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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

ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board of directors (the “**Board**”) of SF REIT Asset Management Limited (the “**REIT Manager**”) is pleased to announce the unaudited interim results of SF Real Estate Investment Trust (“**SF REIT**”) and its subsidiaries (the “**Group**”) for the six months ended 30 June 2024 (the “**Reporting Period**”). The interim results and the condensed consolidated interim financial information of the Group for the Reporting Period have been approved for issue by the Board on 15 August 2024.

PERFORMANCE HIGHLIGHTS

	Six months ended 30 June 2024 <i>HK\$ million</i>	Six months ended 30 June 2023 <i>HK\$ million</i>	Changes
Revenue¹	222.3	218.9	+1.6%
Net property income¹	181.1	177.0	+2.3%
Distributable income	119.3	117.1	+1.9%
Distribution per unit (<i>HK cents</i>)	14.71	14.64	+0.5%
Payout ratio	100%	100%	–
	As at 30 June 2024	As at 31 December 2023	Changes
Occupancy rate	98.0%	98.0%	–
Portfolio value (<i>HK\$ million</i>)	7,252.4	7,388.2	-1.8%
Net assets per unit attributable to Unitholders (<i>HK\$</i>)	5.09	5.26	-3.2%
Gearing ratio	33.6%	33.3%	+0.3

MARKET OVERVIEW

During the Reporting Period, the global market landscape was still characterised by complex uncertainties brought by persistently high USD interest rates and geopolitical tensions. Concurrently, the unresolved geopolitical conflicts around the world further heightened caution and apprehension, thus casting a cloud over the business sentiment.

¹ Adjusted to reflect the step-up rent mechanism in leases and excluding depreciations, where appropriate.

Amidst the challenging conditions, China experienced economic slowdown in the second quarter of 2024. However, the logistics sector still saw a degree of support from the demand side, with growth in online retail of physical goods of 8.8% during the Reporting Period, outrunning the total retail sales,² which shows a continuous migration of consumer and enterprise activities from offline to online channels, further driving demand for logistics services. Besides, the new supply of warehouses nationwide recorded a decline of 43% year-on-year, most notably in southern China,³ indicating a gradual narrowing of the demand-supply gap.

In Hong Kong, the city experienced better-than-expected export levels during the Reporting Period with a year-on-year increase of 12.2% in terms of total value of exported goods, which showcases a solid demand for logistics services.⁴ Coupled with the modest growth in supply, the overall warehouse vacancy was constrained at a single-digit level. Furthermore, the Transport and Logistics Bureau earlier announced its Action Plan on Modern Logistics Development, illustrating its vision of developing the city into an international logistics hub, underscoring the government’s support for the logistics property sector.

From a property investment perspective, transaction activities across key asset classes in both Mainland China and Hong Kong continue to be hindered by the lingering uncertainties surrounding the macroeconomic outlook. Investors are still closely monitoring the economic and political developments, until greater clarity on the trajectory of the broader economy arises.

2 National Bureau of Statistics of China, *National Economy was Generally Stable with Steady Progress in the First Half Year*

3 CBRE, *China Figures Q2 2024*

4 Census and Statistics Department, *External merchandise trade statistics for June 2024*

OPERATIONS REVIEW

Property	GLA	Occupancy	Occupancy	% of GLA
	as at 30 June 2024 (sq.m.)	as at 30 June 2024	as at 31 December 2023	occupied by internal tenants as at 30 June 2024 ⁵
Tsing Yi Property	160,322	97.3%	97.3%	69.3%
Changsha Property	119,684	98.9%	98.9%	75.6%
Foshan Property	84,951	100.0%	100.0%	99.9%
Wuhu Property	62,698	95.5%	95.4%	90.2%
Total	427,655	98.0%	98.0%	80.2%

SF REIT possesses a prime portfolio comprising four modern logistics properties strategically located in key logistics hubs, including Tsing Yi, Hong Kong (“**Tsing Yi Property**”) as well as Changsha in Hunan Province (“**Changsha Property**”), Foshan in Guangdong Province (“**Foshan Property**”) and Wuhu in Anhui Province (“**Wuhu Property**”), Mainland China. All of these properties were initially developed to support the logistics operations of members of S.F. Holding Co., Ltd. (順豐控股股份有限公司) (“**SFH**”, together with its subsidiaries, collectively “**SFH Group**”).

During the Reporting Period, the REIT Manager maintained a robust leasing performance as a result of its proactive strategy to cultivate long-term and healthy relationships with tenants. Through ongoing communication, the REIT Manager was able to gain insights into the evolving needs of the tenants’ businesses and offer them flexible leasing arrangements to accommodate those needs. Consequently, the overall occupancy level across SF REIT’s portfolio remained high at 98.0% as of 30 June 2024 (31 December 2023: 98.0%).

Among all the tenants, the SFH Group occupied 80.2% of the gross lettable area (“**GLA**”) as at 30 June 2024 (31 December 2023: 80.1%) and contributed approximately 75.1% of the total revenue for the Reporting Period (30 June 2023: 73.1%). While the majority of the subsisting leases with the SFH Group tenants for the properties are expiring in 2026, the annual rental increases from the step-up rental mechanism from the leases provide a solid base and a high degree of income stability for SF REIT.

⁵ Internal tenants refer to tenants from the SFH Group.

During the Reporting Period, the REIT Manager successfully renewed and re-let expiring leases with a total GLA of approximately 34,500 sq.m., representing 93.8% of the leases due to expire in 2024. Through ongoing efforts to reinforce ties with existing tenants, the REIT Manager aims to sustain a healthy occupancy level across the portfolio.

Hong Kong

During the Reporting Period, the Tsing Yi Property demonstrated stable growth in leasing performance, a result of the REIT Manager's proactive leasing strategies. The REIT Manager successfully renewed all expiring leases due to expire in 2024, attaining an average positive rental reversion of 10.0%. Consequently, the property's occupancy level was maintained at 97.3% as at 30 June 2024 (31 December 2023: 97.3%), with all the warehouses fully leased whilst some ancillary offices remained vacant.

Mainland China

The three properties in Mainland China also achieved stable operating performance during the Reporting Period. The occupancy rates of the Changsha Property, Foshan Property and Wuhu Property were of 98.9%, 100.0% and 95.5%, respectively, as at 30 June 2024 (31 December 2023: 98.9%, 100.0% and 95.4%, respectively).

As at 30 June 2024, for Changsha Property, the majority of GLA expiring in 2024 have been renewed or re-let. The REIT Manager is actively overseeing the leasing of the remaining approximately 1,100 sq.m. of ancillary offices and dormitories. However, we anticipate downward rental pressure due to oversupply and limited demand in the region.

The Foshan Property remained almost entirely occupied by the SFH Group. For Wuhu Property, over half of GLA expiring in 2024 have been renewed or re-let. The REIT Manager is continuing its efforts to lease out the remaining approximately 1,200 sq.m. of ancillary offices and dormitories, while the warehouses remained fully occupied by the SFH Group.

FINANCIAL REVIEW

Financial Performance

Operating Results

	Revenue ⁶			Net property income ⁶		
	2024	2023	Changes	2024	2023	Changes
Hong Kong	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
Tsing Yi Property	162,220	158,212	+2.5	134,344	130,281	+3.1
Mainland China	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Changsha Property	22,287	21,978	+1.4	17,160	16,916	+1.4
Foshan Property	23,603	22,733	+3.8	19,138	18,204	+5.1
Wuhu Property	9,618	9,202	+4.5	6,884	6,392	+7.7
Total	55,508	53,913	+3.0	43,182	41,512	+4.0

During the Reporting Period, SF REIT recorded revenue of HK\$222.3 million (30 June 2023: HK\$218.9 million),⁶ representing an increase of 1.6% year-on-year. After deducting property operating expenses of HK\$41.2 million (30 June 2023: HK\$41.9 million), the net property income amounted to HK\$181.1 million (30 June 2023: HK\$177.0 million),⁶ representing an increase of 2.3% year-on-year.

Property operating expenses included building management fees charged by independent third parties of approximately HK\$13.3 million (30 June 2023: HK\$13.3 million) and by the operations manager which is a subsidiary of SFH of approximately HK\$1.3 million (30 June 2023: HK\$1.3 million) as well as fees for provision of services to generate supplemental services income of HK\$5.0 million (30 June 2023: HK\$6.8 million). The remaining property operating expenses mainly consisted of other taxes, rates and government rent, repairs and maintenance and utilities fees.

⁶ Adjusted to reflect the step-up rent mechanism in leases and excluding depreciations, where appropriate.

Finance costs for the Reporting Period were HK\$56.6 million (30 June 2023: HK\$53.5 million), comprising interest expenses on bank borrowings of HK\$56.2 million (30 June 2023: HK\$53.1 million) with the remainder consisting of amortisation of cost of debt.

Including the fair value loss on investment properties of HK\$102.7 million (30 June 2023: Gain HK\$71.1 million), SF REIT reported a profit after taxation of HK\$12.2 million during the Reporting Period, compared to HK\$148.2 million in the same period last year. The decline was mainly due to the fair value loss on investment properties and the increase in finance costs resulting from higher interest rates on HK\$ loans.

Distribution

The unaudited total distributable income for the Reporting Period increased by 1.9% to HK\$119.3 million (30 June 2023: HK\$117.1 million), representing the profit before transactions with unitholders of SF REIT (“**Unitholders**”) as adjusted to eliminate the effects of the adjustments as set out in the trust deed constituting SF REIT (the “**Trust Deed**”), which mainly include fair value loss on investment properties of HK\$102.7 million and the REIT Manager’s fee payable in units in lieu of cash of HK\$13.3 million.

The Board has resolved to declare an interim distribution per unit of HK14.71 cents for the Reporting Period (30 June 2023: HK14.64 cents), representing a year-on-year growth of 0.5% and a persistent 100% pay-out ratio. Such distribution represents a distribution yield of 11.1% on an annualised basis based on the closing unit price of HK\$2.67 on the last trading day of the Reporting Period.

Interim distribution will be paid on 30 September 2024 to the Unitholders whose names appear on the register of Unitholders of SF REIT on 30 August 2024.

Financial Position

As at 30 June 2024, total assets were HK\$7,532.3 million (31 December 2023: HK\$7,692.3 million) comprising mainly investment properties of HK\$7,252.4 million (31 December 2023: HK\$7,388.2 million). Total liabilities amounted to HK\$3,403.8 million (31 December 2023: HK\$3,458.7 million) including bank borrowings of HK\$2,531.6 million (31 December 2023: HK\$2,563.4 million), of which HK\$2,157.5 million was in HK\$ loans (31 December 2023: HK\$2,157.2 million) and HK\$374.2 million was in RMB loans (31 December 2023: HK\$406.3 million). Net assets per unit attributable to Unitholders was HK\$5.09 (31 December 2023: HK\$5.26).

After accounting for the interest rate swap contracts (“**IRS**”), the weighted average effective interest rates for the Reporting Period for total borrowings, HK\$ borrowings and RMB borrowings were contained at 4.39%, 4.44% and 4.15% per annum, respectively (31 December 2023: 4.31%, 4.23% and 4.65% per annum, respectively). The gearing ratio (defined as the percentage of total borrowings over total assets) of SF REIT was 33.6% (31 December 2023: 33.3%), while the total liabilities as a percentage of total assets was 45.2% (31 December 2023: 45.0%).

Portfolio Valuation

In accordance with the Code on Real Estate Investment Trusts (the “**REIT Code**”), Jones Lang LaSalle Corporate Appraisal and Advisory Limited has retired after serving a term of three years and completed the valuation of the properties of SF REIT as at 31 December 2023. Colliers International (Hong Kong) Limited has been appointed as the principal valuer of SF REIT, and commenced the valuation of the properties of SF REIT as at 30 June 2024 using the income capitalisation approach with reference to market comparables.

As at 30 June 2024, the appraised value of SF REIT’s portfolio was HK\$7,252.4 million (31 December 2023: HK\$7,388.2 million), representing a decrease by 1.8%. The following table summarises the valuation of SF REIT’s properties as at 30 June 2024 and 31 December 2023.

	Appraised Value				HoH Changes		Capitalisation Rate	
	As at 30 June 2024		As at 31 December 2023		in HK\$	in local currency	As at 30 June 2024	As at 31 December 2023
Hong Kong	HK\$ million		HK\$ million		%	%	%	%
Tsing Yi Property	6,000.0		5,987.0		+0.2	+0.2	4.25	4.25
Mainland China	HK\$ million	RMB million	HK\$ million	RMB million	%	%	%	%
Changsha Property	540.7	503.3	605.1	550.4	-10.6	-8.6	5.55	5.25
Foshan Property	491.9	457.9	547.6	498.1	-10.2	-8.1	5.45	5.25
Wuhu Property	219.8	204.6	248.5	226.0	-11.5	-9.5	5.70	5.50
Sub-Total	1,252.4	1,165.8	1,401.2	1,274.5	-10.6	-8.5		
Total	7,252.4		7,388.2		-1.8			

The Tsing Yi Property and properties in Mainland China were valued at HK\$6,000.0 million and HK\$1,252.4 million as at 30 June 2024, respectively (31 December 2023: HK\$5,987.0 million and HK\$1,401.2 million, respectively).

The Tsing Yi Property demonstrated a mild upward valuation, supported by a modest rise in passing rents. However, the properties in Mainland China experienced a 8.5% decrease in valuation in local currency terms down to RMB1,165.8 million (31 December 2023: RMB1,274.5 million). This was primarily attributable to an expansion of capitalisation rates and decline in market rental rates, reflecting a more cautious outlook on the economy and logistics market.

Capital Management

The banking facilities of SF REIT at the end of the Reporting Period include:

- (i) a five-year term loan facility for a principal amount up to HK\$2,159 million (the “**HK\$ Term Loan**”) at an interest rate of HIBOR plus 1.10% per annum maturing in May 2026 and a one-year revolving loan facility for a principal amount up to HK\$250 million at an interest rate of HIBOR plus 0.85% per annum (the “**HK\$ Revolving Loan**”, together with the HK\$ Term Loan, collectively the “**HK\$ Loans**”). The HK\$ Loans are secured by Tsing Yi Property and its rental collection account. As at 30 June 2024, the HK\$ Term Loan was fully drawn while the HK\$ Revolving Loan was not utilised during the Reporting Period;
- (ii) two five-year term loan facilities for principal amounts up to RMB120 million and RMB100 million, for Foshan Property and Wuhu Property respectively, at a fixed interest rate maturing in April 2026 (collectively, “**Foshan and Wuhu RMB Loans**”). In the second half of 2023, the REIT Manager successfully negotiated to reduce the fixed interest rate from 4.50% per annum to 3.95% per annum. The Foshan and Wuhu RMB Loans are secured by Foshan Property and the rental collection accounts of both Foshan Property and Wuhu Property. As at 30 June 2024, the total outstanding amount of Foshan and Wuhu RMB Loans amounted to approximately RMB100.8 million;
- (iii) an eight-year term loan facility (“**Changsha RMB Loan**”) for a principal amount up to RMB275 million at an interest margin above the loan prime rate for more than five years as announced by the National Interbank Funding Center on the business day immediately preceding the drawdown date and updated annually. During the Reporting Period, the REIT Manager successfully negotiated to reduce the interest margin from a premium at 0.20% per annum to a discount of 0.45% per annum, reducing the total interest rate by 0.65% to 3.50% per annum. The Changsha RMB Loan is secured by Changsha Property, the rental collection account of Changsha Property and the entire shareholding of an indirect wholly-owned subsidiary of SF REIT holding Changsha Property. As at 30 June 2024, the total outstanding amount of Changsha RMB Loan amounted to approximately RMB247.5 million; and

(iv) a one-year unsecured revolving sustainability-linked facility for a principal amount up to HK\$200 million or its equivalent in RMB at an interest rate of HIBOR plus 0.5% for HK\$ loan or 3.5% fixed for RMB loan per annum (the “**Sustainability-linked Loan**”), which is our first sustainability-linked facility. As at 30 June 2024, the Sustainability-linked Loan was not utilised during the Reporting Period.

In early 2022, SF REIT entered into IRS with maturity in February 2026 to hedge HK\$900 million of the HK\$ Term Loan to mitigate the impact of interest rate volatility. For the remaining portion of the HK\$ Term Loan, since July 2023, the REIT Manager has been controlling the finance costs through short-term IRS of around six months on a rolling basis, and has achieved interest savings since this strategy was adopted. During the Reporting Period, SF REIT entered into two short-term IRS to hedge the remaining HK\$1,259 million of the HK\$ Term Loan for the first half and the second half of 2024, respectively. This was carried out to protect against the market volatility as the timetable for interest rate cuts remains uncertain.

As at 30 June 2024, 100.0% of the HK\$ Term Loan was on interest rates that had been locked in with IRS. The REIT Manager will closely monitor the interest rates movements and may adjust the ratio of fixed and floating rate debt using financial instruments to hedge against the interest rate exposure, if and when appropriate.

For the Reporting Period, approximately 27.0% and 25.7% (30 June 2023: 27.9% and 26.5%) of the revenue and net property income, respectively, of SF REIT were denominated in RMB, which had to be converted into Hong Kong dollars for the calculation of distributions to Unitholders. Subsequent to the Reporting Period, SF REIT entered into foreign currency forward contracts to hedge RMB risk associated with the distributable income for the second half of 2024. The REIT Manager will continue to monitor the foreign exchange market and will take appropriate protective actions to mitigate foreign exchange risks, when necessary.

As at 30 June 2024, SF REIT had total cash and bank balances of HK\$165.0 million (31 December 2023: HK\$190.2 million) and available banking facilities of HK\$450 million (31 December 2023: HK\$250 million). Taking into consideration the recurrent income generated from its operations, the current cash position and sources of funding available, the REIT Manager is of the view that SF REIT has sufficient financial capability to satisfy its working capital and capital expenditure requirements.

OUTLOOK AND STRATEGY

Stepping into the second half of the year, the global economy is still shadowed by uncertainties. Whilst a number of the world's major central banks have already initiated a tide of easing measures since June 2024, the market is still awaiting the likely interest rate cut by the United States Federal Reserve. On the other hand, multiple elections scheduled in the year may also cause swings in economic policies.

Looking into China, the country is anticipated to maintain modest economic growth.⁷ Nonetheless, cross-border e-commerce is poised to continuously expand and sustain the demand for modern logistics properties. Coupled with a slowdown in new supply, the overall occupancy is projected to stabilise, albeit varying across locations. While certain regions are facing downward pressure due to excess supply, Southern China, particularly the Greater Bay Area, is exhibiting more positive trends with healthy occupancy and rents backed by the emerging cross-border e-commerce platforms.

Similarly, Hong Kong's general market is expected to stay sluggish. A silver lining is that consumers have been increasingly inclined towards online retail, bolstering the demand for modern logistics assets. Driven by the government's plan to develop the city into an international smart logistics hub, cross-border e-commerce is anticipated to continue scaling up. Meanwhile, the overall supply of modern logistics warehouses is still tight, as indicated by the low vacancy rate, which will support rental levels.

With a prime portfolio of strategically located and high-quality logistics assets, SF REIT has maintained a strategic partnership with our anchor tenant, the SFH Group, and healthy relationships with other third-party tenants. Looking ahead, the REIT Manager will uphold its proactive asset management and prudent risk management in navigating the prevailing turbulence, while benefiting from the likely interest rate cut. In addition, the REIT Manager will also continue to closely monitor the market and strengthening its capabilities, with an aim to act swiftly in possible acquisition plans targeting assets in the Greater Bay Area when the market turns positive, and to generate sustainable value for Unitholders.

⁷ International Monetary Fund, *World Economic Outlook Update*

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2024

		Six months ended 30 June	
		2024	2023
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	4	221,837	223,620
Property operating expenses	6	<u>(42,267)</u>	<u>(42,930)</u>
Net property income		179,570	180,690
General and administrative expenses	7	(17,198)	(17,612)
Fair value changes on investment properties	12	(102,677)	71,102
Other gains/(losses) – net	8	<u>3,122</u>	<u>(443)</u>
Operating profit		62,817	233,737
Finance income		4,255	4,881
Finance costs		<u>(56,604)</u>	<u>(53,462)</u>
Profit before taxation and transactions with Unitholders		10,468	185,156
Income tax expense	9	<u>1,714</u>	<u>(36,947)</u>
Profit for the period, before transactions with Unitholders		12,182	148,209
Distribution paid to Unitholders			
– 2022 final distribution, paid on 28 April 2023		–	(112,544)
– 2023 final distribution, paid on 23 April 2024		<u>(112,828)</u>	<u>–</u>
		<u>(100,646)</u>	<u>35,665</u>
Basic earnings per unit	11	HK1.51 cents	HK18.53 cents
Diluted earnings per unit	11	<u>HK1.50 cents</u>	<u>HK18.42 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Before transactions with Unitholders <i>HK\$'000</i> (Unaudited)	Transactions with Unitholders (Note) <i>HK\$'000</i> (Unaudited)	After transactions with Unitholders <i>HK\$'000</i> (Unaudited)
Six months ended 30 June 2024			
Profit for the period	12,182	7,070	19,252
Other comprehensive income			
<i>Items that may be reclassified subsequently to condensed consolidated income statement:</i>			
Changes in fair value of derivatives that are designated as cash flow hedges, net of tax	1,185	–	1,185
Exchange loss on translation of financial statements	(20,437)	–	(20,437)
	(7,070)	7,070	–
Total comprehensive income for the period	(7,070)	7,070	–
 Six months ended 30 June 2023			
Profit for the period	148,209	(120,730)	27,479
Other comprehensive income			
<i>Items that may be reclassified subsequently to condensed consolidated income statement:</i>			
Changes in fair value of derivatives that are designated as cash flow hedges, net of tax	2,427	–	2,427
Exchange loss on translation of financial statements	(29,906)	–	(29,906)
	120,730	(120,730)	–
Total comprehensive income for the period	120,730	(120,730)	–

Note:

In accordance with the Trust Deed, SF REIT is required to distribute to Unitholders not less than 90% of total distributable income for each financial year. SF REIT also has a limited life and shall continue until 80 years less one day from 29 April 2021 (Date of Establishment). Accordingly, the units contain contractual obligations of the trust to pay cash distributions to Unitholders and, upon termination of the trust, to share all net cash proceeds derived from the sales on realisation of the assets of the trust less any liabilities, in accordance with their proportionate interests in the trust at the date of the termination. The Unitholders' funds are therefore classified as a financial liability rather than equity in accordance with International Accounting Standard ("IAS") 32 "Financial Instruments: Presentation". Consistent with Unitholders' funds being classified as a financial liability, the distribution to Unitholders and change in net assets attributable to Unitholders, excluding issuance of new units, are part of finance costs. Accordingly, the total comprehensive income attributable to Unitholders, after the transactions with Unitholders, is zero.

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2024

		30 June 2024	31 December 2023
	Notes	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Investment properties	12	7,252,407	7,388,198
Property, plant and equipment		12,775	13,761
Land use rights		558	578
Intangible assets		95	133
Derivative financial instruments		34,346	32,950
		<u>7,300,181</u>	<u>7,435,620</u>
Current assets			
Trade receivables	13	2,127	1,794
Amounts due from related companies		7,403	8,186
Prepayments and other receivables		17,739	20,796
Derivative financial instruments		955	–
Restricted cash		38,904	35,645
Cash and cash equivalents		164,990	190,247
		<u>232,118</u>	<u>256,668</u>
Total assets		<u><u>7,532,299</u></u>	<u><u>7,692,288</u></u>

		30 June 2024	31 December 2023
	Notes	HK\$'000 (Unaudited)	<i>HK\$'000</i> <i>(Audited)</i>
LIABILITIES			
Current liabilities			
Borrowings	14	46,414	47,464
Trade payables	15	351	857
Amounts due to connected persons and related companies		80,327	83,437
Other payables		65,006	73,201
Current tax liabilities		2,711	3,261
		194,809	208,220
Non-current liabilities, excluding net assets attributable to Unitholders			
Borrowings	14	2,485,230	2,515,970
Deferred tax liabilities		687,339	696,727
Deferred government grants		36,455	37,753
		3,209,024	3,250,450
Net current assets		37,309	48,448
Total assets less current liabilities		7,337,490	7,484,068
Total liabilities, excluding net assets attributable to Unitholders		3,403,833	3,458,670
Net assets attributable to Unitholders		4,128,466	4,233,618
Units in issue (Thousand)		811,000	804,762
Net assets per unit attributable to Unitholders		HK\$5.09	HK\$5.26

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO UNITHOLDERS**

For the six months ended 30 June 2024

	Note	Net assets attributable to Unitholders <i>HK\$'000</i> (Unaudited)
As at 1 January 2024		4,233,618
Units issued to REIT Manager	10	14,746
Profit for the period, before transactions with Unitholders		12,182
Distribution paid to the Unitholders		(112,828)
Exchange loss on translation of financial statements		(20,437)
Cash flow hedging reserve		<u>1,185</u>
As at 30 June 2024		<u><u>4,128,466</u></u>
As at 1 January 2023		4,259,993
Profit for the period, before transactions with Unitholders		148,209
Distribution paid to the Unitholders		(112,544)
Exchange loss on translation of financial statements		(29,906)
Cash flow hedging reserve		<u>2,427</u>
As at 30 June 2023		<u><u>4,268,179</u></u>

CONSOLIDATED DISTRIBUTION STATEMENT

For the six months ended 30 June 2024

		Six months ended 30 June	
		2024	2023
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Profit for the period, before transactions with Unitholders		12,182	148,209
Adjustments:			
– Fair value changes on investment properties	12	102,677	(71,102)
– Fair value gains on financial instruments	8	(932)	–
– REIT Manager’s fee payment in the form of units	10	13,260	13,010
– Differences between finance cost and interest paid and payable in accordance with contractual obligations		399	108
– Deferred tax (credit)/charges	9	(8,388)	31,247
– Depreciation and amortisation		1,066	1,060
– Appropriation to PRC statutory reserve		(1,581)	(1,103)
– Amortisation of government grants		(439)	(456)
– Non-cash foreign exchange loss		605	836
– Differences between accrued rental income and contractual rental receipts		490	(4,722)
Total distributable income		<u>119,339</u>	<u>117,087</u>
Percentage of distribution over total distributable income for the period			
(Note (i))		100%	100%
Interim distribution for the period to be paid to Unitholders			
(Note (ii))		119,339	117,087
Units in issue			
(Thousand)		811,000	800,000
Distribution per unit for the period			
(Note (ii))		HK14.71 cents	HK14.64 cents

Notes:

- (i) Pursuant to the Trust Deed, the distributable income is profit for the period, before transactions with 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. The REIT Manager's policy is to distribute to Unitholders an amount of no less than 90% of SF REIT's annual distributable income for each financial year save for the first distribution. The REIT Manager decided to distribute 100% of the Annual Distributable Income (as defined in the Trust Deed) for the six months ended 30 June 2024.
- (ii) The interim distribution per unit of HK14.71 cents for the six months ended 30 June 2024 (2023 interim distribution per unit: HK14.64 cents) was calculated based on the interim distribution amount of HK\$119,339,000 (2023 interim distribution: HK\$117,087,000) over 810,999,999 units in issue as at 30 June 2024 (30 June 2023: 800,000,000 units in issue). The interim distribution will be paid on 30 September 2024 (2023 interim distribution: 25 September 2023).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

1. General information

SF Real Estate Investment Trust (“**SF REIT**”) is a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and its units were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 17 May 2021. SF REIT is governed by a trust deed dated 29 April 2021 entered into between SF REIT Asset Management Limited (the “**REIT Manager**”) and DB Trustees (Hong Kong) Limited (the “**Trustee**”), as amended by any supplemental deed (the “**Trust Deed**”).

The principal activity of SF REIT is investment holding whereas its subsidiaries (together with SF REIT referred to as the “**Group**”) are principally engaged in property investments in Hong Kong, and in Foshan, Wuhu and Changsha of The People’s Republic of China (the “**PRC**”).

The addresses of the registered offices of the REIT Manager and the Trustee, are Room 2002, 20th Floor, Lee Garden Six, 111 Leighton Road, Causeway Bay, Hong Kong, and Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong, respectively.

The condensed consolidated interim financial information is presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Group.

2. Basis of preparation

The condensed consolidated interim financial information for the six months ended 30 June 2024 has been prepared in accordance with IAS 34, ‘Interim Financial Reporting’ issued by the International Accounting Standards Board. In addition, the condensed consolidated interim financial information includes the relevant provisions of the Trust Deed, the Code on Real Estate Investment Trusts (the “**REIT Code**”) issued by the Securities and Futures Commission of Hong Kong and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS Accounting Standards (“IFRS”).

The condensed consolidated interim financial information has been prepared under the historical cost convention, except for investment properties and derivatives financial instruments, which are carried at fair value.

3. Accounting policies

The accounting policies adopted are consistent with those of the annual consolidated financial statements for the year ended 31 December 2023, as described in those annual consolidated financial statements, except for the adoption of amended IFRSs effective as at 1 January 2024, details of which are set out below:

New standards and amendments to standards and Interpretations

The following new and amended standards and interpretation are mandatory for the first time for the financial period beginning on or after 1 January 2024:

Amendments to IAS 1	Classification of liabilities as current or non-current
Amendments to IAS 1	Non-current liabilities with covenants
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

As a result of the adoption of the amendments to IAS 1, the Group changed its accounting policy for the classification of borrowings as below:

“Borrowings are classified as current liabilities unless at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.”

This new policy did not result in a change in the classification of the Group’s borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to IAS 1.

Certain new accounting standards, amendments to accounting standards and interpretations have been published but are not yet effective and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendment to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group has assessed the impact of adopting these new standards and amendments to standards. According to the preliminary assessment, these standards and amendments to standards are not expected to have a significant impact on the results and financial position of the Group.

4. Revenue

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Rental income	188,941	189,627
Management service income	26,416	25,803
Others (Note)	6,480	8,190
	<u>221,837</u>	<u>223,620</u>

Note: Others mainly represent revenue generated from supplementary services, which is recognised at a point in time.

5. Segment information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, which has been identified as the REIT Manager, in order to allocate resources to segments and to assess their performance.

The Group holds one property company in Hong Kong and three property companies in Mainland China, which are principally engaged in property investment. Revenue recognised for the current period is mainly from rental income from tenants and related management service income. The REIT Manager evaluates the Group's performance from a geographic perspective and identifies two reportable segments of its business, Hong Kong and Mainland China.

The REIT Manager primarily uses a measure of segment revenue and net property income to assess the performance of the operating segments.

Six months ended 30 June 2024	Hong Kong	Mainland	
	Hong Kong	China	Total
	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)
Segments revenue	161,935	59,902	221,837
Net property income	133,473	46,097	179,570
Fair value changes on investment properties	13,000	(115,677)	(102,677)
General and administrative expenses			(17,198)
Other gains – net			3,122
Finance income			4,255
Finance costs			(56,604)
Income tax expense			1,714
Profit for the period, before transactions with Unitholders			12,182

Six months ended 30 June 2023	Hong Kong <i>HK\$'000</i> (Unaudited)	Mainland China <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Segments revenue	161,318	62,302	223,620
Net property income	132,825	47,865	180,690
Fair value changes on investment properties	46,000	25,102	71,102
General and administrative expenses			(17,612)
Other losses – net			(443)
Finance income			4,881
Finance costs			(53,462)
Income tax expense			(36,947)
Profit for the period, before transactions with Unitholders			<u>148,209</u>

Depreciation and amortisation of Hong Kong segment and Mainland China segment for the six months ended 30 June 2024 was approximately HK\$607,000 (30 June 2023: HK\$582,000) and approximately HK\$459,000 (30 June 2023: HK\$478,000) respectively.

Segment assets and segment liabilities (excluding net assets attributable to Unitholders) are measured in the same way as in the financial statements. Total segment assets and total segment liabilities (excluding net assets attributable to Unitholders) are allocated based on the physical location of the assets and liabilities:

	30 June 2024 <i>HK\$'000</i> (Unaudited)	31 December 2023 <i>HK\$'000</i> (Audited)
Segment assets		
Hong Kong	6,015,905	6,002,138
Mainland China	1,331,855	1,484,561
All other segments	184,539	205,589
	<u>7,532,299</u>	<u>7,692,288</u>

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Segment liabilities, excluding net assets attributable to Unitholders		
Hong Kong	737,071	725,136
Mainland China	469,359	540,807
All other segments	<u>2,197,403</u>	<u>2,192,727</u>
	<u>3,403,833</u>	<u>3,458,670</u>

6. Property operating expenses

	Six months ended 30 June 2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Property management fees	19,631	21,345
– Building management fees (Note (i))	14,621	14,594
– Supplemental services related expenses	5,010	6,751
Rates and government rent	4,684	4,462
Repairs and maintenance	5,343	4,168
Electricity and water fee	3,060	3,300
Other taxes (Note (ii))	7,921	8,114
Others	<u>1,628</u>	<u>1,541</u>
	<u>42,267</u>	<u>42,930</u>

Notes:

(i) Building management fees included the operations management fee to the operations manager which is a subsidiary of S.F. Holding Co., Ltd. of approximately HK\$1,326,000 for the six months ended 30 June 2024 (30 June 2023: HK\$1,326,000).

(ii) Other taxes mainly include property tax, land use tax, and stamp duty of Mainland China.

7. General and administrative expenses

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Auditor's remuneration		
– Audit and audit-related assurance services	1,170	1,405
– Other services	108	111
REIT Manager's fee	13,260	13,010
Trustee's fee	753	776
Principal valuer's fee	90	109
Legal and professional fees	1,491	1,970
Bank charges	31	32
Others	295	199
	<u>17,198</u>	<u>17,612</u>
	<u>17,198</u>	<u>17,612</u>

8. Other gains/(losses) – net

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Government grant	2,918	456
Fair value gains on financial instruments	932	–
Exchange losses, net	(739)	(936)
Others	11	37
	<u>3,122</u>	<u>(443)</u>
	<u>3,122</u>	<u>(443)</u>

9. Income tax expense

Income tax expense is recognised based on management’s best estimate of the income tax rate that would be applicable to the full financial year.

During the six months ended 30 June 2024, Hong Kong profits tax was subject to the rate of 16.5% (30 June 2023: 16.5%) on the estimated assessable profit. The Group’s subsidiaries in Mainland China had provided for corporate income tax (“CIT”) at a standard rate of 25% (30 June 2023: 25%) on the estimated assessable profit for the period. Withholding tax was provided for undistributed profits of subsidiaries in the Mainland China at a rate of 10% (30 June 2023: 10%).

	Six months ended 30 June	
	2024	2023
	<i>HK\$’000</i>	<i>HK\$’000</i>
	(Unaudited)	(Unaudited)
Current income tax		
– Mainland China CIT	6,520	5,559
– Withholding taxes	154	141
Deferred income tax	(8,388)	31,247
	(1,714)	36,947

10. REIT Manager’s fee

Pursuant to the Trust Deed, the REIT Manager is entitled to receive management fee for its services as the manager of SF REIT, which is calculated based on 10% per annum of the base fee distributable income as remuneration (the “**Base Fee**”). The base fee distributable income is the amount of the total distributable income to Unitholders calculated before accounting for the Base Fee payable for the period.

The REIT Manager may elect at its sole discretion to receive the REIT Manager's fee in the form of cash or entirely or partly in the form of units of SF REIT. If no election is made, the most recent valid election made by the REIT Manager in a prior calendar year (if any) shall apply. Pursuant to the announcement of SF REIT dated 10 January 2023, the REIT Manager elected to receive the REIT Manager's fee for the year ended 31 December 2023 entirely in the form of new units issued by SF REIT. The REIT Manager did not make any election for the year ending 31 December 2024, the most recent valid election made by the REIT Manager for the year ended 31 December 2023 shall apply. On 9 April 2024, a total of 6,238,023 new units of SF REIT were issued to the REIT Manager at a price of HK\$2.364 per unit as entire payment of the REIT Manager's fee of approximately HK\$14,746,000, being the aggregate of the base fee for the period from 1 July 2023 to 31 December 2023 and the variable fee for the financial year ended 31 December 2023.

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
REIT Manager's fee		
In the form of units	<u>13,260</u>	<u>13,010</u>

11. Earnings per unit

(i) Basic

The calculation of the basic earnings per unit before transactions with Unitholders is based on the profit for the period before transactions with Unitholders, with the weighted average number of units in issue for the period.

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Profit for the period, before transactions with Unitholders (HK\$'000)	<u>12,182</u>	<u>148,209</u>
Weighted average number of units for the period (Thousand)	<u>807,607</u>	<u>800,000</u>
Basic earnings per unit (HK cents)	<u>1.51</u>	<u>18.53</u>

(ii) Diluted

Diluted earnings per unit based upon profit for the period before transactions with Unitholders is calculated by adjusting the weighted average number of units in issue and assuming all dilutive potential units are issued. SF REIT has manager's fee to be paid entirely in the form of units during the period which are dilutive potential units.

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period, before transactions with Unitholders (HK\$'000)	12,182	148,209
Weighted average number of units for the period (Thousand)	807,607	800,000
Adjustments for manager's fee to be paid entirely in the form of units (Thousand) (Note)	4,966	4,646
Weighted average number of units for diluted earnings per unit (Thousand)	812,573	804,646
Diluted earnings per unit (HK cents)	1.50	18.42

Note: For illustration purpose, the number of units adjusted for manager's fee to be paid entirely in the form of units of SF REIT was calculated based on the average closing price of the units of SF REIT on the Stock Exchange for the five consecutive trading days immediately preceding 30 June 2024.

12. Investment properties

	<i>HK\$'000</i> (Unaudited)
As at 1 January 2024	7,388,198
Cost adjustments (Note)	(2,029)
Fair value changes on investment properties	(102,677)
Currency translation differences	(31,085)
	<hr/>
As at 30 June 2024	<u><u>7,252,407</u></u>
	 <i>HK\$'000</i> (Audited)
As at 1 January 2023	7,377,618
Cost adjustments (Note)	(21,954)
Fair value changes on investment properties	55,013
Currency translation differences	(22,479)
	<hr/>
As at 31 December 2023	<u><u>7,388,198</u></u>

Note: The amount included the construction cost adjustments of Foshan property and Changsha property, arising from settlements for the period ended 30 June 2024 and for the year ended 31 December 2023.

(i) Valuation Process

The Group's investment properties are measured using the fair value model.

The investment properties were revalued on a market value basis by Colliers International (Hong Kong) Limited (the "**Principal Valuer**"), an independent firm of professional qualified valuers, which was newly appointed as the Principal Valuer of SF REIT for property valuation as at 30 June 2024. The independent property valuation as at 31 December 2023 was performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited.

(ii) Valuation Techniques

The investment properties were appraised by the Principal Valuer, using the income capitalisation approach as its primary approach with cross-reference to the direct comparison approach, where appropriate.

The income capitalisation approach is based on the net rental income of a property derived from its existing tenancies with due allowance for the reversionary income potential of the property upon expiry of the existing leases, which was then capitalised to determine the fair value at an appropriate capitalisation rate.

(iii) Restriction on the investment properties

SF REIT acquired the Changsha property on 24 June 2022. SF REIT is prohibited from disposing of its properties for at least two years from the time such properties are acquired, unless the Unitholders approve the proposed disposal by way of special resolution passed in accordance with the Trust Deed.

Approval from the Urban and Rural Planning Bureau in Wuhu is required for SF REIT to dispose the Wuhu property, although such approval is not required for the equity disposal of the property holding company of the Wuhu property (the “**Wuhu Company (PRC)**”) itself. This does not restrict the free negotiability of the equity interest of the Wuhu Company (PRC).

(iv) Security for the Group’s Loan Facilities

As at 30 June 2024, certain of the Group’s investment properties in Mainland China and Hong Kong, amounting to approximately HK\$1,032,607,000 (31 December 2023: HK\$1,152,731,000) and HK\$6,000,000,000 (31 December 2023: HK\$5,987,000,000) respectively, were pledged to secure the Group’s loan facilities of HK\$2,531,644,000 (31 December 2023: HK\$2,563,434,000).

13. Trade receivables

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Trade receivables		
– Third parties	2,127	1,794
– Related companies (Note)	<u>7,403</u>	<u>8,186</u>
	<u>9,530</u>	<u>9,980</u>

Note: Trade receivables from related companies are classified as amounts due from related companies in the condensed consolidated balance sheet.

Rental income from rental of investment properties including warehouses, distribution centres and office buildings are generally required to be settled by tenants within 30 days upon issuance of invoice.

As at 30 June 2024 and 31 December 2023, a significant portion of the trade receivables and future trade receivables were and will be pledged to secure the Group's bank borrowings.

(i) The ageing analysis of trade receivables, based on invoice date, were as follows:

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Within 30 days	<u>9,530</u>	<u>9,980</u>

14. Borrowings

	30 June 2024	31 December 2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Principal amounts of bank borrowings, secured	2,533,167	2,565,270
Capitalisation of transaction costs	(1,523)	(1,836)
	2,531,644	2,563,434
Less: Borrowings with maturities less than one year which were presented under current liabilities	(46,414)	(47,464)
	2,485,230	2,515,970

As at 30 June 2024, the weighted average effective interest rate on bank borrowings by outstanding principal amounts was 4.31% per annum (31 December 2023: 4.83% per annum).

As at 30 June 2024, the Group's investment properties of approximately HK\$7,032,607,000 (31 December 2023: HK\$7,139,731,000) (Note 12), a significant portion of trade receivables, the rental income generated from the leases of the investment properties during the terms of the borrowings, restricted bank balances of approximately HK\$38,904,000 (31 December 2023: HK\$35,645,000), equity interests in a certain subsidiary of the Group and certain assets of a subsidiary of the Group were pledged to secure the Group's bank borrowings.

The carrying amounts of borrowings approximate to their fair values as the fluctuations of interest rate has no material impact on the fair value measurement of borrowings.

15. Trade payables

	30 June 2024 <i>HK\$'000</i> (Unaudited)	31 December 2023 <i>HK\$'000</i> (Audited)
Trade payables	351	857

The carrying amounts of trade payables approximate to their fair values. The ageing analysis of trade payables, based on invoice date, were as follows:

	30 June 2024 <i>HK\$'000</i> (Unaudited)	31 December 2023 <i>HK\$'000</i> (Audited)
Within 30 days	351	857

APPRECIATION

During the Reporting Period and up to the date of this announcement, Mr. TAN Huay Lim (“**Mr. TAN**”) ceased to act as an independent non-executive director of the REIT Manager, the chairman of the audit committee of the Board, a member of the nomination and remuneration committee of the Board and a member of the disclosures committee of the Board (such committee has ceased during the Reporting Period). Ms. LI Juhua (“**Ms. LI**”) stepped down from the Board as a non-executive director of the REIT Manager. The Board wishes to express its appreciation to Ms. LI and Mr. TAN for their contributions to the Board.

The Board would like to thank all staff of the REIT Manager as well as investors, business partners and other stakeholders of SF REIT for their support and confidence.

REVIEW OF INTERIM RESULTS

The interim results and the condensed consolidated interim financial information of the Group for the Reporting Period have been reviewed by the audit committee of the Board. The condensed consolidated interim financial information has also been reviewed by PricewaterhouseCoopers, the external auditor of SF REIT, in accordance with the Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

CORPORATE GOVERNANCE

The REIT Manager is committed to upholding high corporate governance standards and has put in place a series of policies and procedures to promote SF REIT’s operation in a transparent manner and with built-in checks and balances. Throughout the Reporting Period, SF REIT and the REIT Manager complied with the REIT Code, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), applicable provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Trust Deed and in all material respects the REIT Manager’s compliance manual. SF REIT and the REIT Manager had also applied the principles and complied with, to the extent appropriate, the code provisions in the Corporate Governance Code contained in Appendix C1 of the Listing Rules throughout the Reporting Period.

ISSUE OF NEW UNITS

On 9 April 2024, a total of 6,238,023 new units of SF REIT were issued to the REIT Manager at a price of HK\$2.364 per unit as entire payment of the REIT Manager's fee of HK\$14,746,687.78, being the aggregate of the base fee for the period from 1 July 2023 to 31 December 2023 and the variable fee for the financial year ended 31 December 2023.

As at 30 June 2024, the total number of units of SF REIT in issue was 810,999,999.

EMPLOYEES

SF REIT is an externally managed real estate investment trust and therefore does not employ any staff directly.

BUY-BACK, SALE OR REDEMPTION OF LISTED UNITS OF SF REIT

There was no buy-back, sale or redemption of any listed units by SF REIT or any of its subsidiaries during the Reporting Period.

PUBLIC FLOAT

As far as the REIT Manager is aware and based on information publicly available, SF REIT has maintained a sufficient public float with not less than 25% of its outstanding units being held in public hands.

INTERIM DISTRIBUTION AND CLOSURE OF REGISTER OF UNITHOLDERS

The interim distribution of HK14.71 cents per unit for the Reporting Period will be paid on Monday, 30 September 2024 to those Unitholders whose names appear on the register of Unitholders of SF REIT on Friday, 30 August 2024. For the purpose of ascertaining Unitholders' entitlement to this distribution, the register of Unitholders of SF REIT will be closed on Friday, 30 August 2024. In order for Unitholders to qualify for this distribution, all transfer documents accompanied by the relevant unit certificates must be lodged with SF REIT's unit registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 29 August 2024.

PUBLICATION OF INTERIM REPORT

The interim report of SF REIT for the Reporting Period will be published on the websites of The Stock Exchange of Hong Kong Limited and SF REIT and be despatched to Unitholders on or before 30 September 2024.

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, 15 August 2024

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 and Ms. GAN Ling as Non-executive Directors; and 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.