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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 22 July 2024, the Company as landlord and Fu Hop as tenant entered into the New Tenancy Agreement in respect of the leasing of the Premises.

As at the date of this announcement, approximately 99.99% of the shares of Fu Hop forms part of the estate of the late Mr. Chung Ming Fai (the former Chairman and executive Director), and the remaining approximately 0.01% of the shares of Fu Hop are held equally amongst Mr. Frederick Chung (an executive Director), Mr. Robert Chung (a non-executive Director) and Mr. Chung Kin Shu Kenneth. As the late Mr. Chung Ming Fai, Mr. Frederick Chung, Mr. Robert Chung and Mr. Chung Kin Shu Kenneth are all family members (as defined under the Listing Rules) who together own all the shares in Fu Hop, Fu Hop is an associate of each of Mr. Frederick Chung and Mr. Robert Chung. Accordingly, Fu Hop is a connected person of the Company under Chapter 14A the Listing Rules and the New Tenancy Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Annual Cap Amounts exceed 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 the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE NEW TENANCY AGREEMENT

Pursuant to the Existing Tenancy Agreement dated 25 July 2022, the Company as landlord leased the Premises to Fu Hop as tenant for the term of two years from 1 August 2022. Particulars of the Existing Tenancy Agreement were disclosed in the announcement of the Company dated 25 July 2022. As the Existing Tenancy Agreement will expire on 31 July 2024, the Company and Fu Hop entered into the New Tenancy Agreement on 22 July 2024 in respect of the leasing of the Premises to Fu Hop for a term of two years from 1 August 2024. The principal terms of the New Tenancy Agreement are as follows:-

Parties	: the Company as landlord and Fu Hop as tenant
Premises being leased	: Room Nos. 2401-2411 on the 24th Floor together with the use of the Roof Floor of Melbourne Plaza, 33 Queen's Road Central, Hong Kong
Tenancy Term	: 1 August 2024 to 31 July 2026
Rental	: HK\$258,792 per month exclusive of rates, air-conditioning charges and management fee
Air-conditioning charges and management fee	: air-conditioning charges of HK\$23,354 per month and management fee of HK\$23,354 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. No deposit is required to be paid under the New Tenancy Agreement.

Based on the monthly rental, air-conditioning charges and management fee payable by Fu Hop to the Company under the Existing Tenancy Agreement and the New Tenancy Agreement and also taking into account any increment in the air-conditioning charges and management fee and catering for additional air-conditioning charges which may be payable by Fu Hop to the Company in the event that Fu Hop uses air-conditioning services outside of normal hours, it is expected that (i) based on the maximum amount payable to the Company under the Existing Tenancy Agreement of HK\$3,100,000 for the period from 1 October 2023 to 31 July 2024 as well as the maximum amount payable to the Company under the New Tenancy Agreement of HK\$620,000 for the period from 1 August 2024 to 30 September 2024, the aggregate maximum amount payable to the Company under the Existing Tenancy Agreement and the New Tenancy Agreement for the year ending 30 September 2024 will not exceed HK\$3,720,000 and (ii) the annual maximum amounts payable to the Company under the New Tenancy Agreement for each of the two years ending 30 September 2025 and 30 September 2026 will not exceed HK\$3,800,000 and HK\$3,200,000 respectively (collectively referred to as the "**Annual Cap Amounts**").

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW TENANCY AGREEMENT

As Fu Hop is connected to certain Directors in the manner as described below and is an existing tenant of the Premises, the Company would prefer to rent the Premises to such company which shareholders of the Company are familiar with and which it can ensure punctual payment of rental and related charges. Since the Existing Tenancy Agreement will expire on 31 July 2024 and due to the reasons set out above, the Company has agreed to continue leasing the Premises to Fu Hop.

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. The Directors (including the independent non-executive Directors) also consider that the Annual Cap Amounts are fair and reasonable. In view of the interests of Mr. Frederick Chung and Mr. Robert Chung in Fu Hop as mentioned below and that Mr. Frederick Chung and Mr. Robert Chung are also directors of Fu Hop, each of them 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. Save as disclosed above, none of the other Directors had a material interest in the transactions contemplated under the New Tenancy Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, approximately 99.99% of the shares of Fu Hop forms part of the estate of the late Mr. Chung Ming Fai (the former Chairman and executive Director), and the remaining approximately 0.01% of the shares of Fu Hop are held equally amongst Mr. Frederick Chung (an executive Director), Mr. Robert Chung (a non-executive Director) and Mr. Chung Kin Shu Kenneth. As the late Mr. Chung Ming Fai, Mr. Frederick Chung, Mr. Robert Chung and Mr. Chung Kin Shu Kenneth are all family members (as defined under the Listing Rules) who together own all the shares in Fu Hop, Fu Hop is an associate of each of Mr. Frederick Chung and Mr. Robert Chung. Accordingly, Fu Hop is a connected person of the Company under Chapter 14A the Listing Rules and the New Tenancy Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Annual Cap Amounts exceed 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 the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

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

The principal activity of Fu Hop is investment holding.

DEFINITIONS

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

“Annual Cap Amounts”	collectively, (i) the maximum aggregate amount payable to the Company under the Existing Tenancy Agreement and the New Tenancy Agreement for the year ending 30 September 2024 and (ii) the annual maximum amounts payable to the Company under the New Tenancy Agreement for each of the two years ending 30 September 2025 and 30 September 2026, the amounts of which are set out in the section titled “ <i>The New Tenancy Agreement</i> ” of this announcement
“associate”	has the meaning ascribed thereto in Chapter 14A of the Listing Rules
“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 Chapter 14A of the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Tenancy Agreement”	the tenancy agreement dated 25 July 2022 entered into between the Company as landlord and Fu Hop as tenant in respect of the leasing of the Premises for the period from 1 August 2022 to 31 July 2024
“Fu Hop”	Fu Hop Investment Company Limited 富合置業有限公司, a company of which approximately 99.99% of its shares forms part of the estate of the late Mr. Chung Ming Fai (the former Chairman and executive Director), and the remaining approximately 0.01% of its shares are held equally amongst Mr. Frederick Chung, Mr. Robert Chung and Mr. Chung Kin Shu Kenneth
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Frederick Chung”	Mr. Chung Yin Shu, Frederick, an executive Director
“Mr. Robert Chung”	Mr. Chung Wai Shu, Robert, a non-executive Director
“New Tenancy Agreement”	the tenancy agreement dated 22 July 2024 entered into between the Company as landlord and Fu Hop as tenant in relation to the leasing of the Premises for the period from 1 August 2024 to 31 July 2026
“Premises”	Rooms 2401-2411 on the 24th Floor together with the use of the Roof Floor of Melbourne Plaza, 33 Queen’s Road Central, Hong Kong
“%”	per cent.

By Order of the Board
MELBOURNE ENTERPRISES LIMITED
Chung Yin Shu, Frederick
Executive Director

Hong Kong, 22 July 2024

As at the date of this announcement, the Board 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. Chung Wai Shu, Robert and Mr. Wong Tak Wai; and (c) three independent non-executive directors, namely Mr. Lo Pak Shiu, Mr. Yuen Sik Ming, Patrick and Ms. Ling Kit Sum.