

GROUP RESULTS

The Board of Directors of Safety Godown Company, Limited announces that the Group's unaudited consolidated profit attributable to shareholders for the half-year ended 30 September 2000 was approximately HK\$18,894,000. Earnings per share for the period is 14 cents. In comparison with the interim results of the corresponding period in 1999, earnings per share increased by 3.7 cents.

BUSINESS REVIEW

Amid signs of gradual recovery in the Hong Kong and international economy and a considerable improvement shown in the local export and entrepôt trades of Hong Kong, business in the godown industry has been stabilized. The average occupancy rate of the Group's godown was over 80% in the second and third quarters of this year. However, due to the level of supply and demand of godown space in the market and keen competition among godown operators, rental rate for godown storage has been under pressure and there was a little remarkable increase in godown rental income for the Group.

The tenancy rate of Lu Plaza, the Group's investment property in Kwun Tong, maintained at 85% approximately. Nevertheless, the rental income recorded a small drop as a number of tenancies have expired and rentals are renewed at a lower rate.

Overall, the Group's total operating income was roughly the same as the corresponding period in last year. However, with the reduction in the operating and administrative costs, the net profit for the period has grown by 36%.

PROSPECTS

Since the fourth quarter of this year, the economy in the United States has shown signs of slowing, and with the high crude oil prices, and political and economic uncertainties in the Asia-Pacific region, growth rates in Hong Kong's local export and entrepôt trade are expected to be low, and concerns for the local economic performance next year remains. Fortunately, China's expected accession to the World Trade Organization in the near future can help offset certain negative effects, and we remain cautious optimistic with the prospects of the godown industry in Hong Kong.

As regards to the leasing of Lu Plaza, there are quite a number of leases under negotiation recently. The expected rise in the tenancy rate in the coming months will well benefit the Group.

INTERIM DIVIDEND

The Board of Directors has declared an interim dividend in respect of the six month period ended 30 September 2000 of 5 cents (1999: 8 cents) per share, payable on 22 January 2001 to shareholders on the Register of Members on 19 January 2001.

CLOSURE OF MEMBERS REGISTER

The Register of Members of the Company will be closed from 15 January 2001 to 19 January 2001, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the proposed interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Standard Registrars Limited, 5/F., Wing On Centre, 111 Connaught Road Central, Hong Kong, for registration not later than 4:00 p.m. on 12 January 2001.