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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)

ANNUAL RESULTS ANNOUNCEMENT 2015/2016

The Board of Directors is pleased to announce the consolidated results of the Company and its subsidiary (the “Group”) for the year ended 30 September 2016 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2016

	Note	2016 HK\$'000	2015 HK\$'000
Revenue	2	232,111	223,410
Operating costs		(36,711)	(36,395)
Gross profit		195,400	187,015
Other income		605	567
Impairment loss on advance to an associate		(2)	(3)
Administrative expenses		(11,099)	(10,826)
Increase in fair value of investment properties		127,000	413,000
Operating profit	3	311,904	589,753
Share of results of associates		(52)	(59)
Profit before taxation		311,852	589,694
Income tax expenses	4	(30,367)	(29,050)
Profit for the year attributable to equity holders		281,485	560,644
Other comprehensive income			
<i>Item that may be classified subsequently to profit or loss</i>			
<i>Fair value gain on available-for-sale investment</i>		53,162	4,939
Total comprehensive income attributable to equity holders		334,647	565,583
Earnings per share			
Basic and diluted	6	HK\$11.26	HK\$22.43

CONSOLIDATED BALANCE SHEET*At 30 September 2016*

	Note	2016 HK\$'000	2015 HK\$'000
Non-current assets			
Property, plant and equipment	7	3,025	3,677
Investment properties	7	6,027,000	5,900,000
Investments in associates		853	905
Available-for-sale investment	8	58,102	4,940
Advances to an investee company		29,605	29,605
		<u>6,118,585</u>	<u>5,939,127</u>
Current assets			
Debtors, deposits, prepayments and others	9	6,324	5,517
Cash and bank balances		219,981	175,775
		<u>226,305</u>	<u>181,292</u>
Current liabilities			
Creditors, accruals and deposits	10	48,143	47,171
Current tax payable		34,711	28,888
		<u>82,854</u>	<u>76,059</u>
Net current assets		<u>143,451</u>	<u>105,233</u>
Total assets less current liabilities		<u>6,262,036</u>	<u>6,044,360</u>
Non-current liabilities			
Provision for long service payments		11,981	11,453
Deferred tax liabilities		1,778	1,778
		<u>13,759</u>	<u>13,231</u>
Net assets		<u>6,248,277</u>	<u>6,031,129</u>
Equity			
Share capital		125,000	125,000
Investment revaluation reserve		58,101	4,939
Retained profits		6,000,176	5,838,690
Proposed final dividend		65,000	62,500
Total equity		<u>6,248,277</u>	<u>6,031,129</u>

1. PRINCIPAL ACCOUNTING POLICIES

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 available-for-sale investment, which have been measured at fair value.

There are no standards, amendment to standard or interpretation that are effective for the first time for the financial year ended 30 September 2016.

The Group has adopted all revised standards, amendments and interpretations that are currently in issue and are mandatory for adoption for the financial year ended 30 September 2016. The adoption of these revised standards and amendments to existing standards does not have a significant impact 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 revised HKFRS but is not yet in a position to state whether these new or revised HKFRS would have a significant impact on its results of operations 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 as the sole operating segment of the Group.

	2016 HK\$’000	2015 HK\$’000
(a) Revenue		
Property investment	232,111	223,410
	<u> </u>	<u> </u>
(b) Contribution to profit before taxation		
Property investment – Rental operations	184,906	176,756
Increase in fair value of investment properties	127,000	413,000
	<u> </u>	<u> </u>
	311,906	589,756
Share of results of associates	(52)	(59)
Impairment loss on advance to an associate	(2)	(3)
	<u> </u>	<u> </u>
Profit before taxation	311,852	589,694
	<u> </u>	<u> </u>

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

3. OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

	2016 HK\$'000	2015 HK\$'000
Crediting:		
Interest income	353	233
	<u> </u>	<u> </u>
Charging:		
Depreciation	656	657
	<u> </u>	<u> </u>

4. INCOME TAX EXPENSES

	2016 HK\$'000	2015 HK\$'000
Current income tax		
- Hong Kong profits tax	30,407	29,075
- Over-provision in respect of prior year	(40)	(25)
	<u> </u>	<u> </u>
	<u>30,367</u>	<u>29,050</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits for the year.

5. DIVIDENDS

	2016 HK\$'000	2015 HK\$'000
Interim dividend paid of HK\$2.20 (2015: HK\$2.20) per share	55,000	55,000
Final dividend proposed of HK\$2.60 (2015: HK\$2.50) per share	65,000	62,500
	<u> </u>	<u> </u>
	<u>120,000</u>	<u>117,500</u>

At a meeting held on 12 December 2016, the Directors recommended a final dividend of HK\$ 2.60 per share. This proposed dividend will be accounted for as an appropriation of retained profits for the year ending 30 September 2017.

6. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity holders of HK\$281,485,000 (2015: HK\$560,644,000) and the 25,000,000 shares in issue throughout the two years ended 30 September 2016 and 2015.

Diluted earnings per share equals basic earnings per share because there were no potential dilutive shares outstanding during the two years ended 30 September 2016 and 2015.

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 30 September 2015	5,900,000	3,677	5,903,677
Increase in fair value	127,000	-	127,000
Additions	-	4	4
Depreciation	-	(656)	(656)
	<u>6,027,000</u>	<u>3,025</u>	<u>6,030,025</u>
Net book value at 30 September 2016	<u>6,027,000</u>	<u>3,025</u>	<u>6,030,025</u>

The investment properties are held under long leases (over 50 years) in Hong Kong and were revalued at 30 September 2016 and 2015 on an open market value basis by an independent professionally qualified valuer, C S Surveyors Limited.

8. AVAILABLE-FOR-SALE INVESTMENT

	HK\$'000
At 1 October 2015	4,940
Fair value gain recognised for the year	53,162
	<u>58,102</u>
At 30 September 2016	<u>58,102</u>

As at 30 September 2016 and 2015, 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, PREPAYMENTS AND OTHERS

	2016 HK\$'000	2015 HK\$'000
Trade debtors		
Within 30 days past due	3,002	2,825
31 to 60 days past due	664	361
61 to 90 days past due	384	92
Over 90 days past due	186	345
	<u>4,236</u>	<u>3,623</u>
Amount past due but not considered impaired	<u>4,236</u>	<u>3,623</u>

Trade debtors represent rental and service income receivables. The Group normally does not grant credit period to trade debtors. During the year, there is no impairment loss on trade debtors (2015: HK\$104,846) recognised in the statement of comprehensive income.

10. CREDITORS, ACCRUALS AND DEPOSITS

	2016 HK\$'000	2015 HK\$'000
Trade creditors within 30 days	<u>1,152</u>	<u>1,091</u>

BUSINESS REVIEW

Group Results

Profit attributable to equity holders for the year amounted to HK\$281.5 million (2015: HK\$560.6 million). The decrease in profit mainly resulted from a smaller increase in current year's fair value gain on investment properties of HK\$127.0 million compared with the HK\$413.0 million fair value gain in 2015. Revenue for the year amounted to HK\$232.1 million (2015: HK\$223.4 million), up 3.9% year-on-year. The rental operation contributed HK\$184.9 million (2015: HK\$176.8 million) to the operating profit, representing an increase of 4.6% as compared to last year.

Significant Investments

The Group's investment properties at Melbourne Plaza and Kimley Commercial Building in Central were approximately 95% and 83% let as at 30 September 2016 respectively (2015: approximately 94% and 89% let respectively).

Liquidity and Financial Resources

Basically, the Group's working capital requirement was financed by its rental income. As at 30 September 2016, the Group had cash and bank balances totalling HK\$220.0 million (2015: HK\$175.8 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 associates during the year. There are no other plans for material capital investments or future developments.

BOOK CLOSE DATES FOR 2016 AGM

Book close dates : Monday, 23 January 2017 to Friday, 26 January 2017
(both days inclusive)

Latest time to lodge transfers with : 4:30 p.m. on Friday, 20 January 2017
Share Registrar

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 : 4:30 p.m. on Wednesday, 1 February 2017
transfers with Share Registrar

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 Friday, 10 February 2017

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 on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) 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 policy of risk management, the system of internal control and the financial statements for the year ended 30 September 2016. The Audit Committee consists of three Independent Non-executive Directors, one Non-executive Director and one Executive Director as Secretary.

The figures in respect of the preliminary announcement of the Group’s results for the year ended 30 September 2016 have been agreed by the Group’s auditor, PricewaterhouseCoopers, to the amounts set out in the Group’s draft consolidated financial statements for the year. 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 assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the year 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 years ended 30 September 2016 and 30 September 2015 included in this preliminary announcement of annual results of 2015/2016 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:

The Company had delivered the financial statements for the year ended 30 September 2015 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 2016 in due course.

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/melbournweb and the Stock Exchange’s website at www.hkexnews.hk on or before 26 January 2017.

Chung Yin Shu, Frederick
Executive Director

Hong Kong, 12 December 2016

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) 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.