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**SF Real Estate Investment Trust**  
**順豐房地產投資信託基金**

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

**(Stock Code: 2191)**

**Managed by**  
**SF REIT Asset Management Limited**

**ANNOUNCEMENT OF INTERIM RESULTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

The board of directors (the “**Board**”) of SF REIT Asset Management Limited (the “**REIT Manager**”) is pleased to announce the unaudited interim results of SF Real Estate Investment Trust (“**SF REIT**”) and its subsidiaries (the “**Group**”) for the six months ended 30 June 2023 (the “**Reporting Period**”). The interim results and the condensed consolidated interim financial information of the Group for the Reporting Period have been approved for issue by the Board on 17 August 2023.

## PERFORMANCE HIGHLIGHTS

	<b>Six months ended 30 June 2023 <i>HK\$ million</i></b>	Six months ended 30 June 2022 <i>HK\$ million</i>	Changes
<b>Revenue</b>	<b>223.6</b>	197.5	+13.2%
<b>Net property income</b>	<b>180.7</b>	161.6	+11.8%
<b>Distributable income</b>	<b>117.1</b>	109.4	+7.1%
<b>Distribution per unit (<i>HK cents</i>)</b>	<b>14.64</b>	13.67	+7.1%
<b>Payout ratio</b>	<b>100%</b>	100%	–
	<b>As at 30 June 2023</b>	As at 31 December 2022	Changes
<b>Occupancy rate</b>	<b>98.2%</b>	98.2%	–
<b>Portfolio value (<i>HK\$ million</i>)</b>	<b>7,377.6</b>	7,377.6	–
<b>Net asset value per unit (<i>HK\$</i>)</b>	<b>5.34</b>	5.32	+0.4%
<b>Gearing ratio</b>	<b>33.6%</b>	33.9%	-0.3

## MARKET OVERVIEW

During the Reporting Period, the global economic conditions remained complex with high inflation and rising interest rates hindering business developments and growth. However, the reopening of Mainland China has driven economic activities, resulting in relatively sanguine first quarter macro-economic performance including pent-up demand from consumers for goods and services. Nevertheless, the growth momentum slowed in the second quarter, dragging the pace of recovery.

Amidst this moderate recovery, the logistics services demand in Mainland China remained resilient supported by the growth in domestic consumptions and e-commerce demand boosted by popular live streaming platforms. As the pandemic shifted consumption habits online, the online retail sales of physical goods and express delivery parcels continued to grow in the first half of 2023. These solid fundamentals support the business growth of the overall logistics industry and demand for logistics warehouse facilities.

In Hong Kong, the relaxation of traveling restrictions to Mainland China earlier this year improved overall business sentiments, and inbound tourism and domestic demand should continue to drive economic growth in 2023. However, exports of goods continue to be weak amid slower growth in developed markets partly offset by the recovery of the Mainland economy. Overall, the demand for logistics services and modern warehouse facilities remained resilient, supported by gradual resumption of cross-border logistics requirements. The overall supply in modern logistics properties remained tight due to limited new supply, and sustained demand from e-commerce, cold storage and third-party logistics services kept the overall vacancy at a low single digit.

From an investment angle, the unsteady economic recovery, uncertainties in monetary and fiscal policies affected investment decisions, resulting in less notable transactions across key asset classes in Mainland China and Hong Kong.

## OPERATIONS REVIEW

	GLA as at 30 June 2023 (sq.m.)	Occupancy as at 30 June 2023	Occupancy as at 31 December 2022	% of GLA occupied by the SFH Group as at 30 June 2023	Number of internal/ external tenants as at 30 June 2023 <sup>(1)</sup>
Tsing Yi Property	160,322	97.3%	97.3%	65.9%	2/6
Changsha Property	119,922	98.8%	99.1%	75.4%	3/11
Foshan Property	84,951	100.0%	100.0%	99.9%	1/1
Wuhu Property	62,698	96.7%	96.4%	90.0%	2/16
<b>Total</b>	<b>427,893</b>	<b>98.2%</b>	<b>98.2%</b>	<b>78.9%</b>	<b>8/34</b>

Note:

(1) Internal tenants referred to tenants from SFH Group.

SF REIT's portfolio comprises four modern logistics properties strategically located in Tsing Yi, Hong Kong (the "**Tsing Yi Property**") as well as Changsha, in Hunan Province (the "**Changsha Property**"), Foshan, in Guangdong Province (the "**Foshan Property**") and Wuhu, in Anhui Province (the "**Wuhu Property**"), Mainland China. These four properties are all within key logistics hubs which were developed to support the logistics operations of members of S.F. Holding Co., Ltd. (順豐控股股份有限公司) ("**SFH**", together with its subsidiaries, collectively the "**SFH Group**"). The Foshan Property is a "built-to-suit" property leased almost entirely to SFH Group whilst the other three properties are multi-tenanted with the majority being occupied by SFH Group.

The REIT Manager has taken a proactive approach to asset management in order to prioritise customer satisfaction and build strong long-term relationships with tenants. By maintaining continuous communication with tenants, the REIT Manager is able to understand their evolving business and provide flexible leasing packages to meet their needs. As a result of these efforts, the portfolio's overall occupancy level remained consistently high at 98.2% as at 30 June 2023 (31 December 2022: 98.2%).

The SFH Group tenants accounted for approximately 78.9% of the gross lettable area ("**GLA**") as at 30 June 2023 and contributed approximately 73.1% of the total revenue for the Reporting Period. The strong partnership with SFH Group, a leading logistics player in China with growing international presence, positions SF REIT to benefit from the growth in the new economy, which is characterised by e-commerce and highly efficient supply chain networks supported by high quality logistics facilities. Furthermore, the majority of the subsisting leases with SFH Group tenants for the properties are not set to expire until 2026, providing a solid base and a high degree of income stability.

As at 17 August 2023, the REIT Manager successfully renewed or re-let all of the warehouse leases expiring in 2023. By continuing to strengthen relationships with existing tenants and attract new tenants through flexible leasing packages, the REIT Manager aims to maintain a healthy portfolio occupancy.

## **Hong Kong**

In the first half of 2023, Tsing Yi Property exhibited strong performance due to the REIT Manager's proactive leasing strategies, successfully renewing or re-letting all leases expiring in 2023 at an average positive rental reversion of 12.4%. This led to the occupancy of the property remaining at 97.3% as at 30 June 2023 (31 December 2022: 97.3%), with almost all the warehouses fully leased but some ancillary offices still vacant.

The SFH Group also plans to expand into new warehouse spaces in the second half of 2023, further enhancing the income stability of Tsing Yi Property and SF REIT.

## Mainland China

The three properties of SF REIT in Mainland China also demonstrated stable operating performance in the first half of 2023. The Changsha Property, Foshan Property and Wuhu Property registered occupancy rates of 98.8%, 100.0% and 96.7%, respectively, as at 30 June 2023 (31 December 2022: 99.1%, 100.0% and 96.4%, respectively).

As at 17 August 2023, all of the warehouse leases of Changsha Property expiring in 2023 have been renewed or re-let. The Foshan Property remained almost entirely occupied by SFH Group. For Wuhu Property, over half of the ancillary offices and dormitories expiring in 2023 have been renewed or re-let while the warehouses remained fully occupied by SFH Group.

## FINANCIAL REVIEW

### Financial Performance

#### *Operating Results*

	Revenue			Net property income <sup>(1)</sup>		
	2023	2022	Changes	2023	2022	Changes
Hong Kong	<i>HK\$'000</i>	<i>HK\$'000</i>	%	<i>HK\$'000</i>	<i>HK\$'000</i>	%
Tsing Yi Property	<u>161,318</u>	<u>156,870</u>	<u>+2.8</u>	<u>133,388</u>	<u>130,453</u>	<u>+2.2</u>
Mainland China	<i>RMB'000</i>	<i>RMB'000</i>	%	<i>RMB'000</i>	<i>RMB'000</i>	%
Changsha Property <sup>(2)</sup>	<u>22,594</u>	<u>943</u>	<u>N/A</u>	<u>17,531</u>	<u>754</u>	<u>N/A</u>
Foshan Property	<u>23,337</u>	<u>23,312</u>	<u>+0.1</u>	<u>18,809</u>	<u>18,957</u>	<u>-0.8</u>
Wuhu Property	<u>9,418</u>	<u>9,455</u>	<u>-0.4</u>	<u>6,607</u>	<u>6,780</u>	<u>-2.6</u>
<b>Total</b>	<b><u>55,349</u></b>	<b><u>33,710</u></b>	<b><u>+64.2</u></b>	<b><u>42,947</u></b>	<b><u>26,491</u></b>	<b><u>+62.1</u></b>

Notes:

- (1) Excluded depreciation for analysis purpose considering its non-cash nature.
- (2) The figures of Changsha Property for the six months ended 30 June 2022 covered the period from 24 June 2022 (date of Changsha Property acquisition) to 30 June 2022.

SF REIT recorded a revenue of HK\$223.6 million in the Reporting Period, reflecting a year-on-year increase of 13.2%. This was mainly attributable to the contribution of Changsha Property which was acquired in June 2022. After deducting property operating expenses of HK\$42.9 million, the net property income has increased by 11.8% to HK\$180.7 million.

Property operating expenses included building management fees charged by independent third parties of HK\$13.3 million (30 June 2022: HK\$11.0 million) and operations managers which are subsidiaries of SFH Group of HK\$1.3 million (30 June 2022: HK\$0.8 million) as well as fees for provision of services to generate supplemental services income of HK\$6.8 million (30 June 2022: HK\$7.5 million). The remaining property operating expenses mainly consisted of other taxes, government rent and rates, repairs and maintenance and utilities fees.

Finance costs for the Reporting Period were HK\$53.5 million (30 June 2022: HK\$24.4 million), comprising interest expenses on bank borrowings of HK\$53.1 million (30 June 2022: HK\$24.0 million) and amortisation of cost of debt.

Including the fair value gain on investment properties of HK\$71.1 million (30 June 2022: HK\$210.4 million), SF REIT reported a lower profit after taxation of HK\$148.2 million in the first half of 2023 compared to HK\$274.8 million in the same period last year. The increase in contribution from the acquisition of Changsha Property was offset by the drop in fair value gain on investment properties and the increase in finance costs resulting from higher interest rates on HK\$ loans and additional borrowings incurred for the acquisition of Changsha Property.

### ***Distribution***

The unaudited total distributable income for the Reporting Period was HK\$117.1 million (30 June 2022: HK\$109.4 million) representing the profit before transactions with unitholders of SF REIT (“**Unitholders**”) after the adjustments as set out in the trust deed constituting SF REIT (the “**Trust Deed**”), which mainly include deduction of fair value changes on investment properties of HK\$71.1 million, add-backs of deferred tax charges of HK\$31.2 million and the REIT Manager’s fee payable in units in lieu of cash of HK\$13.0 million as mentioned in the Consolidated Distribution Statement in this announcement.

The Board has resolved to declare a distribution per unit of HK14.64 cents for the Reporting Period (30 June 2022: HK13.67 cents), representing a year-on-year growth of 7.1% and a 100% pay-out ratio.

Such distribution represents a distribution yield of 10.6% on an annualised basis based on the closing unit price of HK\$2.78 on the last trading day of the Reporting Period. Such distribution will be paid on Monday, 25 September 2023 to Unitholders whose names appear on the register of Unitholders of SF REIT on Friday, 1 September 2023.

### ***Financial Position***

As at 30 June 2023, total assets were HK\$7,761.2 million (31 December 2022: HK\$7,817.5 million) comprising mainly investment properties of HK\$7,377.6 million (31 December 2022: HK\$7,377.6 million). Total liabilities amounted to HK\$3,493.0 million (31 December 2022: HK\$3,557.5 million) including bank borrowings of HK\$2,611.6 million (31 December 2022: HK\$2,650.1 million) of which HK\$2,156.8 million (31 December 2022: HK\$2,156.4 million) was in HK\$ loans and HK\$454.8 million (31 December 2022: HK\$493.7 million) was in RMB loans. Net asset value per unit was HK\$5.34 (31 December 2022: HK\$5.32).

After accounting for the interest rate swap contracts (“**IRS**”) entered into at the beginning of 2022, the weighted average effective interest rate for the Reporting Period for total borrowings, HK\$ borrowings and RMB borrowings were contained at 4.03%, 3.86% and 4.77% per annum, respectively (31 December 2022: 2.94%, 2.52% and 5.36% per annum, respectively). The gearing ratio (defined as total borrowings as a percentage of gross assets) of SF REIT was 33.6% (31 December 2022: 33.9%), while the gross liabilities as a percentage of gross assets was 45.0% (31 December 2022: 45.5%).

### ***Portfolio Valuation***

Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the principal valuer of SF REIT, valued the properties using the income capitalisation approach with reference to market comparables.

The following table summarises the valuation of SF REIT’s properties as at 30 June 2023 and 31 December 2022.

	Appraised value as at 30 June 2023		Appraised value as at 31 December 2022		HoH changes (in HK\$)	HoH changes (in local currency)	Capitalisation rate as at 30 June 2023	Capitalisation rate as at 31 December 2022
Hong Kong	<i>HK\$ million</i>		<i>HK\$ million</i>		%	%	%	%
Tsing Yi Property	<u>5,990.0</u>		<u>5,944.0</u>		<u>0.8</u>	<u>0.8</u>	<u>4.25</u>	4.25
Mainland China	<i>HK\$ million</i>	<i>RMB million</i>	<i>HK\$ million</i>	<i>RMB million</i>	%	%	%	%
Changsha Property	<u>604.7</u>	<u>559.5</u>	<u>624.8</u>	<u>559.4</u>	<u>(3.2)</u>	<u>0.02</u>	<u>5.25</u>	5.25
Foshan Property	<u>538.7</u>	<u>498.4</u>	<u>556.4</u>	<u>498.1</u>	<u>(3.2)</u>	<u>0.06</u>	<u>5.25</u>	5.25
Wuhu Property	<u>244.2</u>	<u>226.0</u>	<u>252.4</u>	<u>226.0</u>	<u>(3.2)</u>	<u>-</u>	<u>5.50</u>	5.50
Sub-Total	<u>1,387.6</u>	<u>1,283.9</u>	<u>1,433.6</u>	<u>1,283.5</u>	<u>(3.2)</u>	<u>0.03</u>		
Total	<u><u>7,377.6</u></u>		<u><u>7,377.6</u></u>		<u><u>-</u></u>			

The Tsing Yi Property and properties in Mainland China were valued at HK\$5,990.0 million and HK\$1,387.6 million as at 30 June 2023, respectively (31 December 2022: HK\$5,944.0 million and HK\$1,433.6 million, respectively). Overall, the appraised value of SF REIT’s portfolio was HK\$7,377.6 million as at 30 June 2023 and remained flat compared with 31 December 2022. The decrease in valuation of properties in Mainland China in HK\$ terms attributable to the exchange translation loss from RMB depreciation offset the moderate gain in valuation of Tsing Yi Property. In local currency terms, the valuation of properties in Mainland China remained flat supported by the stable capitalisation rates and moderate market rental growth.

## Capital Management

The banking facilities of SF REIT at the end of the Reporting Period include:

- (i) a five-year term loan facility for a principal amount up to HK\$2,159 million (the “**HK\$ Term Loan**”) at interest rate of HIBOR plus 1.10% per annum maturing in May 2026 and an one-year revolving loan facility for a principal amount up to HK\$250 million at interest rate of HIBOR plus 0.85% per annum (the “**HK\$ Revolving Loan**”, together with the HK\$ Term Loan, collectively the “**HK\$ Loans**”). The HK\$ Loans are secured by Tsing Yi Property and its rental collection account;

- (ii) two five-year term loan facilities for principal amounts up to RMB120 million and RMB100 million, for Foshan Property and Wuhu Property respectively, at a fixed interest rate maturing in April 2026 (collectively, “**Foshan and Wuhu RMB Loans**”). In the second half of 2022, the REIT Manager successfully negotiated to reduce the fixed interest rate from 5.50% per annum to 4.50% per annum. The Foshan and Wuhu RMB Loans are secured by Foshan Property and the rental collection accounts of both Foshan Property and Wuhu Property; and
- (iii) an eight-year term loan facility (“**Changsha RMB Loan**”) for a principal amount up to RMB275 million at an interest margin above the loan prime rate for more than five years as announced by the National Interbank Funding Center on the business day immediately preceding the drawdown date and updated annually. During the Reporting Period, the REIT Manager successfully negotiated to reduce the interest margin from 0.55% per annum to 0.20% per annum, reducing the total interest rate to 4.40% at the end of the Reporting Period. The Changsha RMB Loan is secured by Changsha Property and the rental collection account of Changsha Property.

As at 30 June 2023, the HK\$ Term Loan was fully drawn while the HK\$ Revolving Loan was not utilised during the Reporting Period.

In early 2022, SF REIT entered into IRS with maturity in February 2026 to hedge HK\$900 million of the HK\$ Term Loan to mitigate the impact of interest rate volatility. As at 30 June 2023, approximately 41.7% of the outstanding amount of HK\$ Term Loan was on fixed interest rate. Subsequent to the Reporting Period in July 2023, SF REIT entered into short-term IRS to hedge the remaining HK\$1,259 million of the HK\$ Term Loan with maturity in December 2023. This was done to protect against the downside when the market expected interest rate to remain high in the later part of 2023. The REIT Manager will closely monitor the interest rates movements and may adjust ratio of fixed and floating rate debt using financial instruments to hedge against the interest rate exposure, if and when appropriate.

For the Reporting Period, approximately 27.9% and 26.5% (30 June 2022: 20.6% and 19.4%) of the revenue and net property income respectively of SF REIT were denominated in RMB. These amounts had to be converted into Hong Kong dollars for the calculation of distributions to the Unitholders. Future fluctuations in the exchange rate of RMB against Hong Kong dollars may impact the distributions to Unitholders. The REIT Manager will closely monitor the foreign exchange market and will take appropriate protective actions to mitigate foreign exchange risks, when necessary.

At 30 June 2023, SF REIT had total cash and bank balances of HK\$221.0 million (30 June 2022: HK\$274.1 million) and available banking facilities of HK\$250 million (30 June 2022: HK\$250 million). Taking into consideration the recurrent income generated from its operations, the current cash position and sources of funding available, the REIT Manager is of the view that SF REIT has sufficient financial capability to satisfy its working capital and capital expenditure requirements.

## **OUTLOOK AND STRATEGY**

Looking ahead, the economic outlook remains uncertain with lackluster growth momentum in some advanced economies. Additionally, the battle to fight against inflation could keep interest rates at high levels, leading to slower business investment and expansion decisions.

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 in Hong Kong and Mainland China. This increased demand has led to a need for modern logistics assets in these regions. Despite a relatively large development completion near the airport in Hong Kong expected in 2023, the overall supply of modern logistics warehouses is still expected to be tight. As a result, tenants will continue to seek high-quality logistics space, which will support rental.

In Mainland China, the supply of new logistics assets is expected to peak in 2023. While this may create downward pressure on rentals in some sub-markets, the overall occupancy is projected to remain relatively stable due to the growth in consumption and logistics services. Certain sub-markets with well-developed infrastructure, particularly those in Southern China, including the Greater Bay Area, are expected to show resilience. Third-party logistics providers, the increasing demand from e-commerce, emerging drivers from high-end manufacturers, new energy industries, and cross border retailers are expected to sustain these sub-markets in the long term.

SF REIT possesses a portfolio of quality and strategically located assets and a strong partnership with our anchor tenant, SFH Group. With these advantages, the REIT Manager maintains a cautiously optimistic approach in managing economic headwinds. The REIT Manager will proactively manage SF REIT in a disciplined manner and is well-positioned to seize acquisition opportunities when they arise in order to deliver sustainable returns to Unitholders.

## CONDENSED CONSOLIDATED INCOME STATEMENT

*For the six months ended 30 June 2023*

	Notes	Six months ended 30 June	
		2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
<b>Revenue</b>	4	<b>223,620</b>	197,479
Property operating expenses	6	<u>(42,930)</u>	<u>(35,864)</u>
<b>Net property income</b>		<b>180,690</b>	161,615
General and administrative expenses	7	(17,612)	(16,673)
Fair value changes on investment properties		<b>71,102</b>	210,377
Other (losses)/gains – net	8	<u>(443)</u>	<u>192</u>
<b>Operating profit</b>		<b>233,737</b>	355,511
Finance income		<b>4,881</b>	216
Finance costs		<u>(53,462)</u>	<u>(24,353)</u>
<b>Profit before taxation and transactions with Unitholders</b>		<b>185,156</b>	331,374
Income tax expense	9	<u>(36,947)</u>	<u>(56,530)</u>
<b>Profit for the period, before transactions with Unitholders</b>		<b>148,209</b>	274,844
Distribution paid to Unitholders			
– 2021 final distribution, paid on 6 May 2022		–	(137,915)
– 2022 final distribution, paid on 28 April 2023		<u>(112,544)</u>	<u>–</u>
<b>Profit for the period, after transactions with Unitholders</b>		<b><u>35,665</u></b>	<b><u>136,929</u></b>
Basic earnings per unit	10	<b>HK18.53 cents</b>	HK34.36 cents
Diluted earnings per unit	10	<b><u>HK18.42 cents</u></b>	<b><u>HK34.36 cents</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 June 2023*

	Before transactions with Unitholders <i>HK\$'000</i> (Unaudited)	Transactions with Unitholders (Note) <i>HK\$'000</i> (Unaudited)	After transactions with Unitholders <i>HK\$'000</i> (Unaudited)
<b>Six months ended 30 June 2023</b>			
<b>Profit for the period</b>	<b>148,209</b>	<b>(120,730)</b>	<b>27,479</b>
Other comprehensive income			
<i>Items that may be reclassified subsequently to condensed consolidated income statement:</i>			
Changes in fair value of derivatives that are designated as cash flow hedges, net of tax	2,427	–	2,427
Exchange losses on translation of financial statements	<u>(29,906)</u>	<u>–</u>	<u>(29,906)</u>
<b>Total comprehensive income for the period</b>	<b><u>120,730</u></b>	<b><u>(120,730)</u></b>	<b><u>–</u></b>
<b>Six months ended 30 June 2022</b>			
Profit for the period	274,844	(276,206)	(1,362)
Other comprehensive income			
<i>Items that may be reclassified subsequently to condensed consolidated income statement:</i>			
Changes in fair value of derivatives that are designated as cash flow hedges, net of tax	27,192	–	27,192
Exchange losses on translation of financial statements	<u>(25,830)</u>	<u>–</u>	<u>(25,830)</u>
<b>Total comprehensive income for the period</b>	<b><u>276,206</u></b>	<b><u>(276,206)</u></b>	<b><u>–</u></b>

Note:

In accordance with the Trust Deed, SF REIT is required to distribute to Unitholders not less than 90% of total distributable income for each financial year. SF REIT also has a limited life and shall continue until 80 years less one day from 29 April 2021 (Date of Establishment). Accordingly, the units contain contractual obligations of the trust to pay cash distributions and, upon termination of the trust, to share all net cash proceeds derived from the sales on realisation of the assets of the trust less any liabilities, in accordance with their proportionate interests in the trust at the date of the termination. The Unitholders' funds are therefore classified as a financial liability rather than equity in accordance with IAS 32 "Financial Instruments: Presentation". Consistent with Unitholders' funds being classified as a financial liability, the distribution to Unitholders and change in net assets attributable to Unitholders, excluding issuance of new units, are part of finance costs. Accordingly, the total comprehensive income attributable to Unitholders, after the transactions with Unitholders, is zero.

## CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2023

		<b>30 June 2023</b>	31 December 2022
	Notes	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
		<b>(Unaudited)</b>	(Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	11	<b>7,377,639</b>	7,377,618
Property, plant and equipment		<b>13,706</b>	14,141
Land use rights		<b>574</b>	601
Intangible assets		<b>179</b>	221
Derivative financial instruments		<b>54,121</b>	51,214
		<b><u>7,446,219</u></b>	<u>7,443,795</u>
<b>Current assets</b>			
Trade receivables	12	<b>2,102</b>	1,689
Amounts due from related companies		<b>10,369</b>	6,327
Prepayments and other receivables		<b>24,889</b>	25,629
Restricted cash		<b>56,524</b>	65,912
Cash and cash equivalents		<b>221,047</b>	274,136
		<b><u>314,931</u></b>	<u>373,693</u>
<b>Total assets</b>		<b><u><u>7,761,150</u></u></b>	<u><u>7,817,488</u></u>

		<b>30 June 2023</b>	31 December 2022
	Notes	<b><i>HK\$'000</i></b> <b>(Unaudited)</b>	<i>HK\$'000</i> (Audited)
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Borrowings	13	<b>46,673</b>	48,210
Trade payables	14	<b>1,450</b>	1,153
Amounts due to connected persons and related companies		<b>78,099</b>	77,378
Other payables		<b>73,473</b>	126,238
Current tax liabilities		<b>2,857</b>	5,072
		<u><b>202,552</b></u>	<u>258,051</u>
<b>Non-current liabilities, excluding net assets attributable to Unitholders</b>			
Long term borrowings	13	<b>2,564,882</b>	2,601,904
Deferred tax liabilities		<b>687,985</b>	658,279
Deferred government grants		<b>37,552</b>	39,261
		<u><b>3,290,419</b></u>	<u>3,299,444</u>
<b>Net current assets</b>		<u><b>112,379</b></u>	<u>115,642</u>
<b>Total assets less current liabilities</b>		<u><b>7,558,598</b></u>	<u>7,559,437</u>
<b>Total liabilities, excluding net assets attributable to Unitholders</b>		<u><b>3,492,971</b></u>	<u>3,557,495</u>
<b>Net assets attributable to Unitholders</b>		<u><b>4,268,179</b></u>	<u>4,259,993</u>
<b>Units in issue (Thousand)</b>		<u><b>800,000</b></u>	<u>800,000</u>
<b>Net assets per unit attributable to Unitholders</b>		<u><b>HK\$5.34</b></u>	<u>HK\$5.32</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS  
ATTRIBUTABLE TO UNITHOLDERS**

*For the six months ended 30 June 2023*

	Net assets attributable to Unitholders <i>HK\$'000</i> (Unaudited)
<b>As at 1 January 2023</b>	<b>4,259,993</b>
Profit for the period, before transactions with Unitholders	<b>148,209</b>
Distribution paid to the Unitholders	<b>(112,544)</b>
Exchange losses on translation of financial statements	<b>(29,906)</b>
Cash flow hedging reserve	<b>2,427</b>
	<hr/>
<b>As at 30 June 2023</b>	<b>4,268,179</b>
	<hr/> <hr/>
As at 1 January 2022	4,091,674
Profit for the period, before transactions with Unitholders	274,844
Distribution paid to the Unitholders	(137,915)
Exchange losses on translation of financial statements	(25,830)
Cash flow hedging reserve	27,192
	<hr/>
As at 30 June 2022	4,229,965
	<hr/> <hr/>

## CONSOLIDATED DISTRIBUTION STATEMENT

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Profit for the period, before transactions with Unitholders</b>	<b>148,209</b>	274,844
Adjustments:		
– Fair value changes on investment properties	(71,102)	(210,377)
– REIT Manager's fee payment in the form of units	13,010	–
– Differences between finance cost and interest paid in accordance with contractual obligations	(279)	129
– Deferred tax charges	31,247	52,621
– Depreciation and amortisation	1,060	769
– Appropriation to PRC statutory reserve	(1,103)	(1,371)
– Amortisation of cost of debt	387	357
– Amortisation of government grants	(456)	(340)
– Non-cash foreign exchange losses	836	1,770
– Differences between accrued rental income and contractual rental income	(4,722)	(9,014)
<b>Total distributable income</b>	<b>117,087</b>	<b>109,388</b>
<b>Percentage of distribution over total distributable income (Note (i))</b>	<b>100%</b>	100%
<b>Interim distribution to be paid to Unitholders (Note (ii))</b>	<b>117,087</b>	109,388
<b>Units in issue (Thousand)</b>	<b>800,000</b>	800,000
<b>Distribution per unit (Note (ii))</b>	<b>HK14.64 cents</b>	HK13.67 cents

Notes:

- (i) Pursuant to the Trust Deed, the distributable income is profit for the period, before transactions with Unitholders as adjusted to eliminate the effects of Adjustments (as set out in the Trust Deed) which have been recorded in the consolidated income statement for the relevant year. The REIT Manager's policy is to distribute to Unitholders an amount of no less than 90% of SF REIT's annual distributable income for each financial year save for the first distribution. The REIT Manager decided to distribute 100% of the Annual Distributable Income (as defined in the Trust Deed) for the six months ended 30 June 2023.
  
- (ii) The interim distribution per unit of HK14.64 cents for the six months ended 30 June 2023 is calculated based on the interim distribution of HK\$117,087,000 for the period and 800,000,000 units in issue as at the date of the approval of the condensed consolidated interim financial information, without taking into account any subsequent change in the number of units in issue. The interim distribution will be paid to Unitholders on 25 September 2023. The interim distribution per unit of HK13.67 cents for the six months ended 30 June 2022 was calculated based on the interim distribution of HK\$109,388,000 for the period and 800,000,000 units in issue as at 30 June 2022.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1. General information

SF Real Estate Investment Trust (“**SF REIT**”) is a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and its units were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 17 May 2021. SF REIT is governed by a trust deed dated 29 April 2021 entered into between SF REIT Asset Management Limited (the “**REIT Manager**”) and DB Trustees (Hong Kong) Limited (the “**Trustee**”), as amended by any supplemental deed (the “**Trust Deed**”).

The principal activity of SF REIT is investment holding whereas its subsidiaries (together with SF REIT referred to as the “**Group**”) are principally engaged in property investments in Hong Kong, and in Foshan, Wuhu and Changsha of The People’s Republic of China (the “**PRC**”).

The addresses of the registered offices of the REIT Manager and the Trustee, are Room 2002, 20th Floor, Lee Garden Six, 111 Leighton Road, Causeway Bay, Hong Kong, and Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong, respectively.

This condensed consolidated interim financial information is presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Group.

## 2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2023 has been prepared in accordance with International Accounting Standard (“**IAS**”) 34, ‘Interim Financial Reporting’ issued by the International Accounting Standards Board. In addition, the condensed consolidated interim financial information includes the relevant provisions of the Trust Deed, the Code on Real Estate Investment Trusts (the “**REIT Code**”) issued by the Securities and Futures Commission of Hong Kong and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”).

The condensed consolidated interim financial information has been prepared under the historical cost convention, except for investment properties and derivatives financial instruments, which are carried at fair value.

### 3. Accounting policies

The accounting policies adopted are consistent with those of the annual consolidated financial statements for the year ended 31 December 2022, as described in those annual consolidated financial statements, except for the adoption of amended IFRSs effective as at 1 January 2023, details of which are set out below:

#### **New standards and amendments to standards and Interpretations**

The following new and amended standards and interpretation are mandatory for the first time for the financial period beginning on or after 1 January 2023:

IFRS 17	Insurance contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies
Amendments to IAS 8	Definition of accounting estimates
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction

The adoption of these new and amended standards did not result in any significant impact on the results and financial position of the Group.

Certain new accounting standards, amendments to accounting standards and interpretations have been published but are not yet effective and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1	Non-current liabilities with covenants	1 January 2024
Amendments to IFRS 16	Lease liability in sale and leaseback	1 January 2024
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has assessed the impact of adopting these new standards and amendments to standards. According to the preliminary assessment, these standards and amendments to standards are not expected to have a significant impact on the results and financial position of the Group.

#### 4. Revenue

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Rental income	<b>185,672</b>	164,696
Management service income	<b>25,803</b>	19,794
Others (Note)	<b>12,145</b>	12,989
	<b><u>223,620</u></b>	<u>197,479</u>

Note:

Others mainly represent revenue generated from supplementary services, which is recognised at a point in time.

#### 5. Segment information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, which has been identified as the REIT Manager, in order to allocate resources to segments and to assess their performance.

The Group holds one property company in Hong Kong and three property companies in Mainland China, which are principally engaged in property investment. Revenue recognised for the current period is mainly from rental income from tenants and related management service income. The REIT Manager evaluates the Group's performance from a geographic perspective and identifies two reportable segments of its business, Hong Kong and Mainland China.

The REIT Manager primarily uses a measure of segment revenue and net property income to assess the performance of the operating segments.

	<b>Hong Kong</b> <i>HK\$'000</i> (Unaudited)	<b>Mainland China</b> <i>HK\$'000</i> (Unaudited)	<b>Total</b> <i>HK\$'000</i> (Unaudited)
<b>Six months ended 30 June 2023</b>			
<b>Segments revenue</b>	<b>161,318</b>	<b>62,302</b>	<b>223,620</b>
<b>Net property income</b>	<b>132,825</b>	<b>47,865</b>	<b>180,690</b>
Fair value changes on investment properties	46,000	25,102	71,102
General and administrative expenses			(17,612)
Other losses – net			(443)
Finance income			4,881
Finance costs			(53,462)
Income tax expense			(36,947)
<b>Profit for the period, before transactions with Unitholders</b>			<b>148,209</b>
<b>Six months ended 30 June 2022</b>			
<b>Segments revenue</b>	<b>156,870</b>	<b>40,609</b>	<b>197,479</b>
<b>Net property income</b>	<b>130,192</b>	<b>31,423</b>	<b>161,615</b>
Fair value changes on investment properties	199,000	11,377	210,377
General and administrative expenses			(16,673)
Other gains – net			192
Finance income			216
Finance costs			(24,353)
Income tax expense			(56,530)
<b>Profit for the period, before transactions with Unitholders</b>			<b>274,844</b>

Depreciation and amortisation of Hong Kong segment and Mainland China segment for the six months ended 30 June 2023 was approximately HK\$582,000 and HK\$478,000, respectively (30 June 2022: HK\$280,000 and HK\$489,000, respectively).

Segment assets and segment liabilities (excluding net assets attributable to Unitholders) are measured in the same way as in the financial statements. Total segment assets and total segment liabilities (excluding net assets attributable to Unitholders) are allocated based on the physical location of the assets and liabilities:

	<b>30 June 2023 <i>HK\$'000</i> (Unaudited)</b>	31 December 2022 <i>HK\$'000</i> (Audited)
Segment assets		
Hong Kong	<b>6,010,744</b>	5,963,468
Mainland China	<b>1,497,057</b>	1,568,358
All other segments	<b>253,349</b>	285,662
	<b><u>7,761,150</u></b>	<u>7,817,488</u>
Segment liabilities, excluding net assets attributable to Unitholders		
Hong Kong	<b>712,511</b>	693,886
Mainland China	<b>601,772</b>	687,470
All other segments	<b>2,178,688</b>	2,176,139
	<b><u>3,492,971</u></b>	<u>3,557,495</u>

## 6. Property operating expenses

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Property management expenses (Note (i))	<b>21,345</b>	19,364
– Building management fees	<b>14,594</b>	11,838
– Supplemental services related expenses	<b>6,751</b>	7,526
Rates and government rent	<b>4,462</b>	4,220
Repairs and maintenance	<b>4,168</b>	3,038
Electricity and water fee	<b>3,300</b>	2,704
Other taxes (Note (ii))	<b>8,114</b>	5,346
Others	<b>1,541</b>	1,192
	<b>42,930</b>	35,864

Notes:

- (i) Building management fees included operation managers' fees to operation managers which are subsidiaries of S.F. Holding Co., Ltd. of approximately HK\$1,326,000 for the six months ended 30 June 2023 (30 June 2022: HK\$819,000).
- (ii) Other taxes mainly include property tax, land use tax, and stamp duty of Mainland China.

## 7. General and administrative expenses

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Auditor's remuneration		
– Audit and audit-related assurance services	<b>1,405</b>	1,532
– Other services	<b>111</b>	120
REIT Manager's fee	<b>13,010</b>	12,898
Trustee's fee	<b>776</b>	783
Principal valuer's fee	<b>109</b>	109
Legal and professional fees	<b>1,970</b>	882
Bank charges	<b>32</b>	38
Others	<b>199</b>	311
	<b>17,612</b>	16,673

## 8. Other losses/(gains) – net

	Six months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Exchange losses	936	2,733
Amortisation of government grants	(456)	(340)
Settlement of the currency forward contract	–	(1,968)
Others	(37)	(617)
	<u>443</u>	<u>(192)</u>

## 9. Income tax expense

Income tax expense is recognised based on management’s best estimate of the income tax rate that would be applicable to the full financial year.

During the six months ended 30 June 2023, Hong Kong profits tax was subject to the rate of 16.5% (30 June 2022: 16.5%) on the estimated assessable profit. The SF REIT’s subsidiaries in Mainland China had provided for corporate income tax (“CIT”) at a standard rate of 25% (30 June 2022: 25%) on the estimated assessable profit for the period. Withholding tax was provided for undistributed profits of subsidiaries in Mainland China at a rate of 10% (30 June 2022: 10%).

	Six months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current income tax		
– Mainland China CIT	5,559	3,875
– Withholding taxes	141	34
Deferred income tax	31,247	52,621
	<u>36,947</u>	<u>56,530</u>

## 10. Earnings per unit

### (i) Basic

The calculation of the basic earnings per unit before transactions with Unitholders is based on the profit for the period before transactions with Unitholders, with the weighted average number of units in issue for the period.

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>(Unaudited)</b>	(Unaudited)
Profit for the period, before transactions with Unitholders (HK\$'000)	<b>148,209</b>	274,844
Weighted average number of units for the period (Thousand)	<b>800,000</b>	800,000
Basic earnings per unit (HK cents)	<b>18.53</b>	34.36

**(ii) Diluted**

Diluted earnings per unit based upon profit for the period before transactions with Unitholders is calculated by adjusting the weighted average number of units in issue and assuming all dilutive potential units are converted. SF REIT has manager's fee to be paid in the form of units during the period which are dilutive potential units. For illustration purpose, the number of units adjusted for manager's fee to be paid in the form of units was calculated based on the average closing price of the units of SF REIT on the Stock Exchange in the five trading days immediately preceding 30 June 2023.

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>(Unaudited)</b>	(Unaudited)
Profit for the period, before transactions with Unitholders (HK\$'000)	<b>148,209</b>	274,844
Weighted average number of units for the period (Thousand)	<b>800,000</b>	800,000
Adjustments for manager's fee to be paid in the form of units (Thousand)	<b>4,646</b>	–
Weighted average number of units for diluted earnings per unit (Thousand)	<b>804,646</b>	800,000
Diluted earnings per unit (HK cents)	<b>18.42</b>	34.36

## 11. Investment properties

	<i>HK\$'000</i> (Unaudited)
<b>As at 1 January 2023</b>	<b>7,377,618</b>
Cost adjustments (Note)	(24,652)
Fair value changes on investment properties	71,102
Currency translation differences	<u>(46,429)</u>
<b>As at 30 June 2023</b>	<b><u>7,377,639</u></b>
	<i>HK\$'000</i> (Audited)
As at 1 January 2022	6,541,755
Acquisition of subsidiaries	643,841
Cost adjustments	(1,766)
Fair value changes on investment properties	301,231
Currency translation differences	<u>(107,443)</u>
As at 31 December 2022	<b><u>7,377,618</u></b>

Note:

The amount included the construction cost adjustments of Changsha property arising from settlement during the six months ended 30 June 2023.

### (i) Valuation Process

The Group's investment properties are measured using the fair value model.

The investment properties were revalued on a market value basis as at 30 June 2023 and 31 December 2022 by Jones Lang LaSalle Corporate Appraisal and Advisory Limited (the "**Principal Valuer**"), an independent firm of professional qualified valuers and the Principal Valuer of SF REIT.

## **(ii) Valuation Techniques**

The investment properties were appraised by the Principal Valuer, using the income capitalisation approach as its primary approach with cross-reference to the direct comparison approach, where appropriate.

The income capitalisation approach is based on the net rental income of a property derived from its existing tenancies with due allowance for the reversionary income potential of the property upon expiry of the existing leases, which was then capitalised to determine the fair value at an appropriate capitalisation rate.

The investment properties are included in Level 3 of the fair value hierarchy.

## **(iii) Restriction on the investment properties**

SF REIT acquired the Changsha property on 24 June 2022. SF REIT is prohibited from disposing of its properties for at least two years from the time such properties are acquired, unless the Unitholders approved the proposed disposal by way of special resolution passed in accordance with the Trust Deed.

Approval from the Urban and Rural Planning Bureau in Wuhu is required for SF REIT to dispose the Wuhu property, although such approval is not required for the equity disposal of Wuhu Company (PRC) itself. This does not restrict the free negotiability of the equity interest of the Wuhu Company (PRC).

## **(iv) Security for the Group's Loan Facilities**

As at 30 June 2023, certain of the Group's investment properties in Mainland China and Hong Kong, amounting to approximately HK\$1,143,379,000 (as at 31 December 2022: HK\$1,181,185,000) and HK\$5,990,000,000 (as at 31 December 2022: HK\$5,944,000,000) respectively, were pledged to secure the Group's loan facilities of HK\$2,611,555,000 (as at 31 December 2022: HK\$2,650,114,000).

## 12. Trade receivables

	<b>30 June 2023 HK\$'000 (Unaudited)</b>	31 December 2022 HK\$'000 (Audited)
Trade receivables		
– Third parties	<b>2,102</b>	1,689
– Related companies (Note)	<b>10,369</b>	6,327
	<b>12,471</b>	8,016

Note:

Trade receivables from related companies are classified as amounts due from related companies in the condensed consolidated balance sheet.

Rental income from rental of investment properties including warehouses, distribution centres and office buildings are generally required to be settled by tenants within 30 days upon issuance of invoice.

As at 30 June 2023, a significant portion of the trade receivables and future trade receivables are pledged to secure the Group's bank borrowings.

(i) The ageing analysis of trade receivables, based on invoice date, were as follows:

	<b>30 June 2023 HK\$'000 (Unaudited)</b>	31 December 2022 HK\$'000 (Audited)
Within 30 days	<b>12,471</b>	8,016

The carrying amounts of trade receivables and amounts due from related companies approximate to their fair values.

### 13. Borrowings

	<b>30 June 2023</b>	31 December 2022
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
Principal amounts of bank borrowings, secured	<b>2,613,777</b>	2,652,721
Capitalisation of transaction costs	<b>(2,222)</b>	(2,607)
	<b>2,611,555</b>	2,650,114
Less: Borrowings with maturities less than one year which were presented under current liabilities	<b>(46,673)</b>	(48,210)
	<b><u>2,564,882</u></b>	<b><u>2,601,904</u></b>

As at 30 June 2023, the weighted average effective interest rate on bank borrowings by outstanding principal amounts was 4.65% per annum (as at 31 December 2022: 4.43% per annum).

As at 30 June 2023, the Group's investment properties of approximately HK\$7,133,378,000 (31 December 2022: HK\$7,125,185,000) (Note 11), a significant portion of trade receivables, the rental income generated from the leases of the investment properties during the terms of the borrowings, restricted bank balances of approximately HK\$56,524,000 (31 December 2022: HK\$65,912,000), equity interests in a certain subsidiary of the Group and certain assets of a subsidiary of the Group were pledged to secure the Group's bank borrowings.

The carrying amounts of borrowings approximate to their fair values as the fluctuations of interest rate has no material impact on the fair value measurement of borrowings.

#### 14. Trade payables

	<b>30 June 2023 <i>HK\$'000</i> (Unaudited)</b>	31 December 2022 <i>HK\$'000</i> (Audited)
Trade payables	<b><u>1,450</u></b>	<b><u>1,153</u></b>

The carrying amounts of trade payables approximate to their fair values. The ageing analysis of trade payables, based on invoice date, were as follows:

	<b>30 June 2023 <i>HK\$'000</i> (Unaudited)</b>	31 December 2022 <i>HK\$'000</i> (Audited)
Within 30 days	<b><u>1,450</u></b>	<b><u>1,153</u></b>

## **APPRECIATION**

The Board would like to thank all staff of the REIT Manager as well as investors, business partners and other stakeholders of SF REIT for their support and confidence.

## **REVIEW OF INTERIM RESULTS**

The interim results and the condensed consolidated interim financial information of the Group for the Reporting Period have been reviewed by the audit committee of the REIT Manager. The condensed consolidated interim financial information has also been reviewed by PricewaterhouseCoopers, the external auditor of SF REIT, in accordance with the Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

## **CORPORATE GOVERNANCE**

The REIT Manager is committed to upholding high corporate governance standards and has put in place a series of policies and procedures to promote SF REIT’s operation in a transparent manner and with built-in checks and balances. Throughout the Reporting Period, SF REIT and the REIT Manager complied with the Code on Real Estate Investment Trusts, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), applicable provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Trust Deed and in all material respects the REIT Manager’s compliance manual. SF REIT and the REIT Manager had also applied the principles and complied with, to the extent appropriate, the code provisions in the Corporate Governance Code contained in Appendix 14 of the Listing Rules throughout the Reporting Period.

## **ISSUE OF NEW UNITS**

There were no new units of SF REIT issued during the Reporting Period.

## **EMPLOYEES**

SF REIT is an externally managed real estate investment trust and therefore does not employ any staff directly.

## **BUY-BACK, SALE OR REDEMPTION OF LISTED UNITS OF SF REIT**

There was no buy-back, sale or redemption of any listed units by SF REIT or any of its subsidiaries during the Reporting Period.

## **PUBLIC FLOAT**

As far as the REIT Manager is aware and based on information publicly available, SF REIT has maintained a sufficient public float with not less than 25% of its outstanding units being held in public hands.

## **INTERIM DISTRIBUTION AND CLOSURE OF REGISTER OF UNITHOLDERS**

The interim distribution of HK14.64 cents per unit for the Reporting Period will be paid on Monday, 25 September 2023 to those Unitholders whose names appear on the register of Unitholders of SF REIT on Friday, 1 September 2023. For the purpose of ascertaining Unitholders' entitlement to this distribution, the register of Unitholders of SF REIT will be closed on Friday, 1 September 2023. In order for Unitholders to qualify for this distribution, all transfer documents accompanied by the relevant unit certificates must be lodged with SF REIT's unit registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 31 August 2023.

## **PUBLICATION OF INTERIM REPORT**

The interim report of SF REIT for the Reporting Period will be published on the websites of The Stock Exchange of Hong Kong Limited and SF REIT and be despatched to Unitholders on or around 8 September 2023.

By Order of the Board  
**SF REIT Asset Management Limited**  
(as manager of SF Real Estate Investment Trust)  
**WANG Wei**  
*Chairman of the Board*

Hong Kong, 17 August 2023

*As at the date of this announcement, the Board comprises Mr. WANG Wei as Chairman and Non-executive Director; Mr. Hubert CHAK as Executive Director and Chief Executive Officer; Mr. HO Chit, Ms. OOI Bee Ti and Ms. GAN Ling as Non-executive Directors; and Mr. TAN Huay Lim, Mr. HO Lap Kee, MH, JP, Mr. CHAN Ming Tak, Ricky, Mr. KWOK Tun Ho, Chester and Mr. Michael Tjahja SUSANTO as Independent Non-executive Directors.*