

To: Business Editor
[For Immediate Release]



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

SF REIT Announces 2023 Annual Results

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Persistent Growth in Revenue, Net Property Income and Distribution

Annual Results Highlights for the Year ended 31 December 2023 (the “Year”)

- Total revenue and net property income amounted to HK\$444.9 million and HK\$357.7 million, up by 5.6% and 4.1%, respectively.
- Overall occupancy rate remained stable at 98.0%.
- Total appraised value of the portfolio was stable and amounted to HK\$7,388.2 million.
- The Board declared a final distribution per unit of HK14.02 cents, rendering a total distribution per unit of HK28.66 cents for the Year, which represented an increase of 3.3% year-on-year, a 100% pay-out ratio and a distribution yield of 10.7%¹.
- SF REIT obtained “Green Star” rating in GRESB for the first time.

(Hong Kong, [14] March 2024) **SF Real Estate Investment Trust** (“**SF REIT**” or “**the Group**”, SEHK: 2191), the first and only logistics-focused REIT listed in Hong Kong, announced its annual results for the year ended 31 December 2023.

SF REIT delivered a set of satisfactory results during the Year amid challenging operating environment and rising USD interest rate. Revenue growth was mainly attributable to a proactive asset management strategy which kept the portfolio occupancy at a high level of 98.0% as well as the full-year contribution of the Changsha property acquired in June 2022. Further, proactive risk management strategy and the use of hedging instruments reduced the negative impact of the interest rate hikes.

The total revenue and net property income for the Year were HK\$444.9 million and HK\$357.7 million, representing increases of 5.6% and 4.1%, respectively. Total appraised value of the portfolio was maintained at HK\$7,388.2 million, reflecting the resilient nature of our high quality assets in Hong Kong and mainland China.

The total distributable income for the Year amounted to HK\$230.0 million. The Board declared a final distribution per unit of HK14.02 cents, rendering a total distribution per unit of HK28.66 cents for the Year, which represented an increase of 3.3% year-on-year, a 100% pay-out ratio and a distribution yield of 10.7% based on the closing unit price of HK\$2.67 on the last trading date of the Year.

¹ Based on the closing unit price of HK\$2.67 on the last trading date of the Year.

Mr. Hubert Chak, Executive Director and Chief Executive Officer of SF REIT Asset Management Limited, the manager of SF REIT (the “REIT Manager”) said, *“Throughout the year, we faced uncertainties caused by high USD interest rates and geopolitical tensions which presented unprecedented challenges to the overall business environment. Our proactive asset management approach and the support by SFH Group tenants have ensured a stable occupancy rate in our portfolio. We also made appropriate decisions on capital management, hedging market volatility on interest rates and foreign exchange to minimize the impact to our financial performance. The full-year contribution of the Changsha Property acquired in June 2022 boosted our revenue and income.*

Our future growth will mainly come from new acquisitions and will adhere to our current investment strategy, maintaining prudence and discipline. We will leverage on our strategic partnership with the SFH Group, which remains fully supportive, and seek investment opportunities in line with our objectives to provide stable and sustainable return to our unitholders.”

Sustainability

SF REIT is committed to integrating the principles of sustainable development throughout our business value chain, with the objective of fostering long-term business value. During the Year, the Group participated in Global Real Estate Sustainability Benchmark (GRESB) assessment for the first time and successfully received the Green Star rating. This accelerated the identification of areas for improvement and paved the way for us to devote further. Besides, the Group was awarded the Gold rating of LEED BD+C: Core and Shell and excellent grade of BEAM Plus Existing Buildings V2.0 (Selective Scheme) (Management Aspect) for its Asia Logistics Hub - SF Centre located in Hong Kong.

Outlook

Looking ahead, the Group maintains a cautiously optimistic outlook on the overall market, with clarity on the USD interest rate outlook expected to improve sentiment. However, uncertainties from regional conflicts and geopolitical relations pose challenges for growth in 2024. Hong Kong continues to play a pivotal role as a regional logistics hub and a key gateway between mainland China and the rest of the world. The trading and logistics industry remains a major economic pillar in Hong Kong, driving local economic growth. The e-commerce market, with its significant growth potential, presents a promising opportunity in Hong Kong and mainland China. The demand for high-quality logistics services to meet consumer expectations in this dynamic market will continue to rise.

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About SF Real Estate Investment Trust

SF REIT is the first logistics-focused REIT listed on the Main Board of The Stock Exchange of Hong Kong Limited. SF REIT targets to invest in income-generating real estate globally, with an initial focus on logistics properties. Through its current portfolio of four properties, SF REIT can offer its unitholders a direct exposure to modern logistics properties in Hong Kong and mainland China.

SF REIT has full support of S.F. Holding Co., Ltd. ("SFH"), its controlling unitholder, in the development of its business. SFH is a company established in The People's Republic of China ("PRC") with its shares listed on the Shenzhen Stock Exchange. SFH is a leading integrated logistics services provider in the PRC with comprehensive business segments covering express delivery, freight, cold chain, international and intra-city services, cross-border logistics and supply chain management.

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