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SF Real Estate Investment Trust
順豐房地產投資信託基金

(a collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

(Stock Code: 2191)

Managed by
SF REIT Asset Management Limited

PAYMENT OF MANAGER'S FEE TO
SF REIT ASSET MANAGEMENT LIMITED
ENTIRELY BY WAY OF UNITS

The Relevant Period Manager's Fee for the period from 1 January 2023 to 30 June 2023 is HK\$13,009,720.88. Based on the Election made by the REIT Manager on 10 January 2023, HK\$13,009,720.88, being 100% of the Relevant Period Manager's Fee, shall be settled entirely in the form of new Units issued by SF REIT.

The Board announces that in accordance with the Trust Deed, on 4 September 2023, SF REIT issued 4,761,976 new Units (representing approximately 0.59% of the 804,761,976 Units in issue immediately after such issue) at the price of HK\$2.732 per Unit (being the Market Price) as payment for 100% of the Relevant Period Manager's Fee.

The REIT Manager received 4,761,976 Manager Fee Units on 4 September 2023. Prior to its receipt of the Manager Fee Units for the Relevant Period, the REIT Manager did not hold any interest in Units. Immediately after issuance of the Manager Fee Units and as at the date of this announcement, the REIT Manager holds 4,761,976 Units (representing approximately 0.59% of the 804,761,976 Units in issue immediately after such issue).

PAYMENT OF THE MANAGER’S FEE FOR THE PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

Reference is made to (i) the announcement of SF Real Estate Investment Trust (“**SF REIT**”) dated 10 January 2023 in relation to election of payment method of Manager’s Fee entirely by way of Units (the “**Election Announcement**”); and (ii) the offering circular of SF REIT dated 5 May 2021 (the “**Offering Circular**”) in connection with the initial public offering and listing of the Units on the Main Board of the Hong Kong Stock Exchange. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meaning as those defined in the Offering Circular.

CALCULATION OF MANAGER’S FEE

Pursuant to the Trust Deed, the REIT Manager is entitled to receive the following fees from SF REIT (the “**Manager’s Fee**”):

- (i) on a semi-annual basis, the Base Fee at the rate of 10% per annum of the Base Fee Distributable Income; and
- (ii) on an annual basis, the Variable Fee at the rate of 25% per annum of the difference in DPU in a financial year compared to the preceding financial year, multiplied by the weighted average number of Units in issue for such financial year (for the purpose of calculating the Variable Fee only, the DPU shall be calculated before accounting for the Variable Fee but after accounting for the Base Fee for the relevant financial year).

The Manager’s Fee for the period from 1 January 2023 to 30 June 2023 (the “**Relevant Period**”) represents the Base Fee in respect of the Relevant Period, which amounts to a total of HK\$13,009,720.88 (the “**Relevant Period Manager’s Fee**”).

SETTLEMENT OF RELEVANT PERIOD MANAGER’S FEE

As stated in the Election Announcement, the REIT Manager had notified the Trustee in writing of its election in respect of the Manager’s Fee for the year ending 31 December 2023 to be paid by SF REIT to the REIT Manager entirely in the form of new Units issued by SF REIT (the “**Election**”). Based on the Election, HK\$13,009,720.88, being 100% of the Relevant Period Manager’s Fee, shall be settled entirely in the form of Units (the “**Manager Fee Units**”).

The Board announces that in accordance with the Trust Deed, on 4 September 2023, SF REIT issued 4,761,976 new Units (representing approximately 0.59% of the 804,761,976 Units in issue immediately after such issue) at the price of HK\$2.732 per Unit (being the average closing price of the Units on the Hong Kong Stock Exchange for the five consecutive trading days immediately preceding the date on which the Manager Fee Units are issued (the “**Market Price**”)) as payment for the Relevant Period Manager’s Fee.

The REIT Manager received 4,761,976 Manager Fee Units on 4 September 2023. Prior to its receipt of the Manager Fee Units for the Relevant Period, the REIT Manager did not hold any interest in Units. Immediately after issuance of the Manager Fee Units and as at the date of this announcement, the REIT Manager holds 4,761,976 Units (representing approximately 0.59% of the 804,761,976 Units in issue immediately after such issue).

The payment of the Manager’s Fee in Units is in accordance with the terms of the Trust Deed and does not require specific prior approval of unitholders of SF REIT pursuant to paragraph 12.6 of the REIT Code.

The number of the new Units issued to the REIT Manager as payment of all or part of the Manager’s Fee for each financial year of SF REIT shall be counted as part of the 20% of outstanding Units that SF REIT may issue in each financial year without unitholders’ approval pursuant to paragraph 12.2 of the REIT Code. In addition, pursuant to paragraph 12.6 of the REIT Code, in respect of each financial year, the maximum number of Units that may be issued to the REIT Manager as payment of all or part of the Manager’s Fee for that financial year without unitholders’ approval shall, in the aggregate, be limited to such number of Units as represents 3% of the total number of Units outstanding as at the last day of the immediately preceding financial year plus the number of Units (if any) issued in the relevant financial year for the purposes of financing any acquisition of real estate by SF REIT.

ISSUANCE OF NEW UNITS AS PAYMENT FOR MANAGER’S FEE IN RESPECT OF THE FINANCIAL YEAR ENDING 31 DECEMBER 2023

4,761,976 Units, being the total number of new Units issued to the REIT Manager so far as payment of a portion of the Manager’s Fee in respect of the financial year ending 31 December 2023, represent approximately 0.60% of the Units outstanding as at 31 December 2022 (being the last day of the immediately preceding financial year), being less than 3% of the Units outstanding as at that date.

GENERAL

This announcement is made pursuant to paragraphs 10.3 and 10.4(k) of the REIT Code.

The REIT Manager confirms that, to the best of its knowledge, save as disclosed in this announcement, it is not aware of any other information discloseable under paragraphs 10.3 and 10.4 of the REIT Code.

By Order of the Board
SF REIT Asset Management Limited
(as manager of SF Real Estate Investment Trust)
HO Chit
Chairman of the Board

Hong Kong, 4 September 2023

As at the date of this announcement, the Board comprises Mr. HO Chit as Chairman and Non-executive Director; Mr. Hubert CHAK as Executive Director and Chief Executive Officer; Ms. OOI Bee Ti, Ms. GAN Ling and Ms. LI Juhua as Non-executive Directors; and Mr. TAN Huay Lim, Mr. HO Lap Kee, MH, JP, Mr. CHAN Ming Tak, Ricky, Mr. KWOK Tun Ho, Chester and Mr. Michael Tjahja SUSANTO as Independent Non-executive Directors.