



SF REIT

Acquisition of Modern Logistics Property in Changsha

6 June 2022



Changsha Property

Our Portfolio

Investment Rationale

Overview of the Changsha Property

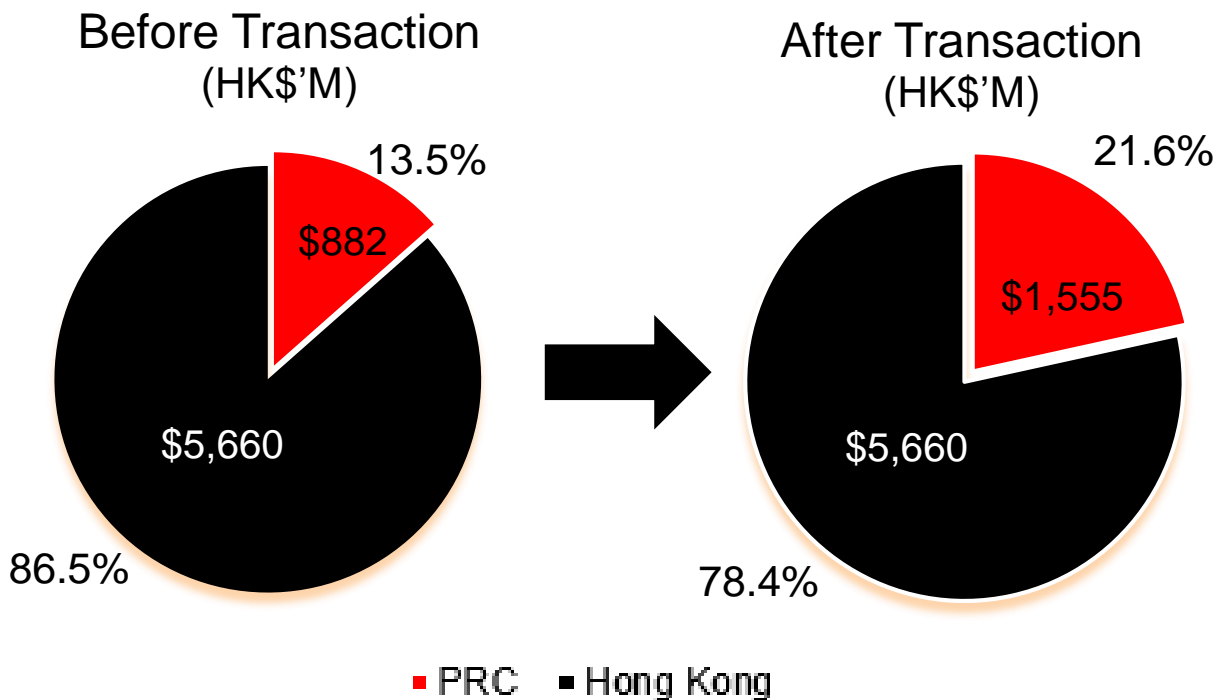
Changsha Market Overview

Financial Impact

Outlook & Strategy

Our Portfolio

Total portfolio value will increase by 10% from HK\$6,542M⁽¹⁾ to HK\$7,215M⁽²⁾ after acquisition of Changsha Property at agreed property value of RMB540M



Notes:

(1) Figures as at 31 December 2021 per 2021 annual report

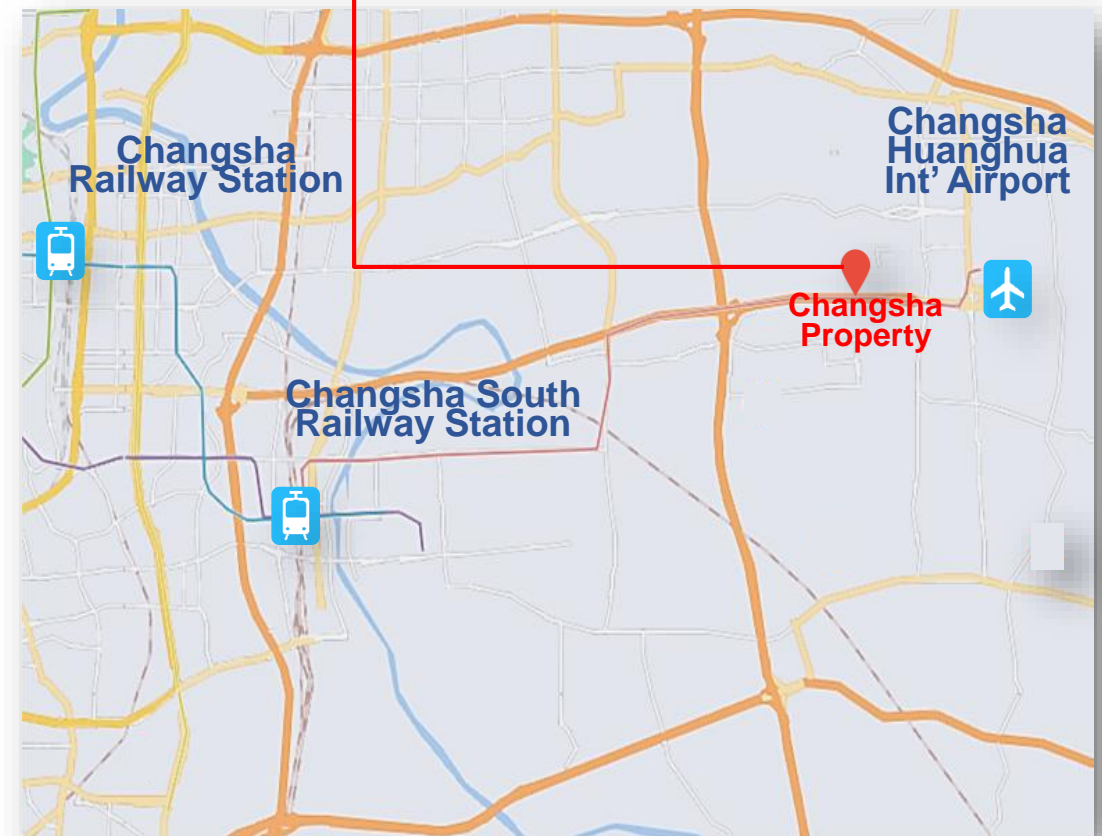
(2) Figures as at 31 December 2021 prepared on a pro forma basis as if the transaction had been completed on 31 December 2021 and valuation of Changsha property as at 31 March 2022

Investment Rationale

- ✓ **Quality modern logistics property in prime location**
 - Strategically located at Changsha Linkong Economic Development Zone
 - Recently completed high quality modern logistics property
 - Built-to-suit facilities to house the needs of various logistics tenants
- ✓ **Attractive return with secured and stable income from SF Group**
 - High occupancy provides immediate cash contribution
 - ~68% GLA leased to SF Group with long lease term and annual rental increment
 - Yield accretive to improve unitholders' return
- ✓ **Diversify and enhance operating synergies**
 - Further diversify the portfolio to Central China and enhance operating synergies

Overview of Changsha Property

No. 102 Hexin Road, Huangxin Town, Changsha County, Hunan Province, PRC



| | |
|-------------------------------|-----------------------------------|
| Agreed Property Value | RMB 540M |
| | <i>1.9% discount to valuation</i> |
| Completion | 2019 - 2021 |
| GLA (sq.m) | 120,055 |
| Monthly rental ⁽¹⁾ | RMB 3.6m (RMB 30.0 psm) |
| Occupancy ⁽¹⁾ | 98.9% |

Note:
(1) As of March 2022

Overview of Changsha Property



15 min driving distance to Airport



Ramp-up distribution centre



Supply chain support facilities



68% occupied by SF Group



Ample loading/unloading areas



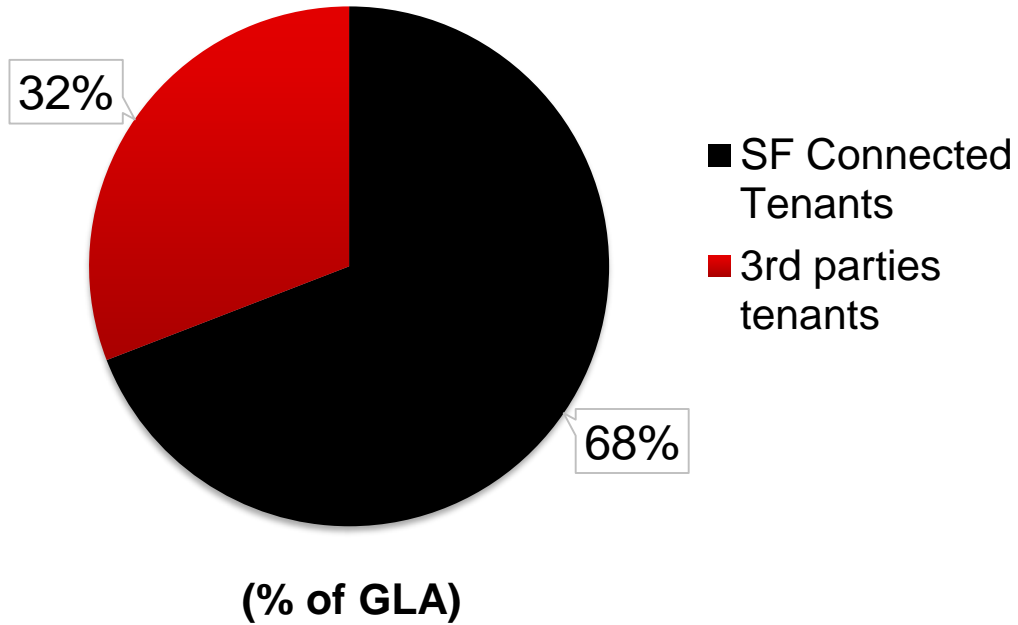
3.9 yrs weighted average lease expiry



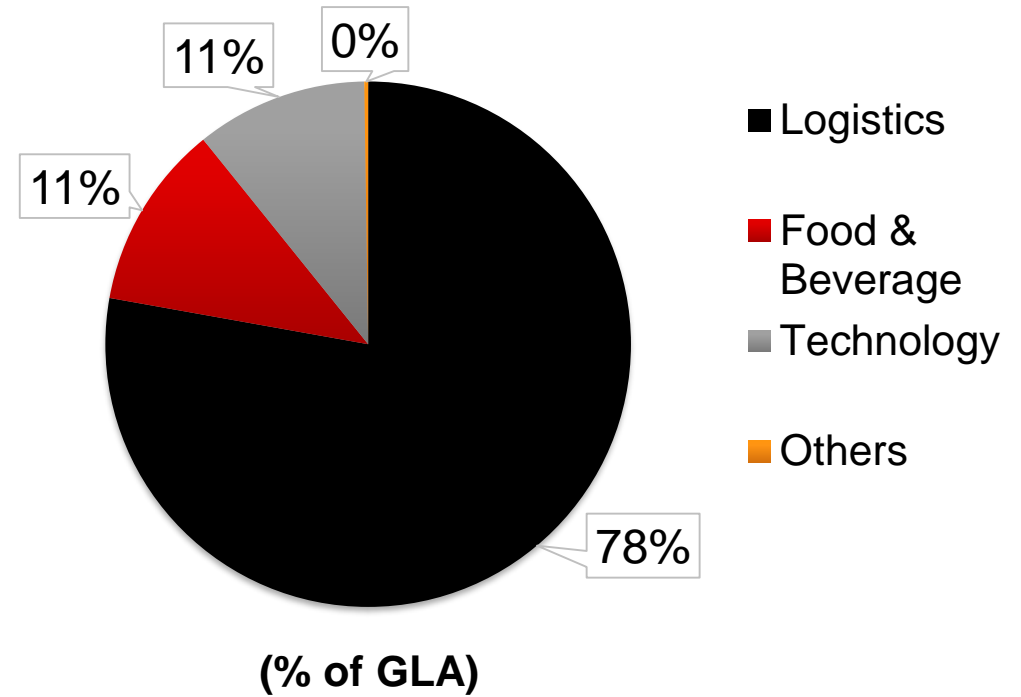
Distribution centre with ramp access and cold storage facilities

Changsha Property - Tenant Profile

Breakdown by Tenant Type



Breakdown by Tenant Industry



Note:
(1) As of March 2022

Overview of Changsha Market



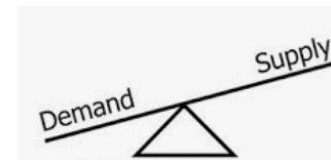
10 million population



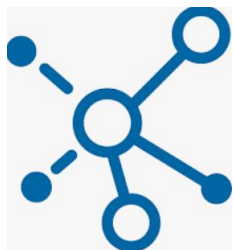
Favorable policies



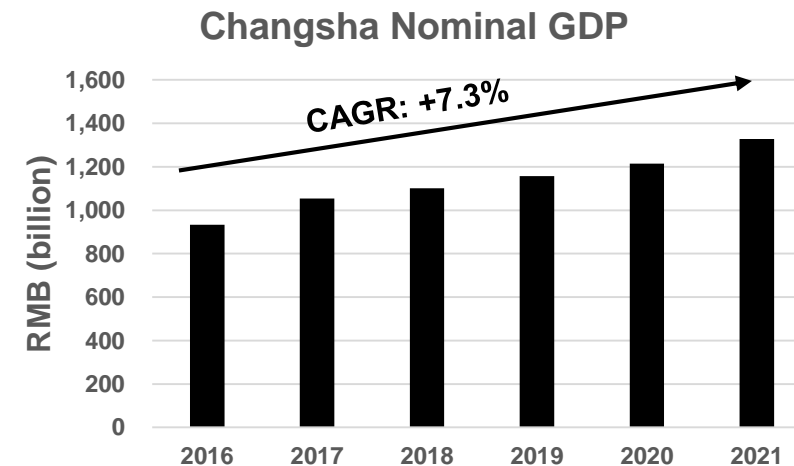
Rapidly growing economy



High demand



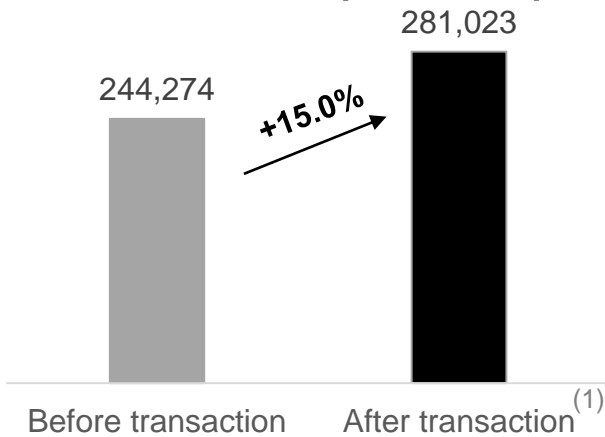
Connecting the eastern and western regions



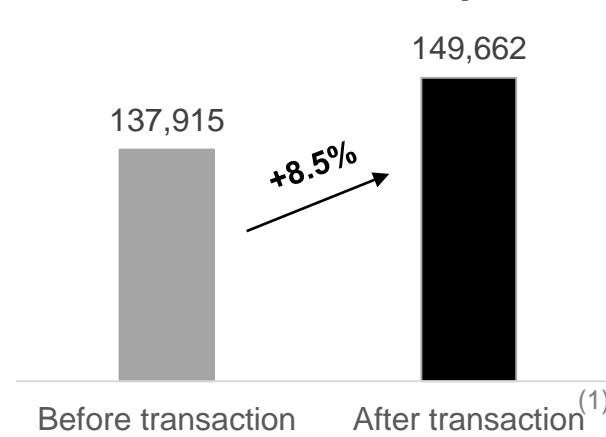
Financial Impact – FY 2021 Pro forma figures



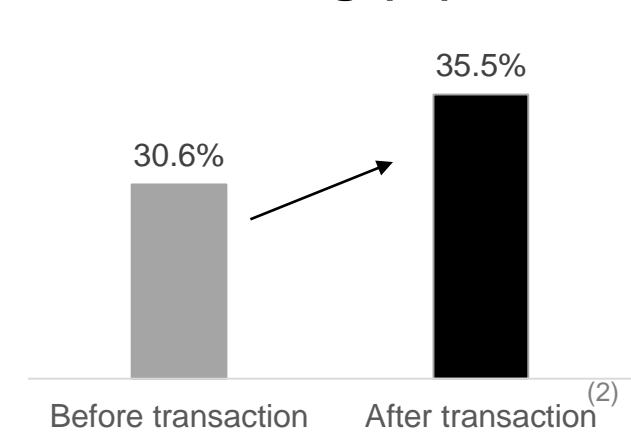
Revenue (HK'000)



Distributable income (HK\$000)



Gearing (%)



| Financing: | |
|--------------------|----------------------------|
| Onshore Term Loan | RMB267.2M (~HK\$327.0M) |
| Offshore Term Loan | HK\$259.0M |

Notes:

(1) Figures for the period from 29 April 2021 to 31 December 2021 prepared on a pro forma basis as if the transaction had been completed on 29 April 2021 and SF REIT had held and operated the Changsha Property throughout the period

(2) Figures as at 31 December 2021 prepared on a pro forma basis as if the transaction had been completed on 31 December 2021

Outlook & Strategy

- 1 Clear visibility on income supported by long term leases of SFH Group tenants 
- 2 Prudent capital management to mitigate financial market volatility and support acquisitions 
- 3 Investment demand and positive market outlook in logistics support future growth potential 
- 4 Strong pipeline from SFH Group to support portfolio expansion and DPU growth 

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