



**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))



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# Results Overview



## Resilient Income



Revenue <sup>1</sup>

**HK\$451.4M**

(2023: HK\$440.9M)

▲ **2.4%**



Net Property Income <sup>1</sup>

**HK\$361.2M**

(2023: HK\$355.8M)

▲ **1.5%**



Total Distributable Income

**HK\$234.4M**

(2023: HK\$230.0M)

▲ **1.9%**

## Prudent Distribution



Payout Ratio

**95%** <sup>2</sup>

(2023: 100%)



DPU

**HK 27.40 cents**

(2023: HK 28.66 cents)



Annualised Yield <sup>3</sup>

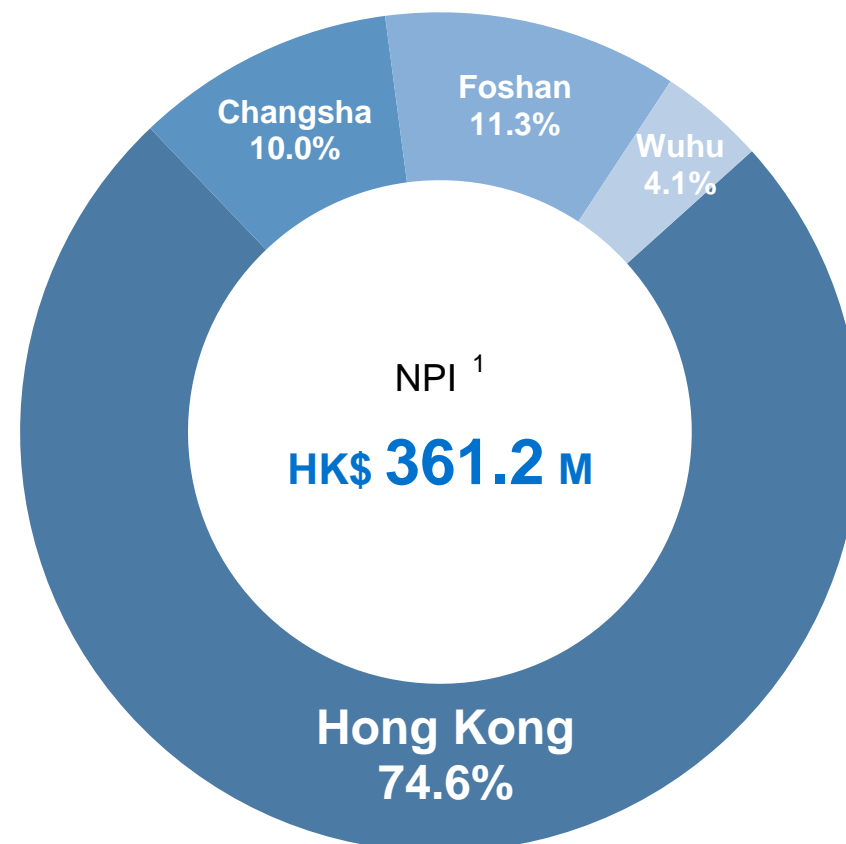
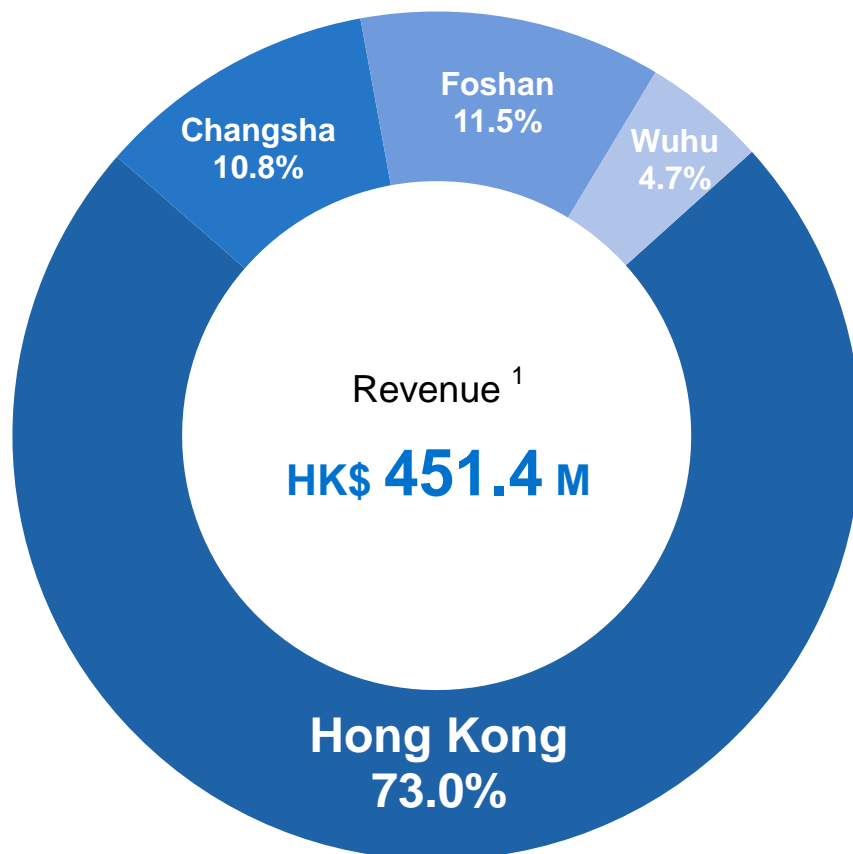
**8.8%**

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

(2) 100% for 1H 2024 and 90% for 2H 2024

(3) Calculated based on the closing unit price of HK\$3.13 on the last trading day of the Year

# Breakdown by Properties



\* All figures are for the year ended 31 December 2024, unless stated otherwise.

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

# Key Drivers



## Dynamic Industry

### Sustained Logistics Demand

Hong Kong: Steady development of external merchandise trade

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



## Efficient Operation

### Proactive Tenant Engagement

Consistently high occupancy rate at 98.0%

Successfully renewed/re-let all leases due to expire in 2024



## Partnership with SFH

### Stable Source of Income



Occupied 80.3% of GLA

Contributed 75.1% of revenue

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# Portfolio Occupancy

Total GLA

**427,657 sq.m.**

(2023: 427,893 sq.m.)

Total Value

**HK\$ 6,731M**

(2023: HK\$7,388.2M)

Overall Occupancy

**98.0%**


(2023: 98.0%)


 occupied

**80.3%**

(2023: 80.1%)




Changsha  
**98.9%**  
 75.6%  
(2023: 98.9% / 75.4%)

Wuhu  
**95.4%**  
 90.6%  
(2023: 95.4% / 90.0%)



Foshan  
**100.0%**  
 99.9%  
(2023: 100.0% / 99.9%)

Hong Kong  
**97.3%**  
 69.3%  
(2023: 97.3% / 69.3%)



\* All figures are as at 31 December 2024, unless stated otherwise.



# Valuation of Assets




Property	Valuation (Million)			Capitalisation Rate		
	Dec 2024	Dec 2023	Change	Dec 2024	Dec 2023	Change
Hong Kong	HK\$5,620.0	HK\$5,987.0	▼ 6.1%	4.25%	4.25%	-
Changsha	RMB 452.8	RMB 550.4	▼ 17.7%	5.55%	5.25%	▲ 0.3 p.p.
Foshan	RMB 416.5	RMB 498.1	▼ 16.4%	5.45%	5.25%	▲ 0.2 p.p.
Wuhu	RMB 175.3	RMB 226.0	▼ 22.4%	5.70%	5.50%	▲ 0.2 p.p.



Primarily attributable to the **drop in market rental**, reflecting the more cautious outlook on the market

# Properties Performance



## Hong Kong

	Revenue <sup>1</sup>	<b>HKD 329.7M</b>	▲	<b>3.0%</b> <sup>2</sup>
	NPI <sup>1</sup>	<b>HKD 269.2M</b>	▲	<b>2.4%</b> <sup>2</sup>



## Changsha

	Revenue <sup>1</sup>	<b>RMB 44.7M</b>	▲	<b>0.1%</b> <sup>2</sup>
	NPI <sup>1</sup>	<b>RMB 33.4M</b>	▼	<b>2.5%</b> <sup>2</sup>

## Foshan

	Revenue <sup>1</sup>	<b>RMB 47.9M</b>	▲	<b>3.9%</b> <sup>2</sup>
	NPI <sup>1</sup>	<b>RMB 37.8M</b>	▲	<b>2.4%</b> <sup>2</sup>

## Wuhu

	Revenue <sup>1</sup>	<b>RMB 19.7M</b>	▲	<b>6.3%</b> <sup>2</sup>
	NPI <sup>1</sup>	<b>RMB 13.6M</b>	▲	<b>5.6%</b> <sup>2</sup>

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

(2) As compared to FY2023

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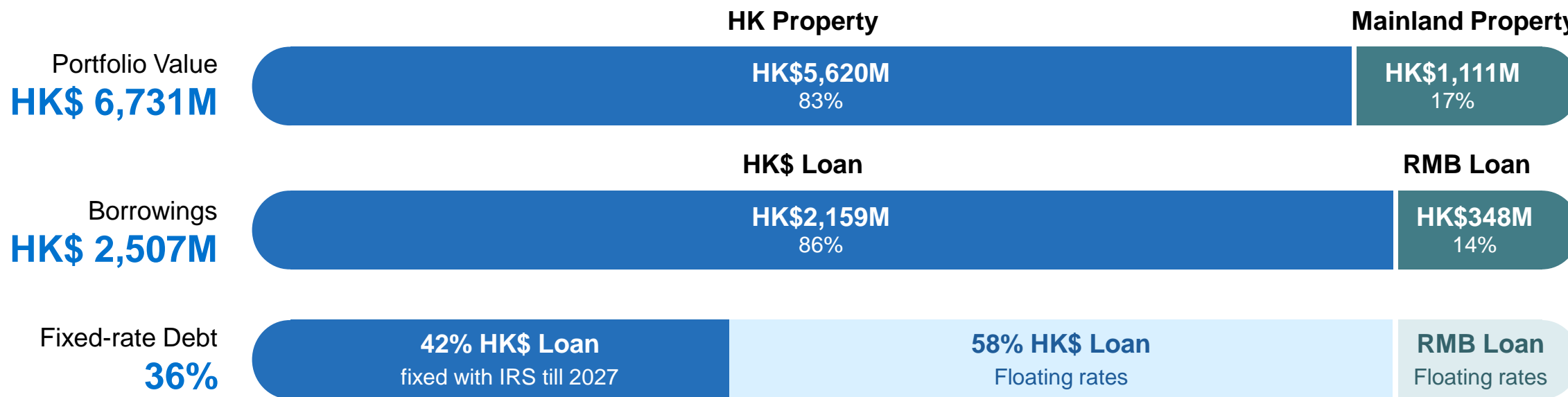
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# Borrowings Overview



Overall Weighted Average Finance Cost

**4.22%**



**9 bps<sup>1</sup>**

Gearing Ratio

**35.9%**



**2.6 p.p.<sup>1</sup>**

(1) As compared to FY2023

\* All figures are as at 31 December 2024, unless stated otherwise.

# Proactive Early Refinancing

**Q3 2024** HK\$2.4 Billion Credit Facilities



## Facility A

Three-year HK\$2,159M Sustainability-linked Term Loan

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

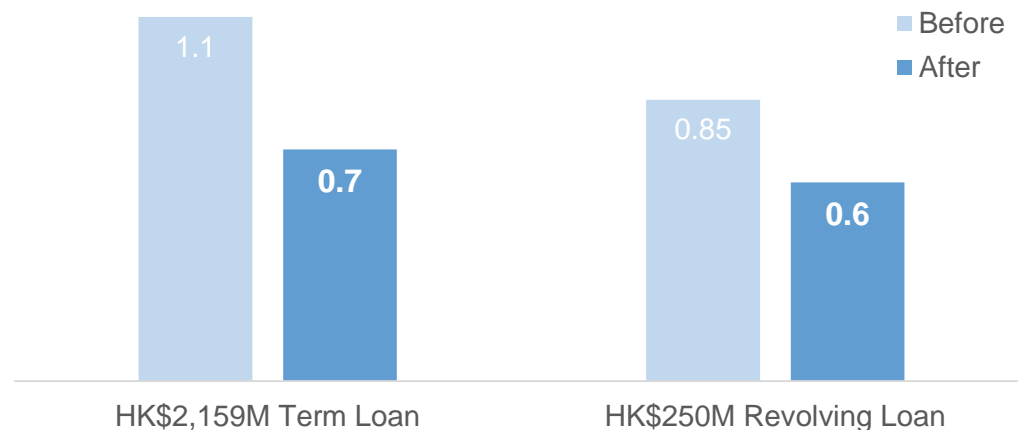
Maturity: **September 2027**

## Facility B

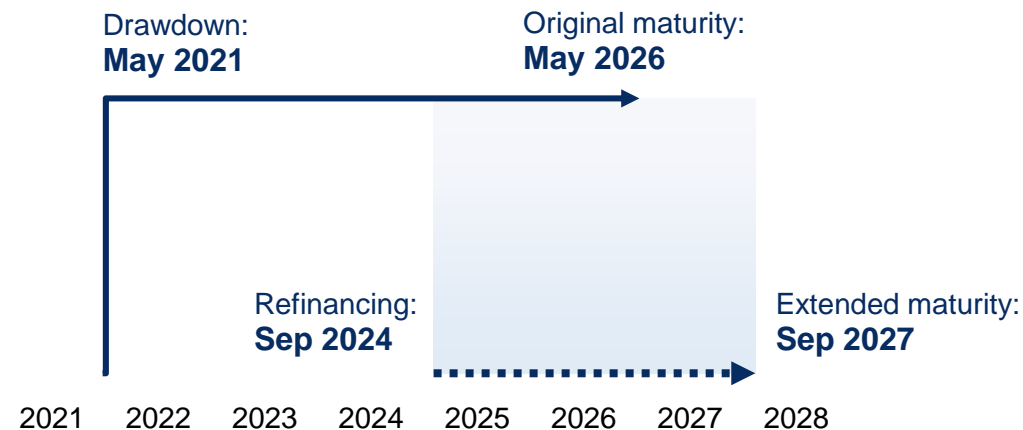
HK\$250M Revolving Loan

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

Interest Margin (%) Reduction



1.5 Years Maturity Extension



# Strategic IRS Restructuring

Q3 2024 Restructured IRS to match refinanced loan

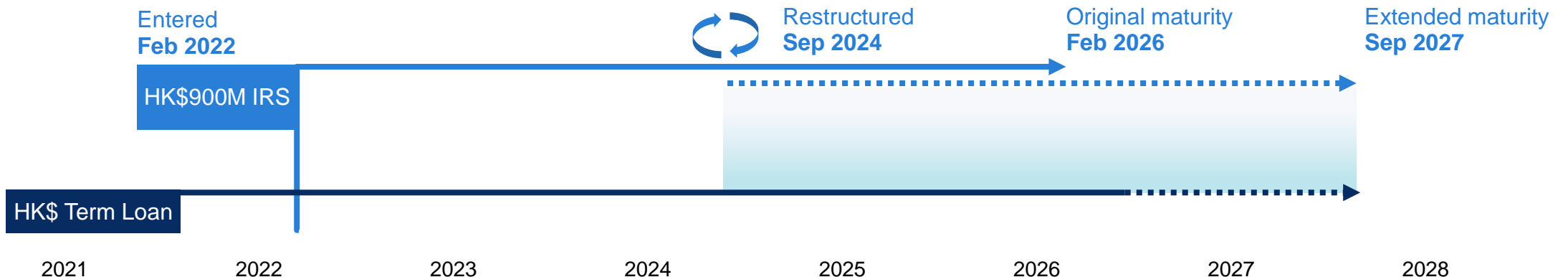


Achieved **lengthened protection**

- Maturity in Sep 2027 to align with refinanced loan

Achieved **lower cost**

- Weighted average rate: 2.19% (*excluding interest margin*)
- Decreasing interest rates over years to align with the current higher interest rate environment



# Capital Management Strategies

## Headwinds



### Interest Rate

HIBOR (1-month): 3.96%<sup>1</sup>



### Exchange Rate

RMB/HKD ↓ 1.63%<sup>2</sup>

## Strategies

**42% HKD loan:**  
Fixed since Feb 2022 till Sep 2027

**58% HKD loan:**  
Monitor rates movements and may adjust ratio of fixed/floating-rate debt with financial instruments

**FX forward contracts** to hedge RMB for 2H 2024

Monitor trend and may take appropriate protective actions to mitigate foreign exchange risks

(1) As at 28 February 2025. Source: The Hong Kong Association of Banks.

(2) As at 28 February 2025 compared to that on 29 February 2024. Source: State Administration of Foreign Exchange.

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# ESG Recognition

## All-round



★★★★★  
**GRESB 2024 5-Star Rating**

- Top 20% of participating entities
- First time obtaining the highest rating in our second year of participation



HERA  
**Most Improved GRESB Score**



BOCHK  
**EcoPartner**



TVB  
**ESG Special Recognition Award**



Top 100 HK Listed Companies Research Centre  
 X Futu I&E  
**ESG Excellence Award**

# ESG Recognition



## Green Loan



HKQAA  
**Outstanding Award for  
Green and Sustainable  
Loan Issuer**

## Social



Standard Chartered Bank  
**Sustainable Corporate  
(Social Responsibility)**

- **Third consecutive year**

## Governance



CHKLC  
Honourable Mention  
**Excellence in  
Corporate Governance**

- Presence on Nasdaq's digital wall in New York City as celebration



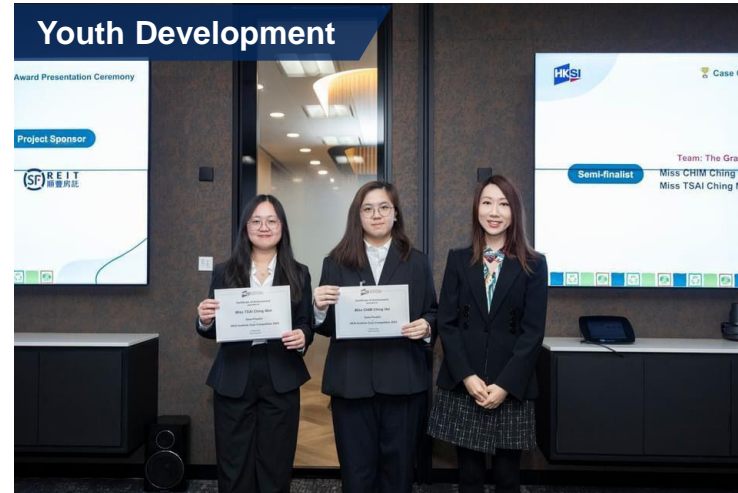
HKIRA  
**Best Annual Report**



# ESG Snapshots



Elderly Service



Youth Development



Staff Wellness



Environmental Protection



Food Waste Reduction



Social Enterprise Support

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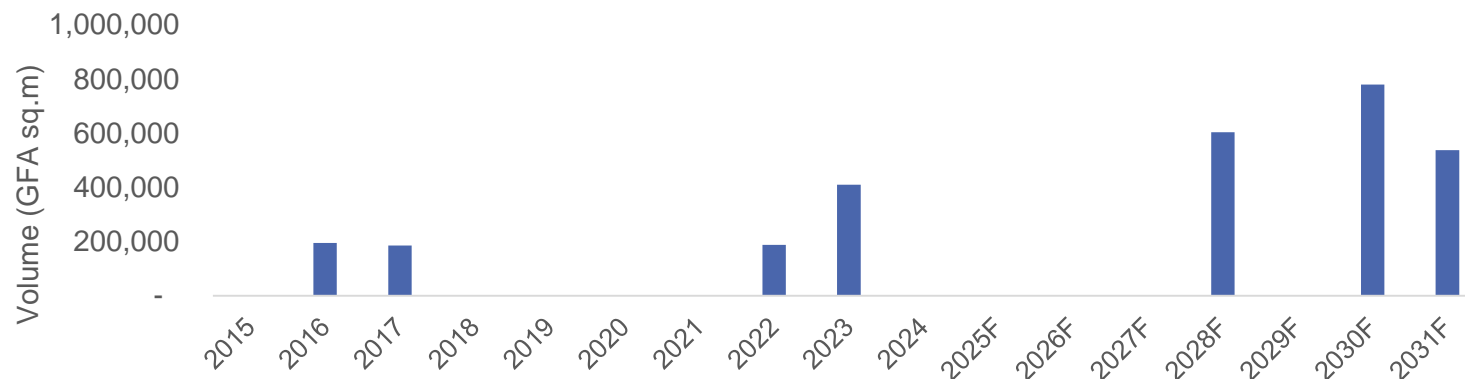
# Lacklustre Rental in Hong Kong

## 17

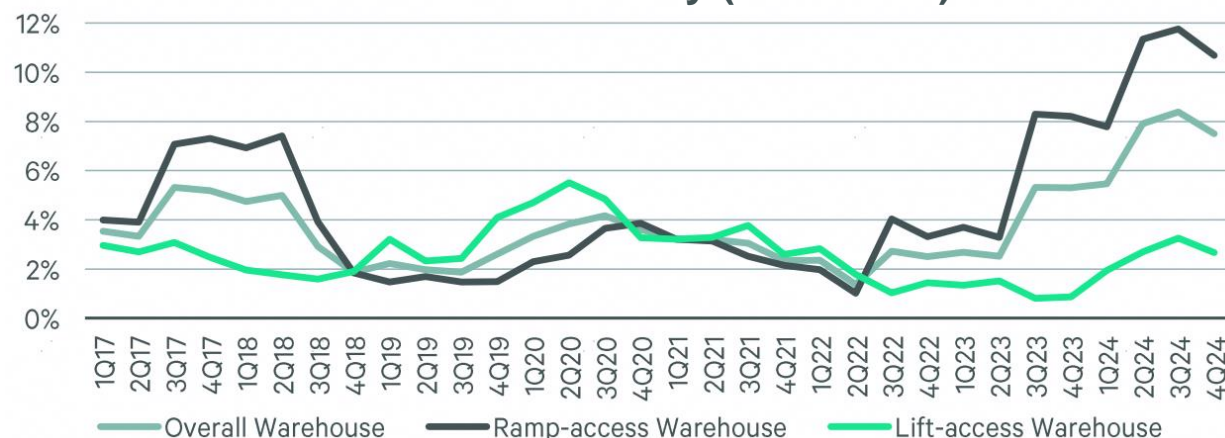
Modern Logistics warehouses with ramp-up access <sup>1</sup>

**Large-scale new supply** expected in a few years, possibly dragging the rental market further

### Modern Logistics Property Supply (2015-2031)



### Warehouse Vacancy (2017-2024)



2024 Q4

Overall warehouse vacancy <sup>2</sup>

**7.5%** (-0.9 ppt q-o-q; +2.2 ppt y-o-y)

Overall warehouse rents

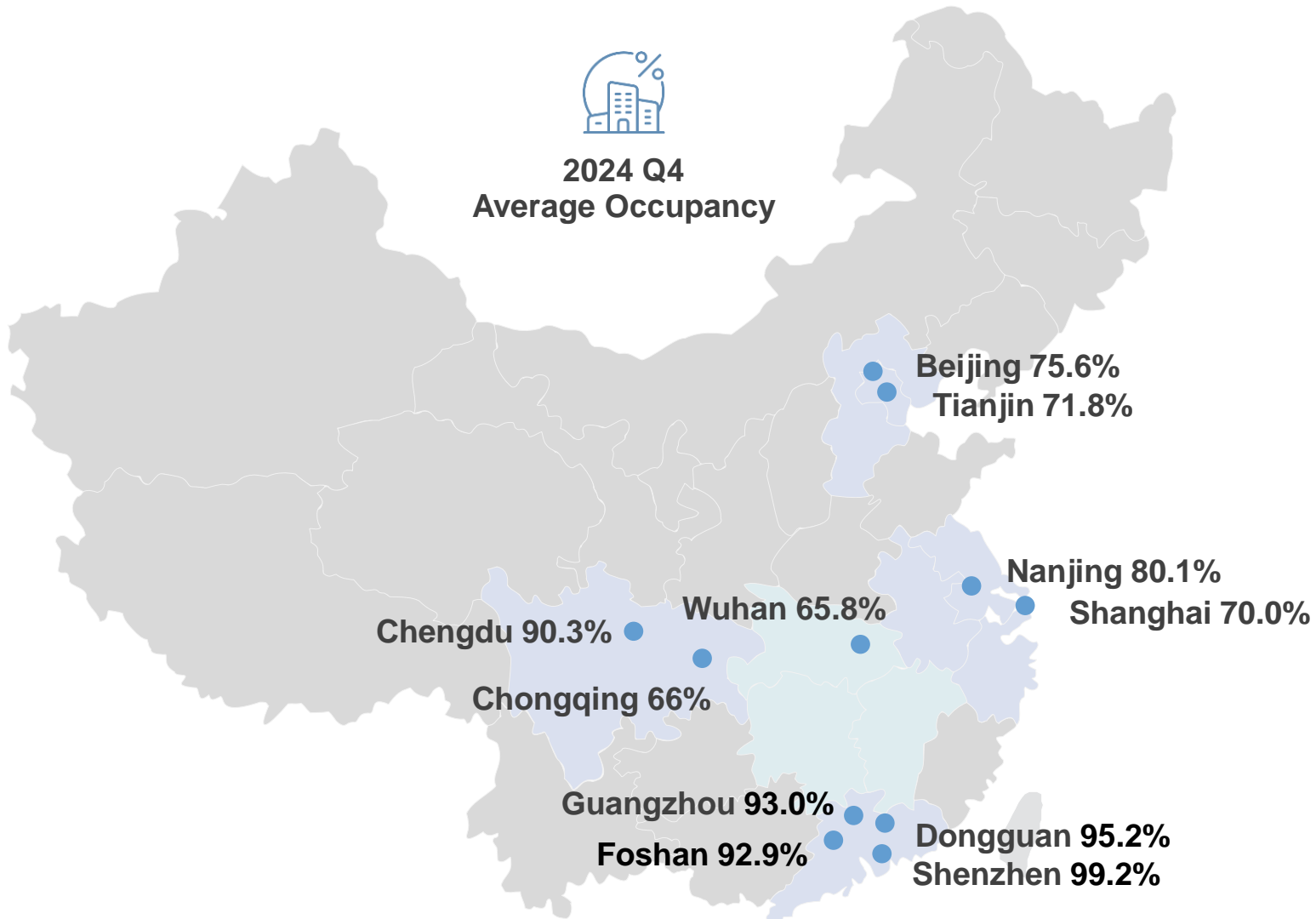
**-1.1%** q-o-q      **-4.6%** y-o-y

- Additionally available space from a major new facility near the airport
- Cost-consciousness of occupiers amid uncertain economic conditions

(1) JLL and Government information

(2) CBRE, Hong Kong Figures - Industrial Q4 2024

# Demand Drivers in Mainland China

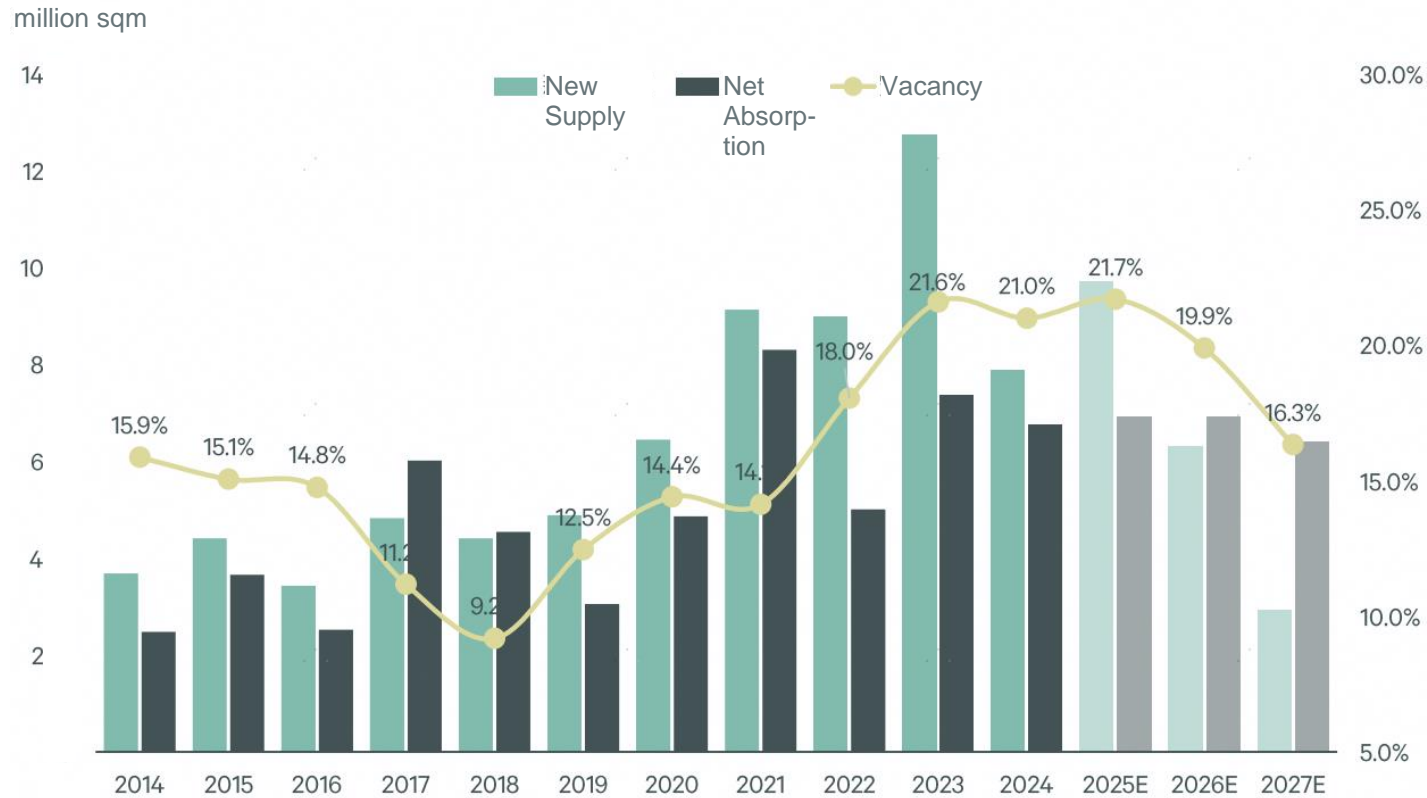


**Cross-border e-commerce** platforms continue to grow, absorbing new supplies in the market

**High-standard warehouses** became growth drivers for manufacturing industry, which in turn supports the demand for warehouses

# Silver Lining in Mainland China

## Warehouse Demand & Supply (2014-2027E)



New supply of logistics warehouses peaked in 2023 and dropped in 2024

Rise in supply anticipated in 2025, followed by another downward trend from 2026

Net absorption expected to remain stable, dragging down overall vacancy in the coming few years

\* Source: CBRE, China Logistics Market Overview 2024 Q4

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# Outlook



- Imports and exports gaining momentum with further growth anticipated
- Rental pressure expected to increase due to anticipated new supply in the medium term
- Policy supports aiming to transform the city into a sustainable international smart logistics hub



- Demand driven by online sales and cross-border e-commerce
- Certain regional markets gradually absorbing the excess supply
- “Two Sessions” introduced policies to reduce costs, improve quality and enhance efficiency for the logistics industry



- Slower pace of rate cuts by the United States Federal Reserve
- Geopolitical conflicts further escalating across various regions

## Proactive Asset Management



Consider strategic adjustments to leasing strategies (e.g. providing **flexible leasing options**, attracting **diverse range of tenants**)

## Prudent Capital Management



Maintain **healthy financial position** and **preserve capital** for potential challenges by exercising prudence in determining future payout ratios

## Continuous Market Evaluation



Closely monitor market conditions and evaluate opportunities to **grow portfolio through acquisitions** when market stabilises



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**Annual Results 2024**  
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