萬邦投資有限公司
MELBOURNE ENTERPRISES LIMITED
(Incorporated in Hong Kong with limited liability)

(Stock Code: 158)

INTERIM RESULTS ANNOUNCEMENT 2018/2019

The Board of Directors is pleased to announce the unaudited interim results of the Company and its subsidiary (the "Group") for the six months ended 31 March 2019.

The Group's unaudited condensed consolidated balance sheet, unaudited condensed consolidated statement of comprehensive income and explanatory notes 1 to 10 as presented below are extracted from the Group's unaudited condensed consolidated interim financial information for the six months ended 31 March 2019 (the "Unaudited Condensed Consolidated Interim Financial Information") which has been reviewed by the Company's independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 31 March	
		2019	**2018**
	Note	**HK$'000**	**HK$'000**
Revenue	2	113,438	109,193
Operating costs		(19,338)	(13,256)
Gross profit		94,100	95,937
Other income		779	345
Administrative expenses		(7,117)	(7,522)
Increase in fair values of investment properties		10,000	914,500
Operating profit	3	97,762	1,003,260
Share of results of investments accounted for using the equity method		-	(2)
Profit before taxation		97,762	1,003,258
Income tax expenses	4	(14,163)	(14,504)
Profit for the period and total comprehensive income for the period attributable to equity holders		83,599	988,754
Earnings per share			
Basic and diluted	6	HK$3.34	HK$39.55

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	31 March 2019 HK$'000	30 September 2018 HK$'000
Non-current assets			
Property, plant and equipment	7	1,462	1,746
Investment properties	7	9,548,000	9,538,000
Investments accounted for using the equity method		-	317
Available-for-sale investment	8	-	49,763
Financial asset at fair value through other comprehensive income	8	49,763	-
Advances to an investee company		29,605	29,605
		9,628,830	9,619,431
Current assets			
Debtors, other receivables, deposits and prepayments	9	6,380	6,526
Cash and bank balances		263,019	273,961
		269,399	280,487
Current liabilities			
Creditors, accruals and deposits	10	48,896	49,296
Current tax payable		13,129	28,906
		62,025	78,202
Net current assets		207,374	202,285
Total assets less current liabilities		9,836,204	9,821,716
Non-current liabilities			
Provision for long service payments		14,380	13,491
Deferred tax liabilities		1,778	1,778
		16,158	15,269
Net assets		9,820,046	9,806,447
Equity			
Share capital		125,000	125,000
Investment revaluation reserve		-	49,762
Fair value through other comprehensive income reserve		49,762	-
Retained profits		9,645,284	9,631,685
Total equity		9,820,046	9,806,447

1. PRINCIPAL ACCOUNTING POLICIES

The Unaudited Condensed Consolidated Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the HKICPA.

The Unaudited Condensed Consolidated Interim Financial Information should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended 30 September 2018 (the "2018 Annual Financial Statements"), which have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA.

The accounting policies and methods of computation used in the preparation of the Unaudited Condensed Consolidated Interim Financial Information are consistent with those set out in the 2018 Annual Financial Statements, except for the adoption of the following new standards, interpretation, amendments and improvements to existing standards issued by the HKICPA:

HKAS 40 Amendment	Transfers of Investment Property
HKFRS 2 Amendment	Classification and Measurement of Share-based Payment Transactions
HKFRS 4 Amendment	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contract
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HKFRS 15 Amendment	Clarifications to HKFRS 15
HK(IFRIC) - Int 22	Foreign Currency Transactions and Advance Consideration
Annual Improvement Projects	Annual Improvements 2014-2016 Cycle

The adoption of these new standards, interpretation, amendments and improvements to existing standards does not have any significant effect on the results and financial position of the Group, except for the impact of the adoption of HKFRS 9 disclosed in note 1.1 below.

The HKICPA has issued certain new standards, interpretation, amendments and improvements to existing standards which are not yet effective for the year ending 30 September 2019 and have not been early adopted by the Group. The Group will apply these new standards, 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, except for the below new standard:

HKFRS 16 Leases

HKFRS 16 was issued in May 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 October 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

1.1 Change in accounting policies

(a) Impact on the Unaudited Condensed Consolidated Interim Financial Information

As explained below, HKFRS 9 was adopted without restating comparative information. The resulting reclassifications and adjustments arising from the new accounting policies are therefore not reflected in the comparative balances, but are recognised in the opening consolidated balance sheet on 1 October 2018.

The following tables show the impact on each individual line item. Line items that were not affected by the changes have not been included. The impact is explained in more detail in note (b) below.

Condensed consolidated balance sheet (extract)	As at 30 September 2018 as previously reported	Impact on initial adoption of HKFRS 9	As at 1 October 2018 as restated
	HK$'000	HK$'000	HK$'000
Non-current assets			
Available-for-sale investment	49,763	(49,763)	-
Financial asset at fair value through other comprehensive income ("FVOCI")	-	49,763	49,763
Equity			
Investment revaluation reserve	49,762	(49,762)	-
Fair value through other comprehensive income reserve	-	49,762	49,762

(b) HKFRS 9 Financial Instruments – Impact of adoption

HKFRS 9 replaces the provisions of HKAS 39 that related to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 Financial Instruments from 1 October 2018 resulted in changes in accounting policies. The new accounting policies are set out in note (c) below. In accordance with the transitional provisions in HKFRS 9, the comparative information for prior periods with respect to classification and measurement (including impairment) changes is not restated and differences in the carrying amounts resulting from the adoption of HKFRS 9 are recognised as adjustments to the opening condensed consolidated balance sheet on 1 October 2018.

The Group has elected to present in other comprehensive income for the changes in the fair value of all previously classified as available-for-sale financial assets which were reclassified to financial assets at FVOCI on 1 October 2018. As a results, fair value changes were reclassified from investment revaluation reserve to FVOCI reserve.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

1.1 Change in accounting policies (Continued)

(c) HKFRS 9 Financial Instruments – Accounting policies applied from 1 October 2018

Equity investments and other financial assets

Classification and measurement

From 1 October 2018, the Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income ("OCI"), or through profit or loss), and

- Those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

Equity investments previously classified as available-for-sale

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognised in profit or loss as other operating income when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

From 1 October 2018, the Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The results of the revision have not resulted in any material change in impairment provision or any material impact on the carrying amount of the Group's financial assets.

2. SEGMENT INFORMATION

The Board collectively has been identified as the chief operating decision-maker. The Board reviews the Group's internal reporting in order to assess performance and allocate resources.

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

		Six months ended 31 March 2019 HK$'000	2018 HK$'000
(a)	**Revenue**		
	Property investment	113,438	109,193
(b)	**Contribution to profit before taxation**		
	Property investment -		
	Rental operations	87,762	88,760
	Increase in fair values of investment properties	10,000	914,500
		97,762	1,003,260
	Share of results of investments accounted for using the equity method	-	(2)
	Profit before taxation	97,762	1,003,258

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

3. OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

	Six months ended 31 March 2019 HK$'000	2018 HK$'000
Crediting:		
Interest income	689	264
Charging:		
Depreciation	284	318
Bad debt expense	-	130

4. INCOME TAX EXPENSES

	Six months ended 31 March 2019 HK$'000	2018 HK$'000
Current income tax		
- Hong Kong profits tax	14,163	14,504

4. INCOME TAX EXPENSES (CONTINUED)

For the six months ended 31 March 2019, 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%.

For the six months ended 31 March 2018, Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profits of the Group for the period.

5. INTERIM DIVIDEND

At a meeting held on 23 May 2019, the directors declared an interim dividend of HK$2.3 per share (2018: HK$2.3 per share) amounting to HK$57,500,000 (2018: HK$57,500,000). The dividend will be payable in cash. The interim dividend declared is not reflected as dividend payable in the Unaudited Condensed Consolidated Interim Financial Information, but will be reflected as an appropriation of retained profits for the year ending 30 September 2019.

6. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the period attributable to equity holders of HK$83,599,000 (2018: HK$988,754,000) and the 25,000,000 shares (2018: 25,000,000 shares) in issue throughout the six months ended 31 March 2019.

Diluted earnings per share equals basic earnings per share because there were no potential dilutive shares outstanding during the period.

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 1 October 2018	9,538,000	1,746	9,539,746
Increase in fair value	10,000	-	10,000
Depreciation	-	(284)	(284)
Net book value at 31 March 2019	9,548,000	1,462	9,549,462

The investment properties are held under long leases (over 50 years) in Hong Kong and were revalued on 31 March 2019 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/AVAILABLE-FOR-SALE INVESTMENT

	31 March 2019 HK$'000	30 September 2018 HK$'000
Financial asset at fair value through other comprehensive income	49,763	-
Available-for-sale investment	-	49,763

As at 31 March 2019, financial asset at fair value through other comprehensive income represents equity interest in an unlisted company, Billion Park Investment Limited which invests in a project for the construction of golf course and related commercial and residential properties in Foshan through its associated companies.

9. DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

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

	31 March 2019 HK$'000	30 September 2018 HK$'000
Trade debtors		
Within 30 days	3,453	3,162
31 to 60 days	932	1,180
61 to 90 days	26	216
Over 90 days	2	2
	4,413	4,560

Trade debtors mainly represent rentals receivable. The Group normally does not grant credit to trade debtors.

For the six months ended 31 March 2019, no trade debtors were written-off (six months ended 31 March 2018: HK$130,000).

10. CREDITORS, ACCRUALS AND DEPOSITS

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

	31 March 2019 HK$'000	30 September 2018 HK$'000
Trade creditors		
Within 30 days	1,164	559
31 to 60 days	113	-
61 to 90 days	-	-
Over 90 days	213	226
	1,490	785

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

INTERIM DIVIDEND

At a meeting held on 23 May 2019, the directors declared an interim dividend of HK$2.3 per share (2018: HK$2.3 per share). The dividend will be payable in cash. Dividend warrants will be posted to shareholders by Wednesday, 19 June 2019.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Monday, 10 June to Wednesday, 12 June 2019, both days inclusive, during which period no transfer of shares will be registered. To ensure their entitlement to the interim dividend, shareholders are reminded to lodge their transfers not later than 4:30p.m. on Thursday, 6 June 2019 with Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

BUSINESS REVIEW

Group Results
Net profit for the six months ended 31 March 2019 amounted to HK$83.6 million (2018: HK$988.8 million). The decrease in profit mainly resulted from a decrease in current period's fair value gain on investment properties of HK$10.0 million compared with the HK$914.5 million fair value gain for the corresponding period of 2018. Besides, the Group carried out certain renovation work on Melbourne Plaza and incurred approximately HK$5.6 million as operating costs during the period. After allowing for the effect of fair value changes of the investment properties, the underlying operating profit from rental operations decreased 1.1% from HK$88.8 million to HK$87.8 million compared with the corresponding period of 2018, while revenue for the period increased by 3.8% to HK$113.4 million (2018: HK$109.2 million).

Significant Investments
The Group's investment properties at Melbourne Plaza and Kimley Commercial Building in Central were approximately 97.7% and 84.6% let respectively as at 31 March 2019 (2018: approximately 93.7% and 78.6% let).

Liquidity and Financial Resources
The Group's working capital requirement was financed by its rental income. As at 31 March 2019, the Group had cash and bank balances totaling HK$263.0 million (30 September 2018: HK$274.0 million). During the period, the Group did not undertake any borrowings or overdraft facilities.

Employees and Remuneration Policies
The Group employs a total of 18 employees. The Group recognises the importance of the strength of its human resources for its success. Remuneration for employees is maintained at market 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 subsidiary companies and investments accounted for using the equity method during the period except for dissolution of an associate. There are no other plans for material capital investments or future developments.

Purchase, Sale or Redemption of Shares
The Company has not redeemed any of its shares during the six months ended 31 March 2019. Neither the Company nor its subsidiary company has purchased or sold any of the Company's shares in the same period.

Audit Committee
The Audit Committee has reviewed the unaudited interim financial information. The external auditor conducted a review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. On 21 May 2019, the Audit Committee met with the management and the external auditor to review the unaudited interim financial information.

Code on Corporate Governance Practices
During the financial period, the Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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 year ended 30 September 2018 included in this announcement of interim results 2018/2019 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year 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 is as follows:

a) The Company had delivered the financial statements for the year ended 30 September 2018 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance;

b) The Company's auditor had reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

Publication of Interim Report on The Internet
The interim report will be available from Group's website at www.irasia.com/listco/hk/melbourneweb and the Stock Exchange's website at www.hkexnews.hk on or before 30 June 2019.

Chung Yin Shu, Frederick
Secretary

Hong Kong, 23 May 2019

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) three independent non-executive directors, namely Dr. Fong Yun Wah, G.B.S., J.P., Mr. Lo Pak Shiu and Mr. Yuen Sik Ming, Patrick.