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安全貨倉有限公司

SAFETY GODOWN CO LTD

(Incorporated in Hong Kong with limited liability)

(Stock code: 237)

PROFIT ALERT

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board of directors (the “**Board**”) of Safety Godown Company, Limited (the “**Company**”) wishes to inform the shareholders of the Company and potential investors that, based on its preliminary review of the unaudited consolidated management accounts of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 September 2018 (the “**Interim Period**”), currently the Group’s unaudited consolidated profits attributable to shareholders for the Interim Period are expected to be in the range of approximately HK\$150 million to HK\$160 million (six months ended 30 September 2017: approximately HK\$209 million), whereas the Group’s unaudited consolidated underlying profits (after tax) excluding fair value changes on investment properties for the Interim Period are expected to be in the range of approximately HK\$24 million to HK\$25 million (six months ended 30 September 2017: approximately HK\$57 million).

The Group’s unaudited consolidated turnover for the Interim Period is expected to have an increase of approximately 14% as compared with the same period last year. Nevertheless, as mentioned above, the Group’s unaudited consolidated profits attributable to shareholders for the Interim Period is expected to decline (as compared with the same period last year), which is mainly attributable to the following (being items before tax):

- (1) other losses comprising a fair value loss on trading securities amounting to approximately HK\$8.2 million (as compared with a fair value gain of approximately HK\$26 million for the same period last year);
- (2) an exchange loss of approximately HK\$4.5 million mainly comprising unrealised exchange loss arising from the Group’s U.S. dollar bank deposits and Australian dollar bank deposits (as compared with an exchange gain of approximately HK\$0.6 million for the same period last year); and
- (3) a decrease in revaluation surplus on investment properties of approximately HK\$21 million as compared with the same period last year.

The above figures are based on an assessment by the management and the Board based on information currently available to them, including the unaudited consolidated management accounts of the Group for the Interim Period, which have not been reviewed or audited by the Company's auditors. The interim results announcement of the Company for the Interim Period is expected to be released in late November 2018.

Shareholders of the Company 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
Lu Wing Yee, Wayne
Executive Director

Hong Kong, 24 October 2018

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.