

To: Business Editor  
[For Immediate Release]



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

## **SF REIT Announces 2023 First Half Results**

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### **Solid Growth Amid Economic Challenges Maintains 100% Pay-out Ratio**

#### **Operational Highlights for the six months ended 30 June 2023 (the “Period”)**

- Total revenue and net property income amounted to HK\$223.6 million and HK\$180.7 million, up by 13.2% and 11.8%, respectively.
- Overall occupancy rate remained healthy at 98.2%.
- Total appraised value of the portfolio was stable and amounted to HK\$7,377.6 million.
- The Board declared a distribution of HK14.64 cents per unit, an increase of 7.1% year-on-year, representing a pay-out ratio of 100% and an annualised distribution yield of 10.6%<sup>1</sup>.
- Anchor tenants from SFH Group provided stable income stream.

(Hong Kong, 17 August 2023) **SF Real Estate Investment Trust** (“**SF REIT**” or “**the Group**”, SEHK: 2191), the first and only logistics-focused REIT listed in Hong Kong, announced its six months results ended June 2023.

SF REIT delivered a set of satisfactory results during the Period amid challenging operating environment and rising interest rates. Revenue growth was mainly attributable to a proactive asset management strategy which kept the portfolio occupancy at a healthy level of 98.2% as well as the contribution of the Changsha property acquired in June 2022. Further, prudent financial management strategy and the use of hedging instruments reduced the negative impact of rising interest rates.

Total revenue and net property income for the Period were HK\$223.6 million and HK\$180.7 million, representing increases of 13.2% and 11.8%, respectively. Total appraised value of the portfolio was maintained at HK\$7,377.6 million, a similar level as six months ago reflecting the resilience nature of the Group’s high quality assets.

Total distributable income for the Period amounted to HK\$117.1 million. The Board declared a distribution of HK14.64 cents per unit, which represents 7.1% increase year-on-year. Such distribution implies a pay-out ratio of 100% and represents an annualised distribution yield of 10.6% based on the closing unit price of HK\$2.78 on the last trading date of the Period.

<sup>1</sup> Based on the closing unit price of HK\$2.78 on the last trading date of the Period.

**Mr. Hubert Chak, Executive Director and Chief Executive Officer of SF REIT Asset Management Limited**, the manager of SF REIT (the “REIT Manager”) said, “*SF REIT has been growing since its listing in May 2021 by implementing clear strategies through acquisitions and organic growth. Despite the many challenges we faced in the Period, SF REIT continued to deliver solid performance due to proactive leasing strategies and prudent financial management.*”

*The post-pandemic shift in demand for efficient and reliable logistics services has played a vital role in driving the continued growth of the logistics industry. SF REIT possesses a portfolio of quality and strategically located assets and a strong partnership with our anchor tenant, the SFH Group. With these advantages, the REIT Manager will continue to manage SF REIT in a disciplined manner and will seize acquisition opportunities (when appropriate) to deliver sustainable returns to Unitholders.”*

Looking ahead, the logistics sector in China will remain dynamic. While the supply of new logistics assets is expected to peak in 2023, creating potential downward pressure on rentals, certain sub-markets, particularly those in the Southern China, including the GBA, are poised to exhibit resilience. These sub-markets possess well-developed infrastructure and are expected to sustain growth due to factors such as increasing demand from e-commerce, emerging drivers from high-end manufacturers, new energy industries, and cross border retailers.

With a steadfast commitment to delivering sustainable returns and a strategic focus on prudent acquisitions, SF REIT remains optimistic about the future and is well-positioned to capitalize on the promising opportunities within the logistics industry.

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#### **About SF Real Estate Investment Trust**

SF REIT is the first logistics-focused REIT listed on the Main Board of The Stock Exchange of Hong Kong Limited. SF REIT targets to invest in income-generating real estate globally, with an initial focus on logistics properties. Through its current portfolio of four properties, SF REIT can offer its unitholders a direct exposure to modern logistics properties in Hong Kong and Mainland China.

SF REIT has full support of S.F. Holding Co., Ltd. (“SFH”), its controlling unitholder, in the development of its business. SFH is a company established in The People’s Republic of China (“PRC”) with its shares listed on the Shenzhen Stock Exchange. SFH is a leading integrated logistics services provider in PRC with comprehensive business segments covering express delivery, freight, cold chain, international and intra-city services, cross-border logistics and supply chain management.

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