214
	<u>44,119</u>	<u>55,170</u>

4. INCOME TAX EXPENSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current income tax		
– Hong Kong profits tax	17,922	16,429
– Over-provision in respect of prior year	(66)	(64)
	<u>17,856</u>	<u>16,365</u>
Deferred income tax	3	54
	<u>17,859</u>	<u>16,419</u>

For the years ended 30 September 2024 and 2023, 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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interim dividend paid of HK\$1.80 (2023: HK\$1.80) per share	45,000	45,000
Final dividend proposed of HK\$1.80 (2023: HK\$1.80) per share	45,000	45,000
	<u>90,000</u>	<u>90,000</u>

At a meeting held on 12 December 2024, 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 2025.

6. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to equity holders of HK\$156,357,000 (2023: HK\$129,165,000) and the 25,000,000 shares in issue throughout the years ended 30 September 2024 and 2023.

Diluted loss per share equals basic loss per share because there were no potential dilutive shares outstanding during the years ended 30 September 2024 and 2023.

7. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

	Investment properties <i>HK\$'000</i>	Property, plant and equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Net book value at 30 September 2023	7,064,000	155	7,064,155
Additions	6,068	63	6,131
Fair value changes	(264,918)	–	(264,918)
Depreciation	–	(56)	(56)
	<u>–</u>	<u>(56)</u>	<u>(56)</u>
Net book value at 30 September 2024	<u>6,805,150</u>	<u>162</u>	<u>6,805,312</u>

The investment properties are held under long leases (over 50 years) in Hong Kong and were revalued at 30 September 2024 and 2023 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 2023	72,627
Change in fair value	<u>(9,879)</u>
At 30 September 2024	<u>62,748</u>

As at 30 September 2024 and 2023, 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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade debtors	4,304	4,554
Deferred rent receivables (<i>note</i>)	475	3,373
Prepayment and deposits	1,959	1,914
Other receivables	<u>1,405</u>	<u>1,474</u>
	<u>8,143</u>	<u>11,315</u>
Represented by:		
Current assets	7,992	11,094
Non-current assets	<u>151</u>	<u>221</u>
	<u>8,143</u>	<u>11,315</u>

Note: Deferred rent receivables represent the accumulated difference between effective rental revenue and actual rental receipts. Deferred rent receivables of HK\$151,000 (2023: HK\$221,000) 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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade debtors		
Within 30 days	2,477	2,283
31 to 60 days	635	969
61 to 90 days	490	550
Over 90 days	702	752
	<u>4,304</u>	<u>4,554</u>

The Group normally does not grant credit period to trade debtors. For the years ended 30 September 2024 and 2023, no trade debtors were written-off.

10. CREDITORS, ACCRUALS AND DEPOSITS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade creditors	1,596	1,843
Accruals and deposits	38,812	38,535
	<u>40,408</u>	<u>40,378</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade creditors		
Within 30 days	1,395	1,843
More than 90 days	201	–
	<u>1,596</u>	<u>1,843</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 2024 compared to the year ended 30 September 2023 as a result of a decrease in the fair value of investment property. Loss attributable to equity holders for the year amounted to HK\$156.4 million (2023: HK\$129.1 million). The loss mainly resulted from the current year's fair value loss of investment properties. The fair value loss of investment properties for the current year is HK\$264.9 million while the fair value loss of investment properties for the year of 2023 was HK\$221.1 million. After allowing for the effect of fair value changes of investment properties, the underlying operating profit from rental operations increased by 16.6% from HK\$108.4 million for 2023 to HK\$126.4 million for 2024. Revenue for the year amounted to HK\$161.7 million (2023: HK\$157.9 million), increased by 2.4% year-on-year.

Significant Investments

The Group's investment properties at Melbourne Plaza and Kimley Commercial Building in Central were approximately 92% and 85% let as at 30 September 2024 respectively (2023: approximately 93% and 85% let respectively).

Liquidity and Financial Resources

The Group's working capital requirement was financed by its rental income. As at 30 September 2024, the Group had cash and bank balances totalling HK\$265.1 million (2023: HK\$254.1 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 14 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 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 2024 AGM

Book close dates (both days inclusive) : Tuesday, 14 January 2025 to Friday, 17 January 2025

Latest time to lodge transfers with Share Registrar : 4:30 p.m. on Monday, 13 January 2025

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 Thursday, 23 January 2025

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, 6 February 2025

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year ended 30 September 2024. Neither the Company nor its subsidiary has purchased or sold any of the Company’s shares during the year ended 30 September 2024.

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 2024. The Audit Committee consists of three 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 2024 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 2024. 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 C1 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 2024 and 30 September 2023 included in this preliminary announcement of annual results of 2023/2024 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 2023 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 2024 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 and the Stock Exchange's website at www.hkexnews.hk on or before 17 January 2025.

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

Hong Kong, 12 December 2024

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; and (c) three independent non-executive directors, namely Mr. Lo Pak Shiu, Mr. Yuen Sik Ming, Patrick and Ms. Ling Kit Sum.