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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)

CONTINUING CONNECTED TRANSACTION TENANCY AGREEMENT

On 23 February 2016, the Company as landlord and Foo Hang as tenant entered into the New Tenancy Agreement in respect of the leasing of the Premises.

As Foo Hang is owned by family member and relatives of Mr. Lo, an independent non-executive Director, Foo Hang is a connected person of the Company under the Listing Rules and the transactions contemplated under the New Tenancy Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one of the Annual Cap Amounts exceeds HK\$3,000,000 and some of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules are more than 0.1% but all applicable percentage ratios are less than 5%, the transactions contemplated under the New Tenancy Agreement are subject to the reporting, announcement and annual review requirements but are exempt from circular and independent shareholders' approval requirements under the Listing Rules.

THE NEW TENANCY AGREEMENT

Pursuant to the Existing Tenancy Agreement dated 28 February 2015, the Company as landlord leased the Premises to Foo Hang as tenant for one year from 1 March 2015. Particulars of the Existing Tenancy Agreement were disclosed in the announcement of the Company dated 1 March 2015. As the Existing Tenancy Agreement will expire on 29 February 2016, the Company entered into the New Tenancy Agreement on 23 February 2016 in respect of the leasing of the Premises to Foo Hang for a term of one year from 1 March 2016. The principal terms of the New Tenancy Agreement are as

follows:-

- Parties : the Company as landlord and Foo Hang as tenant
- Premises being leased : Rooms 1801-1814 on the 18th Floor of Melbourne Plaza, 33 Queen's Road Central, Hong Kong
- Tenancy Term : 1 March 2016 – 28 February 2017
- Rental : HK\$426,820 per month exclusive of rates, air-conditioning charges and management fee
- Air-conditioning charges and management fee : air-conditioning charges of HK\$29,090 per month and management fee of HK\$29,090 per month

The rental, air-conditioning charges and management fee are all payable in advance on the first day of each and every calendar month. According to the New Tenancy Agreement, the Company may, once in every twelve months, by one month's written notice increase the air-conditioning charges and/or management fee by not more than 10% of the original amount of such charges and/or fees.

Based on the monthly rental, air-conditioning charges and management fee payable by Foo Hang to the Company under the Existing Tenancy Agreement and the New Tenancy Agreement, as well as the additional air-conditioning charges which may be payable by Foo Hang to the Company in the event that Foo Hang uses air-conditioning services outside of normal hours, and also taking into account any increment in the air-conditioning charges and management fee, it is expected that the aggregate annual maximum amount payable to the Company under the Existing Tenancy Agreement and the New Tenancy Agreement for the year ending 30 September 2016 and the annual maximum amount payable to the Company under the New Tenancy Agreement for the year ending 30 September 2017 will not exceed HK\$5,660,000 and HK\$2,460,000 respectively (collectively referred to as the “**Annual Cap Amounts**”).

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW TENANCY AGREEMENT

As Foo Hang is 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 company which the Company is familiar with and which it can ensure punctual payment of rental and related charges. Since the Existing Tenancy Agreement will expire on 29 February 2016 and due to the reason set out above, the Company

has agreed to continue leasing the Premises to Foo Hang.

The terms of the New Tenancy Agreement were negotiated on an arm's length basis and the rental, air-conditioning charges and management fee chargeable under the New Tenancy Agreement were determined with reference to the rental of other premises of Melbourne Plaza as agreed amongst the Company and other tenants recently.

The Directors (including the independent non-executive Directors) consider that the terms of the New Tenancy Agreement and the transactions contemplated thereunder are fair and reasonable, and are on normal commercial terms and in the ordinary course of business of the Company, and are in the interests of the Company and the shareholders of the Company as a whole. None of the Directors had a material interest in the transactions contemplated under the New Tenancy Agreement. However, in view of the interests of the family member and relatives of Mr. Lo in Foo Hang as mentioned below and Mr. Lo being a director of Foo Hang, Mr. Lo had abstained from voting in respect of the resolutions proposed at the meeting of the Board to approve the New Tenancy Agreement, the transactions contemplated thereunder and the Annual Cap Amounts.

LISTING RULES IMPLICATIONS

As Foo Hang is owned by family member and relatives of Mr. Lo, an independent non-executive Director, Foo Hang is a connected person of the Company under the Listing Rules and the transactions contemplated under the New Tenancy Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one of the Annual Cap Amounts exceeds HK\$3,000,000 and some of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules are more than 0.1% but all applicable percentage ratios are less than 5%, the transactions contemplated under the New Tenancy Agreement are subject to the reporting, announcement and annual review requirements but are exempt from circular and independent shareholders' approval requirements under the Listing Rules.

GENERAL

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

The principal activity of Foo Hang is diamond and jewellery wholesale and retail.

DEFINITIONS

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

“Annual Cap Amounts”	collectively, (i) the aggregate annual maximum amount payable to the Company under the Existing Tenancy Agreement and the New Tenancy Agreement for the year ending 30 September 2016 and (ii) the annual maximum amount payable to the Company under the New Tenancy Agreement for the year ending 30 September 2017
“Board”	the board of Directors
“Company”	Melbourne Enterprises Limited 萬邦投資有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 158)
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Tenancy Agreement”	the tenancy agreement dated 28 February 2015 entered into between the Company as landlord and Foo Hang as tenant in respect of the leasing of the Premises for the period from 1 March 2015 to 29 February 2016
“Foo Hang”	Foo Hang Jewellery, Limited 富衡珠寶行有限公司, a company incorporated in Hong Kong, all issued shares of which are owned by family member and relatives 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”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Lo”	Mr. Lo Pak Shiu, an independent non-executive Director

“New Tenancy Agreement”	the tenancy agreement dated 23 February 2016 entered into between the Company as landlord and Foo Hang as tenant in relation to the leasing of the Premises for the period from 1 March 2016 to 28 February 2017
“Premises”	Rooms 1801-1814 on the 18 th Floor of Melbourne Plaza, 33 Queen’s Road Central, Hong Kong
“%”	per cent.

By Order of the Board
MELBOURNE ENTERPRISES LIMITED
 萬邦投資有限公司
 Chung Yin Shu, Frederick
Director

Hong Kong, 23 February 2016

As at the date of this announcement, the Board 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.