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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)

DISCLOSEABLE TRANSACTION

DISPOSALS OF NON-PHYSICAL GOLD

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The Board announces that between 4 March 2021 and 23 August 2021, the Subsidiary disposed of in aggregate 9,000 ounces of Non-Physical Gold to UBS AG for an aggregate consideration of approximately US\$15,761,492 which is equivalent to approximately HK\$122,151,563.

LISTING RULES IMPLICATIONS

The applicable percentage ratios for each Disposal do not exceed 5% on a stand-alone basis on the relevant date of each Disposal. However, given that the applicable percentage ratios for the Disposals on an aggregated basis exceed 5% and are less than 25%, the Disposals, on an aggregated basis, constitute a discloseable transaction subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DISPOSALS OF NON-PHYSICAL GOLD

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Date of Disposal	Non-physical Gold (Ounces)	Selling price (XAU/USD)	Total consideration (US\$)	Total consideration (HK\$ equivalent)
1. 4 March 2021	4,400	1,713.9300	7,541,292.00	58,445,013.00
2. 23 August 2021	<u>4,600</u>	<u>1,787.0000</u>	<u>8,220,200.00</u>	<u>63,706,550.00</u>
Total:	<u><u>9,000</u></u>		<u><u>15,761,492.00</u></u>	<u><u>122,151,563.00</u></u>

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, UBS AG and its respective ultimate beneficial owners are third parties independent of the Company and not connected with the Company and its connected persons.

CONSIDERATION

The aggregate consideration for the Disposals is approximately US\$15,761,492 (equivalent to approximately HK\$122,151,563) and was fully settled in cash and credited into the Company's bank balances denominated in US Dollars.

The consideration for each of the Disposals was agreed by reference to the prevailing market rate at which UBS AG was offering to acquire each ounce of Non-physical Gold from the Subsidiary at the time of the respective Disposals and the Company took into account of the global prevailing market price of gold when making the relevant Disposals.

INFORMATION ON THE GROUP AND UBS AG

The principal activities of the Group are godown operations, property investment and treasury investment.

The principal business of UBS AG is to provide financial services.

REASONS AND BENEFITS OF THE DISPOSALS

In view of the prevailing global economic outlook and the prospect of gold price performance, the Directors consider that the Disposals provide the Group with a good opportunity to realise the appreciated value of its investments in Non-physical Gold to enable the Group to re-allocate the assets in its investment portfolio in order to cater for the current circumstances of the market conditions.

Taking into account of the above benefits, the Directors consider that Disposals were fair and reasonable and are in the interests of the Company and its shareholders as a whole.

The Company will closely monitor the overall ongoing investment sentiment and adjust its investment portfolio when required in order to safeguard the assets of the Group and to maximize shareholders' return.

FINANCIAL EFFECT OF THE DISPOSALS

It is expected that the Group will record an overall gain of approximately HK\$1.15 million as a result of the Disposals, subject to the auditors' review. The overall gain represents the difference between the net proceeds from the Disposals and the carrying average unit cost of US\$1,762.9542 in respect of the 4,400 ounces of Non-physical Gold disposed of on 4 March 2021 and the carrying average unit cost of US\$1,707.71 in respect of the 4,600 ounces of Non-physical Gold disposed of on 23 August 2021 as multiplied by the number of units of Non-physical Gold disposed of under each of the Disposals, respectively.

USE OF PROCEEDS

The net proceeds from the Disposals (i.e. proceeds from Disposals and deducting therefrom transaction costs), which is US\$15,761,492 (equivalent to approximately HK\$122,151,563), will be used as general working capital of the Group.

LISTING RULES IMPLICATIONS

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DEFINITIONS

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

“Board”	the board of Directors;
“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 of Hong Kong Limited (stock code: 00237);
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Disposal(s)”	The disposals of Non-physical Gold disposed of by the Subsidiary to UBS AG as particularised under the section headed “Disposals of Non-physical Gold” of this announcement, and each such disposal of Non-physical Gold shall be referred to as a “Disposal”
“Group”	the Company together with its subsidiaries;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Non-physical Gold”	non-physical form of gold which is traded in XAU/USD
“percentage ratios”	has the meaning ascribed to it under the Listing Rules;
“Subsidiary”	Cofine Investment Limited, a company incorporated in British Virgin Islands and a wholly-owned subsidiary of the Company;
“US\$” or “USD” or “US Dollars”	US dollars, the lawful currency of the United States of America;
“XAU/USD”	The internationally accepted currency which non-physical gold is traded in and per XAU/USD denotes one troy ounce of gold being traded in US\$; and

“UBS AG”

UBS AG is incorporated in Switzerland with limited liability and is acting through its local branch in Singapore. The Singapore branch is supervised and regulated by the Monetary Authority of Singapore as a bank under the Banking Act (Cap. 19 of the Laws of Singapore).

For the purpose of this announcement, unless otherwise indicated, conversion of US\$ into HK\$ is calculated at the approximate exchange rate of US\$1.00 to HK\$7.75. This exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.

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

Hong Kong, 24 August 2021

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. Lam Ming Leung, Mr. Leung Man Chiu, Lawrence and Ms. Oen Li Lin.