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### ANNUAL RESULTS ANNOUNCEMENT 2020/2021

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 2021 as follows:

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2021

	Note	2021 HK\$'000	2020 HK\$'000
<b>Revenue</b>	2	160,423	203,704
Operating costs		(49,024)	(37,128)
Gross profit		111,399	166,576
Other income		616	3,207
Administrative expenses		(12,836)	(12,474)
Decrease in fair values of investment properties		(16,300)	(1,317,200)
<b>Profit/(loss) before taxation</b>	3	82,879	(1,159,891)
Income tax expenses	4	(16,016)	(25,547)
<b>Profit/(loss) for the year attributable to equity holders</b>		66,863	(1,185,438)
<b>Other comprehensive income/(loss)</b>			
<i>Item that will not be classified subsequently to profit or loss</i>			
Fair value gain/(loss) on financial asset at fair value through other comprehensive income		11,986	(22,794)
<b>Total comprehensive income/(loss) attributable to equity holders</b>		78,849	(1,208,232)
<b>Earnings/(loss) per share</b>			
Basic and diluted	6	HK\$2.67	(HK\$47.42)

**CONSOLIDATED BALANCE SHEET***At 30 September 2021*

	Note	2021 HK\$'000	2020 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	7	84	616
Investment properties	7	7,503,500	7,519,800
Investment accounted for using the equity method		-	-
Financial asset at fair value through other comprehensive income	8	98,273	86,287
Advances to an investee company		29,605	29,605
Deferred rent receivables	9	505	966
		<u>7,631,967</u>	<u>7,637,274</u>
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<b>Current assets</b>			
Debtors, other receivables, deposits and prepayments	9	9,109	13,897
Cash and bank balances		250,110	290,398
		<u>259,219</u>	<u>304,295</u>
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<b>Current liabilities</b>			
Creditors, accruals and deposits	10	44,753	46,045
Current tax payable		11,764	25,396
		<u>56,517</u>	<u>71,441</u>
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<b>Net current assets</b>		<u>202,702</u>	<u>232,854</u>
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<b>Total assets less current liabilities</b>		<u>7,834,669</u>	<u>7,870,128</u>
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<b>Non-current liabilities</b>			
Provision for long service payments		14,843	14,195
Deferred tax liabilities		2,292	2,248
		<u>17,135</u>	<u>16,443</u>
		-----	-----
<b>Net assets</b>		<u>7,817,534</u>	<u>7,853,685</u>
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<b>Equity</b>			
Share capital		125,000	125,000
Fair value through other comprehensive income reserve		98,272	86,286
Retained profits		7,594,262	7,642,399
		<u>7,817,534</u>	<u>7,853,685</u>
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<b>Total equity</b>		<u>7,817,534</u>	<u>7,853,685</u>
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## 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 2021:

HKAS 1 and HKAS 8 Amendment	Definition of Material
HKAS 39, HKFRS 7 and HKFRS 9 Amendment	Interest Rate Benchmark Reform – Phase 1
HKFRS 3 Amendment	Definition of a Business
HKFRS 16 Amendment	COVID-19 Related Concessions
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

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 AND IMPROVEMENTS TO EXISTING STANDARDS WHICH ARE NOT YET EFFECTIVE

The HKICPA has issued certain new standard, interpretation, amendments and improvements to existing standards which are not yet effective for the year ended 30 September 2021 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 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.

	<b>2021</b> <b>HK\$'000</b>	<b>2020</b> <b>HK\$'000</b>
<b>(a) Revenue</b>		
Property investment		
Rental income	142,656	183,919
Property management fee income	17,767	19,785
	<u>160,423</u>	<u>203,704</u>
<b>(b) Contribution to profit/(loss) before taxation</b>		
Property investment – Rental operations	99,179	157,309
Decrease in fair values of investment properties	(16,300)	(1,317,200)
	<u>82,879</u>	<u>(1,159,891)</u>

Revenue (representing turnover) comprises 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:

	<b>2021</b> <b>HK\$'000</b>	<b>2020</b> <b>HK\$'000</b>
Crediting:		
Interest income	457	3,037
	<u>457</u>	<u>3,037</u>
Charging:		
Outgoings in respect of investment properties	47,558	35,471
Directors' emoluments	2,528	2,461
Auditor's remuneration	965	887
Depreciation	532	567
Impairment loss on trade debtors	-	56
Staff costs (excluding Directors' emoluments)		
Salaries and other emoluments (note)	5,215	4,870
Long service payments	668	938
Contributions to mandatory provident fund scheme	133	133
	<u>57,096</u>	<u>44,383</u>

Note:

For the year ended 30 September 2021, wages subsidies of HK\$270,000 (2020: HK\$540,000) from the Employment Support Scheme ("ESS") under the Anti-epidemic Fund of the Hong Kong Government are net off in salaries and other emoluments. The ESS aims to retain employment and combat the coronavirus disease 2019 ("COVID-19").

#### 4. INCOME TAX EXPENSES

	<b>2021</b> <b>HK\$'000</b>	<b>2020</b> <b>HK\$'000</b>
<b>Current income tax</b>		
- Hong Kong profits tax	15,992	25,157
- Over-provision in respect of prior year	(20)	(80)
	<u>15,972</u>	<u>25,077</u>
<b>Deferred income tax</b>	44	470
	<u>16,016</u>	<u>25,547</u>

For the years ended 30 September 2021 and 2020, 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>2021</b> <b>HK\$'000</b>	<b>2020</b> <b>HK\$'000</b>
Interim dividend paid of HK\$1.80 (2020: HK\$2.30) per share	45,000	57,500
Final dividend proposed of HK\$1.80 (2020: HK\$2.80) per share	45,000	70,000
	<u>90,000</u>	<u>127,500</u>

At a meeting held on 17 December 2021, 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 2022.

#### 6. EARNINGS/(LOSS) PER SHARE

The calculation of basic earning/(loss) per share is based on the profit attributable to equity holders of HK\$66,863,000 (2020: loss attributable to equity holders of HK\$1,185,438,000) and the 25,000,000 shares in issue throughout the years ended 30 September 2021 and 2020.

Diluted earnings/(loss) per share equals basic earnings/(loss) per share because there were no potential dilutive shares outstanding during the years ended 30 September 2021 and 2020.

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

	<b>Investment properties HK\$'000</b>	<b>Property, plant and equipment HK\$'000</b>	<b>Total HK\$'000</b>
Net book value at 30 September 2020	7,519,800	616	7,520,416
Decrease in fair value	(16,300)	-	(16,300)
Depreciation	-	(532)	(532)
	<u>7,503,500</u>	<u>84</u>	<u>7,503,584</u>

The investment properties are held under long leases (over 50 years) in Hong Kong and were revalued at 30 September 2021 and 2020 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**

	<b>HK\$'000</b>
At 1 October 2020	86,287
Change in fair value	11,986
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At 30 September 2021	98,273
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As at 30 September 2021 and 2020, 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>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Trade debtors	2,988	4,362
Deferred rent receivables (note)	4,105	7,277
Prepayment and deposits	1,457	1,487
Other receivables	559	771
	<hr/>	<hr/>
	9,109	13,897
	<hr/> <hr/>	<hr/> <hr/>

Note:

Deferred rent receivables represent the accumulated difference between effective rental revenue and actual rental receipts. Deferred rent receivables of HK\$505,000 (2020: HK\$966,000) 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>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Trade debtors		
Within 30 days	1,871	2,457
31 to 60 days	591	1,260
61 to 90 days	313	584
Over 90 days	213	61
	<hr/>	<hr/>
	2,988	4,362
	<hr/> <hr/>	<hr/> <hr/>

The Group normally does not grant credit period to trade debtors. For the year ended 30 September 2021, no trade debtors (2020: HK\$56,274) were written-off.

## 10. CREDITORS, ACCRUALS AND DEPOSITS

	<b>2021</b> <b>HK\$'000</b>	<b>2020</b> <b>HK\$'000</b>
Trade creditors	1,577	1,012
Accruals and deposits	43,176	45,033
	<u>44,753</u>	<u>46,045</u>

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

	<b>2021</b> <b>HK\$'000</b>	<b>2020</b> <b>HK\$'000</b>
Trade creditors		
Within 30 days	1,577	1,012
	<u>1,577</u>	<u>1,012</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 2021 compared to the year ended 30 September 2020 as a result of reduced market rent, rent concessions requested by tenants and increased vacancies. Profit attributable to equity holders for the year amounted to HK\$66.9 million (2020: loss attributable to equity holders of HK\$1,185.4 million). The profit mainly resulted from the current year's decrease in fair value loss of investment properties. The fair value loss of investment properties for the current year is HK\$16.3 million while the fair value loss of investment properties for the year of 2020 was HK\$1,317.2 million. After allowing for the effect of fair value changes of investment properties, the underlying operating profit from rental operations decreased by 36.9% from HK\$157.3 million for 2020 to HK\$99.2 million for 2021. Revenue for the year amounted to HK\$160.4 million (2020: HK\$203.7 million), decreased by 21.3% year-on-year.

#### Significant Investments

The Group's investment properties at Melbourne Plaza and Kimley Commercial Building in Central were approximately 90% and 78% let as at 30 September 2021 respectively (2020: approximately 92% and 81% let respectively).

#### Liquidity and Financial Resources

The Group's working capital requirement was financed by its rental income. As at 30 September 2021, the Group had cash and bank balances totaling HK\$250.1 million (2020: HK\$290.4 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 2021 AGM**

Book close dates (both days inclusive) : Tuesday, 25 January 2022 to Friday, 28 January 2022

Latest time to lodge transfers with Share Registrar : 4:30 p.m. on Monday, 24 January 2022

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 Wednesday, 9 February 2022

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, 18 February 2022

**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 policies of risk management, the systems of internal control and the financial statements for the year ended 30 September 2021. The Audit Committee consists of four Independent Non-executive Directors and one Non-executive Director.

The figures in respect of the preliminary announcement of the Group's results for the year ended 30 September 2021 have been agreed by the Company's auditor, PricewaterhouseCoopers, to the amounts set out in the Company's draft consolidated financial statements for the year ended 30 September 2021. 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 2021 and 30 September 2020 included in this preliminary announcement of annual results of 2020/2021 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 2020 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 2021 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](http://www.irasia.com/listco/hk/melbournweb) and the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) on or before 28 January 2022.

**Chung Yin Shu, Frederick**  
*Executive Director*

Hong Kong, 17 December 2021

*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) four independent non-executive directors, namely Dr. Fong Yun Wah, G.B.S., J.P., Mr. Lo Pak Shiu, Mr. Yuen Sik Ming, Patrick and Mr. Wong Kai Tung, Tony.*