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**安全貨倉有限公司**  
SAFETY GODOWN COMPANY, LIMITED

*(Incorporated in Hong Kong with Limited Liability)*  
**(Stock Code: 237)**

**PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that, based on the Board's preliminary assessment of the Group's latest unaudited consolidated management accounts and the information currently available to the Company, the Group's loss before tax for the year ended 31 March 2020 is expected to be approximately HK\$280 million (whereas a profit before tax of approximately HK\$291 million was recorded for the previous corresponding financial period).

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

This announcement is made by Safety Godown Company, Limited (the "**Company**") and, together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "**SFO**").

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the Board's preliminary assessment of the latest unaudited consolidated management accounts of the Group and the information currently available to the Company, the Group's loss before tax for the year ended 31 March 2020 (the "**Period**") is expected to be approximately HK\$280 million (whereas a profit before tax of approximately HK\$291 million was recorded for the previous corresponding financial period).

Such expected loss before tax was mainly due to (subject to our auditor's review):

- (i) a fair value loss arising from revaluations of the investment properties of the Group amounting is expected to be approximately HK\$305 million based on draft valuation reports prepared by independent valuers (whereas a fair value gain of approximately HK\$228 million was recorded for the previous corresponding financial period); and

(ii) the realised and unrealised losses are expected to be approximately HK\$46 million arising from the treasury investment (the realised and unrealised losses of approximately HK\$20 million was recorded for the previous corresponding financial period).

The Board recognised the impact of the recent pandemic on all commercial and public activities in Hong Kong and the financial distress on all business stakeholders. In the furtherance of the business philosophy and corporate mission persistently practiced by the Company's late founder, Mr. Lu Sin, throughout his lifetime to make contributions to the society and business community of Hong Kong, the Board had resolved to provide various rental concessions to the Group's tenants and discounts given to godown customers as a gesture of goodwill to provide certain degree of relief to assist them to undergo this unprecedented times of crisis.

It is expected that the pandemic may persist for a certain period of time and continue to cause disruptions to business activities worldwide. The Board will continue to closely monitor its development and take appropriate risk management measures and adjust the Group's business strategies and operations as and when necessary. Given the Group's strong financial strength and effective control policies, the Board is confident that the Group's business operations will remain normal and continue to contribute to the Shareholders' value again.

The Company is still in the process of finalising the results of the Group for the Period. The information contained in this announcement is only based on the information currently available to the Company and such information has not been audited or reviewed by the Company's auditor or audit committee. Shareholders and potential investors are advised to read carefully the final results announcement of the Company for the Period which is expected to be published in late June 2020.

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Safety Godown Company, Limited**  
**Mui Ngar May, Joel**  
*Company Secretary*

Hong Kong, 12 May 2020

*As at the date of this announcement, the Board comprises one Executive Director, Mr. Lu Wing Yee, Wayne; one Non-executive Director, Mr. Lee Ka Sze, Carmelo; and three Independent Non-executive Directors, namely Mr. Gan Khai Choon, Mr. Lam Ming Leung and Mr. Leung Man Chiu, Lawrence.*