



**Melbourne**

**Enterprises Limited**

(Stock Code: 158)

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**2022 / 2023 Interim Report**

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Chung Yin Shu, Frederick  
(*Chairman*)

Mr. Tsang On Yip, Patrick  
(*Mr. Kenneth Lau as his alternate*)

### Non-executive Director

Mr. Chung Wai Shu, Robert  
Mr. Wong Tak Wai, Alvin

### Independent Non-executive Directors

Mr. Lo Pak Shiu  
Mr. Yuen Sik Ming, Patrick  
Mr. Wong Kai Tung, Tony  
Ms. Ling Kit Sum, Imma

### COMPANY SECRETARY

Mr. Chung Wai Shu, Robert

### AUDIT COMMITTEE

Mr. Yuen Sik Ming, Patrick  
(*Chairman*)  
Mr. Chung Wai Shu, Robert  
Mr. Lo Pak Shiu  
Mr. Wong Kai Tung, Tony  
Mr. Wong Tak Wai, Alvin  
Ms. Ling Kit Sum, Imma

### REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

Mr. Yuen Sik Ming, Patrick  
(*Chairman*)  
Mr. Chung Yin Shu, Frederick  
Mr. Chung Wai Shu, Robert  
Mr. Lo Pak Shiu  
Mr. Wong Kai Tung, Tony

## AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants  
Registered Public Interest Entity  
Auditor  
22/F, Prince's Building  
Central, Hong Kong

## SOLICITORS

Woo, Kwan, Lee & Lo

## BANKERS

The Hongkong and Shanghai  
Banking Corporation  
Hang Seng Bank Limited

## SHARE REGISTRARS AND TRANSFER OFFICE

Computershare Hong Kong  
Investor Services Limited  
Shops 1712-1716, 17/F.,  
Hopewell Centre  
183 Queen's Road East  
Hong Kong

## REGISTERED OFFICE

Rooms 2102-4, Melbourne Plaza  
33 Queen's Road Central  
Hong Kong

## STOCK CODE

Hong Kong Stock Exchange 00158

## WEBSITE

[www.irasia.com/listco/hk/melbourneweb](http://www.irasia.com/listco/hk/melbourneweb)

# Condensed Consolidated Statement of Comprehensive Income

		Unaudited Six months ended 31 March	
		2023	2022
	Note	HK\$'000	HK\$'000
<b>Revenue</b>	5	77,689	80,070
Operating costs		<u>( 23,810)</u>	<u>( 17,441)</u>
Gross profit		53,879	62,629
Other income		4,996	203
Administrative expenses		<u>( 10,104)</u>	<u>( 7,382)</u>
Decrease in fair values of investment properties		<u>( 41,000)</u>	<u>( 15,000)</u>
<b>Profit before taxation</b>	5 & 6	7,771	40,450
Income tax expenses	7	<u>( 7,284)</u>	<u>( 8,905)</u>
<b>Profit for the period attributable to equity holders</b>		<u>487</u>	<u>31,545</u>
<b>Other comprehensive income</b>			
<i>Item that will not be classified subsequently to profit or loss</i>			
Fair value gain on financial asset at fair value through other comprehensive income		<u>6,643</u>	<u>6,535</u>
<b>Total comprehensive income attributable to equity holders</b>		<u><u>7,130</u></u>	<u><u>38,080</u></u>
<b>Earnings per share</b>			
Basic and diluted	9	<u><u>HK\$0.02</u></u>	<u><u>HK\$1.26</u></u>

## Condensed Consolidated Statement of Financial Position

		Unaudited 31 March 2023 HK\$'000	Audited 30 September 2022 HK\$'000
	Note		
<b>Non-current assets</b>			
Property, plant and equipment	10	875	55
Investment properties	10	7,241,700	7,282,700
Investment accounted for using equity method		—	—
Financial asset at fair value through other comprehensive income	11	95,749	89,106
Advances to an investee company	11	29,605	29,605
Deferred rent receivables	12	2,395	2,228
		<u>7,370,324</u>	<u>7,403,694</u>
<b>Current assets</b>			
Debtors, other receivables, deposits and prepayments	12	11,451	9,448
Cash and bank balances	13	240,477	244,429
		<u>251,928</u>	<u>253,877</u>
<b>Current liabilities</b>			
Creditors, accruals and deposits	14	39,304	40,602
Current tax payable		9,195	8,824
		<u>48,499</u>	<u>49,426</u>
<b>Net current assets</b>		<u>203,429</u>	<u>204,451</u>
<b>Total assets less current liabilities</b>		<u>7,573,753</u>	<u>7,608,145</u>

	<b>Unaudited 31 March 2023 HK\$'000</b>	Audited 30 September 2022 HK\$'000
<b>Non-current liabilities</b>		
Provision for long service payments	18,234	14,756
Deferred tax liabilities	<u>2,412</u>	<u>2,412</u>
	<u>20,646</u>	<u>17,168</u>
<b>Net assets</b>	<b><u>7,553,107</u></b>	<b><u>7,590,977</u></b>
<b>Equity</b>		
Share capital	125,000	125,000
Fair value through other comprehensive income reserve	95,748	89,105
Retained profits	<u>7,332,359</u>	<u>7,376,872</u>
<b>Total equity</b>	<b><u>7,553,107</u></b>	<b><u>7,590,977</u></b>

# Condensed Consolidated Statement of Changes in Equity

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Total equity at beginning of the period	<b>7,590,977</b>	7,817,534
Profit for the period attributable to equity holders	<b>487</b>	31,545
Fair value gain on financial asset at fair value through other comprehensive income	<b>6,643</b>	6,535
Dividends paid	<b>( 45,000)</b>	( 45,000)
Total equity at end of the period	<b><u>7,553,107</u></b>	<u>7,810,614</u>

## Condensed Consolidated Statement of Cash Flows

		Unaudited Six months ended 31 March	
	Note	2023 HK\$'000	2022 HK\$'000
Net cash generated from operating activities		41,910	30,467
Net cash used in investing activity		( 862)	—
Net cash used in financing activities		( 45,000)	( 45,000)
Net decrease in cash and bank balances		( 3,952)	( 14,533)
Cash and bank balances at beginning of the period		244,429	250,110
Cash and bank balances at end of the period	13	240,477	235,577



# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 1. BASIS OF PREPARATION

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 Hong Kong Institute of Certified Public Accountants (“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 2022 (the “2022 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 2022 Annual Financial Statements, except for the adoption of the following amendments to existing standards issued by the HKICPA:

### (a) Adoption of amendments to existing standards

The Group has adopted the following amendments to existing standards which are mandatory for the financial year ending 30 September 2023:

Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations
Amendments to HKAS 16	Property, Plant and Equipment - Proceeds before intended use
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
HKFRSs Amendments	Annual Improvements to HKFRSs 2018-2020 Cycle

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

## 1. BASIS OF PREPARATION (Cont'd)

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

The following new standard, interpretation and amendments to existing standards are mandatory for accounting periods beginning on or after 1 October 2023 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 1 and 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 arising from a single transaction
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
HKFRS 17 and Amendments to HKFRS 17	Insurance Contracts
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

## **1. BASIS OF PREPARATION (Cont'd)**

### **(b) New standard, interpretation and amendments to existing standards which are not yet effective (Cont'd)**

The Group will apply these new standard, interpretation and amendments 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. PRINCIPAL ACTIVITIES**

The principal activity of the Company and its subsidiary is property investment in Hong Kong.

## **3. FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION**

### **(a) Financial risk factors**

The Group's activities expose it to a variety of financial risks: credit risk and liquidity risk.

The Unaudited Condensed Consolidated Interim Financial Information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's 2022 Annual Financial Statements.

### 3. FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION (Cont'd)

#### (a) Financial risk factors (Cont'd)

There have been no changes in the Group's financial risk management policies and procedures since the last year end.

#### (b) Fair value estimation

Financial instruments that are measured in the statement of financial position at fair value are disclosed by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair values of financial instruments traded in active markets are based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. None of the instruments is included in level 1 as at 31 March 2023.

**3. FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION (Cont'd)**

(b) Fair value estimation (Cont'd)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. None of the instrument is included in level 2 as at 31 March 2023.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Unobservable inputs were used to determine the fair value of financial asset at fair value through other comprehensive income included in level 3.

The following table presents the Group's financial instruments that are measured at fair value at 31 March 2023 and 30 September 2022:

	<b>At 31 March 2023</b>	At 30 September 2022
	<b>Level 3</b>	Level 3
	<b>HK\$'000</b>	HK\$'000
Financial asset at fair value through other comprehensive income ("FVOCI")	95,749	89,106

Changes in financial asset at FVOCI in level 3 financial instrument during the period were set out in note 11.

**3. FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION (Cont'd)**

**(b) Fair value estimation (Cont'd)**

The fair value of an unlisted financial asset at fair value through other comprehensive income is determined by adjusted net asset method with reference to market value of the golf courses and related commercial and residential properties assessed by an independent professional valuer, using discounted cash flow model, direct market comparison, residual method and income capitalisation method. The directors consider that this valuation technique is more relevant given that the golf courses and related commercial and residential properties are the major and principal underlying assets of the financial asset. This financial asset at fair value through other comprehensive income is included in level 3.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements used are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Compared to the 2022 Annual Financial Statements, there were no material changes in the estimates and assumptions applied in the preparation of the Unaudited Condensed Consolidated Interim Financial Information.

## 5. 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.

	<b>Six months ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>(a) Revenue</b>		
Property investment		
Rental income	<b>68,767</b>	70,814
Property management fee income	<b>8,922</b>	9,256
	<u><b>77,689</b></u>	<u>80,070</u>
<b>(b) Contribution to profit before taxation</b>		
Property investment -		
Rental operations	<b>48,771</b>	55,450
Decrease in fair values of investment properties	<b>( 41,000)</b>	( 15,000)
Profit before taxation	<u><b>7,771</b></u>	<u>40,450</u>

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

## 6. PROFIT BEFORE TAXATION

Profit before taxation is stated after crediting and charging the following:

	<b>Six months ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Crediting:		
Interest income	<u>3,769</u>	<u>130</u>
Charging:		
Depreciation	<u>42</u>	<u>43</u>

## 7. INCOME TAX EXPENSES

	<b>Six months ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Current income tax</b>		
– Hong Kong profits tax	<u>7,284</u>	<u>8,905</u>

For the six months ended 31 March 2023 and 31 March 2022, 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 is taxed at 8.25%, and assessable profits above HK\$2 million of the qualifying corporation are 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 continue to be taxed at the flat rate of 16.5%.



## 8. INTERIM DIVIDEND

	Six months ended 31 March	
	2023	2022
	HK\$'000	HK\$'000
Interim dividend, declared, of HK\$1.8 (2021: HK\$1.8) per share	<u>45,000</u>	<u>45,000</u>

At a meeting held on 31 May 2023, the directors declared an interim dividend of HK\$1.8 per share (2022: HK\$1.8 per share). 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 2023.

## 9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the period attributable to equity holders of HK\$487,000 (2022: profit attributable to equity holders of HK\$31,545,000) and the 25,000,000 shares (2022: 25,000,000 shares) in issue throughout the six months ended 31 March 2023.

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

## 10. 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 2021	7,503,500	84	7,503,584
Decrease in fair value	( 15,000)	—	( 15,000)
Addition	—	24	24
Depreciation	—	( 43)	( 43)
	<hr/>	<hr/>	<hr/>
Net book value at			
31 March 2022	7,488,500	65	7,488,565
Increase in fair value	( 205,800)	—	( 205,800)
Addition	—	55	55
Depreciation	—	( 65)	( 65)
	<hr/>	<hr/>	<hr/>
Net book value at			
30 September 2022	7,282,700	55	7,282,755
Decrease in fair value	( 41,000)	—	( 41,000)
Addition	—	862	862
Depreciation	—	( 42)	( 42)
	<hr/>	<hr/>	<hr/>
Net book value at			
31 March 2023	<u>7,241,700</u>	<u>875</u>	<u>7,242,575</u>

## 10. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The investment properties as at 31 March 2023 and 30 September 2022 were revalued on an open market value basis by CS Surveyors Limited, independent professional valuer who holds a recognised professional qualification and has recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The investment properties are commercial properties in Hong Kong held under long leases (over 50 years).

Fair values of the investment properties are derived using the direct comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as locations, layout, frontage and timing of the transaction. The most significant input into this valuation approach is price per square foot. The higher the price per square foot, the higher the fair value. As at 31 March 2023 and 30 September 2022, all investment properties are included in level 3 fair value hierarchy.

**11. FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND ADVANCES TO AN INVESTEE COMPANY**

	<b>31 March 2023 HK\$'000</b>	30 September 2022 HK\$'000
Financial asset at fair value through other comprehensive income	<u>95,749</u>	<u>89,106</u>
Advances to an investee company	<u><b>29,605</b></u>	<u>29,605</u>

The following table presents the change during the period:

	<b>HK\$'000</b>
At 1 October 2022	<b>89,106</b>
Change in fair value	<u>6,643</u>
At 31 March 2023	<u><b>95,749</b></u>

Financial asset at fair value through other comprehensive income represents 14.29% equity interest in Billion Park Investment Limited ("Billion Park"), a private company incorporated in Hong Kong. The principal activity of Billion Park is to participate in Foshan Country Club Company Limited, a co-operative joint venture formed in the People's Republic of China in which the Group has an effective interest of 5%, for the construction of commercial and residential properties and the operation of a golf course in Foshan.

The advances are unsecured, interest free have no fixed terms of repayment and not expected to be settled within 12 months. Their carrying amounts are not materially different from their fair values.

## 12. DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Balance included HK\$6,222,000 (30 September 2022: HK\$6,055,000) deferred rent receivables. Deferred rent receivables represent the accumulated difference between effective rental revenue and actual rental receipts. Deferred rent receivables amounted to HK\$2,395,000 (30 September 2022: HK\$2,228,000) 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>31 March 2023 HK\$'000</b>	30 September 2022 HK\$'000
Trade debtors		
Within 30 days	<b>2,093</b>	1,532
31 to 60 days	<b>857</b>	578
61 to 90 days	<b>430</b>	293
Over 90 days	<b>912</b>	344
	<hr/> <b>4,292</b> <hr/>	<hr/> 2,747 <hr/>

Trade debtors mainly represent rental and service income receivables. The Group normally does not grant credit to trade debtors. For the six months ended 31 March 2023, no loss allowance on trade debtors (2022: nil) was recognised in the condensed consolidated statement of comprehensive income. The other classes within debtors, other receivables, deposits and prepayments do not contain impaired assets.

The Group does not hold any collateral as security, except that the Group holds rental deposits from tenants for leasing of properties.

The carrying amounts of debtors, other receivables and deposits approximate their fair values.

### 13. CASH AND BANK BALANCES

	<b>31 March 2023 HK\$'000</b>	30 September 2022 HK\$'000
Cash at banks and on hand	46,731	54,035
Time deposits	<u>193,746</u>	<u>190,394</u>
	<u><b>240,477</b></u>	<u><b>244,429</b></u>

The carrying amounts of cash and bank balances approximate their fair values.

### 14. CREDITORS, ACCRUALS AND DEPOSITS

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

	<b>31 March 2023 HK\$'000</b>	30 September 2022 HK\$'000
Trade creditors		
Within 30 days	1,414	1,122
More than 90 days	<u>—</u>	<u>22</u>
	<u><b>1,414</b></u>	<u><b>1,144</b></u>

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

## 15. RELATED PARTY TRANSACTIONS

During the period, certain investment properties of the Group were leased to related companies, which are controlled by certain directors of the Company and/or their close family members, at prices and terms mutually agreed between the parties. Rental and related income from these related companies during the period was HK\$2,320,000 (2022: HK\$2,585,000).

During the period, the meal expenses for employees of HK\$96,000 (2022: HK\$96,000) were provided for by the Group to a related company, Fu Hop Investment Company Limited, which is controlled by certain directors of the Company, at mutually agreed terms.

No significant transactions have been entered into with the directors of the Company (being the key management personnel) during the period other than the emoluments paid to them (being the key management personnel compensation) as follows:

	<b>Six months ended 31 March</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Short-term employee benefits (Fees, salaries and other emoluments)	<b>1,221</b>	1,240
Post-employment benefits	<b>210</b>	92
	<b><u>1,431</u></b>	<u>1,332</u>

At 31 March 2023, an amount due from an investment accounted for using the equity method of HK\$5,446,000 (30 September 2022: HK\$5,433,000) is unsecured, interest free and not repayable within 12 months, among which HK\$5,446,000 (30 September 2022: HK\$5,433,000) was impaired.

## **Interim Dividend**

At a meeting held on 31 May 2023, the directors declared an interim dividend of HK\$1.8 per share (2022: HK\$1.8 per share). The dividend will be payable in cash. Dividend warrants will be posted to shareholders by Tuesday, 4 July 2023.

## **Closure of Register of Members**

The Register of Members will be closed from Monday, 19 June 2023 to Wednesday, 21 June 2023, 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 4:30 p.m. on Friday, 16 June 2023 with Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

## **Business Review**

The Group's shops and offices at Melbourne Plaza, 33 Queen's Road Central reached an occupancy rate of 92.8% while shops and offices at Kimley Commercial Building at 142-146 Queen's Road Central reached an occupancy rate of 81.3%. Both properties continued to attain good occupancy rates in the first six months of the financial year.

The Group's revenue during the period decreased by 3.0% to HK\$77.7 million over the same period of last year.

The Canton First Estate project forms part of the Group's investment. The golf club is in operation with sale of development properties. Ongoing development of properties is undertaken at different areas of the project.

Taking this opportunity, I would like to thank my fellow directors and staff members for their loyal services and continuing efforts.



# Management Discussion and Analysis

## GROUP RESULTS

The Group's performance has declined for the six months ended 31 March 2023 compared to the corresponding period in 2022. Net profit for the six months ended 31 March 2023 amounted to HK\$0.5 million (2022: Net profit of HK\$31.5 million). The decline in profit mainly resulted from the current period's decrease in the fair value of investment properties. The fair value loss of investment properties for the current period is HK\$41.0 million, while the fair value loss of investment properties for the corresponding period of 2022 was HK\$15.0 million. After allowing for the effect of fair value changes of the investment properties, the underlying operating profit from rental operations decreased by 12.0% from HK\$55.5 million to HK\$48.8 million compared with the corresponding period of 2022, while revenue for the period decreased by 3.0% to HK\$77.7 million (2022: HK\$80.1 million).

## SIGNIFICANT INVESTMENTS

The Group's investment properties at Melbourne Plaza and Kimley Commercial Building in Central were approximately 92.8% and 81.3% let respectively as at 31 March 2023 (2022: approximately 93.4% and 78.6% let).

## LIQUIDITY AND FINANCIAL RESOURCES

The Group's working capital requirement was financed by its rental income. As at 31 March 2023, the Group had cash and bank balances totaling HK\$240.5 million (30 September 2022: HK\$244.4 million). During the period, the Group did not undertake 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 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. There are no other plans for material capital investments or future developments.

## Directors' Interests in Shares

As at 31 March 2023, the interests or short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:-

### AGGREGATE LONG POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

	Number of ordinary shares held			Approximate percentage of the total no. of issued shares
	Personal interests	Corporate interests	Total	
<b>Directors</b>				
Mr. Chung Ming Fai	12,000,500	1,000 <sup>(Note)</sup>	12,001,500	48.00%
Mr. Chung Yin Shu, Frederick	1,875	—	1,875	0.01%

Note:

The late Chairman and Executive Director Mr. Chung Ming Fai, passed away on 4 May 2023, controlled more than one-third of the voting power of Fu Hop Investment Company Limited which held 1,000 shares in the Company.

## Substantial Shareholders' Interests in Shares

As at 31 March 2023, the interests or short positions of substantial shareholders in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

### AGGREGATE LONG POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

Name of substantial shareholders	Number of ordinary shares held			Approximate percentage of the total no. of issued shares
	Beneficial interests	Corporate interests	Total	
Cheng Yu Tung Family (Holdings) Limited ("CYTF") <sup>(1)</sup>	—	6,731,250	6,731,250	26.93
Cheng Yu Tung Family (Holdings II) Limited ("CYTF II") <sup>(1)</sup>	—	6,731,250	6,731,250	26.93
Chow Tai Fook Capital Limited ("CTFC") <sup>(1)</sup>	—	6,731,250	6,731,250	26.93
Chow Tai Fook (Holding) Limited (formerly known as Centennial Success Limited) ("CTFH") <sup>(1)</sup>	—	6,731,250	6,731,250	26.93
Chow Tai Fook Enterprises Limited ("CTF") <sup>(2)</sup>	2,981,250	3,750,000	6,731,250	26.93
New World Development Company Limited ("NWD") <sup>(3)</sup>	—	3,750,000	3,750,000	15.00
Kin Kiu Enterprises, Limited ("KK") <sup>(3)</sup>	3,750,000	—	3,750,000	15.00

Notes:

- (1) CYTF and CYTF II held 48.98% and 46.65% interests in CTFC, respectively. CTFC in turn owned 81.03% interest in CTFH which held the entire interests in CTF. Therefore, CYTF, CYTF II, CTFC and CTFH were deemed to have interests in the shares in which CTF was interested and deemed to be interested by virtue of its interests in NWD as mentioned in note 2 below.
- (2) CTF and its subsidiaries had interests in more than one-third of the issued shares of NWD and accordingly CTF was deemed to have an interest in the shares in which NWD was deemed to be interested.

- (3) NWD held 100% direct interest in KK and was accordingly deemed to have an interest in the shares interested by KK.

Save as disclosed above, there is no other interest recorded in the register that is required to be kept under Section 336 of the SFO as at 31 March 2023.

## **Purchase, Sale or Redemption of Shares**

The Company has not redeemed any of its shares during the six months ended 31 March 2023. Neither the Company nor its subsidiary has purchased or sold any of the Company's shares during the six months ended 31 March 2023.

## **Audit Committee**

The Audit Committee has reviewed the Unaudited Condensed Consolidated 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 HKICPA. On 30 May 2023, the Audit Committee met with the management and the external auditor to review the Unaudited Condensed Consolidated Interim Financial Information.

## **Corporate Governance Code**

During the financial period, the Company has fully complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix 14 of the Listing Rules.

## Changes in Directors' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors of the Company subsequent to the date of the 2022 Annual Report are set out below:

<b>Name of Director</b>	<b>Details of Changes</b>
Chung Ming Fai	Late Chairman and Executive Director of the Company passed away on 4 May 2023.
Chung Yin Shu, Frederick	Appointed as the Chairman of the Company and resigned as the Company Secretary of the Company with effect from 31 May 2023.
Chung Wai Shu, Robert	Appointed as the Company Secretary of the Company with effect from 31 May 2023.
Wong Tak Wai, Alvin	Appointed as a non-executive director and a member of the Audit Committee of the Company with effect from 31 May 2023.
Ling Kit Sum, Imma	Appointed as an independent non-executive director and a member of the Audit Committee of the Company with effect from 31 May 2023.

## Model Code for Securities Transactions by Directors

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the Model Code set out in Appendix 10 of the Listing Rules. Having made specific enquiry of the directors of the Company, all the directors confirmed that they had complied with the required standards of the said code during the six months ended 31 March 2023.

## **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 2022 included in the Interim Report 2022/2023 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 2022 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 407(3) of the Hong Kong Companies Ordinance.

**Chung Wai Shu, Robert**  
Secretary

Hong Kong, 31 May 2023

As at the date of this report, 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. Wong Tak Wai, Alvin and Mr. Chung Wai Shu, Robert; and (c) four independent non-executive directors, namely Mr. Lo Pak Shiu, Mr. Yuen Sik Ming, Patrick, Ms. Ling Kit Sum, Imma and Mr. Wong Kai Tung, Tony.