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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)**

**PROPOSED SHARE SUBDIVISION**

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The Board proposes to implement the Share Subdivision on the basis that every one (1) issued Existing Share be subdivided into three (3) Subdivided Shares. The Share Subdivision is conditional upon, among other things, the approval of the Shareholders at the AGM.

Currently, the Existing Shares are traded on the Stock Exchange in the board lot size of 2,000 Existing Shares. Upon the Share Subdivision becoming effective, the board lot size for trading in the Subdivided Shares will remain as 2,000 Subdivided Shares.

**GENERAL**

An ordinary resolution to approve the Share Subdivision and all matters relating thereto will be proposed at the AGM. The Circular containing, among other things, details of the Share Subdivision and a notice convening the AGM is expected to be dispatched to the Shareholders on or before Wednesday, 15 July 2020.

**Shareholders and potential investors should note that the Share Subdivision is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Subdivision” in the main text below of this announcement. Accordingly, the Share Subdivision may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.**

## **PROPOSED SHARE SUBDIVISION**

The Board proposes to implement the Share Subdivision on the basis that every one (1) issued Existing Share be subdivided into three (3) Subdivided Shares.

### **Effects of the Share Subdivision**

As at the date of this announcement, 135,000,000 Existing Shares have been issued and are fully paid. Upon the Share Subdivision becoming effective and assuming that no Existing Shares are issued or bought back from the date of this announcement until the effective date of the Share Subdivision, 405,000,000 Subdivided Shares will be in issue.

Upon the Share Subdivision becoming effective, the Subdivided Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Subdivision, the implementation of the Share Subdivision will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders.

### **Conditions of the Share Subdivision**

The Share Subdivision is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Subdivision at the AGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares.

Subject to the fulfilment of the conditions of the Share Subdivision, the effective date of the Share Subdivision is currently expected to be Tuesday, 18 August 2020, being the second Business Day immediately after the date of the AGM.

### **Listing application**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Subdivided Shares upon the Share Subdivision becoming effective.

Subject to the granting of listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange as well as compliance with the stock admission requirements of the HKSCC, the Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Subdivided Shares to be admitted into CCASS established and operated by HKSCC.

### **Exchange of share certificates**

Subject to the Share Subdivision becoming effective, which is currently expected to be on Tuesday, 18 August 2020, being the second Business Day immediately after the date of the AGM, the Shareholders may during the business hours, on or after Tuesday, 18 August 2020 and until Wednesday, 23 September 2020 (both days inclusive) submit Existing Share Certificates in the colour of orange to the Company's share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange for New Share Certificates in the colour of blue for the Subdivided Shares at the expense of the Company.

Thereafter, Existing Share Certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each Existing Share Certificate submitted for cancellation or each New Share Certificate issued for the Subdivided Shares, whichever the number of share certificates cancelled/issued is higher.

Subject to the Share Subdivision becoming effective, the Existing Share Certificates will only be valid for delivery, trading and settlement purposes for the period until 4:10 p.m. on 21 September 2020, and thereafter will not be accepted for delivery, trading and settlement purposes. However, the Existing Share Certificates will remain effective as documents of title to the Subdivided Shares on the basis of one (1) issued Existing Share for three (3) Subdivided Shares.

### **Securities convertible or exchangeable into Existing Shares**

As at the date of this announcement, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Existing Shares.

## REASONS FOR THE SHARE SUBDIVISION

It is the 60th anniversary of the Company's establishment and the Board proposes to implement the Share Subdivision to celebrate the occasion. Upon the Share Subdivision becoming effective, the total number of Shares in issue will increase. As a result, the Share Subdivision is expected to result in reducing the trading price of each Share proportionately. The Board believes that the Share Subdivision will increase liquidity in trading of the Shares and will afford the Shareholders more flexibility in managing their own investments in the Company.

The Board believes that the Share Subdivision will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders.

In view of the above reasons, the Company considers the Share Subdivision is justifiable notwithstanding the potential costs. Accordingly, the Board is of the view that the Share Subdivision is beneficial to and in the interests of the Company and the Shareholders as a whole.

## EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Subdivision and the associated trading arrangement is as follows:

<b>Events</b>	<b>Time and Date</b>
Expected dispatch date of the Circular with notice of the AGM . . . . .	Wednesday, 15 July 2020
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the AGM. . . . .	4:30 p.m. on Monday, 10 August 2020
Closure of register of members for the entitlement to attend and vote at the AGM. . . . .	Tuesday, 11 August 2020 to Friday, 14 August 2020 (both days inclusive)
Latest date and time for lodging forms of proxy for the AGM . . . . .	1:00 p.m. on Wednesday, 12 August 2020
Expected date and time of the AGM . . . . .	1:00 p.m. on Friday, 14 August 2020
Announcement of results of the AGM. . . . .	Friday, 14 August 2020

**The following events are conditional on the fulfilment of the conditions for the implementation of the Share Subdivision**

Effective date of the Share Subdivision . . . . . Tuesday, 18 August 2020

Commencement of dealing in the Subdivided Shares . . . . . 9:00 a.m. on Tuesday,  
18 August 2020

Original counter for trading in the Existing Shares in board lots of  
2,000 Existing Shares temporarily closes . . . . . 9:00 a.m. on Tuesday,  
18 August 2020

Temporary counter for trading in the Subdivided Shares in board lots  
of 6,000 Subdivided Shares (in the form of Existing  
Share Certificates) opens. . . . . 9:00 a.m. on Tuesday,  
18 August 2020

First day of free exchange of Existing Share Certificates  
for New Share Certificates for the Subdivided Shares. . . . . Tuesday, 18 August 2020

Original counter for trading in the Subdivided Shares in board lots  
of 2,000 Subdivided Shares (in the form of New Share Certificates  
for the Subdivided Shares) re-opens . . . . . 9:00 a.m. on Tuesday,  
1 September 2020

Parallel trading in the Subdivided Shares (in the form of Existing Share  
Certificates and New Share Certificates) commences . . . . . 9:00 a.m. on Tuesday,  
1 September 2020

Temporary counter for trading in the Subdivided Shares in board lots  
of 6,000 Subdivided Shares (in the form of Existing  
Share Certificates) closes . . . . . 4:10 p.m. on Monday,  
21 September 2020

Parallel trading in the Subdivided Shares (in the form of Existing Share  
Certificates and New Share Certificates) ends. . . . . 4:10 p.m. on Monday,  
21 September 2020

Last day of free exchange of Existing Share Certificates for New Share  
Certificates for the Subdivided Shares. . . . . Wednesday,  
23 September 2020

1. All times and dates in this announcement refer to Hong Kong local times and dates.
2. Dates or deadlines specified above are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate in accordance with the Listing Rules.

## **NO CHANGE IN BOARD LOT SIZE**

Currently, the Existing Shares are traded on the Stock Exchange in the board lot size of 2,000 Existing Shares. Upon the Share Subdivision becoming effective, the board lot size for trading in the Subdivided Shares will remain as 2,000 Subdivided Shares. The Share Subdivision is not expected to result in any odd lots other than those that already exist.

## **GENERAL**

An ordinary resolution to approve the Share Subdivision and all matters relating thereto will be proposed at the AGM. The Circular containing, among other things, further details of the Share Subdivision and a notice convening the AGM will be dispatched to the Shareholders on or before Wednesday, 15 July 2020.

**Shareholders and potential investors should note that the Share Subdivision is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Subdivision” above in this announcement. Accordingly, the Share Subdivision may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.**

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the meanings as set out below:

“AGM”	the forthcoming annual general meeting of the Company to be held at Unit 1806, 18/F., Lu Plaza, 2 Wing Yip Street, Kwun Tong, Kowloon, Hong Kong on Friday, 14 August 2020 at 1:00 p.m. (or any adjournment thereof), to be convened to consider, and if thought fit, approve, among others, the Share Subdivision;
“Board”	the board of Directors;
“Business Day”	a day (other than public holiday, a Saturday or Sunday) on which banks in Hong Kong are generally open for business and the Stock Exchange is open for business of dealing in securities;
“CCASS”	the Central Clearing and Settlement System established and operated by the HKSCC;
“Circular”	circular in relation to, among others, the re-election of directors, proposed Share Subdivision and general mandates to issue and buy-back Shares, including the notice of AGM which is expected to be dispatched to the Shareholders on 15 July 2020;
“Company”	Safety Godown Company, Limited 安全貨倉有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00237);
“Director(s)”	the directors of the Company;
“Existing Share(s)”	share(s) of the Company before the Share Subdivision becomes effective;
“Existing Share Certificate(s)”	share certificate(s) for Existing Shares which are in the colour of orange;
“Group”	the Company and its subsidiaries from time to time;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“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”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Share Certificate(s)”	share certificate(s) for Subdivided Shares which will be in the colour of blue;
“Share(s)”	Existing Share(s) and/or Subdivided Share(s), as the case may be;
“Shareholders”	holders of Existing Shares or the Subdivided Shares, as the case may be;
“Share Subdivision”	the proposed share subdivision on the basis that every one (1) issued Existing Share be subdivided into three (3) Subdivided Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Subdivided Shares”	share(s) of the Company immediately after the Share Subdivision becoming effective.

By Order of the Board  
**SAFETY GODOWN COMPANY LIMITED**  
**Mui Ngar May, Joel**  
*Company Secretary*

Hong Kong, 26 June 2020

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