



SF REAL ESTATE INVESTMENT TRUST 順豐房地產投資信託基金

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

Investors Presentation November 2021



Section 1








Investment Highlights



Investment Highlights



- 1** Stable operational performance benefited from strong demand for modern logistic properties 
- 2** Portfolio value increased post IPO reflecting improved leased terms 
- 3** Long term leases with SFH Group tenants provide high degree of income stability 
- 4** Prudent balance sheet provides gearing headroom to support future acquisitions 
- 5** Continue to work closely with SFH Group to pursue acquisition opportunities 

Section 2



Logistics Assets Market Update



Logistics Assets Market Update - Hong Kong



Rental of modern logistics facilities in Q3 continued to rebound by ~ 2.5% with vacancy rates at 2.6%⁽¹⁾

Leasing activity levels improved in Q3 mainly driven by recovery of local trading and retail sectors as well as stabilization of air cargo/container throughputs

Active investment market with 17 major deals of over HK\$100 million concluded in Q3 worth over HK\$7.3 billion ⁽¹⁾

Logistics Assets Market Update – Mainland China



Market performance remained strong with active leasing transactions and high net absorption rate

Continuous demand driven by expansion of e-commerce, retail and 3PL supplemented by growing demand from cold chain and medical supplies

Ample new supply but overall vacancy rate in major logistics markets across the country has improved thanks to strong rental demand

Overall rental performance remained stable with continuous rental growth in mature markets with stable performance and pressure in other markets has stabilized



Logistics Assets Market Update - Outlook

Hong Kong

Modern logistics warehouse supply still tight despite upcoming new supplies in 2022
Continuous development of Greater Bay Area will support demand

Mainland China

Continuous development of e-commerce with higher frequency shopping and higher spending has accelerated market recovery

Facilities upgrade by operators to meet growing demand from ongoing urbanization and for supply of fresh food and other products

Transformation of consumption structure driven by the internal cycle provides a strong cornerstone for future growth

Key trends in logistics

Global supply chain bottlenecks prolong decisions and planning prompted increase in inventories

Relocating point of production closer to point of consumption

Section 3

Portfolio Overview



First and only logistics-focused REIT in Hong Kong



3 modern logistics properties in prime locations of Hong Kong and Mainland China

- ✓
First logistics-focused REIT in Hong Kong
- ✓
Prime logistics assets with competitive specifications
- ✓
Top-quality and stable tenant base
- ✓
ROFR has been granted to acquire properties from SFH

REIT Portfolio	
Properties	3
Gross lettable area	307,678 sq.m.
Appraised value ⁽¹⁾	HK\$6,446 M
Occupancy rate ⁽¹⁾	95.7%
WALE ⁽¹⁾	4.4 Years
REIT manager	SF REIT Asset Management Limited

Foshan Guicheng Fengtai Industrial Park

- GLA: **84,951 sq.m.**
- Appraised value⁽¹⁾: **HK\$563 M**
- Year of completion: **2021**
- Occupancy⁽¹⁾: **100%**



Strategically located, modern logistics property portfolio



Wuhu Fengtai Industrial Park

- GLA: **62,405 sq.m.**
- Appraised value⁽¹⁾: **HK\$281 M**
- Year of completion: **2019**
- Occupancy⁽¹⁾: **97.9%**



Asia Logistics Hub – SF Centre

- GLA: **160,322 sq.m.**
- Appraised value⁽¹⁾: **HK\$5,602 M**
- Year of completion: **2014**
- Occupancy⁽¹⁾: **92.6%**



Note: (1) As at 30 June, 2021

Portfolio Performance



Occupancy Rates ⁽¹⁾

Average / Total:

95.7 %

-Hong Kong:

92.6%

-Foshan :

100.0%

-Wuhu :

97.9%

80.0% leased to SFH Group for 5 years, providing stability of income

Property Valuation HK\$ M ⁽¹⁾

6,446.0 5.7%

5,602.0 6.0% ⁽²⁾

563.4 1.1% ⁽²⁾

280.6 4.4% ⁽²⁾

**- Value increased reflecting new leases entered with SFH Group and FX changes.
- No change in yields and methodology adopted by independent valuer.**

Notes:

(1) As at 30 June 2021

(2) In local currency

Prime property portfolio

Asia Logistics Hub – SF Centre, Tsing Yi, Hong Kong



Strategically located



Tsing Yi, Hong Kong
A premium logistics cluster

- **100m** from Container Terminal No. 9
- **19km** from Hong Kong International Airport

- Conveniently accessible by major roads/infrastructure such as **Hong Kong-Zhuhai-Macao Bridge** and **Guangzhou-Shenzhen-Hong Kong Express Rail Link**

Modern logistics property

A 15-storey 'ramp-up' modern logistics property with a distribution centre equipped with automatic sorting and supply chain support facilities



Vehicular ramp access to every warehouse floor with **direct, spacious loading/unloading docks**

High quality building specifications such as **large and regular floor plates, high ceilings** and **wide column spacing** for optimal spacing utilization

Gross Lettable Area

160,322.2 sq.m.

Expiry of gov't. lease

13 Jan 2061

Occupancy⁽¹⁾

92.6%
(65.9% of GLA leased to SFH Group)

Valuation⁽²⁾

HK\$5,602.0 M

Term Yield: 3.9%
Reversionary Yield: 4.4%

Numbers of Tenants ⁽¹⁾

SFH Group - 2
Other 3rd parties - 6

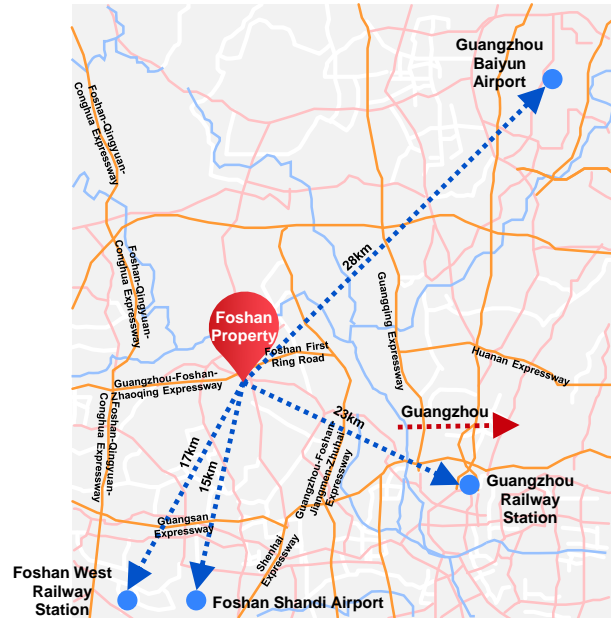
Note: (1) As at 30 June 2021

Prime property portfolio

Foshan Guicheng Fengtai Industrial Park, Nanhai District, Foshan, Guangdong



Strategically located



Foshan, Guangdong

Key tier-1 city in the Pearl River Delta
The manufacturing center of western Greater Bay Area

- Neighbors Foshan First Ring Road
- ~23km from largest high-speed railway station in Southern China
- 28km from Guangzhou Baiyun Airport (one of the biggest aviation transportation hubs in the PRC)

Modern logistics property

A three-storey ramp-up modern logistics property



Equipped with intelligent technology, built-to-suit facilities, such as automatic sorting and supply chain support facilities

Purposefully caters to the needs of its single logistics tenant (Foshan SF Express Co., Ltd.)

Gross Lettable Area

84,950.8 sq.m.

Expiry of gov't. lease

20 July 2049

Occupancy⁽¹⁾

100.0%
(99.9% of GLA leased to SFH Group)

Valuation⁽²⁾

HK\$563.4 M

Term Yield: 5.0%
Reversionary Yield: 5.5%

Numbers of Tenants⁽¹⁾

SFH Group - 1
Other 3rd party - 1

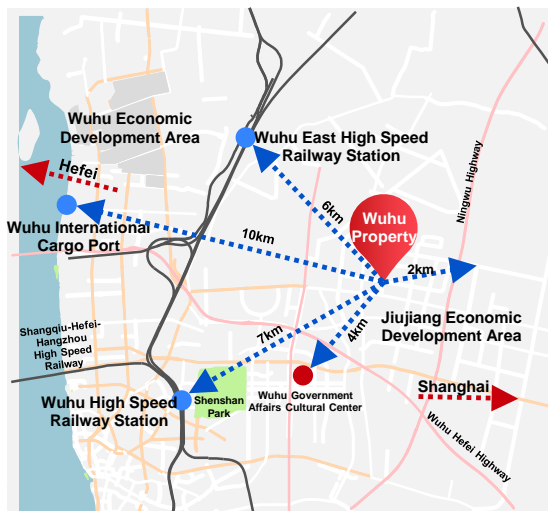
Note: (1) As at 30 June 2021

Prime property portfolio

Wuhu Fengtai Industrial Park, Jiujiang District, Wuhu, Anhui



Strategically located



Wuhu, Anhui

Key **transportation hub** in Yangtze River Economic Region
Competitive capabilities in industrial/E-commerce/3PL sectors

Jiujiang Economic Development Area

A national level development zone for logistics enterprises

▪ **2km** from Ningwu Highway

▪ **10km** from Wuhu International Cargo Port

▪ Wuhu is **~4 hours' commute from Beijing** and **1.5 hours' commute from Hangzhou**

Modern logistics property

Two high-standard warehouses, an automatic distribution center, a R&D building and two ancillary buildings



Automatic sorting and supply chain support facilities

Gross Lettable Area

62,404.5 sq.m.

Expiry of gov't. lease

20 Jan 2066

Occupancy⁽¹⁾

97.9%

(89.1% of GLA leased to SFH Group)

Valuation⁽¹⁾

HK\$280.6 M

Term Yield: 5.0%

Reversionary Yield: 5.5%

Numbers of Tenants ⁽¹⁾

SFH Group - 2

Other 3rd parties - 20

Appendix I

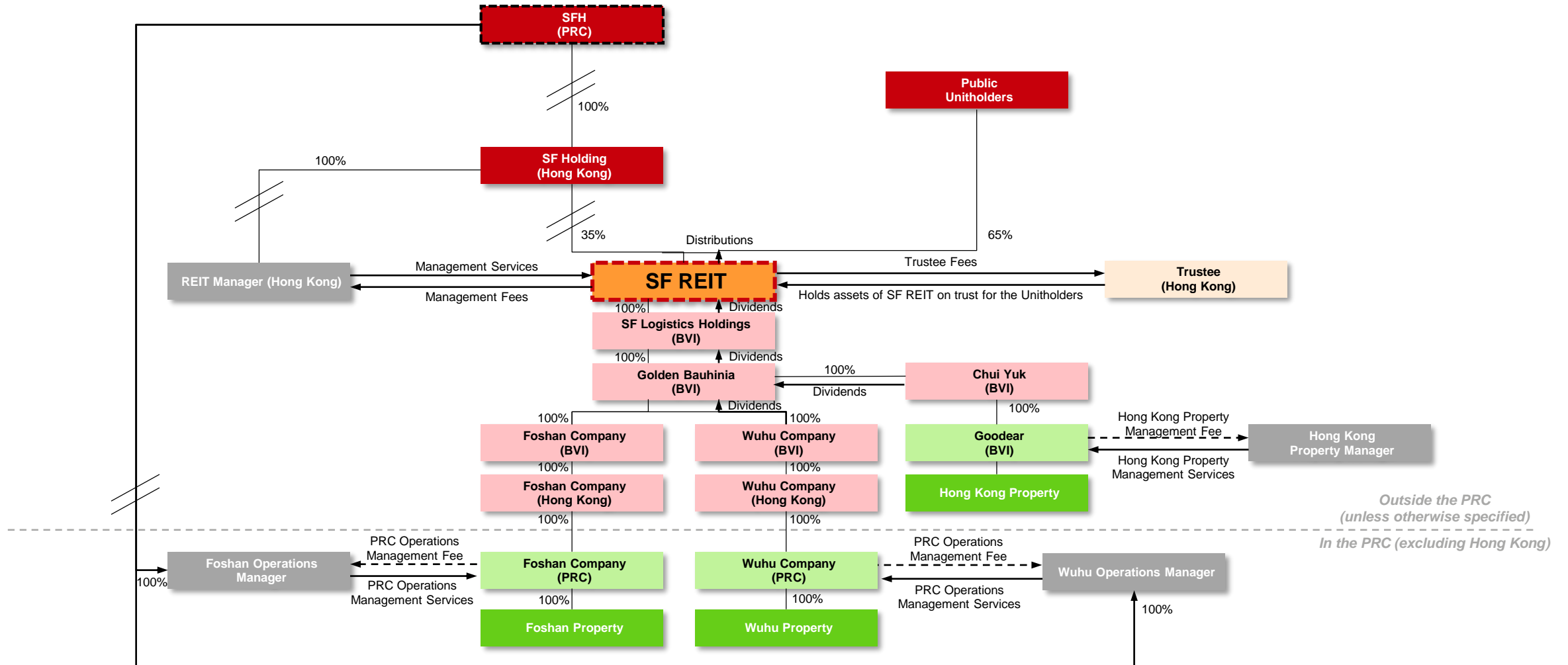
SF REIT Corporate Information



Structure of SF REIT



SFH is dedicated and committed to SF REIT and is expected to continue to retain unitholding in SF REIT



Note: Simplified corporate structure for reference only
 // denotes indirect ownership

SF REIT Asset Management Limited – The REIT Manager



Key Information

- ✓ Indirectly held by SFH
- ✓ Obtained **HK SFC Type 9 license** (regulated for asset management activities)

Key Objectives

- ✓ **Stable distribution**
- ✓ **Sustainable growth** for Unitholders

Fee Structure : incentivizes growth of DPU

Base Fee

- **10.0% p.a. of the Annual Distributable Income** (before accounting for the Base Fee and Variable Fee)
- Payable on a semi-annual basis

Variable Fee

- **25.0% p.a. of difference in DPU in a financial year compared to year before**
- Payable on an annual basis if **DPU in any financial year exceeds that of preceding financial year**

Acquisition Fee

- **0.5%/1.0% of acquisition price** of each asset acquired from **SFH/ non-SFH third parties** respectively

Divestment Fee

- **0.5% of the sale price** of each asset **sold/divested directly/indirectly**

*Base and Variable Fees:
Paid entirely or partly in cash or in Units*

*Acquisition and Divestment Fees:
Based on proportion of SF REIT's interest
Paid entirely or partly in cash or in Units*

Distribution policy



Semi-annual distributions



100% distributions intended
from Listing Date to 31 Dec 2021



Guaranteed not less than 90%
distributions for the periods after
31 Dec 2021

Highly experienced management team with proven track record



Half of the members of the Board are independent

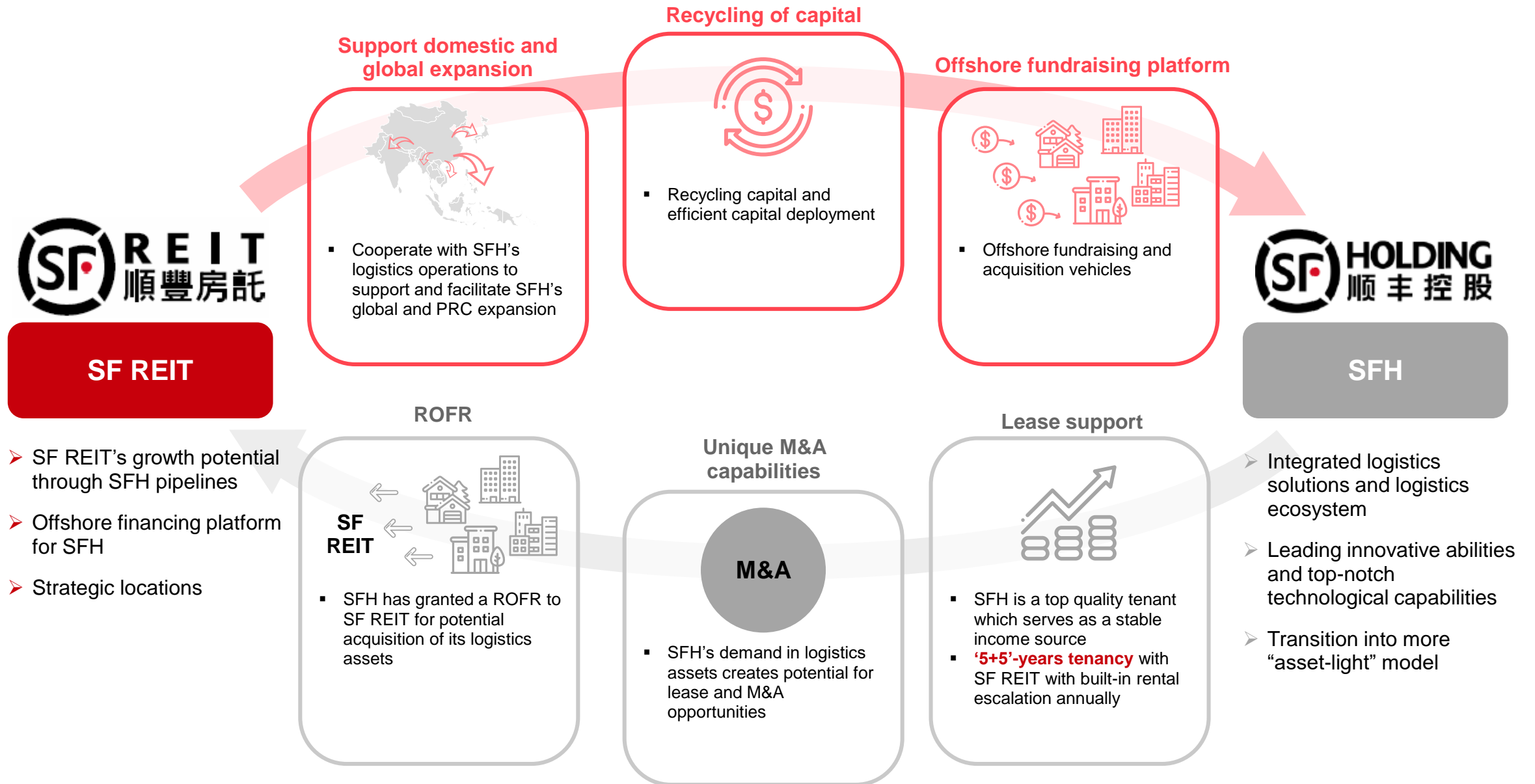
Board

WANG Wei	NG Wai Ting	YANG Tao	LEONG Chong	CHAK Hubert
Chairman and Non-Executive Director	Non-Executive Director	Non-Executive Director	Non-Executive Director	Executive Director
Founder and actual controller of SFH. Chairman of board of directors and general manager of SFH since Dec 2016	Extensive experience in the finance and accounting practice	Extensive experience in the logistics industry	Extensive experience in securities and investment industry and senior management	See below for experience
TAN Huay Lim	HO Lap Kee, MH, JP	CHAN Ming Tak, Ricky	KWOK Tun Ho, Chester	SUSANTO, Michael Tjahja
Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
Extensive experience in accounting, finance and audit. Ex-partner of KPMG Singapore	Extensive experience in the shipping and maritime industry	Extensive experience in the legal profession.	Extensive experience in the financial services and banking industry	Extensive experience in real estate investments and finance

Responsible Officers and management team

CHAK Hubert	HONG Kam Kit, Eddie	
Responsible Officer	Responsible Officer	
Chief Executive Officer	Director of Investment	
<ul style="list-style-type: none"> Extensive experience in real estate and financial industries Was director of finance and a responsible officer of Link Asset Management Limited Was an executive director of CSI Properties Limited 	<ul style="list-style-type: none"> Extensive experience in real estate investment, asset management and accountancy Was general manager overseeing investment and investor relations and a responsible officer at Henderson Sunlight Asset Management Limited 	
LU Shaojun	HO Sze Ting	LEUNG Wai Yee
Head of Asset Management	Head of Finance	Company Secretary and Head of Compliance
Was head of Goodear and served various roles in SFH	Extensive experience in statutory financial reporting and financial management for business entities in Hong Kong and PRC as well as asset management	Extensive experience in company secretarial and corporate compliance practices

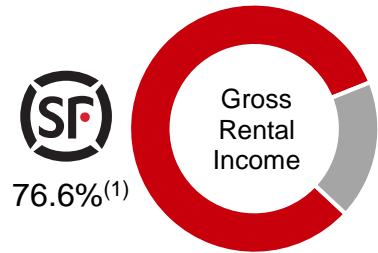
Strategic importance and positioning of SF REIT



High quality and stable tenant base



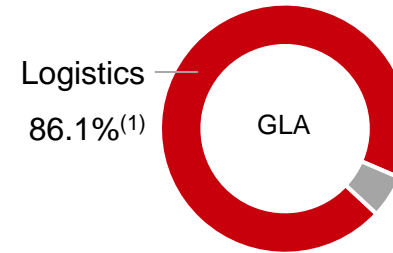
Lease well-supported by SFH



SFH Group Tenants

- ✓ High income stability
- ✓ Includes built to suit operational needs with high CAPEX
- ✓ Guarantees provided by SF Holding and Shenzhen SF Taisen in respect of SF Leases

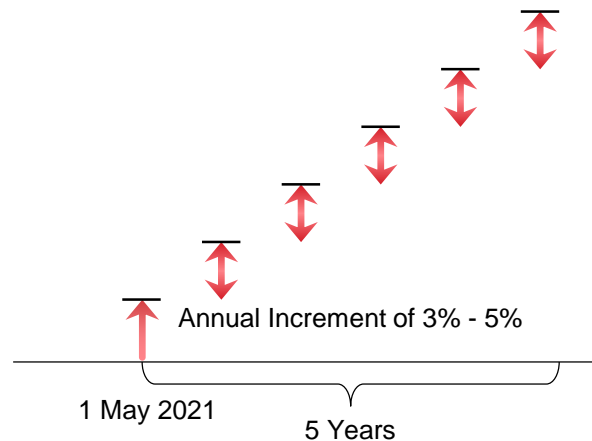
Top quality tenants mix



Tenants mix

- ✓ E-commerce, cold chain and 3PL/ Express delivery markets
- ✓ Remaining tenants include pharmaceutical, food supply and other sectors

Favorable lease expiry profile and terms



The SFH Leases took effect on 1 May 2021:

Initial term of **5 years**
+
a further term of **5 years**

Other major terms

- ✓ Yearly rental increment of **3% to 5%**
- ✓ SF Connected Tenants **cannot early terminate** the SFH Leases⁽²⁾
- ✓ SFH **will provide lease guarantee**⁽³⁾

Notes: (1) For the period from 29 April 2021 to 30 June 2021

(2) Save for limited circumstances such as the occurrence of force majeure events

(3) Subject to a monetary limit equivalent to the rent payable for the last 12-months of the term of that lease

Appendix II

Financial Information

Period ended 30 June 2021



Income Statement Highlights



	29 April 2021* – 30 June 2021
	(HK\$'000)
Revenue	50,700
Property operating expenses	(8,489)
Net property income	42,211
G&A expenses	(13,006)
Other losses - net	(3,833)
Operating profit	25,372
Finance costs, net	(4,298)
Income tax expenses	(5,269)
Profit after tax for the period	15,805

First set of results since Date of Establishment, no year-on-year comparison available.

SFH Group contributed approximately 76.6% of the rental income, providing a relatively long term stable income source.

G&A expenses included HK\$7.7 M of listing expenses which is one-off and adjusted for distribution calculation.

* Date of establishment of SF REIT

Distribution Statement Highlights



	29 April 2021 - 30 June 2021
	(HK\$'000)
Profit for the period	15,805
Adjustments ⁽¹⁾	10,892
Total distributable income	26,697
Intended distribution as a percentage of total distributable income	100%
Total distributions to Unitholders	26,697
Units in issue as at 30 June 2021	800,000,000
Distribution per unit	HK3.34 cents

1st distribution comprises:
(i) Interim Results' HK\$26.7 M; and
(ii) Six-month period ending 31 December 2021

1st distribution will be paid no later than the end of May 2022.

Note:

(1) As disclosed in the Offering Circular's Distribution Policy, the distributable income is profit for the period, before distribution to Unitholders as adjusted to eliminate the effects of adjustments (as set out in the Trust Deed) which have been recorded in the consolidated income statement for the relevant year.

Balance Sheet Summary



30 June 2021

(HK\$'000)

Non-current assets

Investment properties	6,446,006
Others	16,201
	<hr/>
	6,462,207

Current assets

Cash and cash equivalents	173,321
Others	54,258
	<hr/>
	227,579

Total assets

6,689,786

Current liabilities	265,123
Non-current liabilities	2,502,413
	<hr/>
Total liabilities	2,767,536

Net assets attributable to Unitholders

3,922,250

Units in issue as at 30 June 2021 800,000,000

Net assets per unit attributable to Unitholders

HK\$4.90

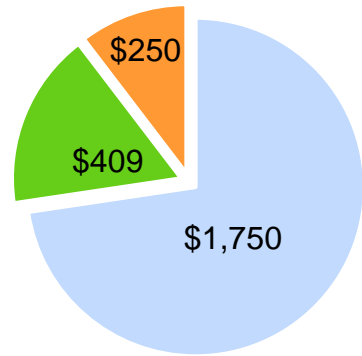
Healthy balance sheet supported by:
-Premium modern logistics assets; and
-Relatively long debt maturity profile.

Total bank borrowings \$1,984M - gearing ratio 29.6% allows ample headroom for future debt financing and acquisitions.



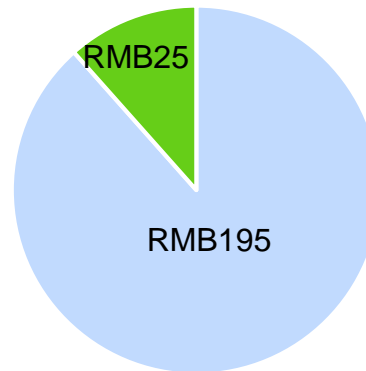
Borrowings (as at 30 June 2021)

HK\$ debt facilities⁽¹⁾
(HK\$'M)



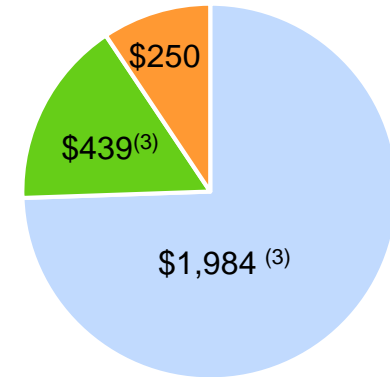
- Utilised term loan (5-year term)
- Unutilised term loan
- Unutilised revolving loan

RMB debt facilities⁽²⁾
(RMB'M)



- Utilised term loan (5-year term)
- Unutilised term loan

Total debt facilities
(HK\$'M)



- Utilised term loan
- Unutilised term loan
- Unutilised revolving loan

Notes:

(1) Includes 5-year term loan @ HIBOR+1.1% and uncommitted revolving loan @ HIBOR+0.85% repayable 1 year from drawdown date.

(2) On-shore RMB borrowings @ 5.5%.

(3) Exchange Rate adopted: RMB 1= HK\$ 1.12.

Appendix III

Additional Visualizations
of the Properties



The Hong Kong Property

Asia Logistics Hub – SF Centre, Tsing Yi, Hong Kong



Wide column spacing, large regular floor plates



Vehicular ramp access to every warehouse floor



Environmentally friendly and energy saving features



Automatic sorting and supply chain support facilities



Modern technological specifications



Direct and spacious loading and unloading docks

The Foshan Property

Foshan Guicheng Fengtai Industrial Park, Nanhai District, Foshan, Guangdong



Bird's-eye rendering of the Foshan Property



Automatic sorting and supply chain support facilities



Ramp-up capabilities and ample loading/unloading areas



The Wuhu Property

Wuhu Fengtai Industrial Park, Jiujiang District, Wuhu, Anhui



Master layout plan of the Wuhu Property



Automatic sorting and supply chain support facilities



Ancillary, research and development buildings



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