



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 Interim Results 2024

*Sustained Resilient Growth in Volatile Environment,
Gearing Up for Opportunities When Market Turns*



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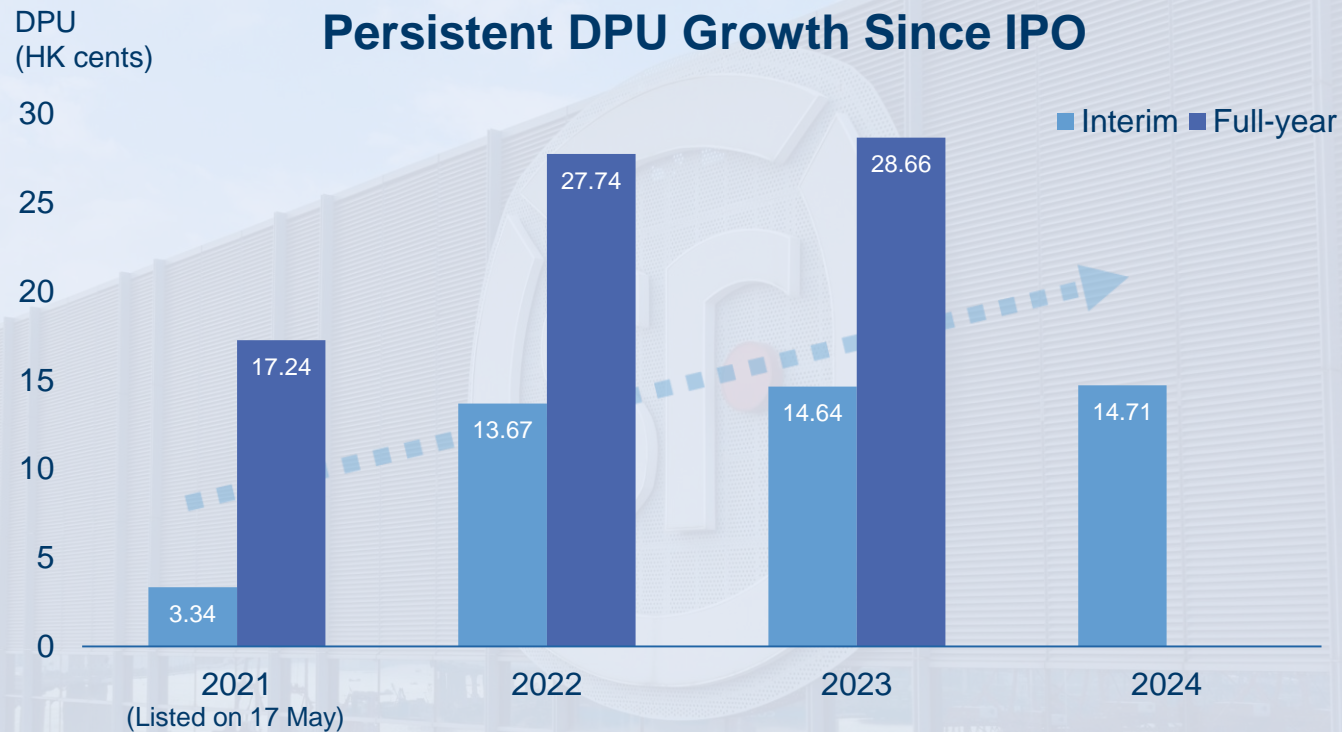
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Revenue¹ ↑ NPI¹ ↑ DPU ↑

Persistent growth since IPO



Dynamic Industry



Partnership with 



Operational Excellence



Proactive Risk Management

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

Financial Highlights

Growth in Revenue, NPI and Distribution



Revenue¹
HK\$ 222.3M

↑ 1.6%

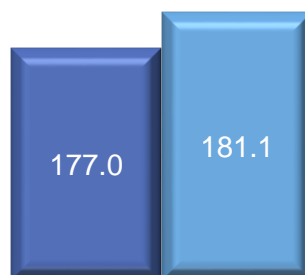


HK\$M



Net Property Income¹
HK\$181.1M

↑ 2.3%

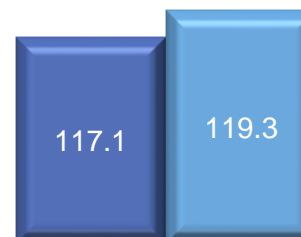


HK\$M



Distribution
HK\$119.3M

↑ 1.9%

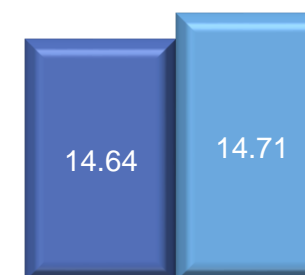


HK\$M



DPU
HK 14.71 cents

↑ 0.5%



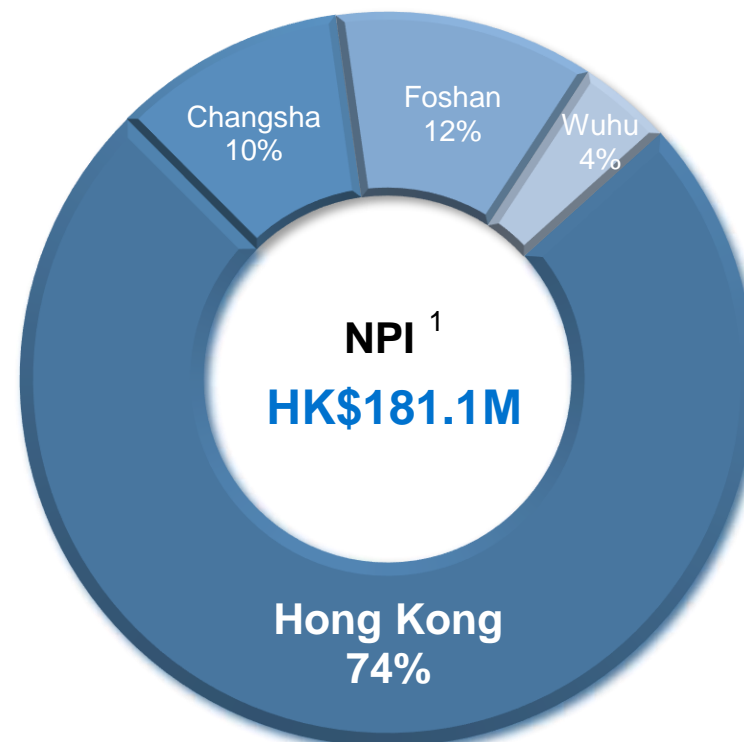
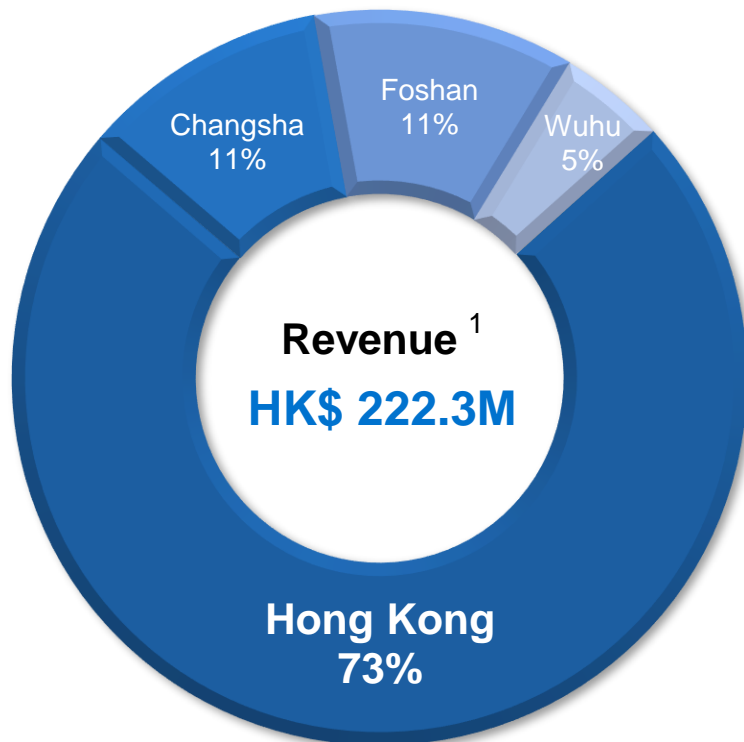
HK cents

■ 1H23 ■ 1H24

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

Financial Highlights

Resilient Hong Kong Market Supports Stable Income



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

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Operations Highlights



**Dynamic
Industry**



**Partnership
with SF**



**Operational
Excellence**

| Solid Demand

Stable growth in value of exports in Hong Kong

Continuous growth in express parcel delivery volume and online retail sales of physical goods in Mainland China

| Sustainable Income



Occupied 80.2% of GLA

Contributed 75.1% of revenue

| Efficient Operation

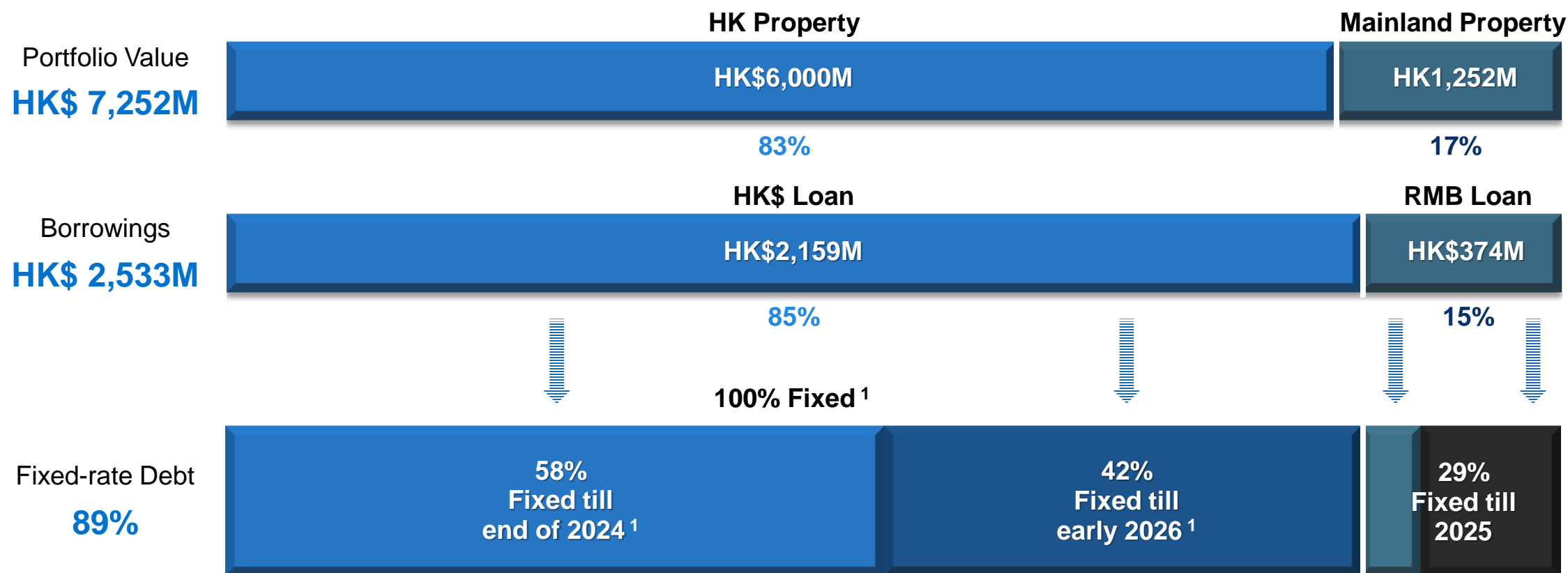
High occupancy rate at 98.0%

Successfully renewed all major leases expiring in 2024

Debt Capital Management



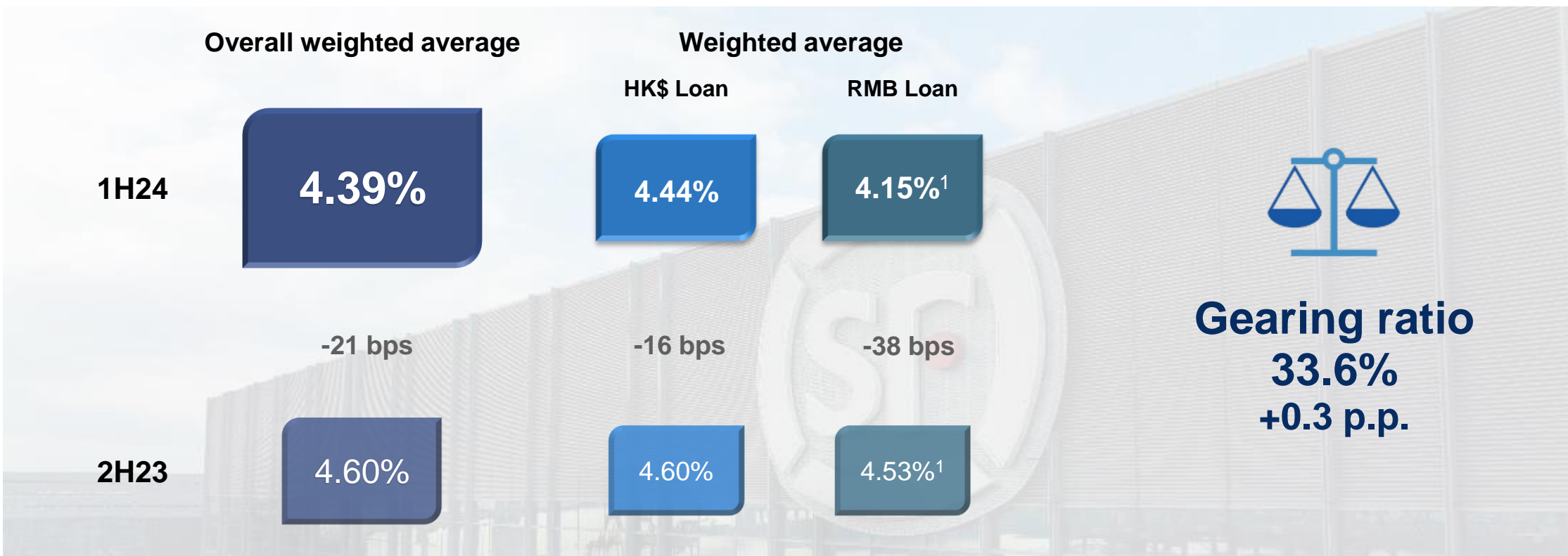
Stable Portfolio with Healthy Debt Structure



(1) Interest rates locked in with interest rate swaps (IRS) contracts.

Debt Capital Management

Financing Costs Effectively Eased



(1) Changsha loan's margin reduced by 0.65% from LPR+0.2% to LPR-0.45%. Foshan & Wuhu loans' rate also reduced from 4.50% to 3.95% per annum in 2H23.

Debt Capital Management

Proactive Early Refinancing to Reduce Cost



HK\$2.4 Billion Credit Facilities

Facility A

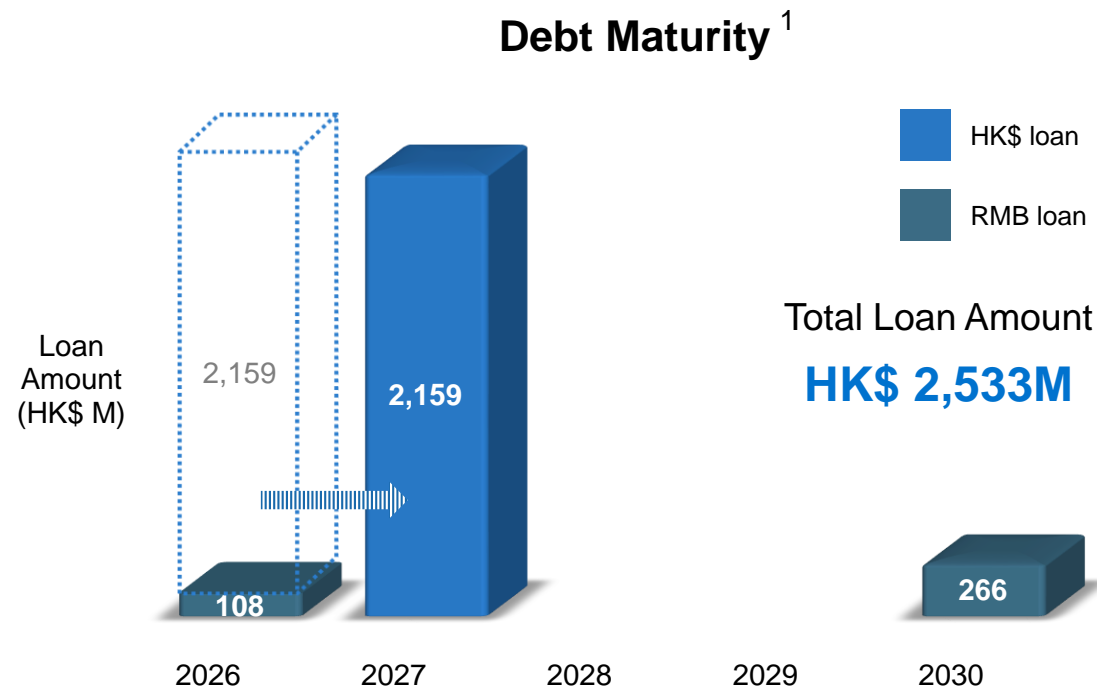
Three-year HK\$2,159 million sustainability-linked term loan
(maturity in **September 2027**)

Interest rate: HIBOR +0.7% (**Reduced 40 bps**)

Facility B

HK\$250 million revolving loan

Interest rate: HIBOR +0.6% (**Reduced 25 bps**)



(1) All loan amounts are as at 30 June 2024. RMB loan amounts are converted to HKD at exchange rate at 30 June 2024.

Proactive Risk Management


Challenges

Strategies



Interest Rate

1-month HIBOR: 4.61%¹



Exchange Rate

RMB/HKD ↓ 0.71%²

42% HKD loan:
Fixed since Feb 2022 for 4 years till 2026

58% HKD loan:
Fixed with **short-term IRS contracts** of ~6 months on a rolling basis since July 2023 till this year end

FX forward contracts to hedge RMB for 2H 2024

Monitor trend and identify suitable short-term hedge to **protect distribution**, when appropriate

(1) As at 28 June 2024. Source: The Hong Kong Association of Banks.

(2) As at 28 June 2024 compared to that on 29 December 2023. Source: State Administration of Foreign Exchange.

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Property Portfolio - Prime Location



Total Value
HK\$ 7,252M



Total GLA
427,655 sq.m.



Overall Occupancy
98.0%

Changsha Fengtai Industrial Park



98.9%



75.6%

Wuhu Fengtai Industrial Park



95.5%



90.2%

Foshan Guicheng Fengtai Industrial Park



100.0%



99.9%

Asia Logistics Hub - SF Centre (Tsing Yi)



97.3%



69.3%



Occupancy Rate



GLA leased to SF

Wuhu, Anhui
Changsha, Hunan
Foshan, Guangdong
Hong Kong

* All figures are for 1H24 as at 30 June 2024, unless stated otherwise.

Property Portfolio - Valuation



Property	Capitalisation Rate			Valuation (Million)		
	Jun 2024	Dec 2023		Jun 2024	Dec 2023	
Hong Kong	4.25%	4.25%	-	HK\$6,000.0	HK\$5,987.0	▲ 0.2%
Changsha	5.55%	5.25%	▲ 0.3%	RMB 503.3	RMB 550.4	▼ 8.6%
Foshan	5.45%	5.25%	▲ 0.2%	RMB 457.9	RMB 498.1	▼ 8.1%
Wuhu	5.70%	5.50%	▲ 0.2%	RMB 204.6	RMB 226.0	▼ 9.5%

Hong Kong

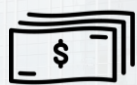
Supported by a modest rise in passing rent

Mainland China

Expansion of capitalisation rates and drop of market rent, reflecting the more cautious outlook on the economy and logistics market

Property Portfolio - Enhanced Performance

Hong Kong Property



Revenue ¹

HKD 162M

▲ 2.5% ²



NPI ¹

HKD 134M

▲ 3.1% ²

Changsha Property



Revenue ¹

RMB 22M

▲ 1.4% ²

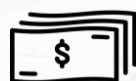


NPI ¹

RMB 17M

▲ 1.4% ²

Foshan Property



Revenue ¹

RMB 24M

▲ 3.8% ²



NPI ¹

RMB 19M

▲ 5.1% ²

Wuhu Property



Revenue ¹

RMB 10M

▲ 4.5% ²



NPI ¹

RMB 7M

▲ 7.7% ²

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

(2) As compared to 1H23

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Sustainability Achievements



Environmental



GRESB
Green Star Rating

Green Building certificates
3 (Tsing Yi, Changsha, Foshan)



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



BOCHK
Environmental Leadership Awards
EcoPartner



Governance

10th Hong Kong
Investor Relations Awards
Best ESG (Governance)
Best Annual Report
Also 3 others:
Best IR by CEO / CFO / IR Team



Sustainability Snapshots



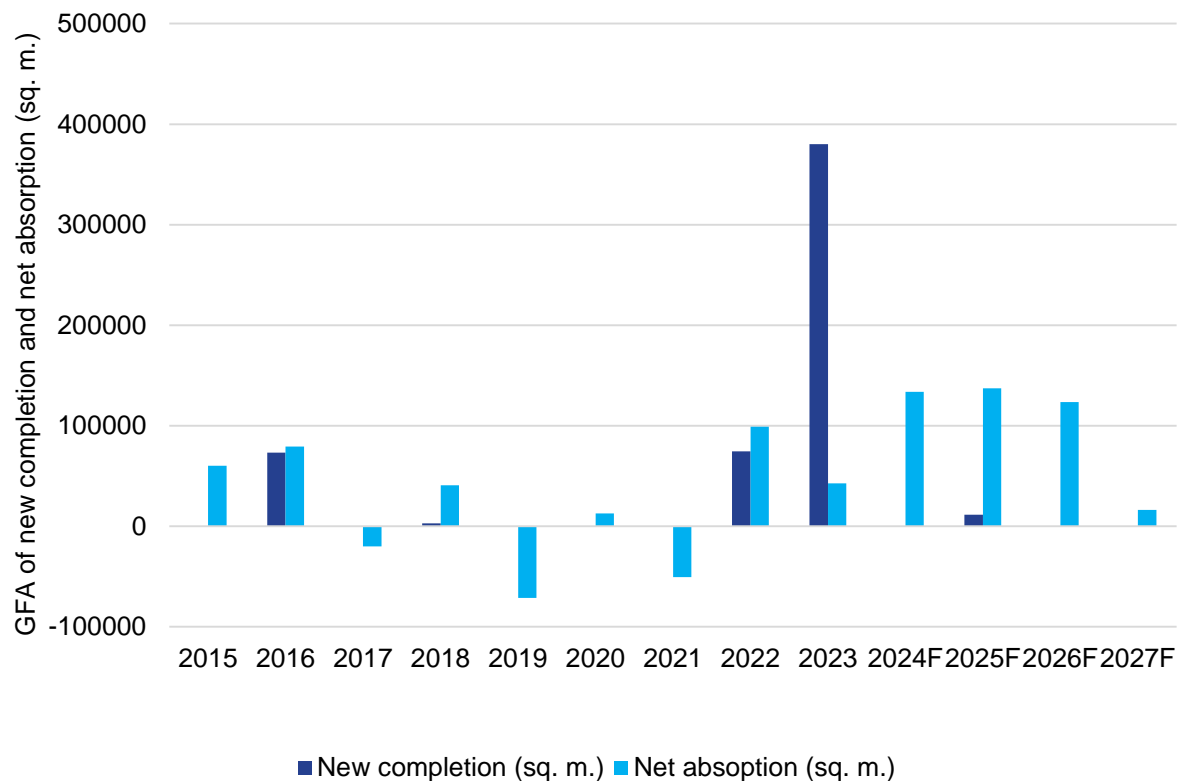
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Logistics Property Market Update - Hong Kong



**Warehouses completion and net absorption
(2015 to 2027F)**



17

Modern Logistics
Warehouses



-1.3%

Warehouse Rents
H-o-H¹



8.1%

Warehouse Vacancy
+1.5 p.p. (H-o-H¹)

- New supply brought certain impact on overall warehouse vacancy rate and rental levels
- Stable growth in value of exports (1H2024: +12.2% YoY)² shall support **solid logistics demand**
- **Capitalisation rate** of modern logistics properties **remained stable**

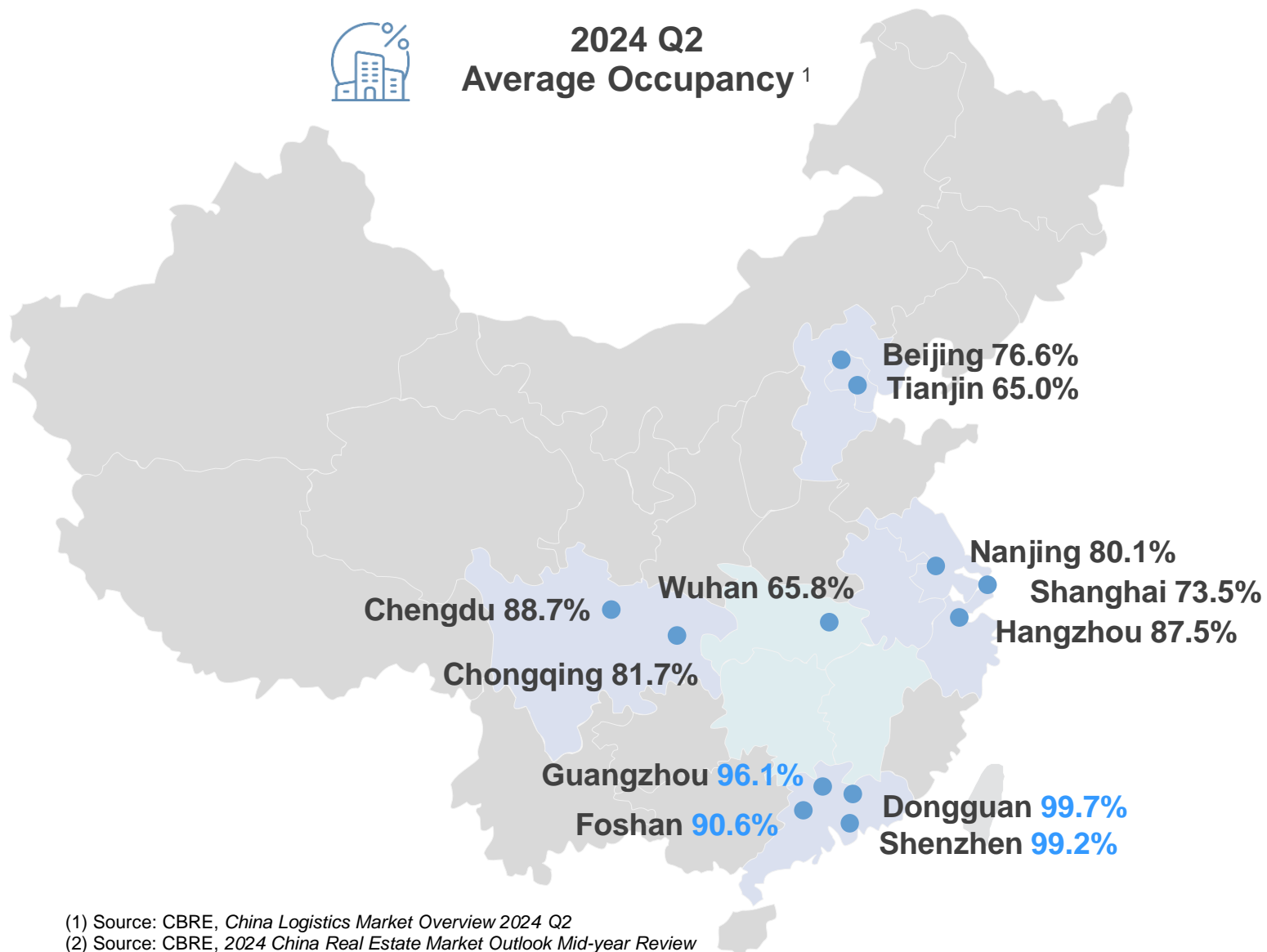
(1) As at 2024 Q2, compared to that as at 2023 Q4. Source: Colliers

(2) Source: Census and Statistics Department, *External merchandise trade statistics for June 2024*

Logistics Property Market Update - Mainland



2024 Q2
Average Occupancy ¹



■ Growth in online retail of physical goods provided a degree of support for the **overall rental and occupancy**

■ New logistics supply down 43% y-o-y in 1H24², gradually narrowing the **demand-supply gap**

■ **Cross-border e-commerce** continues to expand rapidly, pushing up the occupancy of GBA area and this trend is expected to continue in 2024

(1) Source: CBRE, *China Logistics Market Overview 2024 Q2*

(2) Source: CBRE, *2024 China Real Estate Market Outlook Mid-year Review*

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Market Outlook



- Consumers' tendency towards online shopping is expected to continue boosting demand for **e-commerce**
- The government's **Action Plan on Modern Logistics Development** indicates the city's unchanged pivotal role as an international logistics hub



- Market outlook demands a high degree of cautiousness as **recoveries take time**
- **Dynamic e-commerce market** continues sustaining demand for logistics services and the **slowdown in new supply** will stabilise the drop in occupancy and rental



- Global market still awaiting the likely **interest rate cut** by the U.S. Federal Reserve
- **Tightening geopolitical tensions** across the globe may cause swings in economic policies

Proactive Asset Management



Manage assets proactively for **stable occupancy** and **income**

Prudent Capital Management



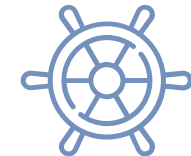
Adopt a cautious approach to **mitigate financial market risks** and benefit from the **likely interest rate cut**

Swift Response to Market Turn



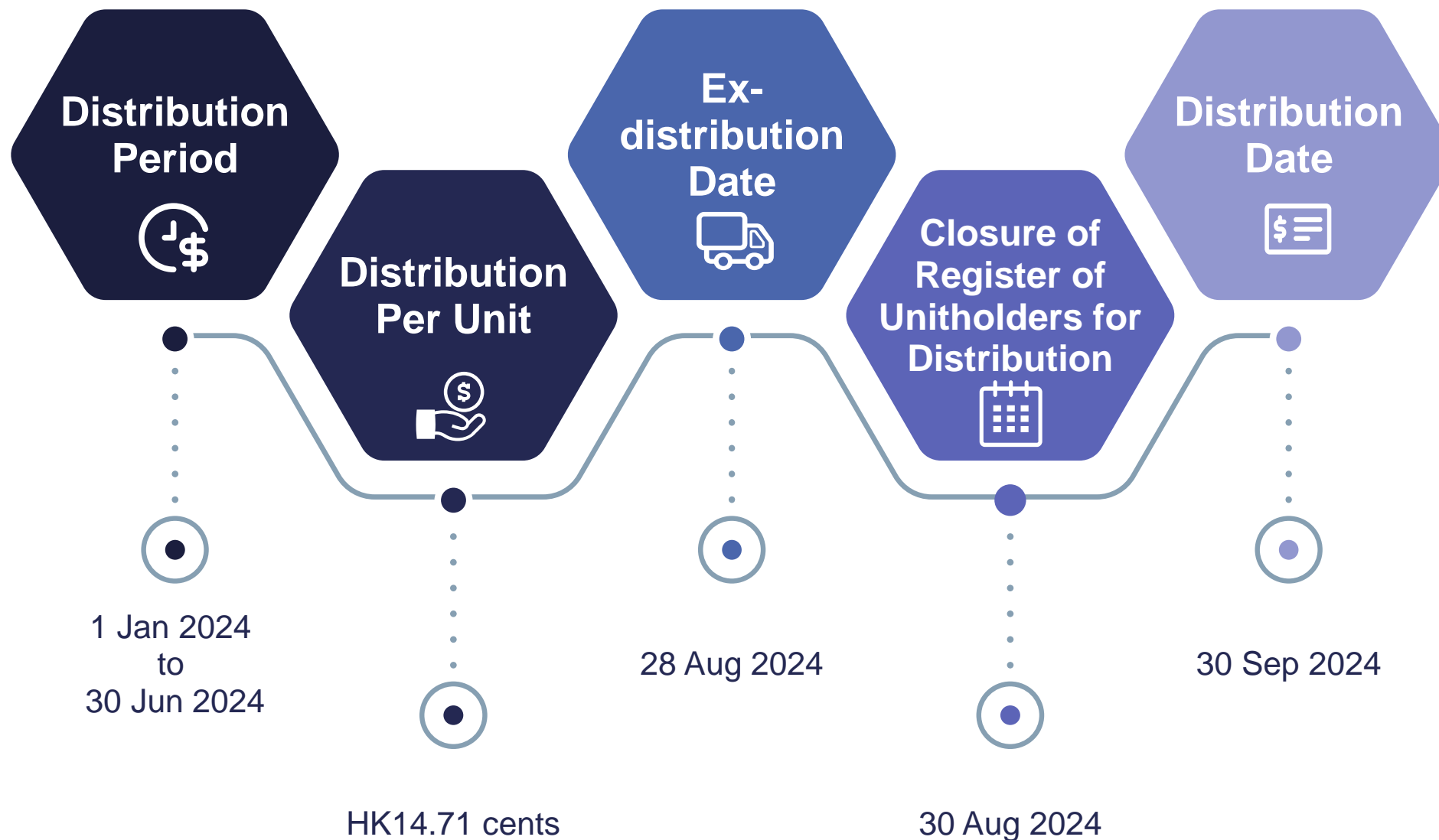
Monitor market and act on **expansion opportunities** in a disciplined manner when market turns

Sustainable Distribution



Prioritise achieving **sustainable distribution**

Distribution Schedule



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Prime Property Portfolio

Asia Logistics Hub - SF Centre, Hong Kong



Revenue¹
HK\$ 162M

▲ 2.5%²



NPI¹
HK\$ 134M

▲ 3.1%²

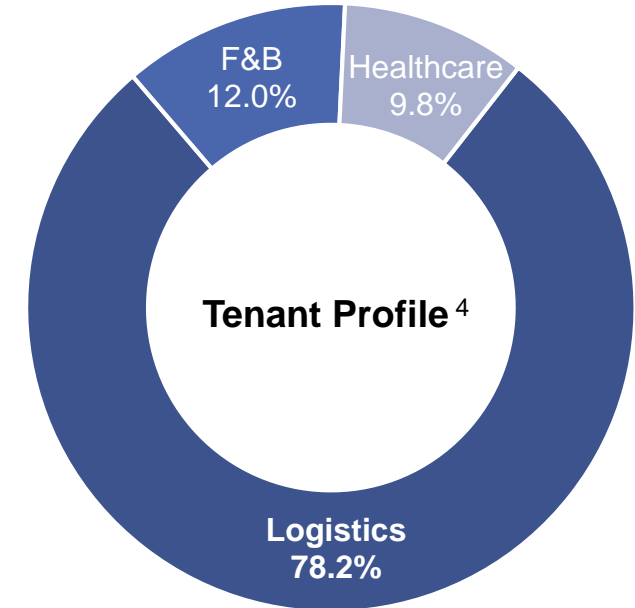


Occupancy
97.3%

No Change³



GLA
160,322 sq.m.



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

(1) Adjusted to reflect the step-up rent mechanism in leases and excluding depreciations, where appropriate
 (2) As compared to 1H23
 (3) As compared to 31 December 2023
 (4) Based on gross lettable area

Prime Property Portfolio

Changsha Fengtai Industrial Park



Revenue¹
RMB 22M

▲ 1.4%²



NPI¹
RMB 17M

▲ 1.4%²

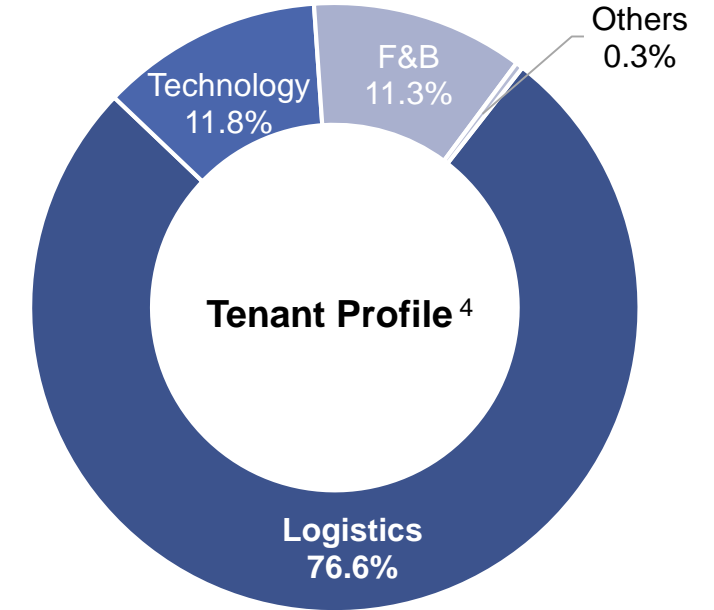


Occupancy
98.9%

No Change³



GLA
119,684 sq.m.



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

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

(2) As compared to 1H23

(3) As compared to 31 December 2023

(4) Based on gross lettable area

Prime Property Portfolio

Foshan Guicheng Fengtai Industrial Park



Revenue¹
RMB 24M

▲ 3.8%²



NPI¹
RMB 19M

▲ 5.1%²

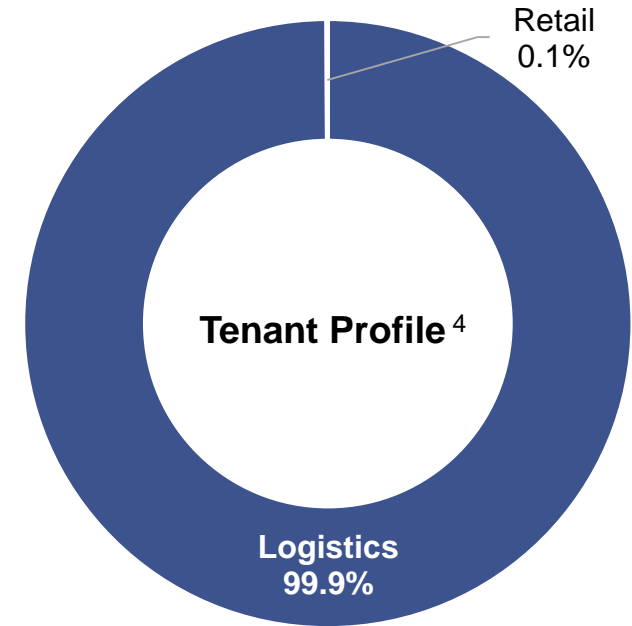


Occupancy
100%

No Change³



GLA
84,951 sq.m.



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

(1) Adjusted to reflect the step-up rent mechanism in leases and excluding depreciations, where appropriate
(2) As compared to 1H23
(3) As compared to 31 December 2023
(4) Based on gross lettable area

Prime Property Portfolio

Wuhu Fengtai Industrial Park



Revenue¹
RMB 10M

▲ **4.5%**²



NPI¹
RMB 7M

▲ **7.7%**²

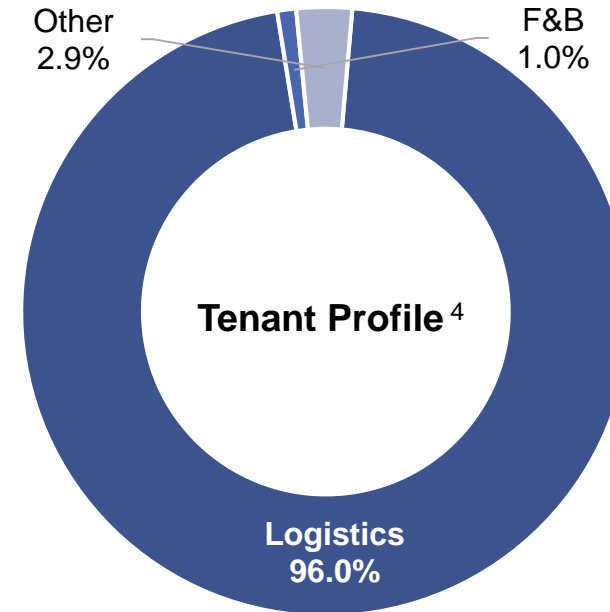


Occupancy
95.5%

▲ **0.1 ppt**³



GLA
62,698 sq.m.



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

(1) Adjusted to reflect the step-up rent mechanism in leases and excluding depreciations, where appropriate
 (2) As compared to 1H23
 (3) As compared to 31 December 2023
 (4) Based on gross lettable area

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