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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)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2026

The Board of Directors (the “Board”) of Safety Godown Company, Limited (the “Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2026 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	<i>Notes</i>	2026 HK\$'000	2025 HK\$'000
Revenue	3	160,307	177,462
Income from godown operations		15,686	15,808
Income from property investment		104,752	110,930
Interest income		30,318	44,424
Dividend income		9,551	6,300
Other gains and losses		68,629	33,706
Exchange gain, net		1,327	–
Decrease in fair value of investment properties		(271,450)	(395,313)
Staff costs		(21,393)	(20,728)
Depreciation of property, plant and equipment		(18,357)	(21,878)
Impairment loss on trade and other receivables under expected credit loss (“ECL”) model		(183)	–
Other expenses		(32,566)	(28,384)
Loss before taxation	5	(113,686)	(255,135)
Taxation	6	(14,850)	(10,374)
Loss and total comprehensive expense for the year attributable to owners of the Company		(128,536)	(265,509)
Loss per share – Basic	8	(HK\$0.32)	(HK\$0.66)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2026

	<i>Notes</i>	2026 HK\$'000	2025 <i>HK\$'000</i>
Non-current assets			
Investment properties		2,172,200	2,442,800
Property, plant and equipment		130,675	145,934
		<u>2,302,875</u>	<u>2,588,734</u>
Current assets			
Financial assets at fair value through profit or loss (“FVTPL”)		356,093	316,994
Trade and other receivables	9	15,782	16,770
Tax recoverable		–	484
Bank deposits		867,340	771,615
Other deposits		28,156	33,723
Bank balances and cash		34,287	18,961
		<u>1,301,658</u>	<u>1,158,547</u>
Current liabilities			
Other payables		50,285	36,046
Tax payable		22,126	18,166
		<u>72,411</u>	<u>54,212</u>
Net current assets		<u>1,229,247</u>	<u>1,104,335</u>
		<u>3,532,122</u>	<u>3,693,069</u>
Capital and reserves			
Share capital	10	178,216	178,216
Reserves		3,244,668	3,405,604
Equity attributable to owners of the Company		<u>3,422,884</u>	<u>3,583,820</u>
Non-current liabilities			
Long-term tenants' deposits received		17,837	18,994
Deferred tax liabilities		90,320	89,080
Provision for long service payments		1,081	1,175
		<u>109,238</u>	<u>109,249</u>
		<u>3,532,122</u>	<u>3,693,069</u>

NOTES

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRSs Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance (“CO”).

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values at the end of each reporting period.

The financial information relating to the years ended 31 March 2026 and 2025 included in this preliminary announcement of annual results 2025/26 do not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the CO is as follows:

The Company has delivered the financial statements for the year ended 31 March 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the CO and will deliver the financial statements for the year ended 31 March 2026 in due course.

The Company’s auditor has reported on these consolidated financial statements of the Group for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the CO.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 20	Regulatory Assets and Regulatory Liabilities ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective for annual periods beginning on or after 1 January 2029.

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all these amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 “*Presentation and Disclosure in Financial Statements*”, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “*Presentation of Financial Statements*”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “*Accounting Policies, Changes in Accounting Estimates and Errors*” and HKFRS 7 “*Financial Instruments: Disclosures*”. Minor amendments to HKAS 7 “*Statement of Cash Flows*” and HKAS 33 “*Earnings per Share*” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement, or the structure and presentation of the consolidated statement of profit or loss and other comprehensive income.

3. REVENUE

The amount represents the following revenue recognised during the year:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Income from godown operations (<i>note a</i>)	15,686	15,808
Income from property investment (<i>note b</i>)	104,752	110,930
Dividend income from listed and unlisted investments	9,551	6,300
Bank interest income	26,682	41,309
Other interest income	3,636	3,115
	<u>160,307</u>	<u>177,462</u>

Notes:

(a) Disaggregation of the Group's revenue from contracts with customers and geographical market

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Income from godown operations		
Types of goods or services (time of revenue recognition):		
Inward and outward coolie income (recognised at a point in time)	1,223	1,297
Transportation and other income (recognised at a point in time)	2,030	1,503
Storage service income (recognised over time)	12,433	13,008
	<u>15,686</u>	<u>15,808</u>
Geographical market:		
Hong Kong	<u>15,686</u>	<u>15,808</u>

For contracts entered into with customers on inward and outward coolie income and transportation and other income, the relevant services specified in the contracts are based on customer's specifications with no alternative use and the Group does not have an enforceable right to payment prior to completion of relevant services to customers. Revenue from inward and outward coolie income and transportation and other income are therefore recognised at a point in time when the physical possession of the asset is transferred, being at the point that the services are completed and the Group has the present right to payment and collection of the consideration is probable.

Revenue from storage service income is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation, as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. The Group bills a fixed amount for each day of service provided. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has the right to invoice. As permitted under HKFRS 15 "Revenue from Contracts with Customers", the transaction price allocated to these unsatisfied contracts is not disclosed.

(b) Leases

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
For operating leases:		
Lease payments received that are fixed income from property investment	<u>104,752</u>	<u>110,930</u>

4. SEGMENT INFORMATION

Information analysed on the basis of the operation of the Group's businesses, including godown operations, property investment and treasury investment, is reported to the chief operating decision maker, being one of the executive directors of the Company, for the purposes of resources allocation and performance assessment of each operating segment. The Group's operating and reportable segments under HKFRS 8 "Operating Segments" are therefore as follows:

Godown operations	– Operation of godowns
Property investment	– Leasing of investment properties
Treasury investment	– Securities trading and investment

Segment information about these operating and reportable segments is presented below:

For the year ended 31 March 2026

	Godown operations <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Treasury investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	<u>15,686</u>	<u>104,752</u>	<u>39,869</u>	<u>160,307</u>
Segment (loss) profit	<u>(1,793)</u>	<u>(214,560)</u>	<u>109,495</u>	(106,858)
Central administrative costs				<u>(6,828)</u>
Loss before taxation				<u>(113,686)</u>

	Godown operations <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Treasury investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Assets				
Segment assets	116,029	2,197,405	1,256,230	3,569,664
Bank balances and cash				34,287
Unallocated other assets				582
				<u>3,604,533</u>
Liabilities				
Segment liabilities	1,823	42,358	15,917	60,098
Tax payable				22,126
Deferred tax liabilities				90,320
Unallocated other liabilities				9,105
				<u>181,649</u>

	Godown operations <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Treasury investment <i>HK\$'000</i>	Consolidated total <i>HK\$'000</i>
Other information				
Amounts included in the measure of segment profit or loss or segment assets:				
Capital expenditure	32	3,918	–	3,950
Depreciation of property, plant and equipment	16,073	2,205	79	18,357
Fair value gain on financial assets at FVTPL	–	–	67,903	67,903
Impairment loss on trade receivables	183	–	–	183
	<u>183</u>	<u>–</u>	<u>–</u>	<u>183</u>

For the year ended 31 March 2025

	Godown operations <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Treasury investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	15,808	110,930	50,724	177,462
	<u>15,808</u>	<u>110,930</u>	<u>50,724</u>	<u>177,462</u>
Segment (loss) profit	(1,232)	(332,807)	85,381	(248,658)
	<u>(1,232)</u>	<u>(332,807)</u>	<u>85,381</u>	<u>(248,658)</u>
Central administrative costs				(6,477)
Loss before taxation				<u>(255,135)</u>

	Godown operations <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Treasury investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Assets				
Segment assets	129,092	2,473,364	1,124,751	3,727,207
Bank balances and cash				18,961
Unallocated other assets				1,113
				<u>3,747,281</u>
Liabilities				
Segment liabilities	2,399	44,399	111	46,909
Tax payable				18,166
Deferred tax liabilities				89,080
Unallocated other liabilities				9,306
				<u>163,461</u>
				<u>163,461</u>
	Godown operations <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Treasury investment <i>HK\$'000</i>	Consolidated total <i>HK\$'000</i>
Other information				
Amounts included in the measure of segment profit or loss or segment assets:				
Capital expenditure	123	19,970	22	20,115
Depreciation of property, plant and equipment	17,060	4,701	117	21,878
Fair value gain on financial assets at FVTPL	<u>–</u>	<u>–</u>	<u>33,140</u>	<u>33,140</u>

Segment profit/loss represents the profit earned/loss incurred by each segment without allocation of central administrative costs, which include directors' emoluments, other expenses that are not directly related to the core business and income tax expenses. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and performance assessment.

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than the Group's corporate assets and bank balances and cash; and
- all liabilities are allocated to operating segments other than the Group's corporate liabilities, tax payable and deferred tax liabilities.

Information about major customers

None of the corresponding revenue from customers contribute over 10% of the total revenue of the Group for the years ended 31 March 2026 and 2025.

Revenue from major services and investments

Analysis of the Group's revenue from its major services and investments are set out in note 3.

All the business operations and major non-current assets of the Group for both years are derived from and located in Hong Kong.

5. LOSS BEFORE TAXATION

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loss before taxation has been arrived at after charging (crediting):		
Auditor's remuneration		
– audit service	1,314	1,288
– non-audit services	649	602
Gross rental income from investment properties	(104,752)	(110,930)
Less: direct operating expenses for investment properties that generated rental income during the year	19,036	15,038
direct operating expenses for investment properties that did not generate rental income during the year	1,088	866
	<u>1,088</u>	<u>866</u>
Net rental income	(84,628)	(95,026)
Fair value gain on financial assets at FVTPL (<i>note</i>)	(67,903)	(33,140)
	<u>(67,903)</u>	<u>(33,140)</u>

Note: Amount included in other gains and losses.

6. TAXATION

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
The charge comprises:		
Hong Kong Profits Tax		
Current year	13,076	8,860
Under-provision in prior years	534	101
	13,610	8,961
Deferred taxation		
Current year	1,240	1,413
	14,850	10,374

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

7. DIVIDENDS

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim dividend appropriation in respect of 2026 – HK3 cents (2025: HK3 cents) per ordinary share	12,150	12,150
Final dividend appropriation in respect of 2025 – HK5 cents (2024: HK4.5 cents) per ordinary share	20,250	18,225
	32,400	30,375

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2026 of HK5 (2025: HK5) cents per share, in aggregate amounting to HK\$20,250,000 (2025: HK\$20,250,000) has been proposed by the directors of the Company and is subject to the approval by shareholders in the forthcoming annual general meeting.

8. LOSS PER SHARE – BASIC

The calculation of basic loss per share is based on loss for the year attributable to owners of the Company of HK\$128,536,000 (2025: HK\$265,509,000) and on 405,000,000 (2025: 405,000,000) shares in issue throughout both years.

No diluted loss per share has been presented as there were no potential ordinary shares in issue in both years.

9. TRADE AND OTHER RECEIVABLES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Trade receivables		
Within 60 days	3,438	4,771
61 – 90 days	22	1,239
Over 90 days	48	68
	<u>3,508</u>	<u>6,078</u>
Other receivables, net of allowance for credit loss	6,927	4,305
Deferred lease receivables	4,057	4,897
Prepayments	521	801
Deposits	769	689
	<u>15,782</u>	<u>16,770</u>

The above ageing analysis of trade receivables (net of allowance for credit losses) of the Group presented based on billing date.

The Group has a policy of allowing credit period of 60 days to its customers in respect of godown operations and 30 days for tenants on presentation of invoices.

10. SHARE CAPITAL

	Number of shares <i>'000</i>	Amount <i>HK\$'000</i>
Issued and fully paid:		
Ordinary shares		
At 1 April 2024, 31 March 2025 and 31 March 2026	405,000	178,216
	<u>405,000</u>	<u>178,216</u>

DIVIDENDS

The Board has resolved to recommend the payment of a final dividend of HK5 cents (2025: HK5 cents) per share, amounting to HK\$20,250,000 (2025: HK\$20,250,000) for the year ended 31 March 2026 to the shareholders of the Company (the “Shareholders”) whose names appear on the register of members of the Company (the “Register of Members”) on 2 September 2026 subject to the approval of Shareholders at the forthcoming annual general meeting of the Company (the “AGM”) on 14 August 2026. The proposed final dividend will be dispatched to the Shareholders on 16 September 2026.

Together with the interim dividend of HK3 cents per share already paid on 14 January 2026, the total distribution for the year will amount to HK8 cents (2025: HK8 cents) per share.

ANNUAL GENERAL MEETING

The AGM of the Company will be held on Friday, 14 August 2026. The notice of AGM will be published on the website of the Hong Kong Exchanges and Clearing Limited (“HKEx”) at www.hkex.com.hk and on the website of the Company at www.safetygodown.com and despatched to the Shareholders in due course as required by the Listing Rules.

CLOSURE OF MEMBERS REGISTER

To ascertain the Shareholders’ entitlement to attend, speak and vote at the annual general meeting, the Register of Members will be closed from Tuesday, 11 August 2026 to Friday, 14 August 2026, both days inclusive, during which period no transfer of shares can be registered. The record date for the annual general meeting will be Tuesday, 11 August 2026. In order to be eligible to attend, speak and vote at the annual general meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company’s Share Registrars, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 10 August 2026.

To ascertain the Shareholders’ entitlement to the proposed final dividend, the Register of Members will be closed from Thursday, 27 August 2026 to Wednesday, 2 September 2026, both days inclusive, during which period no transfer of shares can be registered. The record date for the proposed final dividend will be Wednesday, 2 September 2026. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company’s Share Registrars, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 26 August 2026.

FINANCIAL OVERVIEW

During the year under review, the Group continued to focus on developing its three core businesses, namely godown operations, property investment, and treasury investments. During the year, the Group's total revenue was HK\$160,307,000, representing a decrease of 9.7% compared to HK\$177,462,000 last year, which was mainly due to challenges in the external business environment and a reduction in bank deposit interest income resulting from falling interest rates. Loss attributable to shareholders of the Company for the year was HK\$128,536,000 (2025: loss of HK\$265,509,000), with the reported loss narrowing by 51.6% year-on-year. Loss before taxation decreased by 55.4% from HK\$255,135,000 in the prior year to HK\$113,686,000 for the current year. Basic loss per share decreased from HK\$0.66 in 2025 to HK\$0.32 for the current year.

From a core operational perspective, although the consolidated results included fair value loss on investment properties, the Group's core profit after taxation (a non-HKFRS Accounting Standards financial measure) excluding the fair value loss on investment properties of HK\$271,450,000 (2025: loss of HK\$395,313,000) and the loss on disposal of property, plant and equipment of HK\$2,000 (2025: loss of HK\$8,000) increased by 10.1% from HK\$129,812,000 last year to HK\$142,916,000 for the current year.

As at 31 March 2026, the consolidated equity attributable to shareholders of the Company stood at HK\$3,422,884,000 (31 March 2025: HK\$3,583,820,000), and the net asset value per share was HK\$8.45 (31 March 2025: HK\$8.85). Total dividends, including interim and final dividends, distributed by the Company during the year amounted to HK\$32,400,000 (2025: HK\$30,375,000).

BUSINESS REVIEW

Godown operations segment

During the year under review, the Group continued to focus on streamlining its godown operations and downsizing its storage capacity to enhance resource efficiency under the impact of reduced storage demand and market environment challenges. The average utilisation rate for the year was approximately 63.0% (based on an average maximum capacity of 14,000 cubic meters), compared to 56.4% last year (based on an average maximum capacity of 16,200 cubic meters). Driven by an increase in goods turnover rates, the average rent per cubic meter increased by 1.1% year-on-year.

During the year, segment revenue decreased slightly by 0.8% from HK\$15,808,000 last year to HK\$15,686,000 for the current year. The segment recorded a loss of HK\$1,793,000 (2025: loss of HK\$1,232,000). Although the average utilisation rate increased during the year primarily due to the base adjustment following the downsizing of total capacity, the actual rent-yielding volume declined under the weight of overall weak demand in the local storage market, thereby leading to a widening of segment loss.

Property investment segment

During the year under review, the average occupancy rate of Lu Plaza declined to 83.8% (2025: 86.2%), reflecting the ongoing weakness in the office market and pressure on renewal rents. This trend was primarily due to a structural oversupply in the local office market and vacancy rates hovering at historical highs, placing downward pressure on the future recurring rental income of the properties. Amidst the challenges of a weak local business environment and tightened financing channels, market expectations for commercial real estate capitalisation rates generally adjusted upwards, leading to the continued softening of local commercial property valuations. The overall market environment continued to impact leasing performance and occupancy rates.

Total rental income for the year was HK\$104,752,000 (2025: HK\$110,930,000), representing a year-on-year decline of 5.6%. Among this, rental income from Lu Plaza, the Group's major investment property, was HK\$70,394,000 (2025: HK\$74,909,000), representing a year-on-year decline of 6.0%. Segment profit excluding fair value losses on investment properties (a non-HKFRS Accounting Standards financial measure) was HK\$56,890,000, down from HK\$62,506,000 in the prior year, which was due to a reduction in recurring income caused by the sluggish leasing market, coupled with an increase in property-related operating expenses during the year.

As of 31 March 2026, the fair value of the Group's investment properties was revalued at HK\$2,172,200,000 (31 March 2025: HK\$2,442,800,000), and the related loss on fair value changes of HK\$271,450,000 (2025: loss of HK\$395,313,000) has been recognised in profit or loss.

Treasury investment segment

During the year, the Group's treasury investments were mainly driven by the positive impact of the rebound and recovery in global and local securities markets. In response to the macroeconomic environment where external interest rates peaked and fell and interest income from bank fixed deposits narrowed significantly, the Group proactively optimised its treasury management strategy and increased its investment allocation to high-quality Hong Kong and overseas equity assets and diversified funds. This move was aimed at broadening the Group's diversified investment income sources and optimising the overall treasury yield by capturing market opportunities, thereby mitigating the impact of local economic headwinds on the property investment and godown operations segments.

Segment revenue from treasury investments (interest and dividend income) for the year was HK\$39,869,000 (2025: HK\$50,724,000), representing a year-on-year decrease of 21.4%. Among this, deposit interest income decreased from HK\$41,309,000 last year to HK\$26,682,000 due to the decline in external interest rates and the strategic redeployment of funds into financial assets, while dividend income increased from HK\$6,300,000 last year to HK\$9,551,000, mainly benefiting from the Group's increased investment allocation to equity assets. However, buoyed by the rebound in the equity market, the core profit and loss performance of the segment was favourable, with the portfolio of financial assets at fair value through profit or loss recording an overall gain of HK\$67,903,000 (2025: HK\$33,140,000), representing a significant year-on-year surge of 104.9%. Among this, realised profit amounted to HK\$18,915,000 (2025: HK\$5,982,000), while unrealised profit on fair value changes, which accounted for the vast majority of the relevant segment gain, was HK\$48,988,000 (2025: HK\$27,158,000). Furthermore, the Group recorded a net foreign exchange gain of HK\$1,327,000 (2025: Nil) during the year.

As at 31 March 2026, the value of financial assets at fair value through profit or loss increased to HK\$356,093,000 (31 March 2025: HK\$316,994,000), representing a year-on-year increase of 12.3%. The expansion in asset scale was primarily driven by new investments in Hong Kong and overseas securities and diversified funds during the year, in addition to the rise in fair value.

FINANCIAL REVIEW

Operating costs

During the year, the Group continued to adopt prudent resource management and cost control strategies to optimise operational efficiency. Staff costs increased by 3.2% year-on-year to HK\$21,393,000 (2025: HK\$20,728,000), primarily due to normal annual salary adjustments for inflation. Depreciation expenses were HK\$18,357,000 (2025: HK\$21,878,000), representing a decrease of approximately 16.1% compared to last year, which was mainly because certain high-cost fixed assets had been fully depreciated in prior periods. Other operating and administrative expenses increased by 14.7% year-on-year to HK\$32,566,000 (2025: HK\$28,384,000); such increase was primarily attributable to the rise in daily operation and maintenance costs for the property portfolio, as well as higher legal and professional advisory fees incurred for routine commercial activities and due diligence conducted on potential investment projects.

Liquidity and financial resources

The Group continues to adopt a prudent financial management policy while maintaining a strong cash position. As at 31 March 2026, the total amount of bank and other deposits, along with cash and bank balances, increased to HK\$929,783,000 (31 March 2025: HK\$824,299,000), primarily in Hong Kong dollars, United States dollars, and Australian dollars. Sufficient cash reserves provide stability during market fluctuations and offer greater flexibility for potential investment opportunities in the future.

The Group primarily financed its operations through internal cash reserves and cash flows generated from operating activities. During the year, the recurring net cash inflow from operating cash flows before movements in working capital amounted to HK\$127,224,000 (2025: HK\$134,754,000), reflecting a 5.6% year-on-year decrease.

As at 31 March 2026, net current assets increased to HK\$1,229,247,000 (31 March 2025: HK\$1,104,335,000). The liquidity ratio (total current assets divided by total current liabilities), affected by changes in the current liabilities base, eased from 21.4 times as at 31 March 2025 to 18.0 times, while the overall liquidity remained at an exceptionally robust level.

During the year, the Group had no external bank loans or borrowings, maintaining a zero gearing ratio. As at 31 March 2026, the Group's net asset value stood at HK\$3,422,884,000 (31 March 2025: HK\$3,583,820,000). The Group possesses robust financial resources; its current internal cash reserves and recurring cash flows generated from operating activities are sufficient to support its daily operational needs in the future.

Capital commitments

As at 31 March 2026, the Group's capital and investment commitments in aggregate amounted to HK\$1,375,000 (2025: HK\$2,006,000), which primarily related to capital expenditure contracted for but not provided for in the consolidated financial statements, and commitments for capital contributions to unlisted investment funds. The above capital commitments will be fully funded by the Group's internal cash reserves.

Pledge of assets

As at 31 March 2026, the Group did not pledge any of its assets.

Contingent liabilities

As at 31 March 2026, the Group did not have any significant contingent liabilities.

OUTLOOK

Looking ahead, the Group will continue to maintain a sound capital structure and sufficient liquidity to support its future investments and business development needs. The management will continue to prudently monitor trends in the real estate and property leasing markets and, in response to market conditions and the competitive landscape, optimise resource allocation in a timely manner, enhance operational efficiency and advance a diversified development strategy.

From a business strategy perspective, the Group will continue to enhance the attractiveness and overall returns of its investment properties through proactive property management and value enhancement initiatives. At the same time, on a vigilant and pragmatic basis, the Group will explore business models conducive to stabilising income streams and remain alert to property investment opportunities with development potential. As regards the warehousing business, the Group will review the use and leasing arrangements of part of its warehousing space with a view to enhancing asset utilisation efficiency.

During the year, the Government of the Hong Kong Special Administrative Region ("HKSAR") launched a public consultation on the first five-year plan for the economic and social development of the HKSAR. The relevant planning direction may provide support for the long-term development of the warehousing, logistics and related real estate markets. The Group is positive about the development prospects arising from such planning and believes that the relevant direction will help further enhance Hong Kong's overall competitiveness and promote sustained economic development, thereby fostering a favourable development environment for the Group's relevant industries. Going forward, the Group will continue to uphold a prudent and pragmatic approach to its operations, strive to maintain steady development, and aim to enhance the overall interests of the Company and all its shareholders in the long run.

RELATION WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The management considers employees the key to sustainable business growth of the Group and is committed to providing all employees a safe and harassment-free work environment with equal opportunities in relation to employment, reward management, training and career development. Workplace safety is the primary consideration of the management. This is of paramount importance that health and safety measures are followed by employees in performing their duties to reduce work injuries. The Group has in place a fair and effective performance appraisal system and incentive bonus scheme designed to motivate and reward employees at all levels to deliver their best performance and achieve business performance targets. For continuous development, the Group offers job related trainings and provides sponsorships or subsidies to employees who are committed to professional development and training.

As at 31 March 2026, the Group employed 35 staff members (31 March 2025: 36). Total staff costs amounted to HK\$21,393,000 (2025: HK\$20,728,000). The Group's remuneration policy is reviewed regularly based on the nature of work, market trends, company performance, and individual employee performance. The Group does not operate any employee share scheme.

Customer relationship is one of the key elements of our businesses. The Group fully understands this principle and thus maintains good relationship with customers to fulfil their immediate and long-term needs. For customers of godown operations, high quality services are delivered to meet their needs. For property investment, the Group has engaged a quality property management company to manage its major investment properties. Tenant needs and feedback are communicated through the property management company from time to time to cater for tenants' requirements and ensure their satisfaction.

Due to the nature of its businesses, the Group does not have any major supplier that has significant influence on its operations. However, the Group strives to maintain fair and co-operating relationship with the suppliers. The selection of major suppliers or contractors is conducted through tendering process in the normal course of the Group's businesses. The management of the Group also regularly reviews the procurement and tendering procedures to ensure that the processes are conducted in an open and fair manner.

DIVIDEND POLICY

It is the Board's intention to provide the Shareholders with a relatively consistent long-term dividend income. The Group generally provides the Shareholders with relatively generous dividend payments. The Board will try to maintain the dividend payment at a reasonable level based on the business environment and the performance of the Group but should not be deemed to constitute a legal binding commitment on the part of the Board.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares (including sale of treasury shares, if any) during the year. As at 31 March 2026, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The Audit Committee currently comprises of three Independent Non-executive Directors and one Non-executive Director. The Committee is chaired by Mr. Leung Man Chiu, Lawrence. The other members are Mr. Lam Ming Leung, Mr. Lee Ka Sze, Carmelo and Mr. Wong Wilkie. Mr. Leung, the Chairman of the Audit Committee, possesses appropriate professional qualifications or accounting or related financial management expertise as required by the Listing Rules. The Audit Committee, together with the management of the Company, have reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including the review of the audited consolidated financial statements of the Group for the year.

CORPORATE GOVERNANCE PRACTICES

The Board of Directors (the “Board”) is committed to achieving and maintaining high standards of corporate governance practices for the purpose of providing a framework and solid foundation for its business operations and developments. Effective corporate governance provides integrity, transparency and accountability which contributes to the corporate success and enhancement of shareholder value.

The Company has complied with all the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 of the Listing Rules that were in force throughout the year ended 31 March 2026 except for the following deviations from code provisions C.2.1 to C.2.9, C.3.3 and C.6.3, which were re-complied on 1 July 2025.

CG Code Provisions C.2.1 to C.2.9 stipulate that (i) the roles of chairman of the board and chief executive should be separate and should not be performed by the same individual and (ii) the division of responsibilities between the chairman of the board and the chief executive should be clearly established.

Since 5 April 2015, the position of the Chairman of the Board and the Chief Executive Officer of the Company had remained vacant until the appointment of Mr. Lu Wing Yee, Wayne as the Chairman of the Board and Ms. Lu Wing Man, Melissa as the Managing Director on 1 July 2025. During the period up to 30 June 2025, the Board collectively performed the responsibilities of the Chairman, and with the assistance of the senior management, the Executive Directors continued to monitor the businesses and operations of the Group. As such, the Company re-complied with Code Provisions C.2.1 to C.2.9 from 1 July 2025 onwards

CG Code Provision C.3.3 stipulates that issuers should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. But the Company did not have formal letters of appointment for Directors during the period up to 30 June 2025. On 1 July 2025, formal letters of appointments were signed between the Company and each Director. As such, the Company re-complied with Code Provision C.3.3 from 1 July 2025 onwards.

CG Code Provision C.6.3 stipulates that the company secretary should report to the chairman of the board and/or the chief executive. As the positions of the Chairman of the Board and the Chief Executive Officer were vacant during the period up to 30 June 2025, the Company Secretary reported to the Executive Directors of the Company. Upon the filling of such vacancies on 1 July 2025, the Company has re-complied with Code Provision C.6.3 from 1 July 2025 onwards.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision-making processes are regulated in a proper and prudent manner.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules as the Company’s code of conduct governing dealings by all Directors in the securities of the Company. All the Directors have confirmed in writing that they had complied with the required standard as set out in the Model Code throughout the year ended 31 March 2026.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 23 June 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

OTHER INFORMATION

The annual report of the Company for the year ended 31 March 2026 containing all the information required by the Listing Rules will be published on the websites of the HKEx at www.hkex.com.hk and the Company at www.safetygodown.com and despatched to Shareholders in due course.

By Order of the Board
Safety Godown Company, Limited
Lu Wing Yee, Wayne
Chairman and Executive Director

Hong Kong, 23 June 2026

As at the date of this announcement, the Board comprises six Directors, of which Mr. Lu Wing Yee, Wayne (Chairman) and Ms. Lu Wing Man, Melissa (Managing Director) as Executive Directors; Mr. Lee Ka Sze, Carmelo as Non-executive Director; Mr. Lam Ming Leung, Mr. Leung Man Chiu, Lawrence and Mr. Wong Wilkie as Independent Non-executive Directors.