



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))



Investor Presentation
Annual Results 2023

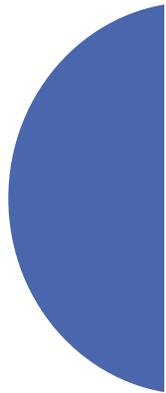
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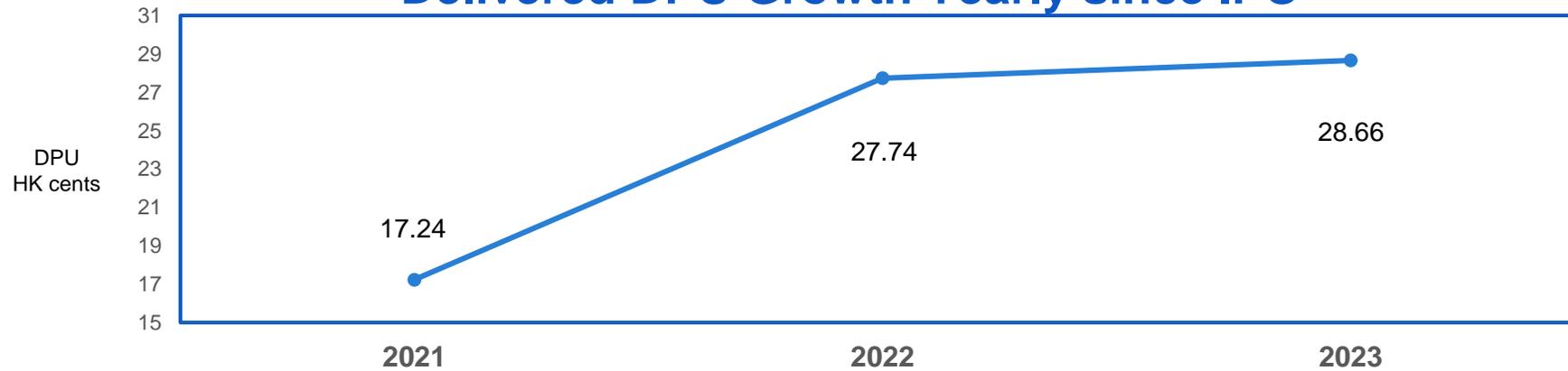
Outlook and Strategy



Results Highlights

Revenue ↑ **NPI** ↑ **DPU** ↑
Persistent growth since IPO

Delivered DPU Growth Yearly since IPO



Dynamic Industry



Partnership with 



Operational Excellence



Proactive Risk Management

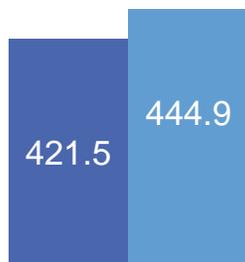
Growth in Revenue, NPI and Distribution



Revenue
HK\$ 444.9M

↑ 5.6%

2022 2023



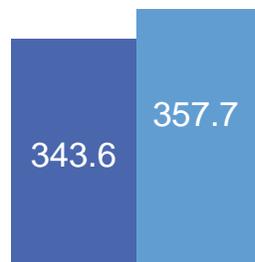
HK\$M



Net Property Income
HK\$357.7M

↑ 4.1%

2022 2023



HK\$M



Distribution
HK\$230.0M

↑ 3.7%

2022 2023



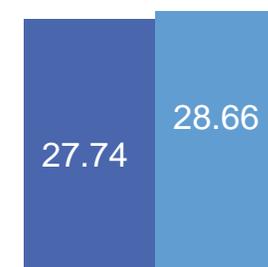
HK\$M



DPU
HK 28.66 cents

↑ 3.3%

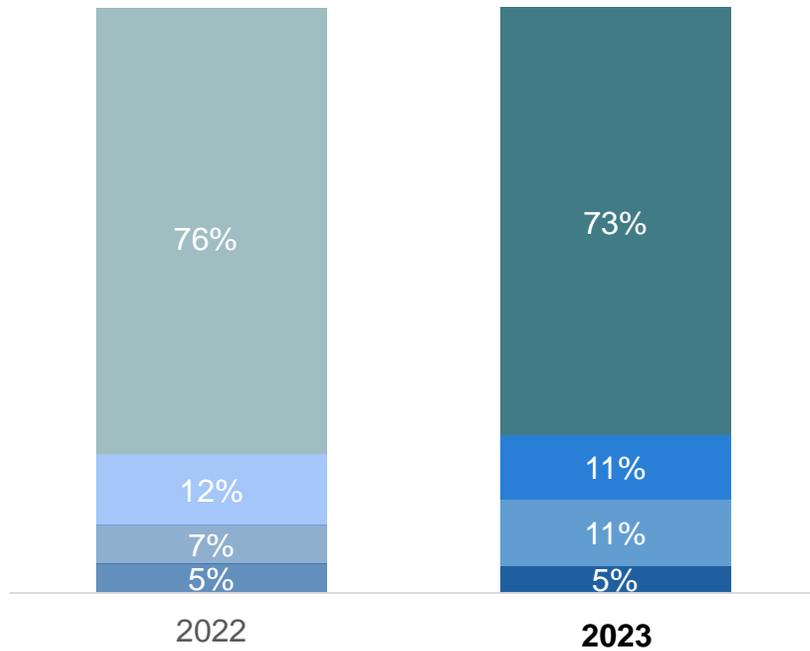
2022 2023



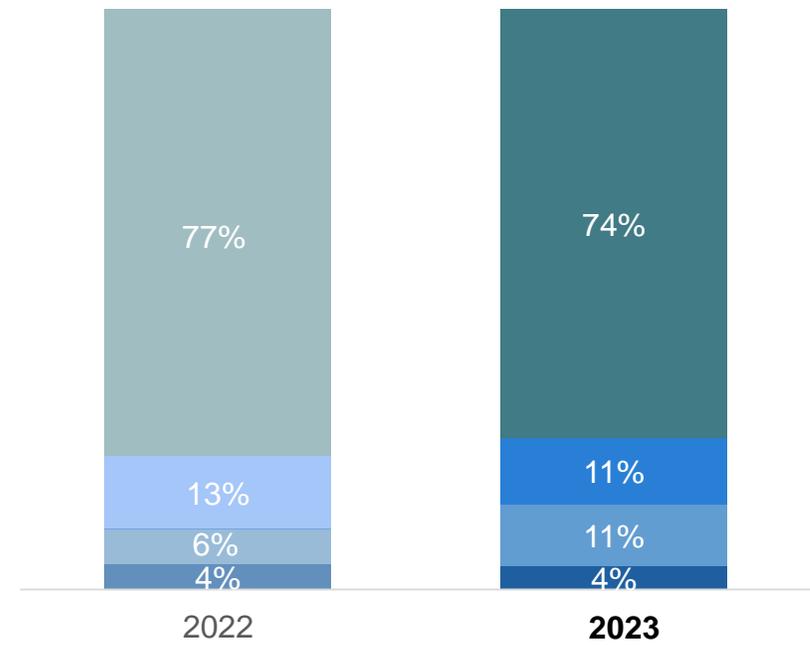
HK cents

Over 70% of Revenue and NPI Generated from Hong Kong

Revenue



Net Property Income



- Tsing Yi Property
- Foshan Property
- Changsha Property
- Wuhu Property

Note: Revenue is presented on a cash basis. Depreciation in property operating expenses is excluded for analysis purpose due to its non-cash nature.

Operations Highlights



Dynamic Industry

Growing Demand

2023 express parcel delivery volume in PRC +19.4%² YoY

2023 online retail sales of physical goods in PRC +8.4%³ YoY



Partnership with

Sustainable Income

80% of GLA leased by 

Full year contribution from acquisition of Changsha Property



Operational Excellence

Efficient Operation

High occupancy rate at 98%

Achieved 11% rental reversion

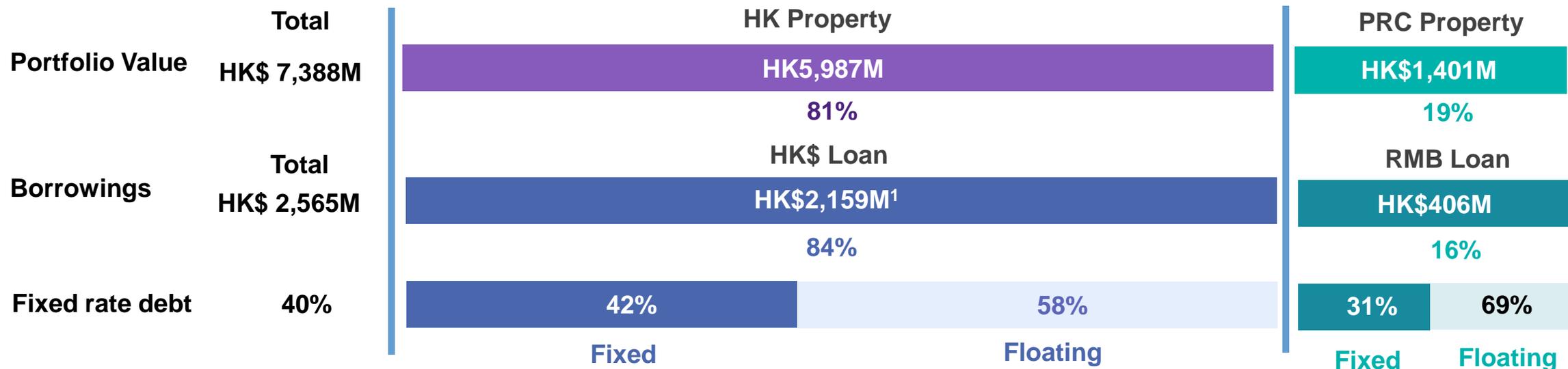
Note: 1.All figures as at 31 December 2023, unless stated otherwise.

2.Source: Ministry of Transport of the PRC (https://www.mot.gov.cn/tongjishuju/youzheng/202401/t20240130_4000854.html), YoY refers to year-on-year changes as compared to the year 2022.

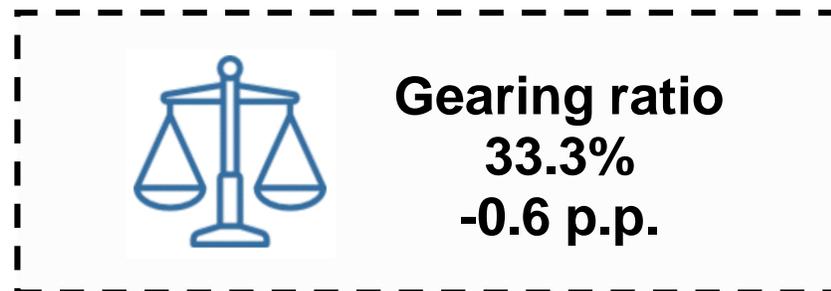
3.Source: According to National Bureau of Statistics of PRC. YoY refers to year-on-year changes as compared to year 2022.

Debt Capital Management

Stable Portfolio with Managed Financing Costs



Overall weighted average



Notes: 1.Excluded the capitalisation of transaction costs.

2.The Changsha loan rate was negotiated to decrease from LPR+0.55% to LPR+0.2%.In addition, the REIT Manager successfully negotiated a reduction for Foshan & Wuhu loans from 4.50% to 3.95% per annum in the second half of 2023.

3.The weighted average interest rates of FY 2022 for total borrowings, HK\$ borrowings, and RMB borrowings were contained at 2.94%, 2.52% and 5.36% per annum, respectively.

Proactive Risk Management

Challenges



Interest Rate

HIBOR  to 5.27%¹



Exchange Rate

RMB/HKD  1.45% in 2023²

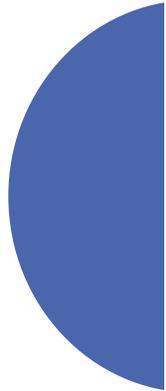
Our Strategies

- Feb 2022 - Fixed 42% HKD loan for 4 years
- Jul 2023 - Fixed 58% HKD loan till end 2023
- Jan 2024 - Fixed 58% HKD loan till Jul 2024

- Short term hedged RMB in 2023
- Monitor trend and identify suitable short-term hedge to protect distribution, when appropriate

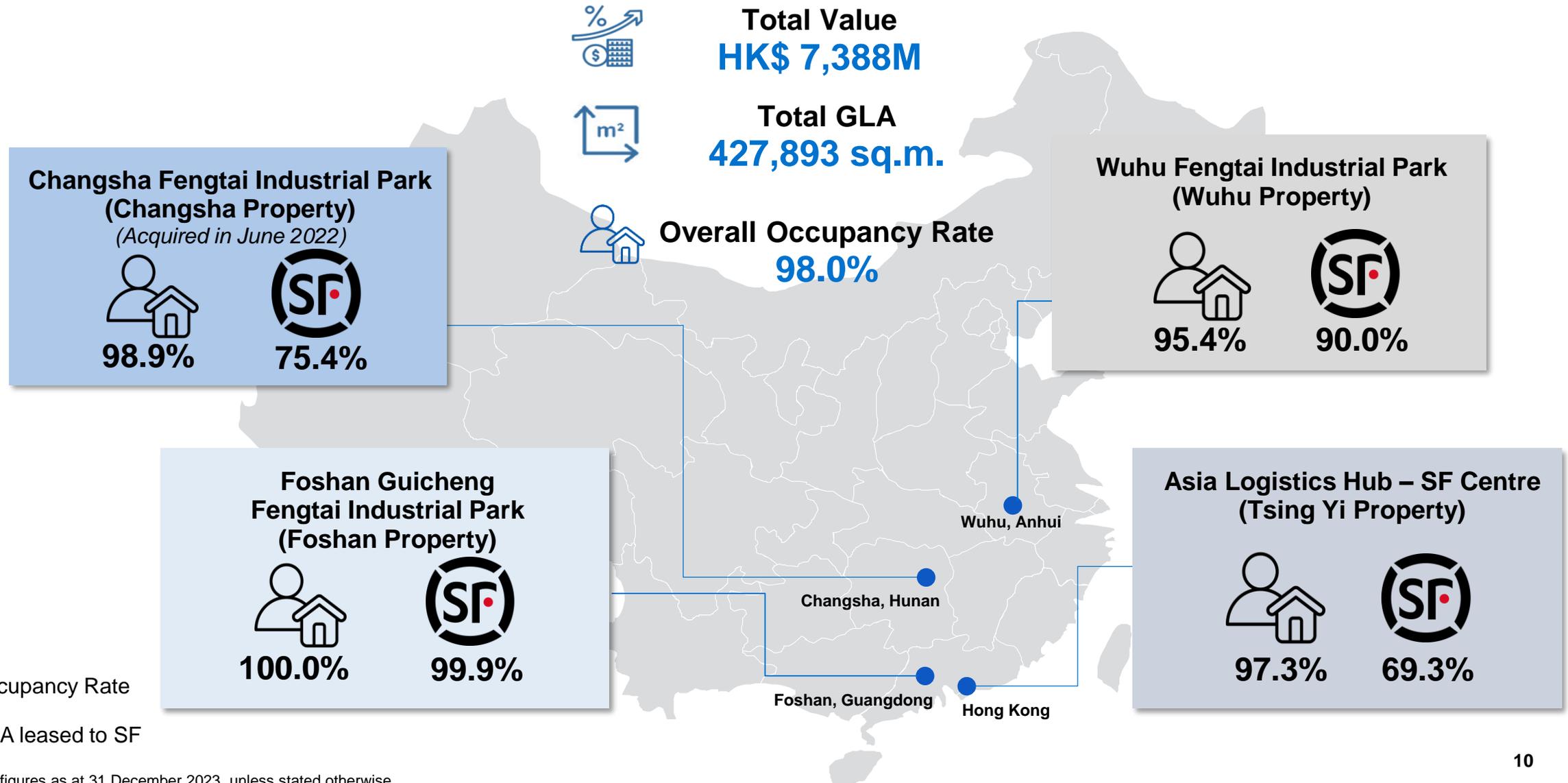
Notes: 1.1-month HIBOR was 5.27% as at 29 December 2023.

2.For the period between 1 January 2023 and 31 December 2023. Source: State Administration of Foreign Exchange.



Portfolio Performance

Property Portfolio – Prime Location



Note: All figures as at 31 December 2023, unless stated otherwise.

Stable Portfolio Value

	Capitalisation Rate	Valuation (M)		
	Dec 23	Dec 23	June 23	
Tsing Yi Property	4.25%	HK\$ 5,987	HK\$ 5,990	▼ 0.05%
Changsha Property	5.25%	RMB 550	RMB 560	▼ 1.79%
Foshan Property	5.25%	RMB 498	RMB 498	—
Wuhu Property	5.50%	RMB 226	RMB 226	—

Note: 1.No Change in cap rate between June 2023 and December 2023

2.Figures are shown as of 31 December 2023 and 30 June 2023 respectively, unless stated otherwise.

Prime Property Portfolio

Asia Logistics Hub – SF Centre



- A **15-storey ramp-up** modern logistics property comprising warehouses with automatic sorting and supply chain support facilities and ancillary offices



Revenue²
HK\$ 320M
▲ **3.3%**⁴



NPI^{2,3}
HK\$ 263M
▲ **2.5%**⁴

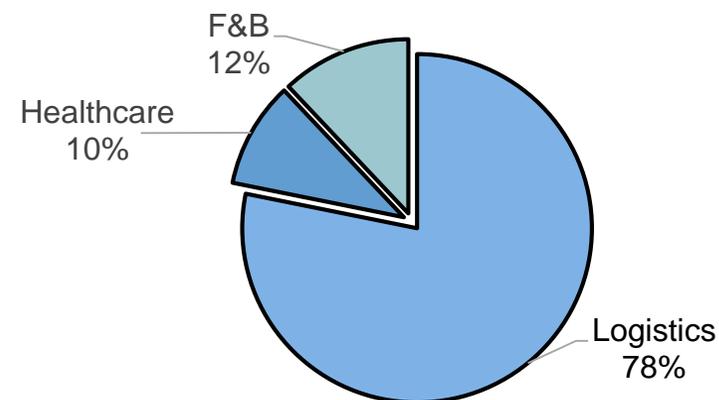


Occupancy Rate
97.3% No Change⁴



GLA
160,322 sq.m.

Tenants Profile⁵



Notes: 1.All figures as at 31 December 2023, unless stated otherwise.

2.Presented on a cash basis

3.Depreciation is excluded for analysis purpose.

4.As compared to 2022

5.Based on gross lettable area

Prime Property Portfolio

Changsha Fengtai Industrial Park



- **Three-storey high-standard warehouse, two single-storey warehouses, a two-storey ramp-up distribution centre and ancillary offices**



Revenue²
RMB 45M



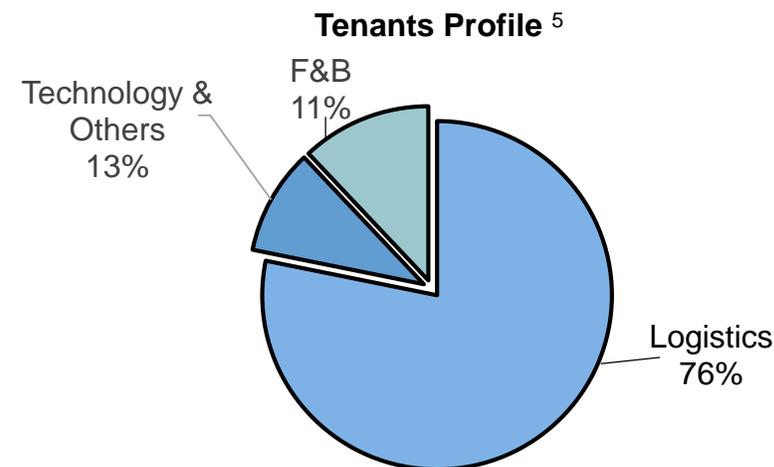
NPI^{2,3}
RMB 34M



Occupancy Rate
98.9% ▼ -0.2p.p.⁴



GLA
119,922 sq.m.



Notes: 1.All figures as at 31 December 2023, unless stated otherwise.

2.Presented on a cash basis

3.Depreciation is excluded for analysis purpose.

4.As compared to 2022

5.Based on gross lettable area

Prime Property Portfolio

Foshan Guicheng Fengtai Industrial Park



- A three-storey ramp-up and “built-to-suit” distribution centre



Distribution Centre



Revenue²
RMB 46M
▲ **2.8%**⁴



NPI^{2,3}
RMB 37M
▲ **2.3%**⁴



Occupancy
Rate
100% No Change⁴



GLA
84,951 sq.m.

Notes: 1.All figures as at 31 December 2023, unless stated otherwise.

2.Presented on a cash basis

3.Depreciation is excluded for analysis purpose.

4.As compared to 2022

Prime Property Portfolio

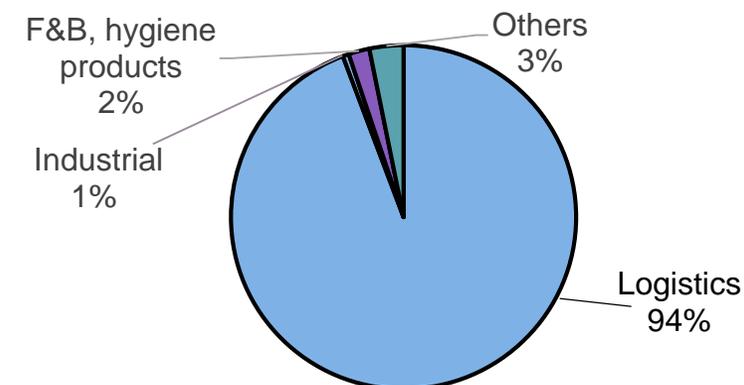
Wuhu Fengtai Industrial Park



- Two **single-storey** high-standard **warehouses**, a **two-storey distribution centre**, and ancillary offices



Tenants Profile ⁵



Revenue ²
RMB 19M
▲ 4.2% ⁴



NPI ^{2,3}
RMB 13M
▲ 3.6% ⁴



Occupancy
Rate
95.4% ▼ 1.0p.p. ⁴



GLA
62,698 sq.m.

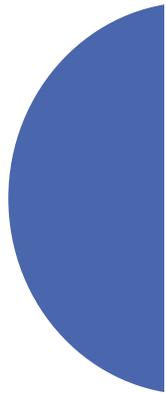
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4.As compared to 2022

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Sustainability Achievements

Key Sustainability Achievements



Environmental

GRESB
Green star Rating



Green Building
3 in total (Tsing Yi, Changsha, Foshan)



Tsing Yi Property
LEED BD+C: Core & Shell
Gold Certification
BEAM Plus (Management Aspect)
Excellent Rating



Social & Governance

Sustainable Corporate (Social Responsibility) Outstanding Award
Standard Chartered Corporate Achievement

Awarded 2nd time in a row



Green Leadership ESG Award
Quamnet Green Leadership
ESG Award 2023



Key Sustainability Achievements

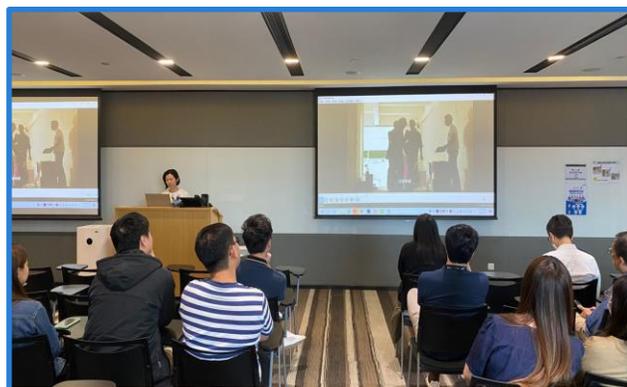
Key Events Highlights



Volunteering work



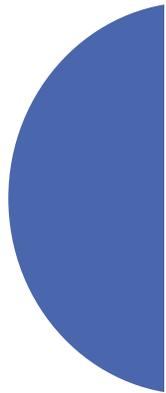
Cooperated with NGOs



Employees trainings



Team building



Outlook and Strategy

Logistics Property Market Update - Hong Kong



15

Modern Logistics
Warehouses



0.1%

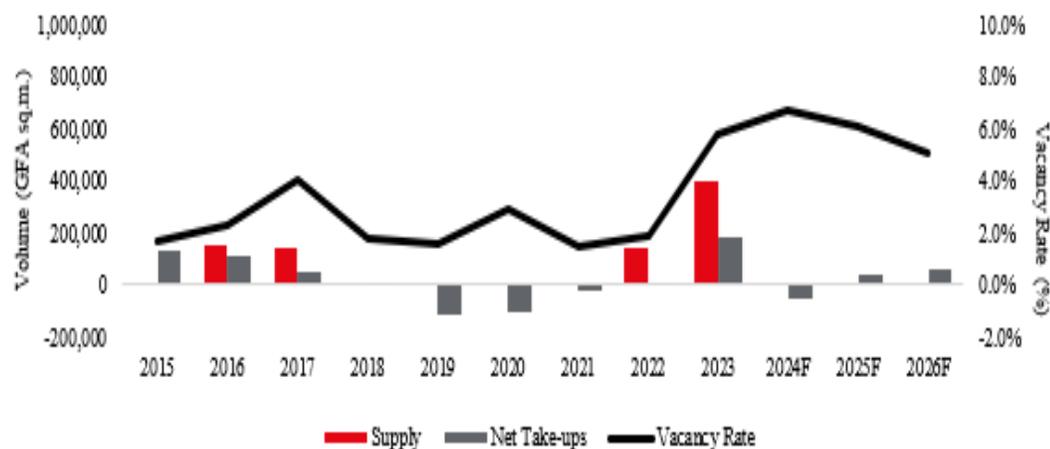
Rental Growth
q-o-q²



5.3%

Vacancy Rate²

Modern Logistics Property Supply, Demand and Vacancy Rate
2015 – 2025 (1)



- Stable growth in retail sales and e-commerce shall support **solid logistics demand**

- Rental growth (+0.1% q-o-q²) **remained stable** in the fourth quarter of 2023

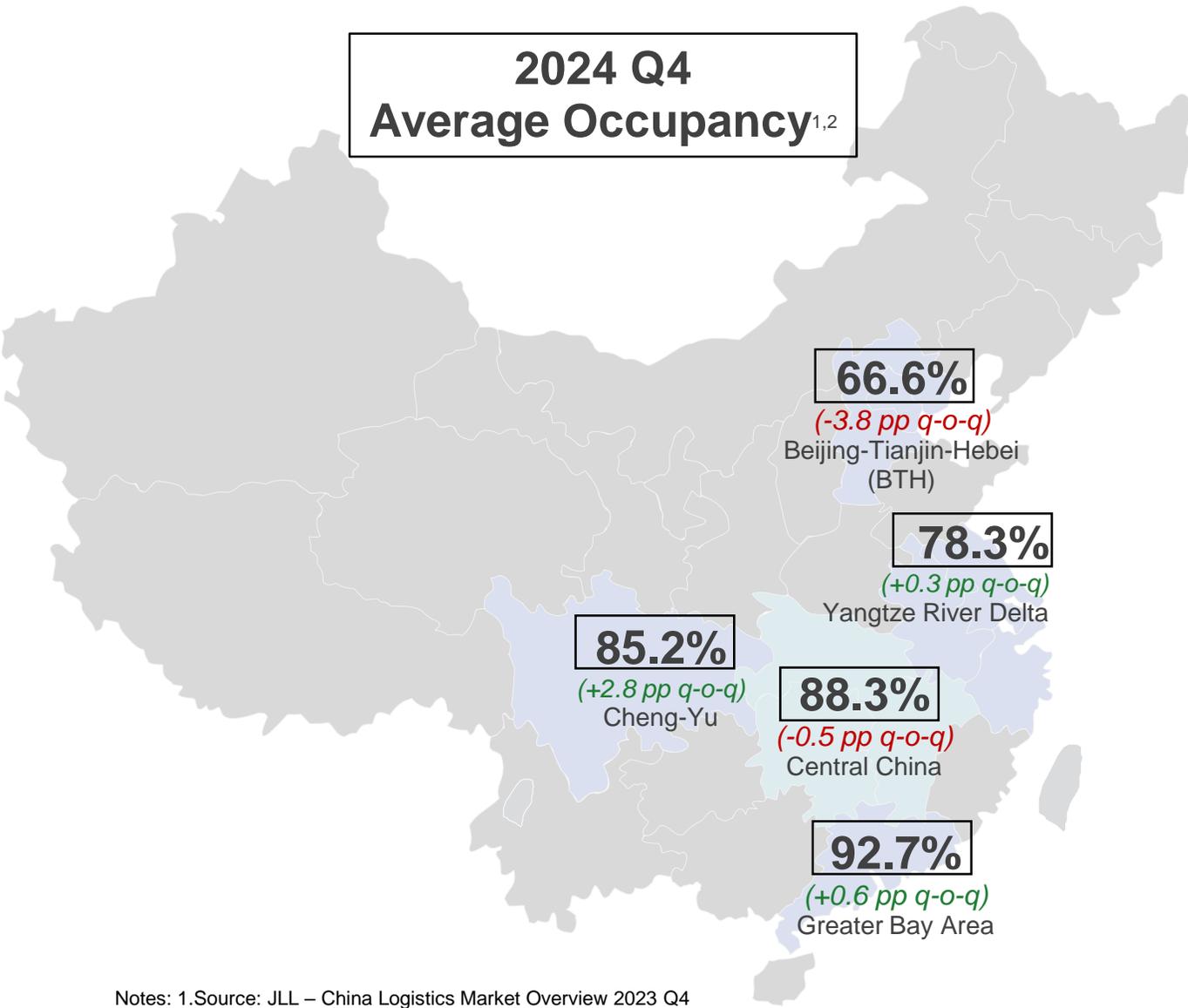
- **Capitalisation rate** of modern logistics properties **remained stable**

- As a result of new supply, the warehouse vacancy **increased to 5.3%. (2022: 2.0%)**

Note: 1. Source: JLL
2. Source: CBRE Hong Kong Figures - Investment Q4 2023

Logistics Property Market Update - PRC

2024 Q4
Average Occupancy^{1,2}



- With the recent wave of new completions, the oversupply of logistics warehouses in certain regions created a **downward pressure** on **overall rental and occupancy**
- The **lack of supply in GBA** will intensify under the continuous expansion of cross-border e-commerce and expected to **push up rents in 2024**
- **Cross-border e-commerce** will continue to expand at a fast pace, leading to a sustained increase in supply chain logistics demand

Notes: 1.Source: JLL – China Logistics Market Overview 2023 Q4
2.Source: Warehouse in Cloud

Market Outlook



- Hong Kong's pivotal role as a **regional logistics hub** will boost demand
- **Action Plan on Modern Logistics Development** by the Hong Kong government reflects **increased focus on enhancing the quality development of the logistics sector**



- **Dynamic e-commerce** market driving demand for **high-quality** logistics services
- Tenants' growing needs will **stabilize occupancy** and **rental**, but submarkets may perform differently



- Complex global environment and rising **uncertainties** due to **military conflicts** and **political instability**

SF REIT Strategy



01

Proactively manage assets for **stable occupancy** and **income**



02

Mitigate financial market risks through **prudent capital management**



03

Leverage **SF's** support as **anchor tenants** for yield accretive acquisitions

Distribution Details

Distribution Period



1 July 2023
to
31 December 2023

Final Distribution Per Unit



HK14.02 cents

Ex-distribution Date



27 March 2024

Closure of Register of Unitholders for Distribution



2 April 2024
to
3 April 2024

Distribution Date



23 April 2024



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Investor Presentation
Annual Results 2023

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