

To: Business Editor
For Immediate Release



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

SF REIT Acquires Modern Logistics Property in Changsha

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Expands Footprint to Central China to Tap into Strong Demand for Logistics and Warehousing Properties

Transaction Highlights

- SF REIT acquires a modern logistics asset with GLA of 120,055 sq.m in Changsha at a consideration based on the agreed property value of RMB540.0 million from SFH, marking the first acquisition after its listing in May 2021
- The Acquisition would enlarge the total value of SF REIT's property portfolio by approximately 10.3%
- The pro forma DPU would have increased by 8.5% if the Acquisition was completed on 29 April 2021¹ (date of establishment of SF REIT)
- The agreed property value represents a 1.9% discount to the appraised value of the Property and provides an annualized net property yield of 6.6%¹
- The Acquisition is a major and connected party transaction and is subject to independent Unitholders' approval

(Hong Kong, 6 June 2022) **SF Real Estate Investment Trust** ("SF REIT", SEHK: 2191), the first and only logistics-focused REIT listed in Hong Kong, announced the acquisition of a modern logistics property in Changsha (the "Property") at a consideration based on the agreed property value of RMB540.0 million (the "Acquisition") in a bid to enlarge its asset portfolio and expand its geographical footprint. This is the first logistics property it acquires from S.F. Holding Co., Ltd. (順豐控股股份有限公司) ("SFH") following its listing in May 2021. The Acquisition, which is to be financed by internal resources and debt facilities, is SF REIT's first investment in Central China which complements its current asset portfolio covering Hong Kong, Foshan and Wuhu.

The addition of the Property will enlarge the total value and GLA of SF REIT's property portfolio by approximately 10.3% and 39.0% respectively. The agreed property value represents a 1.9% discount to the appraised value of the Property and provides an annualized net property yield of 6.6%¹. The Acquisition will be DPU accretive to unitholders (the "Unitholders") and will improve the earnings of SF REIT. Based on the pro forma financials, SF REIT's pro forma distribution per unit ("DPU") would have increased by 8.5% if the Acquisition was completed on 29 April 2021¹ (date of establishment of SF REIT).

¹ Based on the pro forma financials as set out in the announcement published on 6 June 2022.

Mr. Hubert Chak, Executive Director and Chief Executive Officer of SF REIT Asset Management Limited, the manager of SF REIT said, “We are pleased to enter into the acquisition agreement with SFH which has been highly supportive to SF REIT’s development. The Acquisition will diversify the locations and composition of SF REIT’s portfolio assets and revenue streams. Upon completion, SF REIT will be able to achieve better economies of scale resulting from enhanced operating synergies, both in terms of satisfying tenants’ requirements as well as sharing of asset management resources. Going forward, we will continue to pursue yield accretive acquisition opportunities of modern logistics properties that are strategically located at transportation hubs, provide good built-in infrastructures for the logistics sector and command high occupancy rates with SFH as an anchor tenant to secure stable returns. We will work closely with SFH to explore opportunities to further expand SF REIT’s asset portfolio at an accelerated pace.”

Profile of the Property

Location	Changsha, Hunan Province, PRC
Property Completion Date	Between 2019 and 2021
Gross Lettable Area (“GLA”)	Approx. 120,055 sq.m.
Specifications	(i) a ramp-up two-storey distribution centre; (ii) a three-storey warehouse with two underground levels; (iii) two single-storey warehouses; (iv) a nine-storey office building; and (v) three ancillary buildings
Agreed Property Value	RMB540.0 million, representing a 1.9% discount to the appraised value of RMB550.4 million
Occupancy ²	98.9%
Number of Tenants ²	21

High Quality Logistics Property Asset in Changsha

The Property is a high-quality modern logistics property strategically located in a logistics service base inside the Changsha Linkong Economic Development Zone that effectively serves Changsha and the central region of China, and provides customers with standardized logistics and warehousing facilities and integrated supply chain solutions. Changsha is a typical airport and high-speed rail linkage area within the Hunan Province. It is strategically located in close proximity to major infrastructure including the airport, Beijing – Hong Kong – Macau Expressways, the Changsha Ring Expressway, Changliu Expressway, and Changsha South Railway Station.

High Occupancy Rate Supported by Credible Anchor Tenants

The occupancy rate of the Property was 98.9% as of 31 March 2022. About 69% of the GLA of the Property was leased to members of the SFH group along with various renowned third-party tenants. The leases with the anchor tenants from the SFH group will last till the end of 2026 and hence provide a high degree of income stability to SF REIT.

Strong Demand for Modern Logistics Properties

Demand for industrial logistics in China remained strong and active. Continuous demand driven by expansion of e-commerce, retail and third-party logistics has been supplemented by growing demand from cold chain and medical supplies industries.

² Figures as at 31 March 2022

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The Acquisition, subject to independent Unitholders' approval at the extraordinary general meeting of Unitholders scheduled to be held on 22 June 2022, is expected to complete by the end of June 2022. More information about the Acquisition is available in the announcement of SF REIT dated 6 June 2022 which can be viewed from its website at www.sf-reit.com.

Modern logistics property in Changsha with ramp-up distribution centre



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About SF Real Estate Investment Trust

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 (the "Hong Kong Stock Exchange"). SF REIT targets to invest in income-generating real estate globally, with an initial focus on logistics properties. Currently, there are three logistics properties in the portfolio of SF REIT with one located in Tsing Yi, Hong Kong and another two located in Foshan and Wuhu, Mainland China, respectively. Through its current portfolio, SF REIT can offer its unitholders (the "Unitholders") and other investors a direct exposure to modern logistics properties in Hong Kong and Mainland China.

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SF REIT has full support of S.F. Holding Co., Ltd. (順豐控股股份有限公司), 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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