

---

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountants or other professional adviser.

If you have sold or transferred all your shares in **Safety Godown Company, Limited** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---

安全貨倉有限公司

SAFETY GODOWN CO LTD

(Incorporated in Hong Kong with limited liability)

(Stock Code: 237)

*Executive Directors:*

LU Wing Yee, Wayne

OEN Min Tjin

*Registered office:*

Units 1305-1306, 13/F., Lu Plaza

2 Wing Yip Street

Kwun Tong, Kowloon

Hong Kong

*Non-executive Director:*

LEE Ka Sze, Carmelo

*Independent Non-executive Directors:*

GAN Khai Choon

LAM Ming Leung

LEUNG Man Chiu, Lawrence

10 July 2015

To the shareholders

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING  
AND  
PROPOSALS FOR RE-ELECTION OF DIRECTORS  
AND  
GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES**

**NOTICE OF ANNUAL GENERAL MEETING**

The Notice of the Annual General Meeting (“AGM”) of the Company is set out in **Appendix I** to this circular. A form of proxy for use at the AGM and the Annual Report for 2015 are being sent to the shareholders together with this circular. Whether or not you are able to attend the meeting, please complete the form of proxy in accordance with the

---

## LETTER FROM THE BOARD

---

instructions printed thereon and return it to the registered office of the Company at Units 1305-1306, 13/F., Lu Plaza, 2 Wing Yip Street, Kwun Tong, Kowloon, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting if you so wish.

### RE-ELECTION OF DIRECTORS

As at the 6 July 2015, being the latest practicable date prior to the printing of this circular (the “Latest Practicable Date”), the executive directors of the Company are Mr. Lu Wing Yee, Wayne and Mr. Oen Min Tjin; the non-executive director of the Company is Mr. Lee Ka Sze, Carmelo and the independent non-executive directors of the Company are Mr. Gan Khai Choon, Mr. Lam Ming Leung and Mr. Leung Man Chiu, Lawrence.

In accordance with Articles 78 and 79 of the Company’s Articles of Association (the “Articles of Association”), Mr. Lu Wing Yee, Wayne and Mr. Lam Ming Leung, shall retire by rotation at the AGM of the Company and, being eligible, have offered themselves for re-election.

Mr. Lam Ming Leung, who was appointed as independent non-executive director of the Company in 2004, has served as independent non-executive director of the Company for more than 9 years. He will retire by rotation in accordance with the Articles of Association at the AGM. During his tenure of office, Mr. Lam Ming Leung has been able to fulfill all the requirements regarding independence of independent non-executive directors and provide annual confirmation of independence to the Company under Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The board of directors of the Company (the “Board”) is not aware of any foreseeable events that may occur and affect the independence of Mr. Lam Ming Leung and believes that Mr. Lam Ming Leung is and shall continue to be independent of the Company. The Board will continue to review the independence of Mr. Lam annually.

Besides, during his tenure of office, Mr. Lam Ming Leung had discharged his duties as independent non-executive director to the satisfaction of the Board. Through exercising the scrutinizing and monitoring function of independent non-executive director, he had contributed to an upright and efficient Board for the interest of the shareholders of the Company (the “Shareholders”).

In view of the above, the Board considers that the re-election of Mr. Lam Ming Leung as independent non-executive director of the Company is beneficial to the Board, the Company and the Shareholders as a whole. Separate resolution will be proposed at the AGM to approve the re-election of Mr. Lam Ming Leung as independent non-executive director of the Company.

Details of the retiring directors of the Company (the “Retiring Directors”) that are required to be disclosed under the Listing Rules are set out in **Appendix II** to this circular.

---

## LETTER FROM THE BOARD

---

### GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES

At the last annual general meeting of the Company held on 13 August 2014, ordinary resolutions were passed whereby general mandates were given to the Board (i) to allot, issue and otherwise deal with shares not exceeding 20% of the share capital of the Company in issue as at 13 August 2014; and (ii) to buy-back shares of the Company not exceeding 10% of the issued share capital of the Company as at 13 August 2014. Such mandates will lapse at the conclusion of the AGM unless being renewed at that meeting.

Ordinary Resolution No. 5 set out in the Notice of the AGM will be proposed to renew the mandate to allot, issue and deal with shares not exceeding 20% of the total number of issued shares in the Company as at the date of passing the resolution.

Ordinary Resolution No. 6 set out in the Notice of the AGM will be proposed to renew the mandate to buy-back shares not exceeding 10% of the total number of issued shares in the Company as at the date of passing the resolution.

In addition, subject to the passing of the Ordinary Resolutions Nos. 5 and 6, any shares bought-back by the Company under the Ordinary Resolution No. 6 will also be added to the mandate for issue of additional shares as set out in Ordinary Resolution No. 7.

The Board wishes to state that they have no immediate plans to issue any new shares of the Company or to buy-back any shares pursuant to the relevant mandates. Approval is being sought from the shareholders as a general mandate for the purposes of Sections 140 and 141 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “Companies Ordinance”) and the Listing Rules.

An explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the share buy-back mandate is set out in **Appendix III** to this circular.

### VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matters to be voted on by a show of hands and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

Accordingly, the Chairman of the meeting will at the AGM demand a poll on all resolutions set out in the Notice of the AGM pursuant to Article 57 of the Articles of Association.

Pursuant to Article 61 of the Articles of Association, upon a poll every member present in person or by proxy shall have one vote for every share held by him. On a poll a member entitled to more than one vote need not use all his votes or cast his votes in the same way.

---

## LETTER FROM THE BOARD

---

Tricor Standard Limited, the Company's share registrar in Hong Kong, will be appointed as scrutineer of the poll.

### RECOMMENDATION

The Board considers that the re-election of the Retiring Directors, the general mandates to issue and buy-back shares are in the best interests of the Company and the Shareholders, and accordingly recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully,  
By Order of the Board  
**Safety Godown Company, Limited**  
**Lu Wing Yee, Wayne    Oen Min Tjin**  
*Director                      Director*

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Safety Godown Company, Limited (the “Company”) will be held at Unit 310, 3/F., Lu Plaza, 2 Wing Yip Street, Kwun Tong, Kowloon on Friday, 14 August 2015 at 12:00 noon for the following purposes:

1. To receive and consider the audited consolidated Financial Statements, the Report of the directors of the Company (the “Directors”) and the Independent Auditor’s Report for the year ended 31 March 2015.
2.
  - (i) To declare a final dividend for the year ended 31 March 2015.
  - (ii) To declare a special dividend for the year ended 31 March 2015.
3.
  - (a) To re-elect Mr. Lu Wing Yee, Wayne as an Executive Director.
  - (b) To re-elect Mr. Lam Ming Leung (who has served as an Independent Non-executive Director for more than 9 years) as an Independent Non-executive Director.
  - (c) To authorise the board of directors to fix the remuneration of directors.
4. To re-appoint Deloitte Touche Tohmatsu as auditors and authorise the Directors to fix their remuneration.

As special business, to consider and, if thought fit, to pass the following Ordinary Resolutions:

**ORDINARY RESOLUTIONS**

5. **“THAT:**
  - (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which will or might require the exercise of such power during or after the end of the Relevant Period be and is hereby generally and unconditionally approved;
  - (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares in the Company under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantees as specified in such scheme or similar arrangement of shares or rights to acquire shares of the Company; or (iii) an issue of shares in the Company

upon the exercise of subscription or conversion rights under the terms of any existing warrants, bonds, debentures, notes and other securities of the Company which carry rights to subscribe for or are convertible into shares of the Company; or (iv) an issue of shares in the Company as scrip dividends pursuant to the Articles of Association of the Company from time to time, shall not exceed 20 per cent. of the aggregate number of the shares of the Company in issue as at the date of passing of this Resolution (subject to adjustment in the case of subdivision and consolidation of shares) and the said approval shall be limited accordingly; and

- (c) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.”

“Rights Issue” means an offer of shares of the Company or issue of option, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities) (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

6. “THAT:

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy-back shares of the Company in issue on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or an any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate number of shares of the Company which the Company is authorised to be bought-back by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent. of the aggregate number of the shares of the Company in issue as at the date of passing of this Resolution (subject to adjustment in the case of subdivision and consolidation of shares), and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and
  - (c) for the purpose of this Resolution,
    - “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
      - (i) the conclusion of the next annual general meeting of the Company;
      - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
      - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.”
7. “**THAT** conditional upon the passing of Ordinary Resolutions Nos. 5 and 6 set out in the notice convening this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot shares pursuant to Ordinary Resolution No. 5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of a number representing the aggregate number of the shares of the Company bought-back by the Company under the authority granted pursuant to Ordinary Resolution No. 6 set out in the notice convening this meeting, provided that such extended number shall not exceed 10 per cent. of the aggregate number of the shares of the Company in issue as at the date of passing of this Resolution (subject to adjustment in the case of subdivision and consolidation of shares).”

By Order of the Board  
**Wong Leung Wai**  
*Company Secretary*

Hong Kong, 10 July 2015

*NOTES:*

- (1) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll, to vote in his stead. A proxy need not also be a Member. The instrument appointing a proxy must be deposited at the registered office of the Company at Units 1305-1306, 13/F., Lu Plaza, 2 Wing Yip Street, Kwun Tong, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting.
- (2) To ascertain the shareholders' entitlement to attend and vote at the meeting, the Register of Members will be closed from Tuesday, 11 August 2015 to Friday, 14 August 2015, both days inclusive, during which period no transfer of shares can be registered. In order to be eligible to attend and vote at the meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:00 p.m. on Monday, 10 August 2015.
- (3) To ascertain the shareholders' entitlement to the proposed final dividend and special dividend, the Register of Members will be closed from Thursday, 20 August 2015 to Monday, 24 August 2015, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the final dividend and special dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:00 p.m. on Wednesday, 19 August 2015.
- (4) Subject to approval by the shareholders at the Annual General Meeting of the Company, the final dividend and special dividend will be paid on or around 7 September 2015 to every shareholder registered as a member on the Register of Members at the close of business on 24 August 2015.
- (5) With reference to item no. 3 in this notice, Mr. Lu Wing Yee, Wayne and Mr. Lam Ming Leung shall retire and, being eligible, have offered themselves for re-election at the annual general meeting. Details of these directors are set out in Appendix II of the circular.
- (6) Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in this notice will be decided by poll at the above meeting.



---

## APPENDIX II     DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

---

The following are the biographical details of the two Retiring Directors proposed to be re-elected at the AGM. Save for the information set out below, there is no information to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders in respect of these Retiring Directors who stand for re-election as Directors at the AGM.

**Mr. Lu Wing Yee, Wayne**, aged 41, was appointed as an Executive Director of the Company on 12 December 2008. He joined the Group in July 2001, and prior to his appointment as Executive Director has acted as a Group Manager of the Group in charge of day-to-day operation of the Group. He has extensive experience in the field of accounting, auditing, financial management and operations control. Mr. Lu is a member of The American Institute of Certified Public Accountants. He has a master degree in business administration, a bachelor degree of science in business administration and a diploma in risk management. Mr. Lu has previously worked for audit firm, securities and brokerage firm and listed property company.

He is the son of Mr. Lu Sin, the late Chairman of the Company. Save as disclosed above, Mr. Lu does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company and did not hold any directorship in other listed public companies in the last three years.

There is no service contract entered into between Mr. Lu and the Company and no fixed or proposed length of service with the Company. Mr. Lu is subject to retirement by rotation and re-election in accordance with the Articles of Association. The Director's fee payable to him shall be subject to review by the Board from time to time pursuant to the power given to it at annual general meeting. His other emolument is determined with reference to his duties and responsibilities and the Company's performance and profitability. For the year ended 31 March 2015, Mr. Lu received a Director's fee of HK\$24,170 per annum from the Company and its subsidiaries.

As at the Latest Practicable Date, Mr. Lu has a personal interests of 7,910,420 shares, and corporate interests of 23,440 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**Mr. Lam Ming Leung**, aged 63, has been an Independent Non-executive Director of the Company since 1 January 2004. He is the Chairman of the remuneration and nomination committee and a member of the audit committee of the Company. Mr. Lam was a director and general manager of The National Commercial Bank Limited, Hong Kong Branch.

Mr. Lam does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

There is no service contract entered into between Mr. Lam and the Company and no fixed or proposed length of service with the Company. Mr. Lam is subject to retirement by rotation and re-election in accordance with the Articles of Association. The director's fee payable to him is determined with reference to his duties and responsibilities and shall be subject to review by the Board from time to time pursuant to the power given to it at annual

---

## **APPENDIX II     DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION**

---

general meetings. For the year ended 31 March 2015, Mr. Lam received a fixed remuneration of HK\$55,350 as director's fee per annum and additional fee of HK\$103,800 and HK\$51,840 as a member of audit committee and remuneration and nomination committee respectively.

As at the Latest Practicable Date, Mr. Lam has a personal interest of 10,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The following is the explanatory statement required to be sent to shareholders under the Listing Rules in connection with the buy-back mandate and also constitutes the memorandum required under Section 239(2) of the Companies Ordinance.

### **SHARE CAPITAL**

As at Latest Practicable Date, the share capital of the Company comprised 135,000,000 shares in issue.

### **EXERCISE OF THE BUY-BACK MANDATE**

Resolution No. 6 set out in the Notice convening the AGM will, if passed, give a general mandate to the Directors authorising the buy-back by the Company of up to 10 per cent. of the shares of the Company in issue as at the date of the AGM at any time until the end of the Relevant Period as defined in Resolution No. 6 set out in the Notice.

Accordingly, exercise in full of the buy-back mandate (on the basis of 135,000,000 shares in issue as at the Latest Practicable Date and assuming no shares are issued or bought-back prior to the date of the AGM) would result in up to 13,500,000 shares being bought-back by the Company during the Relevant Period.

### **REASONS FOR BUY-BACK**

The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from the Shareholders to enable the Directors to buy-back shares. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and/or its earning per share and will only be made when the Directors believe that such buy-back will benefit the Company and its shareholders.

### **FUNDING OF BUY-BACK**

In buy-back shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the applicable laws of Hong Kong and the Listing Rules. Any buy-back will be made out of funds of the Company legally permitted to be utilised in this connection, being distributable profits of the Company or the proceeds of a new issue of shares made for such purpose.

If the share buy-back mandate were exercised in full at any time during the Relevant Period, there could be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements as at 31 March 2015). The Directors therefore do not propose to exercise the power under the share buy-back mandate to such an extent unless it is determined by the Directors that such buy-back are, taking account of all relevant factors, in the best interests of the Company.

**GENERAL**

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their close associates have a present intention to sell any shares to the Company, or have undertaken not to do so, in the event the share buy-back mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the buy-back mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell shares to the Company, or have undertaken not to do so, in the event that the buy-back mandate is approved by the Shareholders.

**TAKEOVERS CODE**

If as a result of a buy-back by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of The Codes on Takeovers and Mergers and Share Buy-backs (the "Takeovers Code"). Accordingly, a Shareholder, or a group of Shareholders acting in concert, could, depending upon the level of increase in shareholding interest(s), obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Lu Sin, a deceased Director (controlling 49.29 per cent. before any share buy-back) and parties acting in concert with them (including Mr. Lu Wing Yee, Wayne (son of the late Mr. Lu Sin and a Director) who holds approximately 5.88 per cent.), together already control more than 50 per cent., in aggregate, of the voting rights of the Company. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any buy-back made under the buy-back mandate.

**SHARE PRICES**

The highest and lowest prices at which the shares have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:–

|             | <b>Highest</b><br><i>HK\$</i> | <b>Lowest</b><br><i>HK\$</i> |
|-------------|-------------------------------|------------------------------|
| <b>2014</b> |                               |                              |
| July        | 10.400                        | 9.700                        |
| August      | 10.500                        | 9.800                        |
| September   | 10.100                        | 9.950                        |
| October     | 13.920                        | 9.750                        |
| November    | 13.900                        | 12.220                       |
| December    | 13.020                        | 11.540                       |
| <b>2015</b> |                               |                              |
| January     | 12.840                        | 11.600                       |
| February    | 12.860                        | 12.460                       |
| March       | 13.800                        | 12.160                       |
| April       | 13.800                        | 12.060                       |
| May         | 12.740                        | 12.220                       |
| June        | 17.740                        | 12.600                       |

**SHARE BUY-BACK BY THE COMPANY**

The Company has not bought back any of its shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.