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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)

EXEMPT CONTINUING CONNECTED TRANSACTIONS TENANCY AGREEMENTS

On 26 February 2009, the Company as the landlord entered into (i) the New FH Tenancy Agreement with Foo Hang as the tenant, in respect of the leasing of the FH Premises and (ii) the New WL Tenancy Agreement with Wah Lai as the tenant in respect of the leasing of the WL Premises.

Each of Foo Hang and Wah Lai is a connected person of the Company under the Listing Rules and the New Tenancy Agreements constitute continuing connected transactions of the Company for the purpose of the Listing Rules. As the relevant applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the aggregate annual consideration payable to the Company under the New Tenancy Agreements and the Previous Tenancy Agreements for each of the two years ending 30 September 2009 and 2010 is more than 2.5% but less than 25% and the aggregate annual consideration is less than HK\$10,000,000, in accordance with Rule 14A.34 of the Listing Rules, the New Tenancy Agreements are only subject to the reporting, announcement and annual review requirements under the Listing Rules but are exempted from the independent Shareholders' approval requirements under the Listing Rules.

The Company had in March 2007 entered into the Previous Tenancy Agreements as landlord (i) in respect of the FH Premises with Foo Hang and (ii) in respect of the WL Premises with Wah Lai. Particulars of the Previous Tenancy Agreements were disclosed in the announcement of the Company dated 6 January 2009. As the Previous Tenancy Agreements are due to expire on 28 February 2009, the Company had on 26 February 2009 entered into the New Tenancy Agreements in respect of the lease of the FH Premises and the WL Premises.

THE NEW TENANCY AGREEMENTS

On 26 February 2009, the Company as the landlord entered into (i) the New FH Tenancy Agreement with Foo Hang as the tenant, in respect of the leasing of the FH Premises and (ii) the New WL Tenancy Agreement with Wah Lai as the tenant in respect of the leasing of the WL Premises. The principal terms of the New Tenancy Agreements are as follows:

(a) *the New FH Tenancy Agreement*

Parties	:	the Company as landlord and Foo Hang as tenant
Premises	:	Rooms 1806 – 1814 on the 18th Floor of Melbourne Plaza, 33 Queen's Road Central, Hong Kong
Tenancy term	:	1 March 2009 to 28 February 2010
Consideration	:	Rental of HK\$221,200 per month exclusive of rates plus air-conditioning charges of HK\$18,012 per month and management fee of HK\$18,012 per month, all payable in advance on the first day of each calendar month

According to the New FH Tenancy Agreement, the Company may once every 12 months by one month's written notice increase the air-conditioning charges and/or management fees by not more than 10% of the original amount.

(b) *the New WL Tenancy Agreement*

Parties	:	the Company as landlord and Wah Lai as tenant
Premises	:	Rooms 1801 – 1805 on the 18th Floor of Melbourne Plaza, 33 Queen's Road Central, Hong Kong
Tenancy term	:	1 March 2009 to 28 February 2010
Consideration	:	Rental of HK\$78,260 per month exclusive of rates plus air-conditioning charges of HK\$6,370 per month and management fee of HK\$6,370 per month, all payable in advance on the first day of each calendar month

According to the New WL Tenancy Agreement, the Company may once every 12 months by one month's written notice increase the air-conditioning charges and/or management fees by not more than 10% of the original amount.

REASONS FOR ENTERING INTO THE NEW TENANCY AGREEMENTS

As Foo Hang and Wah Lai are connected to Mr Lo, an independent non-executive Director, in the manner set out below, the Company would prefer to rent the premises to such companies which the Company is familiar with and which it can ensure punctual payment of rental and related charges. Since the Previous Tenancy Agreements are due to expire on 28 February 2009, the Company has agreed with Foo Hang and Wah Lai to renew the same and has entered into the New Tenancy Agreements.

The terms of the New Tenancy Agreements were negotiated on an arm's length basis and the rental chargeable under the New Tenancy Agreements were determined by reference to the rental of other premises of Melbourne Plaza, 33 Queen's Road Central, Hong Kong as agreed among the Company and other tenants recently.

The Directors (including the independent non-executive Directors) consider that the New Tenancy Agreements are entered into in the ordinary and usual course of business of the Company, and their terms are on normal commercial terms and both the New Tenancy Agreements and the cap amounts are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Mr Lo abstained from voting at the board meeting of the Company held to approve the New Tenancy Agreements and the annual caps.

EXEMPT CONTINUING CONNECTED TRANSACTIONS

Foo Hang is a company which shares are owned by the associates of Mr Lo, an independent non-executive Director. Wah Lai is a company which shares are ultimately owned by Mr Lo and his associates. Accordingly, each of Foo Hang and Wah Lai is a connected person of the Company under the Listing Rules and the New Tenancy Agreements constitute continuing connected transactions of the Company for the purpose of the Listing Rules.

Based on the monthly rental, air-conditioning charges and management fees payable under the Previous FH Tenancy Agreement and the New FH Tenancy Agreement as well as additional air-conditioning charges in the event the tenant uses air-conditioning services after normal hours, it is expected that the aggregate annual maximum amount payable under the Previous FH Tenancy Agreement and the New FH Tenancy Agreement for each of the two years ending 30 September 2009 and 2010 should not exceed HK\$2,596,000 and HK\$1,319,000 respectively.

Based on the monthly rental, air-conditioning charges and management fees payable under the Previous WL Tenancy Agreement and the New WL Tenancy Agreement as well as additional air-conditioning charges in the event the tenant uses air-conditioning services after normal hours, it is expected that the aggregate annual maximum amount payable under the Previous WL Tenancy Agreement and the New WL Tenancy Agreement for each of the two years ending 30 September 2009 and 2010 should not exceed HK\$1,253,000 and HK\$467,000 respectively.

As the relevant applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the aggregate annual consideration payable to the Company under the New Tenancy Agreements and the Previous Tenancy Agreements for each of the two years ending 30 September 2009 and 2010 are more than 2.5% but less than 25% and the annual consideration is less than HK\$10,000,000, in accordance with Rule 14A.34 of the Listing Rules, the New Tenancy Agreements are only subject to the reporting, announcement and annual review requirements under the Listing Rules but are exempted from the independent Shareholders' approval requirements under the Listing Rules.

GENERAL

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

The principal activity of Foo Hang is diamond and jewellery wholesale and retail and the principal activity of Wah Lai is property investment.

DEFINITIONS

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

“associate”	has the same meaning as ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Company”	Melbourne Enterprises Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange

“connected person”	has the same meaning as ascribed thereto in the Listing Rules
“Directors”	the directors of the Company
“FH Premises”	Rooms 1806 – 1814 on the 18th Floor of Melbourne Plaza, 33 Queen’s Road Central, Hong Kong
“Foo Hang”	Foo Hang Jewellery, Limited, a company which shares are owned by the associates of Mr Lo
“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”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr Lo”	Mr Lo Pak Shiu, an independent non-executive Director
“New FH Tenancy Agreement”	the tenancy agreement dated 26 February 2009 entered into between the Company as landlord and Foo Hang as tenant in relation to the leasing of the FH Premises by Foo Hang from the Company
“New Tenancy Agreements”	the New FH Tenancy Agreement and the New WL Tenancy Agreement
“New WL Tenancy Agreement”	the tenancy agreement dated 26 February 2009 entered into between the Company as landlord and Wah Lai as tenant in relation to the leasing of the WL Premises by Wah Lai from the Company
“Previous FH Tenancy Agreement”	the tenancy agreement dated 5 March 2007 entered into between the Company as landlord and Foo Hang as tenant in relation to the leasing of the FH Premises by Foo Hang from the Company
“Previous Tenancy Agreements”	the Previous FH Tenancy Agreement and the Previous WL Tenancy Agreement
“Previous WL Tenancy Agreement”	the tenancy agreement dated 5 March 2007 entered into between the Company as landlord and Wah Lai as tenant in relation to the leasing of the WL Premises by Wah Lai from the Company
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wah Lai”	Wah Lai Investment Company Limited, a company which shares are ultimately owned by Mr Lo and his associates

“WL Premises” Rooms 1801 – 1805 on the 18th Floor of Melbourne Plaza, 33 Queen’s Road Central, Hong Kong

“%” per cent.

By Order of the Board
MELBOURNE ENTERPRISES LIMITED
Chung Yin Shu, Frederick
Director

Hong Kong, 1 March 2009

As at the date of this announcement, the board of the Company comprises (a) three executive Directors, namely Dato’ Dr Cheng Yu Tung, Mr Chung Ming Fai and Mr Chung Yin Shu, Frederick, (b) one non-executive Director, namely Mr Chung Wai Shu, Robert and (c) four independent non-executive Directors, namely Mr Yuen Pak Yiu, Philip, Dr Fong Yun Wah, Mr Lo Pak Shiu and Mr Yuen Sik Ming, Patrick.