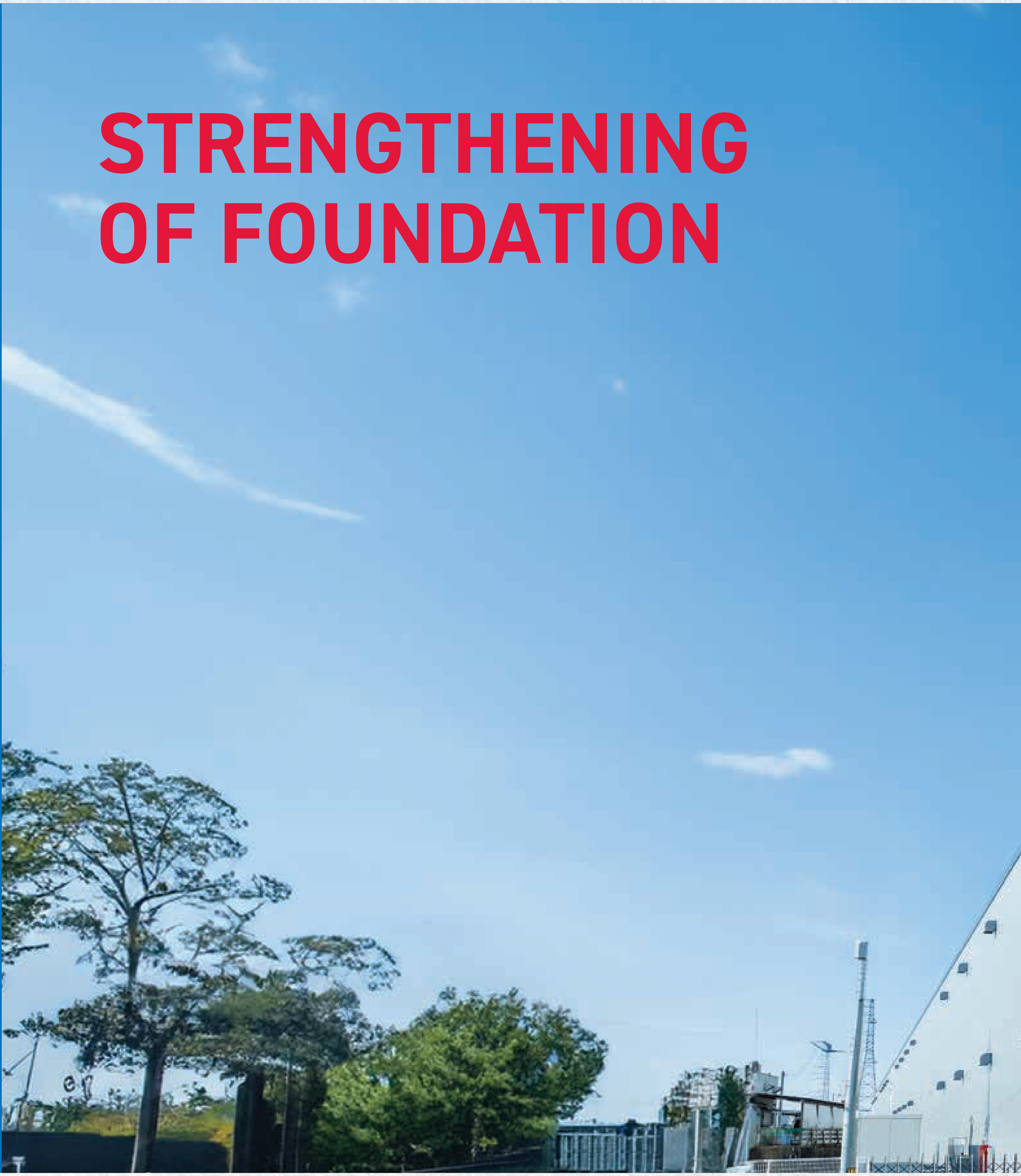
Daiwa House
Logistics Trust

BUILDING RESILIENCE
EXPANDING FOOTPRINTS

FY2024
ANNUAL REPORT

CONTENTS

STRENGTHENING OF FOUNDATION




Daiwa House
Group
DPL
岡山早島

CORPORATE PROFILE

Daiwa House Logistics Trust

AN ASIA-FOCUSED LOGISTICS TRUST

Daiwa House Logistics Trust is a Singapore real estate investment trust which is listed on the Mainboard of the SGX-ST.

Listed on the SGX-ST on 26 November 2021, DHLT is established with the investment strategy of principally investing in a portfolio of income-producing logistics and industrial real estate assets located across Asia. As at 31 December 2024, the DHLT Portfolio comprised 18 quality logistics facilities, with 17 properties well-diversified across Japan and one strategically located in Long An Province, near Ho Chi Minh City in Vietnam. The DHLT Portfolio has a portfolio valuation of S$835.9 million[(1)] as at 31 December 2024.

In March 2025, DHLT has completed the acquisition of DPL Gunma Fujioka, located in Greater Tokyo, Japan[(2)]. This brought the total number of properties to 19 in the DHLT Portfolio, maintaining DHLT's steady growth since it was listed in November 2021 with an initial portfolio of 14 properties.

DHLT is managed by Daiwa House Asset Management Asia Pte. Ltd., which is a wholly-owned subsidiary of the Sponsor, Daiwa House Industry Co., Ltd..

Website: www.daiwahouse-logisticstrust.com

Daiwa House®
Daiwa House Group

A LEADING REAL ESTATE PLAYER IN JAPAN

Seeking to provide solid and affordable housing solutions to the population in the aftermath of a strong typhoon, Daiwa House Industry Co., Ltd. was founded in 1955 by Mr Nobuo Ishibashi.

Since then, DHI has developed into one of the largest construction and real estate development companies in Japan. DHI is the principal company of the Daiwa House Group, which has a wide range of real estate related businesses across multiple asset classes. The Daiwa House Group is also a leading player in the logistics sector, providing comprehensive turnkey solutions to logistics space users, including property development and management.

The Sponsor is also experienced in asset and fund management. The Daiwa House Group manages real estate funds which include Daiwa House REIT Investment Corporation which is listed on the Tokyo Stock Exchange, as well as unlisted REITs and private funds.

DHI is listed on the Tokyo Stock Exchange and since its founding, the Daiwa House Group has expanded beyond the shores of Japan with business operations spanning more than 20 countries.

Website: www.daiwahouse.com/English/

1. Based on the independent valuation of the 18 properties as at 31 December 2024 and converted to S$ based on exchange rates of S$1.00 = JPY115.16 and S$1.00 = VND18,751.50.
2. Please refer to the announcement dated 24 March 2025 for further information on the acquisition of DPL Gunma Fujioka. For this Annual Report, information on DPL Gunma Fujioka is not included as part of the DHLT Portfolio, unless otherwise stated.

HIGHLIGHTS OF FY2024

PORTFOLIO[1]

PORTFOLIO VALUATION[2]:
S$ 835.9 MILLION

OCCUPANCY RATE:
97.6%

WEIGHTED AVERAGE LEASE EXPIRY (BY GRI)[3]:
6.6 YEARS

GREEN-RATED PROPERTIES[4]:
95.7%

FINANCIALS

DISTRIBUTION PER UNIT:
4.79 CENTS

AGGREGATE LEVERAGE[1]:
38.5%

BORROWINGS ON FIXED RATE[1]:
99.2%

UNENCUMBERED PROPERTIES[1]:
100%

1. Information as at 31 December 2024.
2. Based on the independent valuation of the 18 properties as at 31 December 2024 and converted to S$ based on exchange rates of S$1.00 = JPY115.16 and S$1.00 = VND18,751.50.
3. GRI is based on the monthly rent as at 31 December 2024.
4. Based on portfolio valuation as at 31 December 2024.

SIGNIFICANT EVENTS

2024

31 January 2024
Announced the acquisition of DPL Ibaraki Yuki, a freehold logistics property located in Greater Tokyo, Japan

28 February 2024
Announced full year financial results for FY2023

15 March 2024
Completed the acquisition of DPL Ibaraki Yuki

23 April 2024
DHLT's second Annual General Meeting held at The Japanese Association, Singapore, obtained more than 99% approval rate for each of the three resolutions tabled

2 May 2024
Appointment of Mr Toru Aoki as Compliance Officer

8 May 2024
Announced business update for 1Q FY2024

29 May 2024
Announced changes to the composition of the Board with the resignation of Mr Hirotsugu Otomo as Non-Independent Non-Executive Director, and the appointment of Mr Eiichi Shibata as Non-Independent Non-Executive Director

26 June 2024
Entered into DHLT's first unsecured term loan in relation to the acquisition of D Project Tan Duc 2 located in Long An Province, Vietnam

5 July 2024
Completed the acquisition of D Project Tan Duc 2, DHLT's first property outside of Japan

12 August 2024
Announced financial results for first half of FY2024

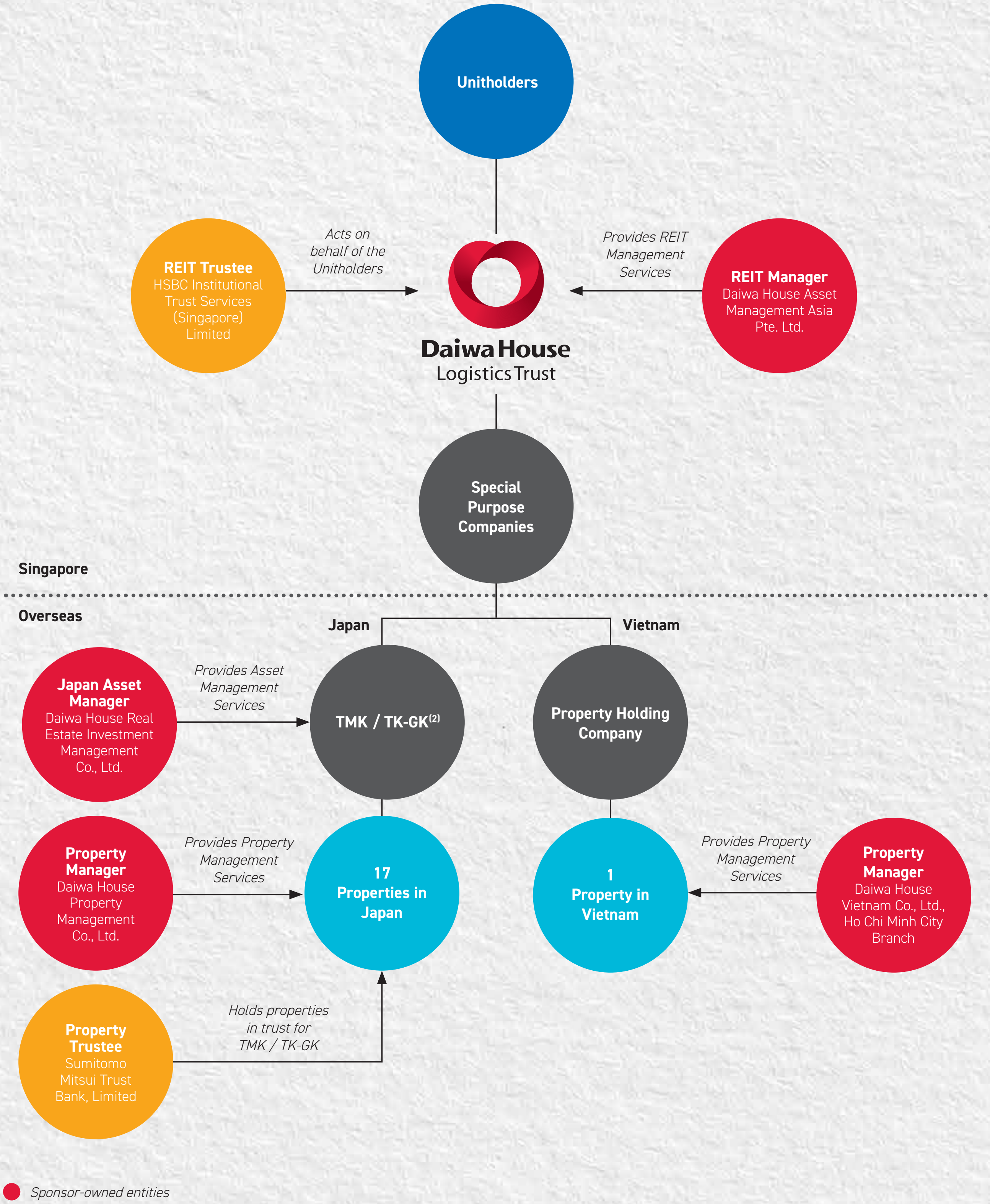
8 November 2024
Announced business update for 3Q FY2024

2025

28 February 2025
Announced full year financial results for FY2024

24 March 2025
Acquired DHLT's 19th property, DPL Gunma Fujioka, located in Greater Tokyo, Japan

TRUST STRUCTURE[1]



1. As at 31 December 2024.
2. DHLT holds the trust beneficial interests of the properties through the tokutei mokuteki kaisha ("TMK") structure and the tokumei kumiai-godo kaisha ("TK-GK") investment structure, which are two typical tax-efficient investment structures adopted by foreign investors for investing in Japanese properties.

BOARD OF DIRECTORS

TAN JEH WUAN
Chairman and Independent Non-Executive Director

Date of first appointment as Director:
- 2 November 2021

Length of service as a Director (as at 31 December 2024):
- 3 years 2 months

Board Committee served on:
- Audit and Risk Committee (Member)

Present directorships in other listed companies:
- Digital Core Reit Management Pte. Ltd. (Manager of Digital Core REIT)

Present principal commitments:
- Non-Executive Director, Tower Capital Asia Pte. Ltd.
- Non-Executive Director, Tower Capital Asia Holdings Pte. Ltd.
- Co-Deputy Chairman, SGX Listings Advisory Committee
- Non-Executive and Independent Director, Raffles Health Insurance Pte. Ltd.

Past directorship in other listed company held over the preceding three years:
- Nil

Qualifications:
- Bachelor of Science in Industrial Engineering and Operations Research from the University of California, Berkeley, United States of America

Background and experience:
- More than 30 years of experience in banking and finance-related industries
- Was with DBS Bank from 1989 to 2019, last held position was Managing Director & Head of Capital Markets Singapore
- Previously served as Chairman of the Association of Banks in Singapore Corporate Finance Standing Committee
- Previously served as a Member of the SGX Securities Advisory Committee
- Conferred as an Institute of Banking & Finance Fellow, Capital Markets in 2019

TAN JUAY HIANG
Independent Non-Executive Director

Date of first appointment as Director:
- 2 November 2021

Length of service as a Director (as at 31 December 2024):
- 3 years 2 months

Board Committee served on:
- Audit and Risk Committee (Chairman)

Present directorships in other listed companies:
- Nil

Present principal commitments:
- Non-Independent and Non-Executive Director, Toby's Trove Pte. Ltd.
- Independent Director, Homebuy Solutions Pte. Ltd.
- Independent Director, Homebuy Solutions Two Pte. Ltd.

Past directorship in other listed company held over the preceding three years:
- Katrina Group Ltd.

Qualifications:
- Bachelor of Engineering from National University of Singapore
- Master of Business Administration from Nanyang Technological University, Singapore

Background and experience:
- More than 17 years of experience in real estate investment trust management
- Previously served as Managing Director, REIT Investments of Ascott Ltd
- Previously served as Chief Executive Officer of the Manager and Trustee-Manager of Ascendas Hospitality Trust

BOARD OF DIRECTORS

TAKASHI SUZUKI
Independent Non-Executive Director

Date of first appointment as Director:
- 2 November 2021

Length of service as a Director (as at 31 December 2024):
- 3 years 2 months

Board Committee served on:
- Audit and Risk Committee (Member)

Present directorships in other listed companies:
- Nil

Present principal commitments:
- Partner at Kyo Sogo Law Offices, Tokyo, Japan
- Director, Yagi Corporation Co., Ltd.

Past directorship in other listed company held over the preceding three years:
- Takara Leben Infrastructure Fund, Inc.[1]

Qualifications:
- Bachelor of Arts in Law from Waseda University, Tokyo, Japan
- Master of Law from the University of Cambridge, England
- Qualified as an Attorney-at-Law in the Supreme Court of Japan
- Admitted to the Japan Bar Association, and the Daini Tokyo Bar Association
- Member of the International Bar Association

Background and experience:
- More than 30 years of experience in the legal and risk management field and has extensive experience and knowledge around financial and property-related transactions
- Partner at Kyo Sogo Law Offices since 2003

YOSHIYUKI TAKAGI
Non-Independent Non-Executive Director

Date of first appointment as Director:
- 2 November 2021

Length of service as a Director (as at 31 December 2024):
- 3 years 2 months

Board Committee served on:
- Audit and Risk Committee (Member)

Present directorships in other listed companies:
- Cosmos Initia Co., Ltd.

Present principal commitments:
- Chairman, Cosmos Initia Co., Ltd.
- President and Director, Cosmos Australia Holdings Pty. Ltd.
- Director, Good Place Co., Ltd.

Past directorship in other listed company held over the preceding three years:
- Nil

Qualifications:
- Bachelor of Arts in Law from Hiroshima University, Japan

Background and experience:
- More than 30 years of experience in real estate development
- Previously served as the President of Cosmos Initia Co., Ltd., a Japanese residential real estate developer
- Has been with Cosmos Initia Co., Ltd. since 1983, where he also led residential real estate development businesses in Australia for 19 years

1. Delisted from Tokyo Stock Exchange on 1 February 2023.

BOARD OF DIRECTORS

EIICHI SHIBATA
Non-Independent Non-Executive Director

Date of first appointment as Director:
- 1 June 2024[2]

Length of service as a Director (as at 31 December 2024):
- 7 months

Board Committee served on:
- Nil

Present directorships in other listed companies:
- Nil[3]

Present principal commitments:
- Managing Executive Officer, Business Development Department of Daiwa House Industry Co., Ltd.
- Director, StorBest Holdings Pte. Ltd.
- Chairman, Daiwa House USA Member, LLC

Past directorship in other listed company held over the preceding three years:
- Daiwa House Asset Management Asia Pte. Ltd. (Manager of Daiwa House Logistics Trust)[2]

Qualifications:
- Bachelor of Arts in Business and Commerce from Keio University, Japan

Background and experience:
- More than 40 years of experience in real estate and finance
- Joined Sponsor in 1983 and held various management positions
- Appointed to serve on various Boards in corporations in the construction and logistics industry since November 2017, in various capacities including as Non-Executive Director and Statutory Auditor

2. Mr Eiichi Shibata has previously served as a Non-Independent Non-Executive Director of the Manager from 12 April 2021 to 30 June 2023.
3. Mr Eiichi Shibata has been nominated to be appointed as a director on the Board of Daiwa House Industry Co., Ltd., pending approval by the company's shareholders at its annual general meeting to be held in June 2025.

JUN YAMAMURA
Non-Independent Executive Director and Chief Executive Officer

Date of first appointment as Director:
- 1 June 2023

Length of service as a Director (as at 31 December 2024):
- 1 year 7 months

Board Committee served on:
- Nil

Present directorships in other listed companies:
- Nil

Present principal commitments:
- Chief Executive Officer of the Manager

Past directorship in other listed company held over the preceding three years:
- Nil

Qualifications:
- Bachelor of Arts in Economics from The University of Tokyo, Japan
- Master of Business Administration in Finance and Real Estate from The University of North Carolina at Chapel Hill, USA
- Certified Member Analyst of the Securities Analysts Association of Japan (inactive)
- Certified Master of the Association for Real Estate Securitisation (inactive)
- Certified Building Manager of Japan Building Management Institute (inactive)
- Licensed real estate transaction agent in Japan (inactive)

Background and experience:
- Previously spent 22 years in Marubeni Corp., one of the largest general trading companies in Japan, involved in the field of real estate development and investment
- Previously served as Senior Chief in the Business Development Department in Daiwa House Industry Co., Ltd.


Daiwa House Group
DPL

MANAGEMENT TEAM

JUN YAMAMURA
Chief Executive Officer

Mr Yamamura joined Marubeni Corp. ("**Marubeni**"), one of the largest general trading companies in Japan, in 1999. During his 22 years of services in Marubeni, he expanded his career in the field of real estate development and investment. Mr Yamamura was involved in mergers of TSE-listed REITs, including the acquisition of Nippon Commercial Investment Corporation by United Urban Investment Corporation ("**United Urban**"), which is managed by Marubeni's subsidiary, in December 2010. Mr Yamamura also contributed to the initial public offering of United Urban in 2003 and secondary offering in 2004 as an acquisition manager and in corporate planning as a General Manager from 2017 to 2020.

From April 2021 until he joined the Manager in August 2021, Mr Yamamura was the Senior Chief in the Business Development Department in DHI. He was Head of Planning of the Manager before he was appointed as CEO in June 2023.

Mr Yamamura holds a Bachelor of Arts in Economics from The University of Tokyo, Japan, and a Master of Business Administration in Finance and Real Estate from The University of North Carolina at Chapel Hill, USA. He is a Certified Member Analyst of the Securities Analysts Association of Japan (inactive), a Certified Master of the Association for Real Estate Securitization (inactive), a Certified Building Manager of Japan Building Management Institute (inactive), and a licensed real estate transaction agent in Japan (inactive).

NATALIE WONG
Chief Financial Officer

Prior to joining the Manager in September 2022, Ms Wong was Senior Vice President, Capital Markets in City Development Limited where she oversaw the capital raising, structuring, financial management and compliance for both capital market transactions in both public and private space. Ms Wong was also previously the Chief Financial Officer for the manager of OUE Commercial REIT and Head of Treasury for the manager of Mapletree Logistics Trust respectively, where she was responsible for the finance and/or treasury functions including financial reporting, taxation, corporate finance and capital management.

Ms Wong has more than 25 years of experience in finance, accounting and treasury functions, with extensive experience within the real estate industry.

Ms Wong holds a Bachelor of Accountancy from Nanyang Technological University of Singapore. She is also a Chartered Accountant with the Institute of Singapore Chartered Accountants.

MANAGEMENT TEAM

TORU AOKI
Chief Risk Officer

Mr Aoki joined Sumitomo Mitsui Trust Bank, Ltd. ("**SMTB**") in 1986 and started his career in the fields of real estate finance and corporate finance. From 1994 to 2018 he had been responsible for global finance and global real estate related businesses in Tokyo, Hong Kong, Singapore and New York. In September 2018, he moved to the Internal Audit Department where he conducted risk assessments and internal audits for various business departments, overseas branches and subsidiaries of the bank, until he left SMTB in April 2020.

From May 2020 until he joined the Manager in September 2021, Mr Aoki was the Deputy Department Manager in the Business Development Department in DHI, where he is responsible for promoting real estate securitisation of assets and overseas mergers and acquisitions business of the company.

Mr Aoki holds a Bachelor of Arts in Economics from Hitotsubashi University, Japan. He is a Certified Internal Auditor registered in the Institute of Internal Auditors and a licensed real estate transaction agent in Japan. Mr Aoki is also the Compliance Officer of the Manager.

BUILDING PORTFOLIO RESILIENCE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CHAIRMAN & CEO MESSAGE

Dear Unitholders of Daiwa House Logistics Trust,

On behalf of the Board of Directors of the Manager, we are pleased to present the Annual Report of Daiwa House Logistics Trust for the financial year ended 31 December 2024.

As global economies continued their recovery paths in 2024 at varying paces, the interest rate environment has remained volatile in general. While the Federal Reserve in United States of America started to loosen its monetary policy with a rate cut in September 2024, Bank of Japan has conversely raised interest rates for the first time in 17 years with a hike in March 2024. As we move into 2025, uncertainties in global economies and the interest rate environment may continue to persist due to potential geopolitical and trade tensions, and inflationary pressures.

Against this backdrop, we are glad to report that the operations of DHLT's portfolio have remained healthy in FY2024. DHLT has also continued to grow its portfolio with the addition of two properties during FY2024. These included a landmark transaction which saw DHLT expand outside of Japan for the first time, with the acquisition of D Project Tan Duc 2 in Vietnam. On the capital management front, we maintained our prudent approach. In November 2024, we restructured the Japan onshore borrowings and procured the release of security in relation to such borrowings. Consequently, none of the properties in DHLT's portfolio are encumbered as at 31 December 2024.

HEALTHY PORTFOLIO PERFORMANCE

Despite continual supply of new logistics space in Japan in 2024, DHLT maintained a high portfolio occupancy rate of 97.6% as at 31 December 2024. 17 out of the 18 properties in the portfolio were at full occupancy as at 31 December 2024, which was the result of healthy lease renewal activities. Of the 12 leases that expired during FY2024, more than 90% of the space was renewed or filled[1]. Through active asset management and leveraging on the knowledge of the property manager, a tenant for one of the expired leases was replaced by a new tenant with a lease that had a considerable rent uplift. Including this new lease, the weighted average rent uplift for the leases renewed and new leases entered into during FY2024 was approximately 5%[2].

1. Based on the NLA of leases that expired in 2024 and included a space which was vacated and filled.
2. Based on the monthly rent for renewed or new leases compared against the preceding lease for the same space.

DHLT has grown steadily since it was listed on the SGX-ST in November 2021. Listed with an initial portfolio of 14 properties, it has grown to 18 properties as at 31 December 2024 with further acquisition of 2 properties during FY2024.

The healthy lease renewal activities allowed DHLT to retain its strong tenant base, which was augmented with the addition of a new tenant during FY2024. This tenant, which occupies D Project Tan Duc 2, is a 3PL company which specialises in transportation of frozen and chilled food and is a group company of a Tokyo Stock Exchange listed entity. Having a strong tenant base enhances the quality of earnings while a relatively long WALE of 6.6 years[3] as at 31 December 2024 provides income stability over the medium term.

The valuation of the 17 properties in the Japan Portfolio as at 31 December 2024 grew by 4.5% y-o-y to JPY93.1 billion. This was mainly due to the addition of DPL Ibaraki Yuki, which was acquired in March 2024. On a same-store basis excluding DPL Ibaraki Yuki, the aggregate valuation of the 16 properties in Japan was relatively stable with an increase of 0.7% in JPY terms, a reflection of the quality of the properties as well as resilience of the market. The overall portfolio of 18 properties, including D Project Tan Duc 2 which was acquired in July 2024, was S$835.9 million as at 31 December 2024. The portfolio valuation in SGD terms grew by 0.5% as the increase in portfolio through the acquisitions of DPL Ibaraki Yuki and D Project Tan Duc 2 was largely offset by weaker JPY against SGD.

Due mainly to the contribution from DPL Ibaraki Yuki which was partially offset by lower occupancy in FY2024, NPI of the Japan Portfolio for FY2024 grew by 2.1% y-o-y in JPY terms. However, this improvement in NPI and contribution from D Project Tan Duc 2 were negated mainly by weaker JPY against SGD, lower realised foreign exchange gains and higher interest expenses due to additional loans drawn for the acquisitions. As a result, DHLT posted a DPU of 4.79 cents for FY2024.

PRUDENT CAPITAL MANAGEMENT

We have refinanced the loan that matured in November 2024 and have taken the opportunity to extend the debt maturity profile by taking a 5-year fixed rate loan to refinance the matured 3-year loan. As a result, the weighted debt maturity was extended to 2.7 years as at 31 December 2024. With a longer debt maturity and a high proportion of fixed-rate borrowings of 99.2% as at 31 December 2024, this will help to mitigate against volatility in the interest rates. Further in November 2024, we have restructured the Japan onshore borrowings that were previously secured against the trust beneficiary interests of the properties in Japan. With the restructuring, the security was released and none of the properties in DHLT's portfolio were encumbered as at 31 December 2024. The release of security will provide DHLT with wider funding options, improving its financing flexibility. The aggregate leverage as at 31 December 2024 was at a healthy level of 38.5%. Interest cover ratio remained high at 10.1 times.

STEADY GROWTH

DHLT has grown steadily since it was listed on the SGX-ST in November 2021. Listed with an initial portfolio of 14 properties, it has grown to 18 properties as at 31 December 2024 with further acquisition of 2 properties during FY2024.

In March 2024, DHLT completed the acquisition of DPL Ibaraki Yuki, a freehold logistic property which is well-located within Greater Tokyo. As it was only built in 2023, capital expenditure is expected to be minimal in the near term. With strong support from the Sponsor which developed this property, DHLT was able to acquire this from the Sponsor at an attractive discount of 18% to the valuation. The entire property is leased to one of the largest food distributors in Japan.

Following on in July 2024, DHLT completed the acquisition of its first property outside Japan by expanding into Vietnam. D Project Tan Duc 2 is a cold storage facility that is strategically located in Long An Province which is a gateway location between Mekong Delta, an important aquaculture hub, and Ho Chi Minh City. Vietnam has a logistics market that is well-supported by factors such as its growing economy, foreign investments, and infrastructural improvements. This property is leased to a group company of a Tokyo Stock Exchange-listed entity which specialises in cold chain logistics for food products. The lease term of 20 years, which commenced from October 2023, will ensure stable income from the property. Through this acquisition, DHLT gained a new high-quality tenant which

3. By gross rental income which is based on the monthly rent as at 31 December 2024.

can further diversify and strengthen its tenant base. Similar to DPL Ibaraki Yuki, D Project Tan Duc 2 was built in 2023, and therefore, capital expenditure is expected to be minimal in the near term.

The quality of the two properties acquired in FY2024 was reflected in their respective valuation as at 31 December 2024. The valuation of DPL Ibaraki Yuki and D Project Tan Duc 2 were approximately 27% and 6% higher than their respective purchase price and through this, value was created for DHLT and its Unitholders.

Continuing its growth path, DHLT acquired its 19th property, DPL Gunma Fujioka, recently in March 2025[4]. DPL Gunma Fujioka is a freehold logistics property that is located in Greater Tokyo, and is well connected via highways. The tenant is a Japan group company of one of the largest multinational consumer goods corporations. Through this acquisition, DHLT has gained another high-quality tenant which further strengthened its tenant base.

MAINTAINING A GREEN PORTFOLIO

The Manager continues to advocate embedding sustainability elements into the operations of DHLT. During FY2024, in a collaboration with the tenant of D Project Kuki S, the lights in the property were replaced with LED lights to conserve energy consumption. The property subsequently obtained its green rating in September 2024. The green ratings for 13 other properties were also renewed in October 2024. With the addition of green-rated DPL Ibaraki Yuki, DHLT has 16 properties rated green as at 31 December 2024, which accounted for more than 95% of the portfolio valuation. Of these, 9 properties which amounted to 64% of the portfolio valuation were awarded the highest 6-Stars rating under BELS[5]. DHLT's portfolio has a total solar capacity of 16.1 megawatt peak as at 31 December 2024. 12 properties which amounted to 74% of the portfolio valuation have solar panels installed on their rooftops, including DPL Ibaraki Yuki which was acquired during FY2024. As DHLT continue to work towards having 100% "green" leases in its properties, all leases that were renewed or entered into during FY2024 had a "green" clause included in the lease agreements.

Employees of the Manager were also encouraged to participate in corporate social responsibility activities. During FY2024, the employees of the Manager packed food for the less privileged and volunteered at a dog shelter. Such activities not only allowed the Manager to play its part as a responsible corporate citizen, they also help to strengthen the relationship amongst employees of the Manager. Please refer to the Sustainability Report in this Annual Report for further information on our sustainability efforts.

LOOKING AHEAD

Despite near-term challenges in the Japan logistics market due to new supply of logistics facilities over recent years, the longer-term prospects of the Japan logistics is expected to remained healthy. Demand is expected to be supported by the continued growth of the e-commerce sector in Japan, which

4. Please refer to the announcement dated 24 March 2025 for further information on the acquisition of DPL Gunma Fujioka.
5. The 16 properties are all rated by the Building Energy-efficiency Labelling System ("**BELS**"), which is a third-party certification system in Japan that assesses the energy conservation performance of buildings, in line with the guidelines set by the Ministry of Land, Infrastructure, Transport and Tourism of Japan, with a rating scale of 0 to 6 stars.

despite its growth, e-commerce penetration rate remained relatively lower than other mature e-commerce markets such as China, United States and the United Kingdom[6], which may indicate potential for further growth. Further, supply is also expected to moderate over the coming years as construction costs increase. Vietnam's economy has continued to grow, recording GDP growth of 7.1% for 2024, one of the fastest growing economies in South-east Asia. The Vietnam logistics market is expected to be supported by factors such as growing foreign investments, improving infrastructure as well as growth of the e-commerce market.

Contrary to many of the global economies, Bank of Japan has raised rates since March 2024 and has indicated their position "to continue raising interest rates and adjust the degree of monetary support if the economy and prices move in line with our forecasts"[7]. In view of this, we will continue to take a balanced approach considering the rates and tenure of the various options, amongst other factors, when considering financing options. The restructuring of borrowings in Japan to release security also widens financing options for DHLT. While we expect some vacancies in the Japan Portfolio in 1HFY2025, there are advanced negotiations with potential tenants for some of these space. We will continue to work closely with the property manager to lease the remaining vacant space.

Despite these market challenges, we believe that the longer-term prospects of the logistics market in Japan remain healthy, and the quality of DHLT's portfolio will stand us in good stead to withstand such near-term challenges.

ACKNOWLEDGEMENTS

During FY2024, Mr Hirotsugu Otomo resigned as a Non-Independent Non-Executive Director in May 2024. During his tenure as a director, the Board and management team have benefited from his insights and experience in the real estate industry, and we would like to express our gratitude to him. We welcomed Mr Eiichi Shibata, who was appointed as a Non-Independent Non-Executive Director in June 2024. This was Mr Shibata's second appointment as a director on the Board. As he was also involved in the listing process, he is highly familiar with DHLT, and the Manager will continue to benefit from his experience and guidance.

On behalf of the Board, we would like to express our appreciation to the management team for their commitment to the growth of DHLT. To DHLT's Unitholders, thank you for your support and we will continue to do our best to grow DHLT and deliver value to you.

Yours sincerely,

Tan Jeh Wuan	**Jun Yamamura**
Chairman and Independent Non-Executive Director	Non-Independent Executive Director and Chief Executive Officer

6. Source: Report by the Ministry of Economy, Trade and Industry on 2023 E-Commerce Market Survey (September 2024).
7. Source: Business Times article – "BOJ must maintain monetary support, says governor Ueda" (25 January 2025).

OUR STRATEGIES

DHLT's key objectives are to provide Unitholders with regular and stable distributions, and to achieve long-term growth in DPU and NAV per Unit, while maintaining an optimal capital structure and strengthening the portfolio in scale and quality.

PROACTIVE ASSET MANAGEMENT

The Manager will proactively manage the DHLT property portfolio to maintain and improve its operational performance, seeking to optimise the cash flow and the value of the properties. The Manager will also look to drive organic growth and improve occupancy rates, encourage strong relationships with the tenants of its portfolio properties, actively negotiate for extension of leases prior to maturity, implement asset management strategies with the aim of ensuring continued relevance of the properties and facilitate property enhancement opportunities.

Actions taken or Achievements in FY2024

- Approximately 90%[1] of space for leases expired in FY2024 were renewed or filled
- Maintained high portfolio occupancy rate of 97.6% and long WALE of 6.6 years as at 31 December 2024
- Portfolio valuation as at 31 December 2024 grew by 0.5% y-o-y in SGD terms

SUSTAINABILITY

The Manager shares the Sponsor's fundamental approach to asset management and has included ESG considerations in its real estate investment management operations. As such, the Manager has established the following sustainability considerations as guidance in respect of its real estate investment and management responsibilities which include

1. prevention of global warming;
2. harmony with the environment;
3. conservation of natural resources (reducing waste, protecting water resources);
4. prevention of chemical pollution;
5. establishment of an internal framework and initiatives for employees;
6. building of trust relationships with external stakeholders;
7. promotion of communication through information disclosure; and
8. compliance with laws and regulations, and risk management.

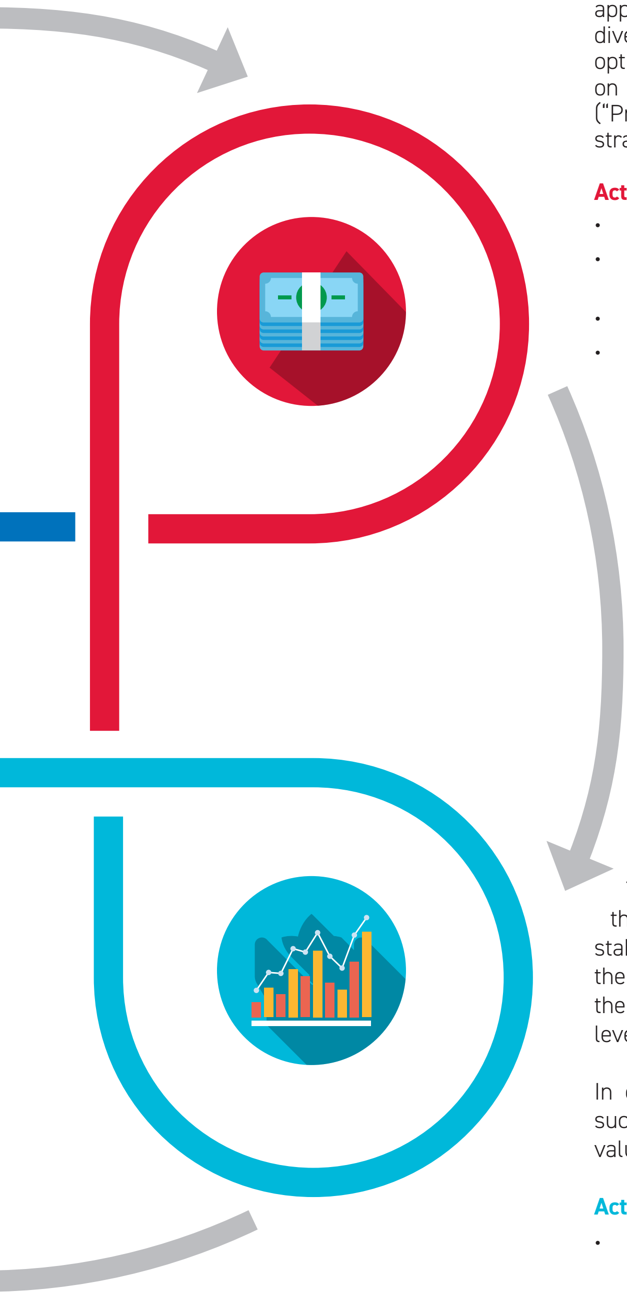
In collaboration with Property Manager, the Manager will incorporate the ESG perspectives in both the management of properties and investment decisions.

Actions taken or Achievements in FY2024

- Completed the replacement of lightings in D Project Kuki S with LED lights and obtained green rating for the property
- Maintained high proportion of green-rated properties at 95.7%[2] with 16 of the 18 properties rated green
- All renewed and new leases entered into during FY2024 contained "green" clause

1. Based on NLA of leases that expired in FY2024.
2. Based on the independent valuation of the properties as at 31 December 2024.

OUR STRATEGIES



PRUDENT CAPITAL MANAGEMENT

The Manager will endeavour to maintain a strong balance sheet, employ an appropriate mix of debt and equity in financing acquisitions of properties, secure diversified funding sources to access both financial institutions and capital markets, optimise cost of capital within the borrowing limits set out in Appendix 6 of the Code on Collective Investment Schemes, issued by the Monetary Authority of Singapore ("Property Funds Appendix") and utilise interest rate and foreign exchange hedging strategies where appropriate to minimise exposure to market volatility.

Actions taken or Achievements in FY2024

- Maintained aggregate leverage at healthy level of 38.5% as at 31 December 2024
- Maintained a high proportion of 99.2% of borrowings on fixed rate basis as at 31 December 2024
- 100% of the properties were unencumbered as at 31 December 2024
- Continued to apply systematic hedging mechanism to smooth out volatility in income due to foreign exchange movements

ACQUISITION GROWTH

The Manager will pursue opportunities to undertake acquisitions of quality income-producing logistics and industrial assets that it believes will be accretive to DHLT's portfolio and improve returns to Unitholders relative to DHLT's weighted average cost of capital, and opportunities for future income and capital growth. In evaluating future acquisition opportunities, the Manager will seek acquisitions that may enhance the diversification of the portfolio by location and tenant profile, and optimise risk-adjusted returns to the Unitholders.

The Manager believes it is well positioned to pursue its acquisition strategy. In the course of pursuing acquisition opportunities, the Manager will only invest in stable properties with high-occupancy rates and avoid high-risk investments within the sector and geographical regions, confined by the borrowing limits set out in the Property Funds Appendix, including, for the avoidance of doubt, the aggregate leverage limits.

In evaluating potential targets, the Manager will take into consideration factors such as yield requirement, tenant mix and occupancy characteristics, location, value-enhancing opportunities, and building specifications.

Actions taken or Achievements in FY2024

- Continued to expand the Japan Portfolio with the acquisition of DPL Ibaraki Yuki, a freehold logistics property located in Greater Tokyo, Japan
- Landmark transaction with the acquisition of D Project Tan Duc 2, a built-to-suit cold storage facility located in Long An Province, near Ho Chi Minh City in Vietnam, DHLT's first acquisition outside of Japan
- Continued to leverage on Sponsor ROFR for growth

PORTFOLIO OVERVIEW

HOKKAIDO & TOHOKU
1 DPL Sapporo Higashi Kariki
2 DPL Sendai Port
3 DPL Koriyama

GREATER TOKYO
4 D Project Nagano Suzaka S
5 D Project Maebashi S
6 D Project Kuki S
7 DPL Ibaraki Yuki
8 D Project Misato S
9 D Project Iruma S
10 DPL Kawasaki Yako

GREATER NAGOYA
11 DPL Shinfuji
12 D Project Kakegawa S

CHUGOKU / SHIKOKU / KYUSHU
13 DPL Okayama Hayashima
14 DPL Okayama Hayashima 2
15 DPL Iwakuni 1 & 2
16 D Project Matsuyama S
17 D Project Fukuoka Tobara S

LONG AN PROVINCE (NEAR HO CHI MINH CITY)
18 D Project Tan Duc 2

PORTFOLIO OVERVIEW

PORTFOLIO OVERVIEW[1]

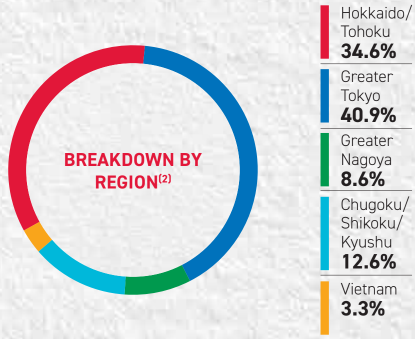
As at 31 December 2024, the DHLT Portfolio comprised 18 high quality properties, with 17 well-diversified across Japan, and one located in Long An Province, near Ho Chi Minh City in Vietnam. Each of these 18 properties are well-located with easy accessibility and have good connections to highways and major roads.

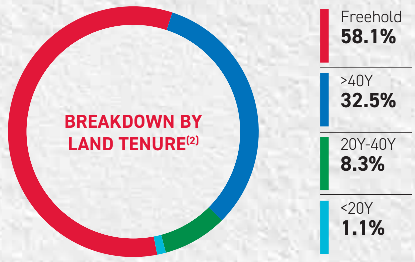
The DHLT Portfolio has a good mix of single-tenanted built-to-suit (BTS) and multi-tenanted properties, providing a balance of both long-term stability and opportunities for potential positive rent reversion upon lease renewals. Multi-tenanted properties developed by the Sponsor offer premium quality standardised warehouse spaces for lease. Such multi-tenanted assets are built with high-end specifications including minimum floor loads of 1.5 tonne/sqm, ceiling heights in excess of 5.5 metres, and high energy efficiency, amongst others industry leading standards. Single-tenanted BTS properties are developed with customisations including temperature controlled facilities, electric power capacities, higher floor loads, and other specialised features tailored to meet the exact needs of the tenants.

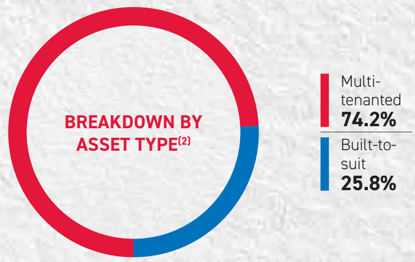
10 out of the 18 properties in the DHLT Portfolio are freehold properties, representing 58.1% of the total portfolio valuation as at 31 December 2024. 4 of the leasehold properties have land tenors of more than 40 years. Approximately 90.6% of the portfolio[2] comprised freehold properties or properties with land tenure of more than 40 years. The weighted average age of the DHLT Portfolio is 6.9 years as at 31 December 2024.

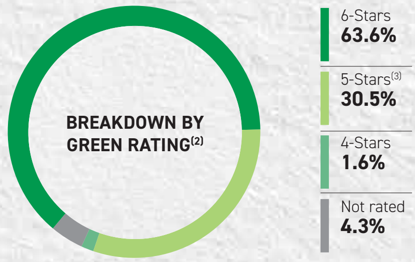
DHLT also maintains a "green portfolio", with a high proportion of the portfolio that is rated green by BELS (as defined below). In September 2024, D Project Kuki S obtained its first green rating following the replacement of lightings in the property with LED lights. 13 green certifications were also renewed in October 2024. As a result, approximately 95.7% of the portfolio[2] was rated green as at 31 December 2024. Following the renewals, 9 properties were rated 6-stars, the highest rating under BELS. 12 of the properties in DHLT Portfolio also have solar panels installed on their rooftops and has a total solar capacity of 16.1 megawatts peak, in aggregate as at 31 December 2024.

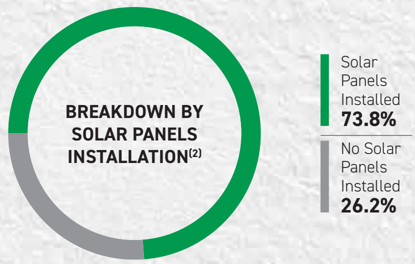
The 16 properties were all rated by the Building Energy-efficiency Labelling System (BELS), which is a third-party certification system in Japan that assesses the energy conservation performance of buildings, in line with the guidelines set by the Ministry of Land, Infrastructure, Transport and Tourism of Japan, with a rating scale of 0 to 6 stars.











1. The acquisition of DPL Gunma Fujioka was completed on 24 March 2025. For this Annual Report, information on DPL Gunma Fujioka is not included as part of the DHLT Portfolio, unless otherwise stated.
2. By portfolio valuation based on the independent valuation of the properties as at 31 December 2024.
3. There were 6 properties that were awarded 5-stars rating. Out of these 6 properties, 2 were rated based on the previous evaluation criteria of BELS of which 5-stars was the highest rating. The new evaluation criteria, which has a highest rating of 6-stars, was effective from April 2024.

PORTFOLIO OVERVIEW

	Completion Year	NLA (sq m)	Land Tenure
JAPAN – HOKKAIDO/TOHOKU			
DPL Sapporo Higashi Kariki	2018	60,347	Freehold
DPL Sendai Port	2017	63,119	Freehold
DPL Koriyama	2019	34,174	Freehold
JAPAN – GREATER TOKYO			
D Project Nagano Suzaka S	2018	9,810	Freehold
D Project Maebashi S	2018	14,736	Freehold
D Project Kuki S	2014	18,257	Expiring 2034
DPL Ibaraki Yuki	2023	13,421	Freehold
D Project Misato S	2015	14,877	Expiring 2045
D Project Iruma S	2017	14,582	Freehold
DPL Kawasaki Yako	2017	93,159	Expiring 2067
JAPAN – GREATER NAGOYA			
DPL Shinfuji	2017	27,537	Expiring 2065
D Project Kakegawa S	2019	22,523	Freehold
JAPAN – CHUGOKU/SHIKOKU/KYUSHU			
DPL Okayama Hayashima	2017/2018	23,541	Expiring 2067
DPL Okayama Hayashima 2	2017	16,750	Expiring 2051[4]
DPL Iwakuni 1 & 2	2016/2020	15,461	Freehold
D Project Matsuyama S	1994/2017	5,347	Freehold
D Project Fukuoka Tobara S	2019	10,508	Expiring 2068
VIETNAM – LONG AN (NEAR HO CHI MINH CITY)			
D Project Tan Duc 2	2023	18,465	Expiring 2058

1. GRI based on monthly rent as at 31 December 2024.
2. Based on NLA as at 31 December 2024.
3. Not disclosed for properties with one tenant as DHLT is bound by confidentiality obligations in relation to the tenancy agreements, and these tenants did not consent to the disclosure of the gross rental income attributed to their tenancies.
4. The ordinary land lease automatically renews for a term of 20 years unless otherwise agreed by the parties and lessor will not be able to object to renewal without the justifiable reason.

PORTFOLIO OVERVIEW

Property Type	WALE by GRI[1] (years)	Occupancy[2]	Gross Revenue FY2024 (millions)[3]	Net Property Income FY2024 (millions)
Multi-tenanted	2.8	100.0%	JPY 787	JPY 534
Multi-tenanted	0.4	100.0%	JPY 747	JPY 554
Multi-tenanted	0.9	66.6%	JPY 335	JPY 258
Single-tenanted	3.8	100.0%	–	JPY 128
Single-tenanted	8.8	100.0%	–	JPY 164
Single-tenanted	9.6	100.0%	–	JPY 186
Multi-tenanted	2.1	100.0%	–	JPY 118
Single-tenanted	10.1	100.0%	–	JPY 240
Single-tenanted	13.0	100.0%	–	JPY 184
Multi-tenanted	9.9	100.0%	JPY 1,752	JPY 1,231
Multi-tenanted	6.0	100.0%	JPY 402	JPY 291
Single-tenanted	9.3	100.0%	–	JPY 205
Multi-tenanted	2.8	100.0%	JPY 376	JPY 303
Multi-tenanted	2.0	100.0%	–	JPY 165
Multi-tenanted	1.4	100.0%	JPY 152	JPY 121
Single-tenanted	4.6	100.0%	–	JPY 53
Single-tenanted	9.6	100.0%	–	JPY 103
Single-tenanted	18.8	100.0%	–	VND 22,239

OUR PROPERTIES

DPL SAPPORO HIGASHI KARIKI • Hokkaido / Tohoku region

Completed in February 2018, DPL Sapporo Higashi Kariki is located in Sapporo, Hokkaido, and positioned within proximity of Sapporo expressway Kariki interchange and is also located approximately 7 km east of the Sapporo CBD.

The property is a two-storey building, with eight warehouse units for multiple tenants. The ready-built warehouse units enable 3PL service providers to set up operations with speed and ease. Each warehouse unit is equipped with a dedicated office and loading and unloading bay. With the loading bays in the building, it ensures tenants can operate in snowy and rainy weather.

The property is equipped with LED lighting equipment, 24-hour security service and a common lounge space. There are 420 parking bays on the property.

LAND ADDRESS
1-1, Higashikariki 13-jyo 3-chome, Higashi-ku, Sapporo-shi, Hokkaido, Japan

COMPLETION DATE
1 February 2018

LAND TENURE
Freehold

LAND AREA
61,610 sqm

NLA
60,347 sqm

PARKING BAYS
420

OCCUPANCY as of 31 December 2024
100.0%

WALE BY GRI as at 31 December 2024
2.8 years

PURCHASE CONSIDERATION
JPY 10,520 million

VALUATION as at 31 December 2024
JPY 12,900 million

OUR PROPERTIES

DPL SENDAI PORT • Hokkaido / Tohoku region

Completed in March 2017, DPL Sendai Port is located in Sendai (the biggest city of Tohoku (North East of Japan) and positioned within proximity to an expressway and is also located approximately 15 km east of Sendai CBD. In addition, the property is located approximately 25 km and 1.5 km from Sendai Airport and the Port of Sendai-Shiogama respectively.

The property is a two-storey building, with four warehouse units for multiple tenants. Each warehouse unit is equipped with a dedicated office and loading and unloading bay. With the loading bays in the building, it ensures tenants can operate in snowy and rainy weather.

The property provides 24-hour security service and is equipped with LED lighting equipment. There are 204 parking bays on the property.

LAND ADDRESS
15-13, Minato 4-chome, Miyagino-ku, Sendai-shi, Miyagi, Japan

COMPLETION DATE
10 March 2017

LAND TENURE
Freehold

LAND AREA
58,867 sqm

NLA
63,119 sqm

PARKING BAYS
204

OCCUPANCY as of 31 December 2024
100.0%

WALE BY GRI as at 31 December 2024
0.4 years

PURCHASE CONSIDERATION
JPY 11,580 million

VALUATION as at 31 December 2024
JPY 13,400 million

OUR PROPERTIES

DPL KORIYAMA • Hokkaido / Tohoku region

Completed in September 2019, DPL Koriyama is positioned in Koriyama Chuo Industrial Park ("KCIP"), which is a 3.5 km distance from Koriyama CBD. More than 150 companies, including Panasonic, HC Capital Community and manufacturing enterprises, are situated in KCIP.

The property is a single storey building with six warehouse units for multiple tenants. The ready-built warehouse units enable 3PL service providers to set up operations with speed and ease.

The property is equipped with LED lighting equipment, 24-hour security service and a common lounge space. There are 197 parking bays on the property.

LAND ADDRESS
8-1, Aza-Sotogawara, Koriyama-shi Fukushima, Japan

COMPLETION DATE
6 September 2019

LAND TENURE
Freehold

LAND AREA
56,306 sqm

NLA
34,174 sqm

PARKING BAYS
197

OCCUPANCY as of 31 December 2024
66.6%

WALE BY GRI as at 31 December 2024
0.9 years

PURCHASE CONSIDERATION
JPY 5,350 million

VALUATION as at 31 December 2024
JPY 6,990 million

OUR PROPERTIES

D PROJECT NAGANO SUZAKA S • Greater Tokyo region

Completed in September 2018, this BTS warehouse is located in Nagano prefecture (a region in Central Japan). The property is situated within proximity of the Joshinetsu Expressway Suzaka-Nagano-Higashi interchange, with easy access to Nagano area.

This two-storey warehouse was built for Itochu Shokuhin Co., Ltd. as a distribution centre. The warehouse has loading bays on two sides of the warehouse which is convenient for food supply chain or regional distribution activities. The property is equipped with LED lighting equipment. There are 90 parking bays on the Property.

LAND ADDRESS
34, Gokan, Suzaka-shi, Nagano, Japan

COMPLETION DATE
25 September 2018

LAND TENURE
Freehold

LAND AREA
19,178 sqm

NLA
9,810 sqm

PARKING BAYS
90

OCCUPANCY as of 31 December 2024
100.0%

WALE BY GRI as at 31 December 2024
3.8 years

PURCHASE CONSIDERATION
JPY 2,400 million

VALUATION as at 31 December 2024
JPY 2,720 million

OUR PROPERTIES

D PROJECT MAEBASHI S • Greater Tokyo region

Completed in November 2018, this BTS warehouse is located in Gunma prefecture (approximately 100 km north of Tokyo). The property is situated within proximity of Kan-Etsu Expressway Maebashi interchange, with easy access to Gunma area.

This two-storey warehouse was built for Mitsubishi Shokuhin Co., Ltd. as a distribution centre.

The property is equipped with LED lighting equipment and temperature controlled facilities to dry, freeze or chill. There are 149 parking bays on the property.

LAND ADDRESS
1-10 Owatari-machi 1-chome, Maebashi-shi, Gunma, Japan

COMPLETION DATE
5 November 2018

LAND TENURE
Freehold

LAND AREA
23,225 sqm

NLA
14,736 sqm

PARKING BAYS
149

OCCUPANCY as of 31 December 2024
100.0%

WALE BY GRI as at 31 December 2024
8.8 years

PURCHASE CONSIDERATION
JPY 3,170 million

VALUATION as at 31 December 2024
JPY 3,690 million

OUR PROPERTIES

D PROJECT KUKI S • Greater Tokyo region

Completed in August 2014, this BTS warehouse is located in Kuki City, Saitama prefecture (approximately 60 km north of Tokyo). The property is situated within proximity of Tokyo Gaikan Expressway Shiraoka Shobu interchange, with easy access to Greater Tokyo Area and Tohoku Area.

This three-storey warehouse is occupied by Kato Sangyo Co., Ltd., a 3PL operator with a focus on providing logistics needs in food products distribution. There are 76 parking bays on the property.

LAND ADDRESS
6201-3 Shobuchosanga, Kuki-shi, Saitama, Japan

COMPLETION DATE
1 August 2014

LAND TENURE
Leasehold expiring in July 2034

LAND AREA
14,198 sqm

NLA
18,257 sqm

PARKING BAYS
76

OCCUPANCY as of 31 December 2024
100.0%

WALE BY GRI as at 31 December 2024
9.6 years

PURCHASE CONSIDERATION
JPY 1,346 million

VALUATION as at 31 December 2024
JPY 1,090 million

OUR PROPERTIES

DPL IBARAKI YUKI • Greater Tokyo region

Completed in January 2023, DPL Ibaraki Yuki is located in Yuki First Industrial Park, Ibaraki, Greater Tokyo. Located within proximity to major expressways like Ken-O Expressway, Tohoku Express way and Kita Kanto Expressway, this positions it as an excellent logistics hub for distribution to Tokyo and the Tohoku region.

The property is a two-storey building with ready-built warehouse units which enable 3PL service providers to set up operations with speed and ease. The warehouse units have their own office spaces. The property provides 24-hour security service and is equipped with LED lighting equipment.

The property is currently solely leased to Mitsubishi Shokuhin Co., Ltd., one of the biggest food distributor in Japan.

LAND ADDRESS
1-24, Shin-Yahata, Yuki-shi, Ibaraki, Japan

COMPLETION DATE
31 January 2023

LAND TENURE
Freehold

LAND AREA
11,942 sqm

NLA
13,421 sqm

PARKING BAYS
47

OCCUPANCY as of 31 December 2024
100.0%

WALE BY GRI as at 31 December 2024
2.1 years

PURCHASE CONSIDERATION
JPY 2,640 million

VALUATION as at 31 December 2024
JPY 3,350 million

OUR PROPERTIES

D PROJECT MISATO S • Greater Tokyo region

Completed in February 2015, this BTS warehouse is located in Misato City, Saitama prefecture (approximately 20 km north-east of Tokyo). The property is situated within proximity of Metropolitan Expressway/Joban Expressway/Tokyo Gaikan Expressway Misato interchange, with easy access to Greater Tokyo Area, and Tohoku Area.

This three-storey warehouse was designed and built for Suntory Logistics Ltd., which is a group company of Suntory Holdings, a global F&B conglomerate. There are 41 parking bays on the property.

LAND ADDRESS
1-28, Inter-Minami 2-chome, Misato-shi, Saitama, Japan

COMPLETION DATE
1 August 2014

LAND TENURE
Leasehold expiring in February 2045

LAND AREA
14,239 sqm

NLA
14,877 sqm

PARKING BAYS
41

OCCUPANCY as of 31 December 2024
100.0%

WALE BY GRI as at 31 December 2024
10.1 years

PURCHASE CONSIDERATION
JPY 1,668 million

VALUATION as at 31 December 2024
JPY 2,220 million

OUR PROPERTIES

D PROJECT IRUMA S • Greater Tokyo region

Completed in December 2017, this BTS warehouse is located in Iruma City, Saitama prefecture (approximately 30 km northwest of Tokyo). The property is situated within proximity of Ken-O Expressway Iruma interchange, with easy access to Tokyo CBD area and also all Saitama area.

This three-storey warehouse was built for Tokyo Logistics Factory Co., Ltd., a leading Japanese 3PL company which services numerous industries including F&B, medicines and industrial materials.

This warehouse has two loading bays which is suitable for regional distribution activities. Some warehouse units of the property are equipped with temperature controlled facilities to dry, freeze or chill.

LAND ADDRESS
224-1, Sayamagahara,
Iruma-shi, Saitama, Japan

COMPLETION DATE
18 December 2017

LAND TENURE
Freehold[2]

LAND AREA
11,528 sqm

NLA
14,582 sqm

PARKING BAYS
46

OCCUPANCY as of 31 December 2024
100.0%

WALE BY GRI as at 31 December 2024
13.0 years

PURCHASE CONSIDERATION
JPY 4,406 million[1]

VALUATION as at 31 December 2024
JPY 4,920 million

1. Comprised the aggregate purchase consideration for property and freehold land.
2. The property was converted to freehold land title in 2024.

OUR PROPERTIES

DPL KAWASAKI YAKO • Greater Tokyo region

Completed in June 2017, DPL Kawasaki Yako is located in Kawasaki Bay/Industrial area and positioned near Metropolitan Expressway Hama Kawasaki interchange and is also located approximately 15 km south of Tokyo's CBD. In addition, the property is located approximately 7 km from Haneda Airport and the Port of Kawasaki respectively. Public transportation and all other urban amenities are available in the vicinity.

This property is a five-storey, ramp-up facility with 40 warehouse units for multiple tenants. The ready-built warehouse units enable 3PL service providers to set up operations with speed and ease. Each warehouse unit has its own dedicated office space and loading and unloading bays to facilitate the operations of 3PL operators. The current anchor tenant is Mitsubishi Shokuhin Co., Ltd., one of the largest food distributors in Japan.

The property is equipped with LED lighting equipment, 24-hour security service, a convenience store and cafeteria. Some warehouse units of the property are equipped with temperature controlled facilities to dry, freeze, or chill. There are 367 parking bays on the property.

LAND ADDRESS
2-3, 3-chome, Yako, Kawasaki-ku, Kawasaki-shi, Kanagawa, Japan

COMPLETION DATE
1 June 2017

LAND TENURE
Leasehold expiring in March 2067

LAND AREA
47,868 sqm

NLA
93,159 sqm

PARKING BAYS
367

OCCUPANCY as of 31 December 2024
100.0%

WALE BY GRI as at 31 December 2024
9.9 years

PURCHASE CONSIDERATION
JPY 18,770 million

VALUATION as at 31 December 2024
JPY 21,400 million

OUR PROPERTIES

DPL SHINFUJI • Greater Nagoya region

Completed in September 2017, DPL Shinfuji is positioned within proximity of Shin-Tomei Expressway Shinfuji interchange, easy access to the Greater Tokyo Area, Tokai Area, Kansai Area, Hokuriku Area as well. It is also located approximately 100 km west of Tokyo's CBD.

The property is a two-storey warehouse for multiple tenants. The anchor tenants are Create SD Co., Ltd., one of the largest drug store chains in Japan and NOK Corporation, a major Japanese car component supplier. Vehicles can directly access the 2nd floor from the connecting road. The property is equipped with LED lighting equipment. There are 227 parking bays on the property.

LAND ADDRESS
1652-11, Atsuhara,
Fuji-shi, Shizuoka, Japan

COMPLETION DATE
20 September 2017

LAND TENURE
Leasehold expiring in March 2065

LAND AREA
28,217 sqm

NLA
27,537 sqm

PARKING BAYS
227

OCCUPANCY as of 31 December 2024
100.0%

WALE BY GRI as at 31 December 2024
6.0 years

PURCHASE CONSIDERATION
JPY 3,194 million

VALUATION as at 31 December 2024
JPY 3,760 million

D PROJECT KAKEGAWA S • Greater Nagoya region

Completed in May 2019, this BTS warehouse is located in Shizuoka prefecture. The property is situated within proximity of the Tomei Expressway Kakegawa interchange/Shinkansen Express Train Kakegawa station, with easy access to Tokyo Area, Nagoya Area and Osaka Area.

This three-storey warehouse was built for a TSE-listed 3PL operator, which provides logistics service for a household goods manufacturer. The property is equipped with LED lighting equipment. There are 40 parking bays on the property.

LAND ADDRESS
1315-2, Minamisaigo, Kakegawa-shi, Shizuoka, Japan

COMPLETION DATE
1 May 2019

LAND TENURE
Freehold

LAND AREA
25,633 sqm[1]

NLA
22,523 sqm

PARKING BAYS
40

OCCUPANCY as of 31 December 2024
100.0%

WALE BY GRI as at 31 December 2024
9.3 years

PURCHASE CONSIDERATION
JPY 3,980 million

VALUATION as at 31 December 2024
JPY 4,550 million

1. Land area is the aggregate of land area of two parcels acquired, where one parcel of the land will be co-owned by the Property Trustee and the Sponsor.

OUR PROPERTIES

DPL OKAYAMA HAYASHIMA • Chugoku / Shikoku / Kyushu region

Completed in September 2017, DPL Okayama Hayashima is positioned within proximity of Sanyo Expressway Hayashima interchange, with easy access to the Okayama area, Osaka area, and Kyushu area.

The property is a two-storey warehouse for multiple tenants. The Anchor tenants are EDION Corporation, one of the largest appliances retailers in Japan, and K.R.S Corporation, a 3PL operator. Some warehouse units of the property are equipped with temperature controlled facilities to dry, freeze or chill. The property is equipped with LED lighting equipment. There are 204 parking bays on the property.

LAND ADDRESS
3500, Hayashima, Hayashima-cho, Tsukubo-gun, Okayama, Japan

COMPLETION DATE
Block A: 19 September 2017
Block B: 30 November 2018

LAND TENURE
Leasehold expiring in April 2067[1]

LAND AREA
27,274 sqm

NLA
23,541 sqm

PARKING BAYS
204

OCCUPANCY as of 31 December 2024
100.0%

WALE BY GRI as at 31 December 2024
2.8 years

PURCHASE CONSIDERATION
JPY 3,650 million

VALUATION as at 31 December 2024
JPY 4,550 million

1. The Property Trustee holds some parcels of the land as freehold interest and the rest of the land parcels as sub-leasehold rights.

OUR PROPERTIES

DPL OKAYAMA HAYASHIMA 2 • Chugoku / Shikoku / Kyushu region

Completed in October 2017, DPL Okayama Hayashima 2 is positioned within proximity of Sanyo Expressway Hayashima interchange, with easy access to the Okayama area, Osaka area, and Kyushu area.

The property is a two-storey warehouse for multiple tenants. The property is currently solely occupied by Nippon Express Co., Ltd., one of the leading global Japanese 3PL company servicing a major Japanese beverage manufacturer.

The property has a large drive-through canopy in between two warehouse buildings which enable tenants to continue operating even in rainy weather. The property is equipped with LED lighting equipment. There are 60 parking bays.

LAND ADDRESS **4466-1, Hayashima, Hayashima-cho, Tsukubogun, Okayama, Japan**	PARKING BAYS **60**
COMPLETION DATE **30 October 2017**	OCCUPANCY as of 31 December 2024 **100.0%**
LAND TENURE **Leasehold expiring in November 2051**[1]	WALE BY GRI as at 31 December 2024 **2.0 years**
LAND AREA **17,811 sqm**	PURCHASE CONSIDERATION **JPY 1,750 million**
NLA **16,750 sqm**	VALUATION as at 31 December 2024 **JPY 2,630 million**

1. The ordinary land lease automatically renews for a term of 20 years unless otherwise agreed by the parties and lessor will not be able to object to renewal without the justifiable reason.

OUR PROPERTIES

DPL IWAKUNI 1 & 2 • Chugoku / Shikoku / Kyushu region

DPL Iwakuni 1 & 2 is located in Iwakuni city, which has played an important role as a part of the Setouchi Industrial Zone and has close access to Hiroshima City, the largest city in Chugoku area.

It is easily accessible via the nearby "Iwakuni Interchange" on the Sanyo Expressway. DPL Iwakuni 1 & 2 is also located within a 10.0 km radius from Iwakuni Port, an industrial port that handles cargo related to the adjacent petroleum complex, pulp and paper, and chemical industries, as well as marine container cargo.

The property has a spacious ground layout which makes movement and handling of goods and materials easy. DPL Iwakuni 1 & 2 has a floor load of 2.5 tonne per sq m, exceeding Japan's modern logistics facilities standardised at 1.5 tonne per sq m. DPL Iwakuni 1 & 2 is also equipped with LED lighting equipment and solar panels with a capacity of 1.8 MWp.

The property is currently anchored by Nippon Express Co., Ltd. which is a global 3PL company that utilises the space as a distribution hub to cover the Hiroshima metropolitan area. The property is equipped with LED lighting equipment. There are 60 parking bays.

LAND ADDRESS
1815-3, Naganojiri, Nagano, Iwakuni-shi, Yamaguchi, Japan

COMPLETION DATE
DPL Iwakuni 1: 28 September 2016
DPL Iwakuni 2: 19 March 2020

LAND TENURE
Freehold

LAND AREA
30,105 sqm

NLA
15,461 sqm

PARKING BAYS
60

OCCUPANCY as of 31 December 2024
100.0%

WALE BY GRI as at 31 December 2024
1.4 years

PURCHASE CONSIDERATION
JPY 1,900 million

VALUATION as at 31 December 2024
JPY 2,450 million

OUR PROPERTIES

D PROJECT MATSUYAMA S • Chugoku / Shikoku / Kyushu region

D Project Matsuyama S is located at the suburb of Matsuyama City. Matsuyama City is one of the largest cities in Shikoku area and the city's major industries are manufacturing, tourism, and agriculture.

Matsuyama Expressway directly connects industrial cities including Matsuyama, Niihama, and Mishima. The property is located in the same area as the logistics bases of regional logistics companies and food-related companies. It is less than 1.0 km from a major arterial road, approximately 5.8 km from "Matsuyama Interchange" on the Matsuyama Expressway. Both Matsuyama Airport and Matsuyama Port are located within a 15 km radius of D Project Matsuyama S. The logistics bases of regional logistics companies and food-related companies are located around the site.

D Project Matsuyama S is currently occupied by Nippon Access., Inc, a leading integrated food trading company in Japan. Nippon Access., Inc, currently uses the facility as a distribution hub to cover the greater Matsuyama area. Portion of D Project Matsuyama S is equipped with temperature controlled facilities to maintain appropriate temperatures for frozen or chilled foodstuff. There are 62 parking bays.

LAND ADDRESS
74-10, 375-16, 386-6, Wakamiya, Minaminoda, Toon-shi, Ehime, Japan

COMPLETION DATE
Building 1: 31 October 1994
Building 2: 31 July 2017

LAND TENURE
Freehold

LAND AREA
8,412 sqm

NLA (SQ M)
5,347 sqm

PARKING BAYS
62

OCCUPANCY as of 31 December 2024
100.0%

WALE BY GRI as at 31 December 2024
4.6 years

PURCHASE CONSIDERATION
JPY 800 million

VALUATION as at 31 December 2024
JPY 956 million

OUR PROPERTIES

D PROJECT FUKUOKA TOBARA S • Chugoku / Shikoku / Kyushu region

Completed in February 2019, this BTS warehouse is located at Fukuoka (the biggest city in Kyushu area). The Property is situated within proximity of the Fukuoka Metropolitan Expressway Kasuya interchange, with easy access to Fukuoka CBD and all Kyushu area.

This two-storey warehouse was designed and built for Sonoda Rikuun Co., Ltd., a 3PL operator catering to the F&B industry. The facility is equipped with temperature controlled facilities to dry, freeze, and chill. There are 64 parking bays on the property.

LAND ADDRESS
602-6, Oaza Tobara, Kasuyacho, Kasuya-gun, Fukuoka, Japan

COMPLETION DATE
21 February 2019

LAND TENURE
Leasehold expiring in March 2068

LAND AREA
14,439 sqm

NLA
10,508 sqm

PARKING BAYS
64

OCCUPANCY as of 31 December 2024
100.0%

WALE BY GRI as at 31 December 2024
9.6 years

PURCHASE CONSIDERATION
JPY 1,260 million

VALUATION as at 31 December 2024
JPY 1,540 million

OUR PROPERTIES

D PROJECT TAN DUC 2 • Long An Province, near Ho Chi Minh City

Completed in September 2023, D Project Tan Duc 2 is located within the Tan Duc Industrial Park in Long An Province. It is a gateway between Ho Chi Ming City and Mekong Delta Region. This is DHLT's first foray into Vietnam.

With a total floor area of 18,564 sq m, the property is a single storey built-to suit cold storage warehouse for storage of frozen and chilled food. The property consists of five fully-fledged frozen warehouse (-25 degree Celsius), three cold to frozen and two chill rooms. The property also houses an office area, machines room, guardhouse, waste storage, parking spaces and multiple loading and unloading bays.

The property is occupied by Meito Vietnam, a 3PL company which specializes in frozen and chilled food transportation and is a group company of a Tokyo Stock Exchange-listed entity.

LAND ADDRESS
Lot 6, Street No. 15A, Tan Duc Industrial Park, Huu Thanh Commune, Duc Hoa District, Long An Province, Vietnam

COMPLETION DATE
29 September 2023

LAND TENURE
Leasehold expiring in June 2058

LAND AREA
41,318 sqm

NLA
18,564 sqm

PARKING BAYS
120

OCCUPANCY as of 31 December 2024
100.0%

WALE BY GRI as at 31 December 2024
18.8 years

PURCHASE CONSIDERATION
VND 483,000 million[1]

VALUATION as at 31 December 2024
VND 512,700 million

1. D Project Tan Duc 2 was acquired via the acquisition of the entire capital in DH Logistics Management Vietnam Co., Ltd where the purchase consideration was based on the agreed property value of VND483.0 billion.

EXPANDING OUR FOOTPRINTS


DaiwaHouseGroup

OPERATIONAL REVIEW

PROACTIVE ASSET MANAGEMENT

12 leases expired during FY2024, of which 9 of the leases were successfully renewed while 2 of the leases were partially renewed, as the tenants vacated part of the space. For the other lease that expired, the Manager replaced the tenant and was able to obtain a higher rent for the space. Including this new lease, the weighted average rent uplift for the new and renewed leases was approximately 5.0%[1]. The new lease and renewed leases represented 24.6% of the GRI[2] and have a WALE of 3.4 years[3]. Taking into account the lease for which the tenant was replaced, approximately 90% of the space related to the 12 leases that expired in FY2024 was renewed or filled[4]. As a result, DHLT was able to maintain a high portfolio occupancy rate of 97.6%, with 17 out of the 18 properties at full occupancy as at 31 December 2024. During the year, the lease for a BTS property expiring in 2034 was restructured to a higher rent with annual rent increase over following 5 years.

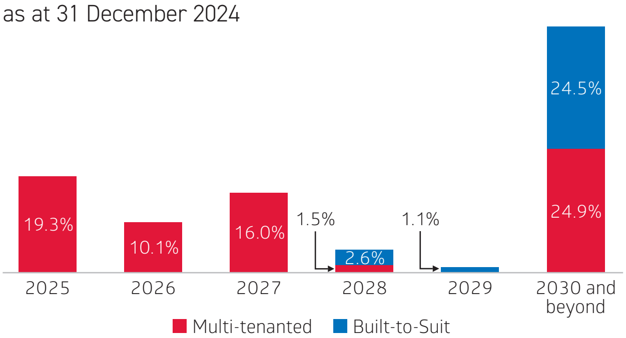
PORTFOLIO OCCUPANCY RATE

	31 Dec 2023	30 Jun 2024	31 Dec 2024
Japan Portfolio	100.0%	96.6%	97.5%
Vietnam Portfolio	-	-	100.0%
Overall Portfolio	100.0%	96.6%	97.6%

As at 31 December 2024, the DHLT Portfolio had a relatively long WALE of 6.6 years[3]. In FY2025, there will be 10 leases expiring, representing approximately 19.3% of the GRI[2] of the DHLT Portfolio. The expiring leases are all related to multi-tenanted properties with no leases for BTS properties expiring during FY2025. The Manager expects some of the space relating to the expiring leases in 1H FY2025 to be vacated. There are ongoing advanced negotiations with new tenants for some of these space, and the Manager will continue to work closely with the Property Manager to seek tenants for the remaining space to be vacated.

OVERALL PORTFOLIO LEASE EXPIRY[3]

as at 31 December 2024

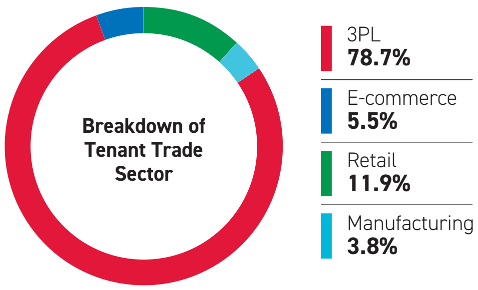


STRONG TENANT BASE

As at 31 December 2024, DHLT has 34 tenants. While 78.7% of the tenants[3] are in 3PL sector, they serve clients from diverse sectors, distributing products such as F&B, household products, chemical, materials to, amongst others, supermarkets, convenience stores, retail stores, and manufacturers.

BREAKDOWN BY **TENANT TRADE SECTOR**

By Gross Rental Income[3]



Apart from the top tenant, no single tenant accounts for more than 10% of the NPI. The Manager believes that although the top tenant, Mitsubishi Shokuhin, contributed 22.3% of the DHLT Portfolio's NPI for FY2024, the concentration risk is mitigated. Mitsubishi Shokuhin is well-established with history dating back to 1925, and is listed on the Tokyo Stock Exchange with market capitalisation of approximately JPY219 billion[5]. Mitsubishi Shokuhin is utilising space in DHLT properties in various locations, and are used to serve three different end clients which are (i) a leading retail group in Japan, (ii) a major supermarket chain in Japan and (iii) one of the largest convenience store chains in Japan.

	Top 10 Tenant	Sector	% of NPI[6]
1	Mitsubishi Shokuhin	3PL	22.3
2	Nippon Express	3PL	7.8
3	Suntory Logistics	3PL	7.5
4	Nitori	Retail	5.6
5	Tenant A[7]	3PL	4.1
6	Create SD	Retail	4.0
7	K.R.S Corporation	3PL	3.8
8	Kato Sangyo	3PL	3.7
9	Tokyo Logistics Factory	3PL	3.7
10	Tenant B[7]	E-commerce	3.7
			66.2

1. Based on the monthly rent for new or renewed lease compared against the preceding lease for the same space, weighted by NLA.
2. Based on the monthly rent as at 31 December 2024.
3. By GRI, which was based on the monthly rent as at 31 December 2024.
4. Based on NLA of leases that expired in FY2024.
5. As at 31 December 2024.
6. Based on NPI for FY2024 and % of NPI was calculated and adjusted based on the NPI of each property and allocated to the respective tenants by the proportion of NLA the tenants occupy in the property.
7. These tenants have not given consent to the disclosure of any terms of the tenancy agreement at all (including their names).

OPERATIONAL REVIEW

STEADY GROWTH SINCE LISTING

Since DHLT was listed in November 2021 with an initial portfolio of 14 properties, it has grown steadily since then. With the addition of two properties during FY2024, the DHLT Portfolio comprised 18 properties as at 31 December 2024.

Expanding the Japan Portfolio

On 15 March 2024, DHLT completed the acquisition of DPL Ibaraki Yuki from the Sponsor. DPL Ibaraki Yuki is a freehold logistics property that was built in January 2023. The purchase consideration was JPY2,640.0 million, representing a discount of 18.1% to the average independent valuations of JPY3,225.0 million[1]. The acquisition was financed by borrowings and internal cash resources.

The acquisition of DPL Ibaraki Yuki further expanded DHLT's presence in Japan, where the longer-term prospects of the logistics sector is expected to remain healthy. Located approximately 100km from central Tokyo, DPL Ibaraki Yuki is easily accessible via highways and is also connected to a wider region covering the Tohoku and Tokyo areas through the Tohoku Expressway. The property is entirely leased to Mitsubishi Shokuhin, which is one of the biggest food distributors in Japan.

Enhancing DHLT's "green" portfolio, DPL Ibaraki Yuki is rated 5-stars by BELS and its rooftop is installed with solar panels with solar energy capacity of 0.8 MWp.

Landmark Transaction

On 5 July 2024, DHLT completed the acquisition of its first property outside of Japan. D Project Tan Duc 2, a BTS cold storage facility located in Long An province, which is near Ho Chi Minh City in Vietnam, was acquired from DH Asia Investment Peony Pte. Ltd., a wholly-owned subsidiary of the Sponsor. The acquisition of D Project Tan Duc 2 was via the purchase of 100% of capital of DH Logistics Management Vietnam Co., Ltd, a company incorporated in Vietnam which was indirectly wholly owned by the Sponsor. The agreed property value of D Project Tan Duc 2 was VND483.0 billion[2], which was 3.0% lower than the average independent valuations of the Vietnam Property of VND498.0 billion[3]. The acquisition was financed mainly via borrowings.

Vietnam is one of the fastest growing economies in the Southeast Asia region, and its logistics sector is expected to be well-supported by factors such as growing foreign direct investments, improving infrastructure as well as the growth of the e-commerce sector.

D Project Tan Duc 2 is strategically located in a gateway location which connects Ho Chi Minh City, a key economic hub, to the Mekong Delta region, an important aquaculture hub. Construction of D Project Tan Duc 2 was completed in September 2023, and therefore minimal capital expenditure is expected in the near term. With the acquisition of D Project Tan Duc 2, DHLT obtained a new tenant which enhances its strong tenant base. D Project Tan Duc 2 is leased to Meito Vietnam, a group company of a TSE-listed entity which specialises in cold chain logistics for food products. The tenant is well-established in the region with two other facilities, and it distributes F&B products to local supermarkets. The lease is on a 20-year lease term that commenced from October 2023 which helps ensure income stability.

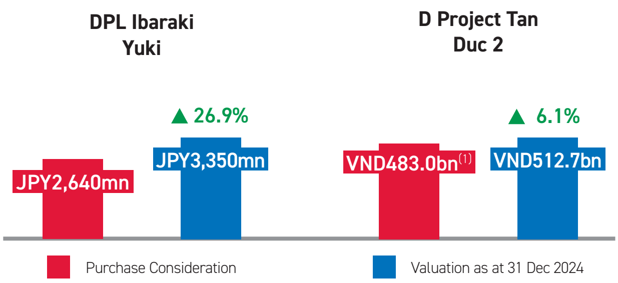
Value-adding acquisitions

The ability of DHLT to acquire high quality properties at discounts demonstrated the commitment of the Sponsor to the growth of

1. Based on the average of the two independent valuations of DPL Ibaraki Yuki conducted by the independent valuers as at 31 August 2023 using the discounted cash flow and direct capitalisation methods or using the discounted cash flow methods and supported by the direct capitalisation and cost approach methods.
2. D Project Tan Duc 2 was acquired via the acquisition of the entire capital in DH Logistics Management Vietnam Co., Ltd where the purchase consideration was based on the agreed property value of VND483.0 billion.
3. Based on the average of the two independent valuations of D Project Tan Duc 2 conducted by the independent valuers as at 30 September 2023 and 30 November 2023, respectively, using the discounted cash flow and capitalisation methods.

OPERATIONAL REVIEW

DHLT, and also reinforced the importance of having a Sponsor which has strong development capabilities. The quality of both DPL Ibaraki Yuki and D Project Tan Duc 2 was also reflected in their respective valuation as at 31 December 2024, which were higher than their respective purchase considerations, in local currency terms.



SPONSOR'S OBLIGATIONS IN RELATION TO CERTAIN LEASEHOLD PROPERTIES

In respect of six properties within the DHLT Portfolio, which the Sponsor owns land leasehold interests or land subleasehold interests (being DPL Kawasaki Yako, D Project Kuki S, D Project Misato S, DPL Shinfuji, DPL Okayama Hayashima and D Project Fukuoka Tobara S (collectively, the "**Leasehold Properties**"), DHLT's interests as the lessee/sub-lessee or sub-sub-lessee would be subject to the interests of the landlords and/or lessors above DHLT.

To this end, in respect of these six Leasehold Properties in which the Sponsor owns land leasehold interests or land subleasehold interests, it has been disclosed in the IPO Prospectus that the Sponsor has provided a written undertaking that it will:

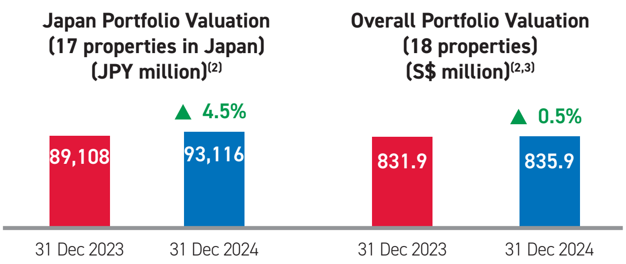
(i) provide a written confirmation to the REIT and the Trustee that the Sponsor is able to fulfil its obligations under the relevant lease agreements with its superior landlords over the six Leasehold Properties (including the bases and/or information to substantiate the confirmation) on an annual basis; and

(ii) properly perform and comply with its own obligations under the relevant lease agreements with its superior landlords.

The written confirmation described in paragraph (i) has been provided by the Sponsor. Having considered, *inter alia*, the written confirmation and that the annual rent payable by the Sponsor to the superior landlords in relation to the six Leasehold Properties comprise only approximately 0.02% of the net asset value of the Sponsor as at 31 December 2024, the Manager is satisfied that the Sponsor is able to fulfill its obligations under the relevant lease agreements with its superior landlords over the six Leasehold Properties in which the Sponsor owns land leasehold interests or land subleasehold interests and DHLT holds trust beneficial interests over the land sub-leasehold interests or land sub-subleasehold interests thereof.

PORTFOLIO VALUATION

The valuation of the Japan Portfolio of 17 properties grew by 4.5% to JPY93,116 million as at 31 December 2024, mainly due to the addition of DPL Ibaraki Yuki which was acquired in March 2024. On a "same-store" basis, excluding DPL Ibaraki Yuki, the valuation of the Japan Portfolio in JPY terms was relatively stable with an increase of 0.7%. The overall portfolio valuation of the 18 properties was S$835.9 million as at 31 December 2024[2,3]. This was an increase of 0.5% compared to the portfolio valuation as at 31 December 2023, where the increase in portfolio size from 16 to 18 properties were partially offset by weaker JPY against SGD[4].



VALUATION BREAKDOWN BY PROPERTIES

	%[2,3]
JAPAN – Hokkaido/Tohoku	
DPL Sapporo Higashi Kariki	13.4%
DPL Sendai Port	13.9%
DPL Koriyama	7.3%
JAPAN – Greater Tokyo	
D Project Nagano Suzaka S	2.8%
D Project Maebashi S	3.8%
D Project Kuki S	1.1%
DPL Ibaraki Yuki	3.5%
D Project Misato S	2.3%
D Project Iruma S	5.1%
DPL Kawasaki Yako	22.2%
JAPAN – Greater Nagoya	
DPL Shinfuji	3.9%
D Project Kakegawa S	4.7%
JAPAN – Chugoku/Shikoku/Kyushu	
DPL Okayama Hayashima	4.7%
DPL Okayama Hayashima 2	2.7%
DPL Iwakuni 1 & 2	2.5%
D Project Matsuyama S	1.0%
D Project Fukuoka Tobara S	1.6%
VIETNAM – Long An (near Ho Chi Minh City)	
D Project Tan Duc 2	3.3%

1. D Project Tan Duc 2 was acquired via the acquisition of the entire capital in DH Logistics Management Vietnam Co., Ltd where the purchase consideration was based on the agreed property value of VND483.0 billion.
2. Based on the independent valuation of the properties as at 31 December 2024.
3. Converted to S$ based on exchange rates of S$1.00 = JPY 115.16 and S$1.00 = VND18,751.50.
4. Exchange rates applied were S$1.00 = JPY 107.11 and S$1.00 = JPY 115.16 as of 31 December 2023 and 31 December 2024, respectively.

SUMMARY OF FINANCIAL RESULTS FOR FY2024

	FY2023	FY2024	Variance in %
Gross Revenue (S$'000)	59,852	57,100	(4.6)
Net Property Income (S$'000)	45,324	43,890	(3.2)
Distributable Income (S$'000)	36,373	33,518	(7.8)
Distribution per unit (cents)	5.22	4.79	(8.2)

Gross revenue was S$57.1 million, a decrease of S$2.8 million or 4.6% y-o-y from FY2023. The decrease was mainly due to the weaker JPY against SGD, which negated the contributions from DPL Ibaraki Yuki and D Project Tan Duc 2, acquired in March 2024 and July 2024, respectively. In JPY terms, gross rental income of the Japan Portfolio outperformed FY2023 by 1.8% y-o-y, mainly due to the contribution from DPL Ibaraki Yuki, partially offset by lower occupancy of the Japan Portfolio. Property expenses for FY2024 were S$13.2 million, a decrease of S$1.3 million or 9.1% y-o-y, mainly due to a weaker JPY and lower utilities expenses of the Japan Portfolio.

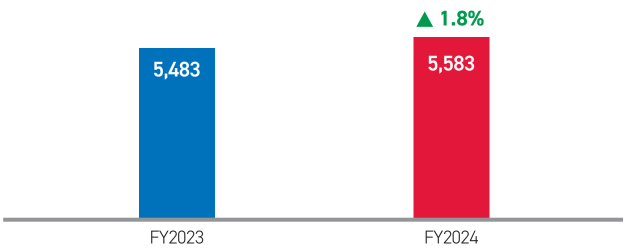
Overall NPI was S$43.9 million for FY2024, a decrease of S$1.4 million or 3.2% y-o-y, mainly due to weaker JPY which was partially offset by the contributions of the acquisitions. In JPY terms, NPI of the Japan Portfolio increased by 2.1% y-o-y to JPY4,838 million in FY2024.

Finance expenses of S$6.6 million were 3.7% higher y-o-y mainly due to the additional borrowings taken to fund the acquisitions which were completed in March and July 2024. Trust expenses of S$1.7 million were S$0.1 million lower than FY2023 mainly due the weaker JPY, partially offset by the increase in the professional expenses incurred in relation to the acquisition of D Project Tan Duc 2 in Vietnam. Other income comprised mainly net foreign exchange gain including the realised exchange gain of S$2.6 million (FY2023: S$3.8 million) due to settlement of the income hedges and interest income of S$0.2 million (FY2023: S$0.3 million).

As a result of the above, distributable income for FY2024 was 7.8% lower y-o-y at S$33.5 million, while DPU declined by 8.2% y-o-y to 4.79 cents.

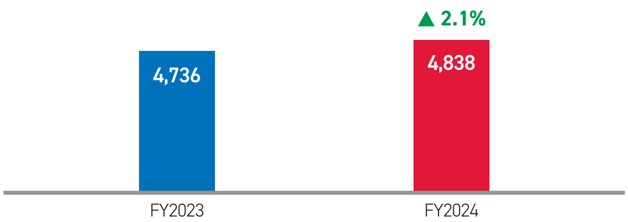
GROSS RENTAL INCOME
(Japan Portfolio)

(JPY million)



NET PROPERTY INCOME
(Japan Portfolio)

(JPY million)



PRUDENT CAPITAL MANAGEMENT

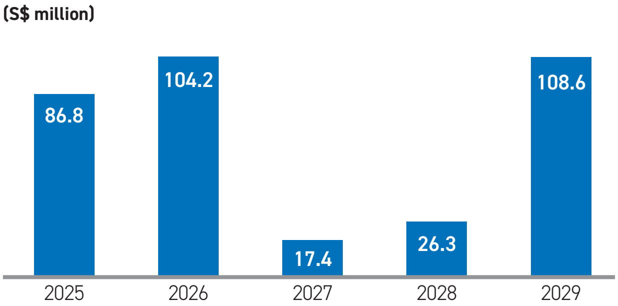
Key financial information and indicators

	As at 31 December 2024
Total assets	S$1,083.5 million
Total liabilities	S$565.4 million
Net asset	S$518.1 million
Net assets represented by:	
Unitholders' funds	S$482.4 million
Perpetual securities	S$35.8 million
NAV per Unit	S$0.69
Total borrowings	S$343.3 million
Aggregate leverage[1]	38.5%
Interest coverage ratio[2]	10.1 times
Weighted average debt maturity	2.7 years
Proportion of borrowings in fixed interest rate	99.2%
Proportion of borrowings denominated in JPY	100.0%
Weighted average borrowing cost	1.66% (all-in rate)

As at 31 December 2024, the aggregate leverage remained at a healthy level of 38.5%. While the aggregate leverage increased from 31 December 2023, mainly due to the additional borrowings for the acquisitions completed in FY2024, it remains at a healthy level below the aggregate leverage limit of 50% in Appendix 6 of the Code on Collective Investment Schemes. The Manager also maintained a high proportion of 99.2% of borrowings at fixed rates. With 100% of the borrowings denominated in JPY, this provides a natural hedge against the portfolio of which 96.7% of the DHLT Portfolio[3] was denominated in JPY as at 31 December 2024. In November 2024, the Manager refinanced a 3-year loan that matured with a 5-year fixed rate loan and as a result, the weighted average debt tenure was extended to 2.7 years as at 31 December 2024. Refinancing with a longer tenure loan at fixed rate can also help to mitigate against interest rate volatility.

DEBT MATURITY PROFILE

As at 31 December 2024



Borrowings in Japan onshore were also restructured for the release of security and as such, none of DHLT's properties were encumbered as at 31 December 2024. The Manager believes that the release of security will provide DHLT with greater financing flexibility. As at 31 December 2024, DHLT has undrawn facilities of S$50 million to increase its liquidity and funding capacity.

The Manager acknowledges that the income derived from the portfolio is susceptible to foreign exchange movements. The Manager adopts a prudent hedging policy to systematically hedge its distributions on one-year rolling basis, where appropriate, to smoothen out volatility.

1. Total debt (including perpetual securities) to net asset value ratio as at 31 December 2024 was 73.1%.
2. The adjusted interest coverage ratio, including payment of coupon for perpetual securities, was 8.4 times.
3. Based on the independent valuation of the properties as at 31 December 2024.

INVESTOR RELATIONS

DHLT is committed to regular, timely and effective communication with DHLT's stakeholders, including Unitholders and prospective investors. The Manager believes that timely and transparent dissemination of information is important so as to allow the investment community and Unitholders to make informed decisions.

The Manager maintains an Investor Relations Policy to provide a framework for effective communication to the investment community. The Investor Relations Policy is subjected to regular review by the Manager to ensure its effectiveness. The Policy covers communication principles such as (i) to provide pertinent and accurate information to its Unitholders and the investing community in an effective and timely manner; (ii) to use clear and plain language in its communication; (iii) to observe "black-out" periods prior to announcements of business updates, financial results and property valuations. The Policy also covers the various communication channels.

The Manager ensures that price sensitive information is disseminated to the public on a timely and non-selective basis via SGXNet as well as on DHLT's corporate website. Key updates on DHLT's performance, strategies and initiatives are communicated by way of announcements and press releases, which are promptly released on SGXNET and subsequently on DHLT's corporate website (www.daiwahouse-logisticstrust.com). Unitholders and the general public can also subscribe to DHLT's electronic mailing list via the corporate website through which, they will receive email notification of latest updates. The website is updated regularly to provide up to date information.

The Manager believes that maintaining regular communication with the investment community is important to strengthen relationships with Unitholders and cultivate new ties with prospective investors. The Manager holds quarterly briefings with analysts and investors in relation to the announcements of business updates and financial results to keep them updated of the latest performance, any new developments and market trends. The Manager also engages with Unitholders and prospective investors through one-on-one meetings, investors conferences, webinars and non-deal roadshows.

DHLT held its second annual general meeting in April 2024 which was well attended by Unitholders. Unitholders were also invited to send questions to the Manager ahead of the AGM and the responses to substantial and relevant questions were announced prior to the date of the AGM. The AGM offered a platform for Unitholders to ask questions before voting on the resolutions tabled and it was an interactive session as the Board and key management of the Manager fielded questions on various aspects including operations, financials, macro environment and growth strategy. All six members of the Board were in attendance at the AGM. The resolutions tabled at the AGM were supported with approval rates of more than 99% for each of the three resolutions. The minutes of the AGM were subsequently announced and made available on DHLT's website.

The Manager has a dedicated specific investor relations contact via an email address which is monitored by the Investor Relations team: ir@daiwahouse-lt.com. Through this email address, Unitholders or potential investors may reach out to clarify matters or ask questions relating to DHLT.

INVESTOR RELATIONS

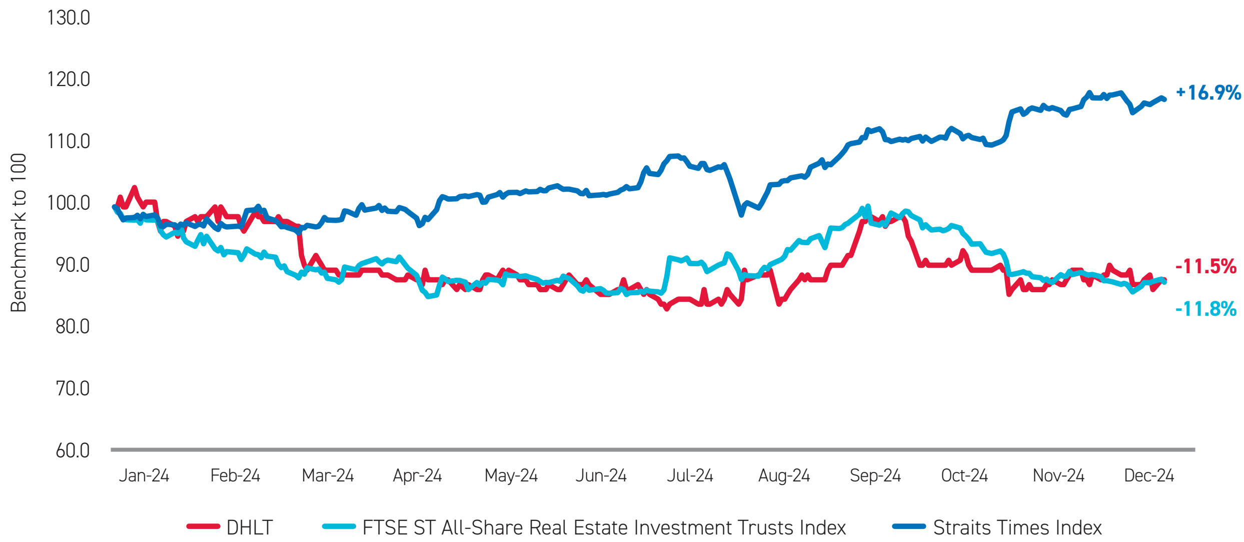
UNIT PRICE INFORMATION FOR THE PERIOD FROM 1 JANUARY 2024 TO 31 DECEMBER 2024

Opening price as at 2 January 2024[1]	S$0.655
Closing price as at 31 December 2024	S$0.580
Highest price	S$0.680
Lowest price	S$0.545
Total traded volume ('000)	157,258
Average daily traded volume ('000)	624.0

MONTHLY TRADING PERFORMANCE IN FY2024[2]

UNIT PRICE PERFORMANCE AGAINST KEY INDICES[2]

For period from 1 January 2024 to 31 December 2024[3]



Assuming the dividends paid during FY2024 are reinvested into DHLT, the total return for an investor would be -3.55% for FY2024.

1. First day of trading for FY2024
2. Source: Based on information from website of ShareInvestor.com.
3. First day of trading for FY2024 was 2 January 2024.

INVESTOR RELATIONS

FY2024 CALENDAR

Date	Event
28 February 2024	Announced financial results for FY2023
28 February 2024	Analysts and investors briefing in relation to financial results for FY2023
29 February 2024	Briefing with DBS Private Banking on financial results for FY2023
5 March 2024	Lunchtime webinar with Philip Securities
15 March 2024	Non-deal roadshow with Daiwa Capital
26 March 2024	Payment of distribution for the period from 1 July 2023 to 31 December 2023
23 April 2024	Annual General Meeting in relation to FY2023
8 May 2024	Announced business update for first quarter ended 31 March 2024 ("**1QFY2024**")
8 May 2024	Analysts and investors briefing in relation to business update for 1QFY2024
14 May 2024	DBS-REITAS Private Banking Luncheon – "Meet the CEOs" session
12 August 2024	Announced financial results for first half ended 30 June 2024 ("**1HFY2024**")
12 August 2024	Analysts and investors briefing in relation to financial results for 1HFY2024
19 September 2024	Lunchtime webinar with Lim & Tan
26 September 2024	Payment of distribution for the period from 1 January 2024 to 30 June 2024
8 November 2024	Announced business update for third quarter ended 30 September 2024 ("**3QFY2024**")
8 November 2024	Analysts and investors briefing in relation to business update for 3QFY2024
12 November 2024	SGX-REITAS Webinar
15 November 2024	DBS-SGX-REITAS Bangkok Conference
28 February 2025	Announced financial results for FY2024
28 February 2025	Analysts and investors briefing in relation to financial results for FY2024
26 March 2025	Payment of distribution for the period from 1 July 2024 to 31 December 2024

FY2025 CALENDAR[1]

Date	Event
May 2025	Announcement on business update for first quarter ended 31 March 2025
August 2025	Announcement on financial results for first half ended 30 June 2025
September 2025	Payment of distribution for the period from 1 January 2025 to 30 June 2025
November 2025	Announcement on business update for third quarter ended 30 September 2025
February 2026	Announcement on financial results for full year ended 31 December 2025
March 2026	Payment of distribution for the period from 1 July 2025 to 31 December 2025

1. Timings are indicative and subject to changes.

LOOKING TO SUSTAINABLE FUTURE


Built by
Daiwa House
Daiwa House

SUSTAINABILITY REPORT

BOARD STATEMENT
[GRI 2-22]

We are pleased to present Daiwa House Logistics Trust's ("DHLT") sustainability report for the financial year ended 31 December 2024 ("FY2024"). This report marks the third year of DHLT's sustainability journey, reflecting our commitment to continuous progress in environmental, social, and governance ("ESG") practices. This sustainability report highlights the sustainability approach of our Manager, Daiwa House Asset Management Asia Pte. Ltd. ("DHAMA" or "the Manager"), including its governance framework, key initiatives, milestones, and ESG-related objectives.

The Board of Directors of the Manager ("the Board") assumes the critical role of overseeing DHLT's sustainability strategy, recognising that responsible stewardship of ESG matters is essential for the long-term resilience of DHLT and benefits of its stakeholders. To this end, DHLT has embedded sustainability considerations into its corporate strategy and operational framework. By fostering a culture that prioritises environmental and social responsibility, DHLT seeks to cultivate a strong sustainability ethos among employees and stakeholders.

DHLT draws inspiration from the well-established sustainability practices of its Sponsor, Daiwa House Industry Co., Ltd ("DHI" or "the Sponsor"), as well as Daiwa House Group and Daiwa House REIT Investment Corporation – an affiliated real estate investment trust listed on the Tokyo Stock Exchange. Recognising the distinct sustainability challenges and opportunities within the logistics sector, DHLT conducted a comprehensive review of its material ESG topics in FY2024. This materiality refreshment assessment reaffirms the continued relevance of our previously identified material ESG topics, ensuring that DHLT remains aligned with industry best practices and stakeholder expectations going forward.

As part of our ongoing commitment to sustainability, we are proud to announce new and enhanced targets for the upcoming financial year. These targets are designed to build on the progress we've made in reducing our environmental footprint, promoting resource efficiency, and supporting local communities. Our initiatives will focus on minimising our reliance on fossil fuels, reducing waste, and ensuring efficient energy management practices across all operations. We are confident that the Manager's effort will not only contribute to a healthier planet but also drive long-term value for our stakeholders and future generations.

DHLT remains committed to conducting business in a responsible and balanced manner, considering environmental, social, and economic factors. DHLT has already established a climate risk management framework aligned with the Monetary Authority of Singapore's ("MAS") Guidelines on Environmental Risk Management for Asset Managers. Additionally, DHLT continues to advance its alignment with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), integrating climate risk considerations into decision-making processes to reinforce a holistic and sustainable approach to risk management.

The Manager extends its sincere appreciation to all stakeholders for their unwavering support of our sustainability initiatives. Moving forward, we remain committed to strengthening our ESG efforts, including fostering a more diverse workforce, enhancing internal governance controls, and improving climate risk management capabilities. In the long term, DHLT will continue to explore innovative solutions to sustainable growth and responsible investment.

TAN JEH WUAN
Chairman of the Board

SUSTAINABILITY REPORT

ABOUT THE REPORT
[GRI 2-1] [GRI 2-2] [GRI 2-3] [GRI 2-6] [GRI 2-14]

DHLT is a Singapore real estate investment trust that was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 26 November 2021. DHLT has been established with the investment strategy of principally investing, directly or indirectly, in a portfolio of income-producing logistics and industrial real estate assets located in Asia, particularly in Japan as well as in Southeast Asia.

The Manager is a licensed REIT manager in Singapore and provides discretionary management to DHLT, including investment, asset management, capital management, accounting, compliance, and investor relations. The Manager is a wholly owned subsidiary of the Sponsor, a leading real estate player in Japan.

This report is prepared in accordance with the Global Reporting Initiative ("GRI") Standards 2021. The GRI Standards were adopted due to their universality as well as their comprehensive, cohesive and comparable nature. DHLT's sustainability report has been prepared in accordance with SGX-ST Listing Rules 711A and 711B, including climate-related disclosures according to the TCFD recommendations and the MAS Guidelines on Environmental Risk Management ("ENRM"). Please refer to the GRI Content Index on pages 88-91 for more information regarding the disclosures detailed in the report.

The sustainability report covers DHLT's portfolio performance for the financial period from 1 January 2024 to 31 December 2024 and scopes in DHLT's current portfolio (the "DHLT Portfolio"). This comprises 18 high-quality modern logistics properties with an appraised value of approximately S$835.9 million[1] and an aggregate net lettable area ("NLA") of approximately 476,614 square metres ("sqm"). These properties are located across Japan, both in Greater Tokyo as well as in core regional areas. Our portfolio also includes the Vietnam property acquired in FY2024. However, utility data from our Vietnam property has not been collected yet as the tenants have only moved in recently. Going forward, we will ensure that data tracking and monitoring is extended to our Vietnam property and will include its utility data in our future reports.

This sustainability report outlines DHLT's dedication to sustainability by highlighting the enhancements the Manager has made since the financial period ended 31 December 2022 ("FP2022"), as well as the steps the Manager intends to take in the near future to further strengthen its commitment. The sustainability report also incorporates its approach to the material topics for FY2024. This sustainability report aims to offer a comprehensive view of our sustainability performance, initiatives, and our plans for the near future, thus reflecting our commitment to integrate sustainable practices within the organisation to create long-term value for our stakeholders and the environment.

This sustainability report has been reviewed and approved by the Board. DHLT's sustainability report will be published as part of its annual report on DHLT's website from April 2025.

INTERNAL REVIEW
[GRI 2-3] [GRI 2-5] [GRI 2-14]

The Manager looks to publish DHLT's sustainability report annually. While no external assurance has been sought for FY2024's sustainability report, the Manager values the transparency from an added layer of external assurance and will consider implementing this in the future. The Manager has established a sustainability committee (the "Sustainability Committee") that reports to the Board and has ensured an internal review of the sustainability report by the Sustainability Committee and the Board. The sustainability report was discussed with the Board at a board meeting and was also circulated to them for further feedback. The Manager also engaged with its internal auditors to review the sustainability report.

RESTATEMENTS OF INFORMATION:
[GRI 2-4]

* Waste generation figure for FY2023 have been restated in the waste management section.
* Energy consumption figures for Japanese properties have been restated in the energy management and emissions reduction section.
* Emissions and emissions intensity figures for FY2023 have been restated in the energy management and emissions reduction section.

FEEDBACK
[GRI 2-3]

The Manager welcomes any feedback regarding the sustainability report including feedback on its sustainability vision, approach, performance and targets. The Manager hopes to make progressive improvements to the sustainability reports of DHLT in the coming years. If you have any feedback or specific questions regarding the sustainability report, please reach out to us at ir@daiwahouse-lt.com.

1. Based on the independent valuation of the 18 properties as at 31 December 2024 and converted to S$ based on exchange rates of S$1.00 = JPY115.16 and S$1.00 = VND18,751.50.

SUSTAINABILITY REPORT

SUSTAINABILITY COMMITMENT

The Manager is mindful of its responsibility to abide by applicable rules and regulations, as well as to take into careful consideration the national sustainability pledges and commitments of Japan, Singapore and Vietnam.

The "Endless Heart" symbol of the Daiwa House Group, including that of the Manager, embodies the Sponsor's core philosophy of striving towards a sustainable future; a philosophy the Manager hopes to further strengthen through its sustainability initiatives. The group symbol of Daiwa House Group represents a bond with customers, a sense of unity and the gentle heart this bond embraces. The "Endless Heart" is reminiscent of a Mobius Strip expressing unceasing efforts and endless growth. The true circle at the centre of the Heart represents harmony.

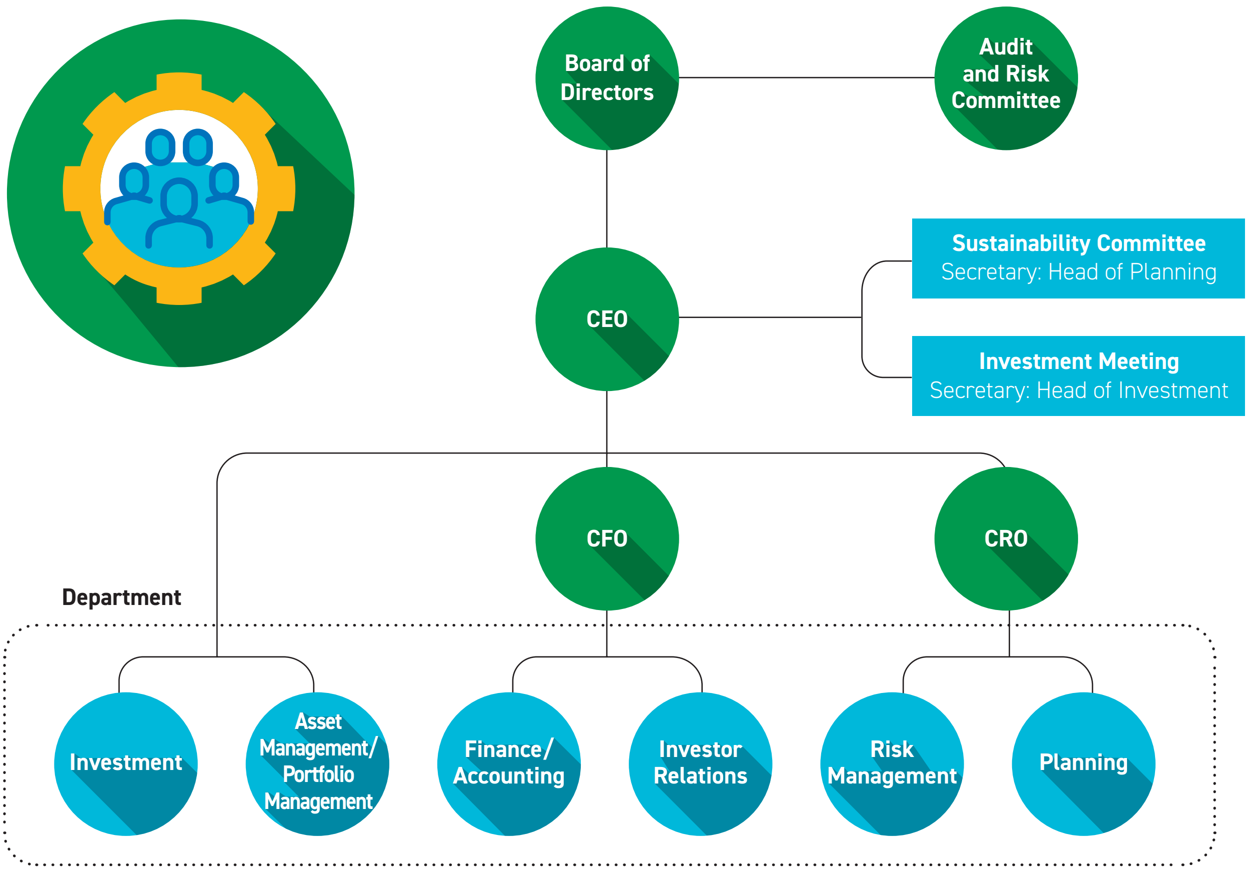
Daiwa House®
Daiwa House Group

SUSTAINABILITY REPORT

SUSTAINABILITY COMMITMENT

SUSTAINABILITY GOVERNANCE
[GRI 2-9] [GRI 2-12] [GRI 2-13] [GRI 2-17] [GRI 2-18] [GRI 2-19] [GRI 2-25]

ORGANISATION CHART



SUSTAINABILITY REPORT

SUSTAINABILITY COMMITMENT

The Board holds ultimate accountability for DHLT's sustainability strategy, agenda, and performance. To ensure effective execution of sustainability initiatives, the Board has entrusted the Sustainability Committee of the Manager with this responsibility. Comprising representatives from various functional areas, the Sustainability Committee fosters diverse perspectives, enhances cross-departmental collaboration, and integrates sustainability as a core principle across the organisation. The Chief Executive Officer ("CEO") of the Manager leads the Sustainability Committee, which includes key executives such as the Chief Financial Officer ("CFO"), Chief Risk Officer ("CRO"), Head of Planning, Head of Investor Relations, Head of Investment, and Head of Asset Management, as outlined in the organisational structure. While the CEO is primarily responsible for overseeing environmental risk management, the Head of Planning manages the daily implementation and monitoring of sustainability initiatives.

The Sustainability Committee meets quarterly, prior to the Board's meetings and aligns with the Manager's sustainability policy. Its core responsibilities include implementing and tracking action plans to achieve sustainability targets, facilitating sustainability education for employees, engaging with key stakeholders, maintaining a comprehensive sustainability database of DHLT's properties, and identifying new sustainability initiatives. Department Heads are assigned specific sustainability tasks to promote cross-functional collaboration and strengthening the organisation's overall sustainability approach. Any identified material sustainability risks or negative impacts are reported to the Board, with the Head of Planning initiating remediation efforts in coordination with the Sustainability Committee. Since its inception, the Sustainability Committee has updated the Board on material sustainability issues, including property-level information when necessary. In cases of material trigger events, the Sustainability Committee escalates the issue to the Board but handles the investigation and resolution itself. Examples of such events may be hazardous substances, infrastructure health and safety concerns, or any negative impacts on sustainability targets.

At the property level in Japan, the licensed local asset manager in Japan (Daiwa House Real Estate Investment Management Co., Ltd.) oversees the property manager and provides property-specific sustainability data required for DHLT's sustainability reporting. In Vietnam, the property is managed by a local property manager which is a subsidiary of the Sponsor. The Manager actively participates in monthly and ad hoc meetings with the local asset manager and property manager, ensuring clear communication and alignment on sustainability-related matters.

Alignment of Executive Remuneration with Sustainability Performance

The Directors' remuneration undergoes an annual review, subject to approval by the Manager's shareholder. This review considers each Director's contribution to DHLT's long-term growth and sustainability objectives, ensuring alignment with the interests of DHLT's unitholders.

To reinforce DHLT's commitment to long-term success and sustainable value creation, executive remuneration is structured to correlate with DHLT's overall performance. A significant portion of total remuneration is variable and contingent upon the achievement of both financial and non-financial key performance indicators ("KPIs"). These KPIs are instrumental in enhancing the operational efficiency and organisational effectiveness of the Manager and include improvements in workflow, active participation in Corporate Social Responsibility ("CSR") initiatives, strengthening engagement with investors and tenants, and fostering workforce development through learning and training opportunities.

Commitment to Sustainable Development

The need to address sustainability issues for the preservation of our planet has now become more pronounced. From an organisational perspective, embedding ESG considerations into corporate strategy and business planning is crucial in driving sustainable long-term value for the environment and society.

The Manager remains steadfast in its commitment to enhancing DHLT's role as a responsible steward of capital. It seeks to allocate resources effectively to strengthen the surrounding ecosystems of its properties while safeguarding the interests of all stakeholders. To ensure best practices in sustainability initiatives and reporting, the Manager actively references international sustainability frameworks, consults industry experts, and engages with third-party ESG consultants. Through these efforts, DHLT continues to integrate ESG principles into its business model, reinforcing its commitment to sustainable growth and long-term stakeholder value.

SUSTAINABILITY COMMITMENT

SUSTAINABILITY APPROACH
[GRI 2-23] [GRI 2-24]

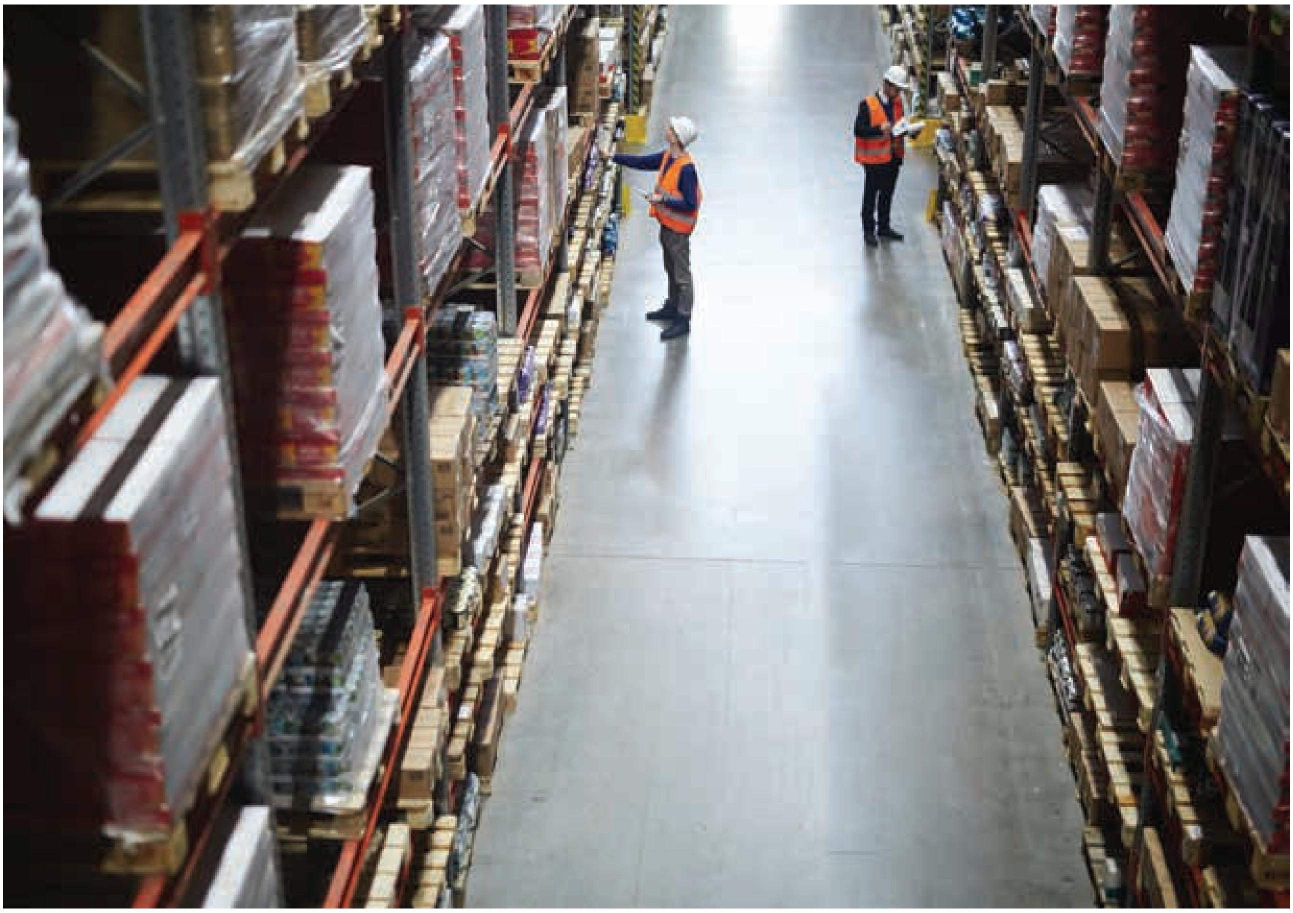
The Manager aligns with the sustainability approach of the Sponsor and supports its vision of "Creating Dreams, Building Hearts." The Manager is also inspired by the advanced sustainability practices of Daiwa House REIT, which is the first Japan-REIT ("J-REIT") to achieve multiple sustainability accreditation.

The Manager adopts the sustainability approach of the Sponsor and has an established sustainability policy that guides the incorporation of sustainability factors in DHLT's investment management practice and is based on the following eight focus areas.

PREVENTION OF GLOBAL WARMING	The Manager will promote energy conservation measures through the installation of energy conservation equipment and so forth to realise a carbon-free society. The Manager will also consider the introduction of renewable and clean energy through installation of solar panels and LED lights such as the installation of solar and acquisition of properties that have such equipment installed.
HARMONY WITH THE ENVIRONMENT Preservation of biodiversity	The Manager will strive to support a society that preserves and passes on abundant natural resources to future generations, ensuring the protection and enhancement of the natural environment. Additionally, the Manager will encourage planning and management practices that are in harmony with the environment.
CONSERVATION OF NATURAL RESOURCES Protecting water resources, reducing waste	The Manager will work towards the realisation of a recycling-oriented society by promoting water conservation measures through the installation of water conservation equipment. The Manager will promote 3R (reduce, reuse and recycle) activities to support the conservation of resources.
PREVENTION OF CHEMICAL POLLUTION	The Manager will aim to protect human health and the environment from adverse effects from hazardous chemical by promoting the reduction, substitution and appropriate management of harmful chemical substances and taking efforts to minimise risks.
ESTABLISHMENT OF AN INTERNAL FRAMEWORK AND INITIATIVES FOR EMPLOYEES	The Manager will establish an internal framework for promoting sustainability and take steps to develop personnel by conducting regular employee engagement activities for their personal development. The Manager will also aim to create a safe and healthy workplace to promote diversity, inclusion and flexibility.
BUILDING TRUSTING RELATIONSHIPS WITH EXTERNAL STAKEHOLDERS	The Manager will aim to foster positive relationships with tenants and external stakeholders by working with the property managers to enhance the satisfaction of tenant customers and promote CSR in DHLT's supply chain. The Manager will undertake CSR activities with local communities.
PROMOTION OF COMMUNICATION THROUGH INFORMATION DISCLOSURE	The Manager will proactively disclose ESG-related information and utilise dialogues with stakeholders, such as investors, in the Manager's future business activities.
COMPLIANCE WITH LAWS AND REGULATIONS AND RISK MANAGEMENT	The Manager will comply with ESG-related laws and regulations. The Manager will strive to implement appropriate risk management, such as considering the environmental and social impacts of risk evaluations when acquiring real estate.

SUSTAINABILITY REPORT

SUSTAINABILITY COMMITMENT



As DHLT's sustainability practice matures, the objective of the Manager is to actively dedicate efforts to these focus areas.

The CRO and Head of Planning of the Manager keep the sustainability policy[1] updated for any changes in circumstances and regulations. The Board has reviewed and approved the sustainability policy prior to its finalisation and the Manager will continue to ensure that its materiality targets are set in accordance with the sustainability policy. As part of the Manager's plan to progress DHLT's sustainability performance in the short term, the Manager will carefully assess and implement measures to become a signatory of recognised sustainability bodies that the Manager deems most aligned with DHLT's goals.

1. Link to DHLT's policy commitments: https://www.daiwahouse-logisticstrust.com/sustainability.html

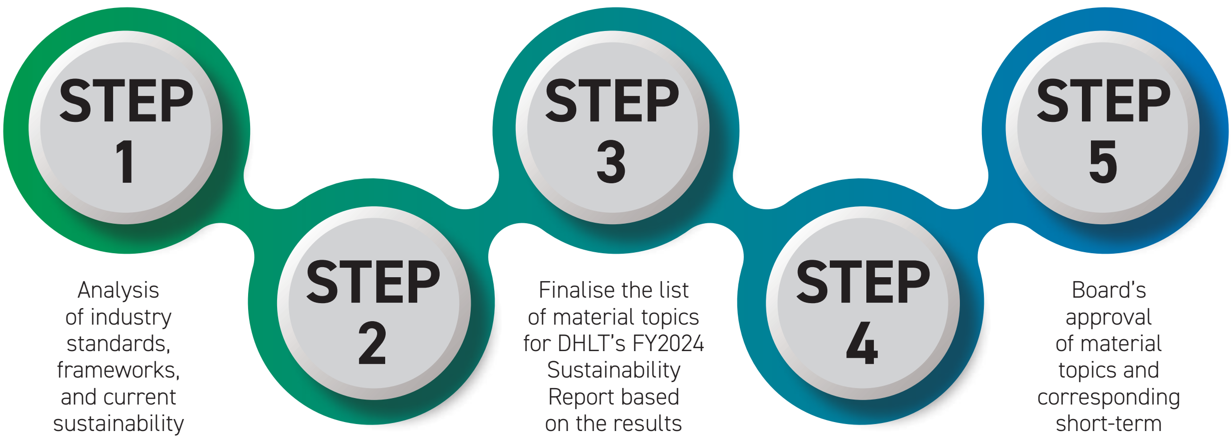
MATERIALITY ASSESSMENT
[GRI 2-14] [GRI 3-1] [GRI 3-2]

Assessing materiality is essential in identifying the relevant ESG risks and opportunities; enabling an organisation to dedicate capital and resources towards targeted ESG matters, which helps mitigate risks, and improve returns. Furthermore, disclosures on materiality assessments allow stakeholders, such as investors, to make more informed decisions.

The Manager has performed the materiality assessment in FP2022 according to GRI 3: Material Topics 2021 standards. The GRI 3: Material Topics 2021 provides step-by-step guidance for organisations on how to determine material topics and details the disclosures for which organisations need to report information about their process of determining material topics, their list of material topics and how they manage each of their material topics. In FY2024, the material topics from the previous year were reviewed and continue to be relevant for DHLT's current operations and business landscape.

In FY2024, the Manager reviewed existing material ESG topics identified in FY2023 and assessed whether any new positive or negative impacts were identified for FY2024. The review helps ensure the material topics represent the organisation's most significant impacts in each reporting period. In addition, the Manager reviewed and enhanced the existing sustainability goals and targets and developed an actional implementation plan to achieve the renewed and enhanced targets. The Board approved the final list of material topics and targets that are disclosed within this sustainability report. DHLT continues to improve its materiality assessment process for future reporting periods. The organisation's current materiality assessment process as well as the material topics, including the targets, are described below:

MATERIALITY ASSESSMENT METHODOLOGY



STEP 1: Analysis of industry standards, frameworks, and current sustainability practices across key peers including an examination of public information about their ESG practices.

STEP 2: The Manager review existing material topics and targets and identify any new material topics to be included in DHLT's FY2024 Sustainability Report.

STEP 3: Finalise the list of material topics for DHLT's FY2024 Sustainability Report based on the results from the industry analysis by identifying any new material topics or impacts identified in FY2024.

STEP 4: Review and enhancement of corresponding short-term and long-term sustainability targets for each material topic.

STEP 5: Board's approval of material topics and corresponding short-term and long-term sustainability targets for each material topic.

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

Category	UN SDGs	Material Topic	Targets disclosed in FY2023 sustainability report	Performance of previously set targets	FY 2025 Targets and KPIs
ENVIRONMENT	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES	**Energy Management and Emissions Reduction** **Climate Change Mitigation**	1) Maintain solar power capacity by property acquisition and/or additional instalment to at least 68% of Japanese properties. 2) Continue to monitor available data and study the reasons for any changes in energy consumption and level of emissions.	1) Achieved solar power capacity at 70.6% of Japanese properties through the acquisition. 2) The Manager continues to monitor the available data and study the reasons for any changes in energy consumption and level of emissions.	1) Maintain 70% of Japanese properties to have solar power installations. 2) Track and monitor energy consumption and level of emissions at 100% of our multi-tenant properties in Japan. 3) Align with ISSB's IFRS S2 requirements on climate related disclosures by FY2025. 4) Develop adaptation and mitigation plans by 2025 and implement these plans by 2030.
		Water Management	1) Continue to monitor available data and study the reasons for any changes in water consumption. 2) Maintain quality of water through periodical inspection by third parties.	1) The Manager continues to monitor the available data and study the reasons for any changes in water consumption. 2) The Manager maintained the quality of the water through periodical inspection by third parties. No concerns have been identified.	1) Continue to monitor available data and study the reasons for any changes in water consumption. 2) Perform annual statutory inspections by third parties on quality of water for 100% of our properties in Japan.
	11 SUSTAINABLE CITIES AND COMMUNITIES	**Waste Management**	1) Continue to monitor available data and study the reasons for any changes in waste generation.	1) The Manager continues to monitor the available data and study the reasons for any changes in waste generated.	1) Continue to monitor available data and study the reasons for any changes in waste generation.
	13 CLIMATE ACTION	**Green Building Management**	1) 100% of existing lease agreements renewed, as well as 100% of new lease agreements signed will include a green clause. 2) Endeavour to maintain that at least 90% of the newly acquired properties in Japan are green certified. 3) To attempt green building certification for D Project Kuki S after LED instalment.	1) 100% of existing lease agreements renewed, as well as 100% of new lease agreements signed included a green clause. 2) DHLT acquired one property in Japan during FY2024 and the property was green certified, thereby achieving a result of 100%. 3) Green certification for D Project Kuki S has been attained in September 2024.	1) To ensure inclusion of green clauses for 100% of existing lease agreements renewed and new lease agreements signed for multi-tenant properties in Japan. 2) Endeavour to maintain at least 90% of the newly acquired and existing multi-tenant properties in Japan to be green certified.

MATERIALITY ASSESSMENT

SOCIAL	**Diversity and Equal Opportunity**	1) Appoint a female director in the next three years.[1] 2) Ensure female employee representation is no less than 35%. 3) Keep diversification of nationalities along with DHLT's business expansion to ASEAN countries.	1) No female candidate has yet been appointed to the Board. 2) Total female employee representation for DHLT is 30.8%. 3) DHLT maintained a well-diversified team in term of nationalities, comprising employees of four nationalities.	1) Ensure female employee representation is no less than 35%. 2) Zero incidents of workplace discrimination.
	Training and Education	1) Provide training programmes to achieve an average of 15 hours of training per employee over FY2024.	1) The average hours of training provided to DHLT's employees in FY2024 was 25.5 hours.	1) Provide training programmes to achieve an average of 15.0 hours of training per employee over FY2025. 2) Ensure 100% of employees attend one ESG training.
	Stakeholder Health and Safety	1) Maintain zero incidents of serious injuries or fatalities. 2) Maintain good safety of the properties by conducting regular third-party inspection and ensuring prompt rectification of any findings.	1) There were zero incidents of serious injuries or fatalities in FY2024. 2) Confirmed regular third-party inspection were conducted to all the properties and there were no safety issues observed.	1) Maintain zero incidents of serious injuries or fatalities at the Manager's workplace. 2) No incidences of reported injuries, fatalities, or ill health relating to DHLT's properties. 3) Maintain good safety of the properties by conducting regular third-party inspection and ensuring prompt rectification of any findings.
	Community Impact	1) Maintain at least 80% responses from tenants in the annual tenant survey for FY2024. 2) Conduct at least two CSR activities during FY2024.	1) The response rate for the annual tenant survey in FY2024 was 84.2%. 2) Two CSR activities were conducted in FY2024, Food Packing and Dog Shelter Voluntary Work.	1) Maintain at least 80% responses from tenants in the annual tenant survey for FY2025. 2) 100% of the Manager's employees to participate in at least one CSR activity annually.

1. The completion of this target is ultimately subject to the availability of suitable female candidates with the right skill set and experience who will be able to add value to the Board.

MATERIALITY ASSESSMENT

GOVERNANCE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Compliance with Laws and Regulations**	1) Review policies and SOPs at least once a year. 2) Ensure 100% successful completion of compliance awareness session in FY2024. 3) Provide ESG training annually. 4) Maintain zero breaches of laws and regulations.	1) The review and necessary updates of the relevant policies and SOPs was conducted during FY2024. 2) All employees of the Manager attended its compliance awareness session conducted in FY2024. 3) All employees of the Manager attended ESG awareness seminar conducted by third-party professionals. 4) There were zero cases of breaches of laws and regulations during FY2024.	1) Review policies and SOPs at least once a year. 2) Ensure 100% successful completion of compliance awareness session in FY2025. 3) Maintain zero material breaches of laws and regulations.
	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Business Ethics and Anti-corruption**	1) Ensure 100% of successful completion of annual business ethics training as well as the anti-corruption and anti-bribery practices. 2) Maintain zero breaches of business ethics, anti-corruption and anti-bribery practices.	1) DHLT had a 100% attendance for the annual business ethics training in FY2024. 2) There were zero breaches of business ethics, anti-corruption and anti-bribery practices.	1) Ensure 100% of successful completion of annual business ethics training as well as the anti-corruption and anti-bribery practices. 2) Maintain zero material breaches in business ethics, anti-corruption and anti-bribery practices.
	8 DECENT WORK AND ECONOMIC GROWTH	**Supply Chain Management**	1) Conduct annual checks on all vendors with ongoing business relations for financial concerns, compliance issues and quality of service.	1) The Manager carries out regular checks on all its vendors with ongoing business relations for financial concerns, compliance issues, and quality of service.	1) Conduct annual checks on all vendors with ongoing business relations for financial concerns, compliance issues, and quality of service.

STAKEHOLDER ENGAGEMENT
[GRI 2-12] [GRI 2-29]

The stakeholders of DHLT form a monumental part of the business. The Manager engages with stakeholders to identify material impacts on its business, mitigate any negative impacts and improve the organisation's performance in areas that are important to them. The purpose of stakeholder engagement is to ensure that the opinions and interests of all stakeholders are thoroughly reviewed when making business decisions, conduct materiality assessments and encourage transparency and accountability in the decision-making process.

DHLT actively engages with the key stakeholders to understand their concerns and expectations in relation to the following objectives and engagement methods:

Stakeholder Group	Focused Issues	Engagement Methods	Engagement Issues	Frequency
UNITHOLDERS	• Timely and transparent disclosure • Understand investors' expectations	• Website/SGXNet Announcement and presentation • Meeting (physical and virtual) • Investor events including annual general meeting ("AGM") or extraordinary general meeting	• Growth strategy, operational performance, risk management • Impact on operations and financial performance	• AGM once a year • Financial results announcements on six-monthly basis • Business updates on quarterly basis • Others on ad hoc or need-to basis
TENANTS	• Maintain long-term relationships	• Onsite meeting • Phone call • Email	• Tenant satisfaction survey • Green lease	• Site visit: at least once every three months • Survey: once a year
LOCAL COMMUNITIES	• Contribution to society • Lower environmental impact	• Onsite meeting • Phone call • Email	• Social activity • Environmentally friendly buildings	• Social activity: at least twice a year
OFFICERS AND EMPLOYEES	• Competency • Retention	• Virtual/physical learning session	• Human capital development • Diversity, performance evaluation	• Training: As needed and/or annually • Survey: once a year
SUPPLY CHAIN	• Fair competition • Collaboration and cooperation	• Meeting (Virtual/physical) • Email • Phone call	• Creation of appropriate mutual relationships • Keep safe working environment	• As required
SPONSOR	• Property pipeline • Operational support • Share Daiwa House Group philosophy	• Meeting (Virtual/physical) • Email • Phone call	• Keep market-level condition in Sponsor transaction • Co-work in social activities	• As required

ENVIRONMENT
[GRI 2-23] [GRI 2-24]

The Manager is cognizant of its responsibility as an environmentally responsible investor to proactively mitigate both actual and potential environmental risks associated with its properties while ensuring the responsible use of resources within DHLT's operations. In line with this commitment, the Manager actively promotes environmentally sustainable practices through its initiatives to drive positive environmental impact.

Aligned with the vision of Daiwa House Group, which aspires to achieve "zero environmental impacts" and contribute to a sustainable society, the Manager remains dedicated to upholding this ideology. By ensuring comprehensive collection and monitoring of environmental data, mitigating climate-related risks, conserving natural resources such as water, and minimising waste across DHLT's investments, the Manager reinforces its commitment to sustainability and responsible asset management.

ENERGY MANAGEMENT AND EMISSIONS REDUCTION
[GRI 3-3] [GRI 302-1] [GRI 302-3] [GRI 302-4] [GRI 305-2] [GRI 305-4] [GRI 305-5]

Long-Term	*Achieve net zero Scope 1 and 2 Emissions by FY2050*
Mid-Term	*Maintain aggregate solar power capacity at 15MWp by FY2030*
FY2025	*Maintain 70% of Japanese properties to have solar power installations*

The Manager recognises the adverse impacts it could potentially create from inadequate energy and emissions management and appreciates the commitments of Japan, Singapore and Vietnam to achieve carbon neutrality by 2050. As a responsible corporate citizen, the Manager seeks to align with Japan's roadmap by continually improving the energy consumption, efficiency and emissions intensity of the properties and will strive to remain informed by the national agendas of the host countries as it expands geographically in the future.

In line with the first principle of the organisational sustainability policy, "prevention of global warming", the Manager aims to conserve energy and reduce the amount of emissions being generated across its operations in its each property as well as in its Singapore office. Currently, to improve energy efficiency, the properties have been well equipped with systems that help not just conserve but, in certain properties, also generate energy, specifically renewable energy.

ENERGY CONSUMPTION AND INTENSITY (JAPAN)

Many businesses in Japan have taken steps towards energy management in response to the country's rising electricity costs. The Manager consequently urged tenants of DHLT's portfolio to conserve electricity by switching off lights in offices and restrooms while not in use. Although such mitigation measures were implemented, energy consumption still rose in FY2024. DHLT's policies and standard of procedures regarding energy management and GHG emissions have stayed the same in FY2024.

To generate clean energy, solar panels have been installed by Daiwa House Energy Co., Ltd.[1] on the rooftops of 12 out of the 18 properties in DHLT's Portfolio as of 31 December 2024, with an aggregate solar capacity of 16.1 megawatts peak ("MWp"). The Manager aims to increase solar power capacity, by property acquisition and/or additional instalments, and to maintain aggregate solar power capacity at 15MWp by FY2030, which we have successfully achieved and exceeded in FY2024. The energy consumed by DHLT mostly entails electricity purchased from third-party power companies. In the case of DPL Ibaraki Yuki, a portion of its electricity is generated from solar power, aiding our transition towards clean energy consumption.

ENERGY CONSUMPTION AND INTENSITY (JAPAN)

	Performance	Comparison between FY2023 and FY2024	
	FY2024[2]	**FY2024[2]**	**FY2023[3]**
Number of assets	8	7	7
Net energy consumption[4] (GJ)	6,981.06	6,822.85	6,378.64
Energy intensity[5] (GJ/m²)	0.15	0.15	0.14

The energy consumption comparison between FY2023 and FY2024 was done on seven of DHLT's properties, which include DPL Sapporo Higashi-Kariki, DPL Sendai Port, DPL Koriyama, DPL Kawasaki Yako, DPL Shinfuji, DPL Okayama Hayashima, and DPL Iwakuni 1 & 2. The net energy consumption and intensity for these seven properties between FY2023 and FY2024 saw a 2.82% increase due to active business operations in DPL Sapporo Higashi-Kariki, DPL Kawasaki Yako, and DPL Okayama Hayashima.

1. Daiwa House Energy Co., Ltd. is a subsidiary company of the Sponsor.
2. The data reported spans the period 1 January 2024 to 31 December 2024. DPL Ibaraki Yuki has been added to the list of reported assets for the FY2024 in comparison to FY2023.
3. The data reported spans the period 1 January 2023 to 31 December 2023.
4. Net energy consumption data includes only multi-tenanted properties at which DHLT manages certain operations, such as security rooms, and common areas and thus is responsible for a certain amount of the total energy consumption. The factor used to convert the amount of energy consumed from kWh to GJ is 0.0036.
5. Energy intensity has been calculated by dividing net energy consumption mainly from electricity by floor space (common areas) for the DHLT's properties and the figures have been rounded off to two decimal points.

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ENERGY CONSUMPTION AND INTENSITY (SINGAPORE)

	FY2024	FY2023	
Office Location	Current Office	Current Office, 1 January to 6 July, 2023	Former Office, 7 July to 31 December, 2023
Energy consumption (GJ)	18.09	18.71	
Energy intensity (GJ/m^2)	0.13	0.17	

EMISSIONS AND INTENSITY (JAPAN)

The direct consequence of energy consumption is the release of GHG emissions, air pollution and a depletion of natural resources due to the burning of fuel to produce electricity, which is then used for the day-to-day operations of a business. DHLT currently does not emit any Scope 1 emissions, DHLT's Scope 2 emissions comprise electricity that is consumed through the activities of the Manager at its Singapore head office, as well as in the security rooms and common areas of the multi-tenanted properties within the DHLT Portfolio that fall under DHLT's operational purview. As a portion of DPL Ibaraki Yuki's electricity consumption is generated from solar power, its Scope 2 emissions is effectively reduced.

	Performance	Comparison between FY2023 and FY2024	
	FY2024[1]	FY2024[1]	FY2023[2]
Number of assets	8	7	7
Emissions (tCO_2e) – Scope 1	N.A.	N.A.	N.A.
Net emissions[3] (tCO_2e) – Scope 2	939.54	923.02	851.81
Emissions intensity[4] (tCO_2/m^2)	0.02	0.02	0.02

The total emissions and intensity for the same seven properties[5] between FY2023 and FY2024 saw a 5.12% increase due to increased business activities by the tenants in DPL Sapporo Higashi-Kariki, DPL Kawasaki Yako, and DPL Okayama Hayashima. Furthermore, increase in the emission factor in Japan also contributed to an increase in total emissions.

The Manager is working to enhance data collection methods for Scope 3 emissions and aims to disclose all relevant categories in the future once data credibility of tenants emissions is established. Starting in FY2025, the Manager will monitor energy consumption and emissions trends, secure evidence for future assurance, and seek tenant cooperation in providing necessary data. The Manager is enhancing data collection for Scope 3 emissions and aims to disclose all applicable categories in the future. Starting FY2025, it will monitor data, analyse energy and emissions trends, secure assurance evidence, and collaborate with tenants for relevant data.

EMISSIONS AND INTENSITY (SINGAPORE)

	FY2024	FY2023	
Office Location	Current Office	Current Office, 7 July to 31 December, 2023	Former Office, 1 January to 6 July, 2023
Emissions (tCO_2e) – Scope 1	N.A.	N.A.	
Emissions[6] (tCO_2e) – Scope 2	2.07	2.10	
Emissions intensity (tCO_2/m^2)	0.02	0.02	

CLIMATE CHANGE MITIGATION
[GRI 2-12] [GRI 2-13] [GRI 3-3]

Mid-Term	*Develop adaptation and mitigation plans by FY2025 and implement these plans by FY2030*
FY2025	*Track and monitor energy consumption and level of emissions at 100% of our multi-tenant properties in Japan*
	Align with ISSB's IFRS S2 requirements on climate related disclosures by FY2025

Climate change has been brought to the forefront in recent years due to rising global temperatures, sea levels and incidences of natural calamities. This has consequently led to reporting on climate-related disclosures taking precedence among organisations globally.

1. The data reported spans the period 1 January 2024 to 31 December 2024. DPL Ibaraki Yuki has been added to the list of reported assets for FY2024 in comparison to FY2023.
2. The data reported spans the period 1 January 2023 to 31 December 2023.
3. Net emissions data includes only multi-tenanted properties at which DHLT manages certain operations, such as security rooms, and common areas and thus is responsible for a certain amount of the total emissions. Emissions have been calculated by multiplying the electricity consumption data by the CO_2 emission factor (sourced from official figure published by the Ministry of the Environment in Japan).
4. Emissions intensity has been calculated by dividing net emissions by the floor space (common areas) for the DHLT's properties and the figures have been rounded off to two decimal points.
5. These seven properties include DPL Sapporo Higashi-Kariki, DPL Sendai Port, DPL Koriyama, DPL Kawasaki Yako, DPL Shinfuji and DPL Okayama Hayashima, and DPL Iwakuni 1 & 2.
6. Grid emission factors are used to calculate the Scope 2 emissions for the head office in Singapore: 0.4057 for FY2023 and 0.4120 for FY2024 (source: Energy Market Authority ("EMA")).

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In FY2023, the Manager established the ENRM Framework that details its approach towards identification, assessment, monitoring and reporting of environmental risks. The Framework leverages the three-year implementation plan that was developed as a guide for the Manager to strengthen its environmental risk management practices and build its alignment with the MAS Guidelines on ENRM for Asset Managers. During FP2022, a comprehensive scenario analysis exercise was performed to determine the most pertinent physical and transition risks that DHLT faces. The existing scenario analysis included 14 out of 17 of the Japanese properties and does not include the recently acquired Vietnamese property. This will be included in the scenario analysis in the coming years in order to determine the most pertinent physical and transition risks for this new geographical location.

The Manager believes in the merits of climate-related reporting and values the TCFD for its clear and strategic framework on climate-related disclosures. The following is the Manager's TCFD disclosure, which it will continue to build upon over the years.

TCFD Pillar	DHLT's activities
GOVERNANCE 	The Board of the Manager holds ultimate oversight of, and accountability for, DHLT's sustainability agenda, strategy and performance and has delegated the responsibility for achieving the desired outcomes to the Sustainability Committee. The Sustainability Committee is led by the CEO of the Manager and includes the CFO, the CRO, the Head of Planning, the Head of Investor Relations, the Head of Investment and the Head of Asset Management. While the CEO is responsible specifically for environmental risk management, which includes climate-related risks, the day-to-day implementation of sustainability initiatives is handled by the Head of Planning. Since its establishment, the Sustainability Committee has reported directly and quarterly to the Board on material sustainability-related matters, including those tailored to address climate-related risks. The Manager aligns with the sustainability approach of the Daiwa House Group to the extent feasible and seeks inspiration and guidance from the advanced sustainability practices of Daiwa House REIT. In order to equip its workforce with the relevant skillset and knowledge to manage climate-related risks, employees from varied functions attended an ESG awareness seminar in FY2024.
STRATEGY 	The Manager performed a peer benchmarking analysis and identified a long list of material sustainability topics. DHLT subsequently shortlisted the most important areas after conducting stakeholder engagement. 2 of the 12 prioritised material topics included emissions reduction and climate change mitigation, which shows the commitment of the Manager to limiting the impacts of climate change. In FP2022, the Manager performed a standalone scenario analysis to determine which climate-related risks and opportunities are material to the business. The risks were explored using the following parameters.

Scenario parameters	
Assets and countries coverage[1]	82.4% coverage (14 out of 17 logistics assets located in Japan)
Baseline year	2021
Scenarios explored[1]	1.5°C warming (NGFS[2] Net-Zero & RCP 2.6) > 3°C warming (NGFS Current Policies & RCP 8.5)
Timeframes explored	Short term: 2030 Long term: 2050

1. The assets covered under the scope of the scenario analysis include 14 out of 17 properties in Japan and do not include the recently acquired Vietnamese property.
2. The Network for Greening the Financial System ("NGFS") has developed a set of climate scenarios that provide a framework for assessing and managing climate-related risks by exploring the physical and transition impacts of climate change over different time horizons and under varying assumptions. Representative Concentration Pathways, first used in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change ("IPCC"), are greenhouse gas concentration trajectories that can be used to model climate change and its impacts. RCP 2.6 require that carbon dioxide emissions start declining by 2020 and reach zero by 2100, whereas RCP 8.5 is considered the worst-case scenario whereby emissions continue to rise throughout the 21st century.

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TCFD Pillar	DHLT's activities
	Based on this analysis, some of the more material risks in financial terms, as well as some of the associated mitigation and adaptation strategies, include:

Risk/ opportunity type	Potential impacts	Risk level 1.5°C warming (2030 to 2050)	Risk level > 3°C warming (2030 to 2050)	Mitigation measures
Extreme and more frequent heatwaves	Increase in cooling demand which may lead to higher utilities costs for the landlord-controlled areas	Moderate	Moderate to High	Investing in adaptation measures for locations with high physical risks
Flooding	Loss of asset value	Moderate	Moderate	Performing specific site level climate risk assessments Considering mitigation and adaptation measures Reviewing insurance coverage
Windstorms, such as tropical cyclones	Loss of asset value	Moderate	Moderate to High	Performing specific site level climate risk assessments Considering mitigation and adaptation measures Reviewing insurance coverage
Carbon pricing	Increase in operational costs associated with carbon pricing	High	Low	Developing a decarbonisation road map
Changing customer behaviours	Increased focus on green certifications while making landlord choices	Moderate (2030 perspective)		Green building certifications to stay up to date with industry trends

Since this exercise was also performed in response to the MAS ENRM, broader environmental risks were evaluated. As part of this category, earthquakes were identified as relevant for DHLT's operations. As Japan is prone to earthquake occurrences, any occurrences of earthquakes in the vicinity of the properties could potentially cause damages to DHLT's properties, which may result in higher maintenance and repair costs and asset value reductions. The Manager conducted an assessment upon consideration of how the relevant property and the portfolio as a whole would be affected by earthquakes, as well as the ability to mitigate any adverse impact through insurance coverage. The Manager considers obtaining earthquake insurance for properties with a probable maximum loss ("PML") exceeding 15.0%. The PML of the DHLT Portfolio in Japan was assessed to be 1.5% in FY2024 and there is no individual property with a PML of more than 15.0% in the DHLT Portfolio.

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TCFD Pillar	DHLT's activities
	The Manager is still in the process of identifying the most effective way to manage environmental risks as a business. Based on the scenario analysis performed in FP2022, some climate and environmental risks and opportunities were identified. The Manager will, going forward, evaluate how best to manage and mitigate these risks and how these measures will influence and guide overall strategy and decision-making. The Manager already includes an environmental evaluation in DHLT's investment process but will look to enhance this process in the coming years. Based on the most financially material climate-related risks identified in the scenario analysis, the Manager is considering viable mitigation and adaptation strategies that can be adopted. Environmental considerations, including climate change, are integrated into the process of sourcing and selecting DHLT's investments. However, the Manager is still evaluating other strategies that would help improve the resilience of DHLT's Portfolio in the future, such as decarbonisation activities, and incorporating climate and environmental risks into the risk management system. The Manager will report on progress in these areas in future disclosures.
RISK MANAGEMENT	The Manager acknowledges the severity of climate-related risks and treats them in the same regard as other potential critical risks faced by DHLT, such as reputation, financial, legal, and operational. The Manager has established an ENRM Framework that outlines its environmental risk management practices across its governance structure and throughout its investment cycle. The ENRM Framework details its approach towards the identification, assessment, monitoring and reporting of environmental risks. The Framework leverages on the three-year implementation plan that was developed as a guide for DHLT to strengthen its environmental risk management practice and build its alignment with the MAS ENRM Guidelines for Asset Managers. As a part of the ENRM Framework DHLT created a three lines of defence strategy to identify, assess and monitor environmental risks in its investments: • **First line of defence** – the Head of Asset Management is a member of the Sustainability Committee and thus aware of any policies, controls and initiatives implemented relating to the identification, assessment and monitoring of environmental risks at the investment/portfolio level and ensures that they are effectively taken into consideration in investment decision making. The investment team performs an environmental risk due diligence assessment when sourcing and screening potential investments. • **Second line of defence** – the CRO who oversees the risk management function is a member of the Sustainability Committee and is able to maintain effective oversight of the environmental risk management controls being executed by the Sustainability Committee, including the first line of defence and whether they meet the applicable regulatory requirements. • **Third line of defence** – DHAMA's internal auditor has scoped in sustainability aspects, including the review and reporting of ESG and climate-related risks, into the audit plan to inspect the efficacy of the environmental controls being implemented and performed by the first and second lines of defence.

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TCFD Pillar	DHLT's activities

The Manager also has an established a sustainability policy, which serves as a guide for the incorporation of sustainability factors in DHLT's investment management practice based on eight focus areas:

1. Prevention of global warming
2. Harmony with the environment (preservation of biodiversity)
3. Conservation of natural resources (reducing waste and protecting water resources)
4. Prevention of chemical pollution
5. Establishment of an internal framework and initiatives for employees
6. Building of trust relationships with external stakeholders
7. Promotion of communication through information disclosure
8. Compliance with laws and regulations and risk management.

To screen potential environmental risks in a prompt manner, the investment team performs an environmental risk due diligence assessment prior to entering into new investments with the aid of an investment checklist. The following environmental factors are evaluated:

- At the portfolio level
  - solar power capacity
  - percentage of green lease by NLA

- At the asset level
  - building resilience (earthquake, including PML to assess risk related to earthquakes)
  - bio-diversification
  - natural disaster checkpoint
  - soil contamination
  - hazardous substance
  - solar panel
  - percentage of green leases
  - availability of data (energy consumption and generation, water, waste)

The findings of the due diligence process are discussed in meetings that include the senior personnel of the Manager. If any concern is flagged, corresponding measures to remedy the risk are explored in the meeting. The conclusions from the discussion are then shared with the Board before the Board approves the property acquisition.

METRICS AND TARGETS

The Manager has disclosed data pertaining to energy consumption and generation, carbon emissions, water management, waste management, green building certifications. The Manager has not relied on any third-party tools or software to perform any of its environmental-related assessments but has sought the help of an external ESG consultant. The Manager will evaluate and utilise the results of the scenario analysis exercise to implement suitable climate-related metrics and targets in the near future.

The Manager has implemented targets for each of DHLT's material topics. The targets are both quantitative and qualitative in nature and while some of them are short-term targets, others span a longer time horizon. During FY2024, the Manager was actively monitoring its performance against the set targets in FY2023 and will continue to actively monitor the progress towards each of the targets and revise any, as needed.

ENVIRONMENT

WATER MANAGEMENT

[GRI 3-3] [GRI 303-1] [GRI 303-5]

Mid-Term	*Track and monitor water consumption at 100% of our multi-tenant properties in Japan by FY2030*
FY2025	*Continue to monitor available data and study the reasons for any changes in water consumption*
	Perform annual inspections by third parties on quality of water for 100% of our properties in Japan

Water scarcity is one of the most pertinent issues facing the planet today. By 2025, two-thirds of the world's population is expected to suffer from water shortages. With the Manager's office situated in Singapore, a geographical location that presents water-related issues due to its position as a water-stressed nation, remaining cognisant of the value of water remains a key consideration for the organisation. In addition, the Manager will also continue to monitor the available data and study the reasons for any changes in water consumption, as well as maintain the quality of the water through periodical inspection by third parties. Even though most of DHLT's assets are located in Japan, where water stress is not a major concern, effective water management is nevertheless seen as critical to reducing the potential negative effects that excessive water use may have on the company, the economy and society.

WATER CONSUMPTION AND INTENSITY (JAPAN)

	Performance	Comparison between FY2023 and FY2024	
	FY2024[1]	FY2024[1]	FY2023[2]
Number of assets	7	5	5
Net water consumption[3] (m^3)	10,650	9,807	9,205
Water consumption intensity (m^3/m^2)	0.24	0.24	0.23

The water consumption comparison between FY2023 and FY2024 was done on five of DHLT's properties, which include DPL Sapporo Higashi-Kariki, DPL Koriyama, DPL Kawasaki Yako, DPL Shinfuji, and DPL Okayama Hayashima. The total water consumption and intensity for these five properties between FY2023 and FY2024 saw a 6.54% increase, this was largely due to active business operations at DPL Sapporo Higashi-Kariki.

As all the properties have been built within the last 10 years, they are equipped with the latest motion sensor faucets that help to curb water consumption by preventing idling or overuse.

Building managers that reside at the multi-tenanted properties conduct monthly checks of the properties and inspect for any damages to DHLT's water equipment as a pre-emptive mitigation to limit potential water leakages or wasteful consumption. Any damages are reported to the Manager and prompt action ensures any inefficiencies in water use are limited. In the near future, the Manager will continue to monitor and study the water consumption patterns at its properties and its Singapore office and adopt necessary measures, such as installing additional water-efficient fittings at its properties, as required.

1. The data reported spans the period 1 January 2024 to 31 December 2024.
2. The data reported spans the period 1 January 2023 to 31 December 2023.
3. Net water consumption data includes only multi-tenanted properties at which DHLT manages certain operations, such as security rooms, and common areas and thus is responsible for a certain amount of the total water consumption. The data for water consumption has been collected from monthly water usage invoices.

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WASTE MANAGEMENT

[GRI 3-3] [GRI 306-1] [GRI 306-3]

Mid-Term	*Track and monitor waste generation at 100% of our multi-tenant properties in Japan by FY2030*
FY2025	*Continue to monitor available data and study the reasons for any changes in waste generation*

The Manager is dedicated to conserving the use of natural resources in its operations while also minimising the amount of waste generated. This is in line with the third principle of its sustainability policy, "conservation of natural resources".

In line with its commitment to environmental responsibility, Japan's Ministry of the Environment has set ambitious national targets for waste reduction. Specifically, the government aims to cut municipal solid waste by 20% from 2000 levels by 2030. This initiative aligns with its broader sustainability efforts to promote circular economy principles, increase recycling rates, and reduce landfill dependence. Given these national objectives, the Manager recognises the importance of integrating waste management strategies within its properties, encouraging tenants to adopt eco-friendly practices, and leveraging green lease clauses to support Japan's sustainability goals.

The adverse environmental and social impacts of landfill overflow and waste incineration – such as land pollution, greenhouse gas emissions, and air quality deterioration – are significant. These repercussions are exacerbated when hazardous waste is involved, posing serious health risks to surrounding communities. Recognising these challenges, the Manager remains committed to minimising waste generation and ensuring responsible waste disposal. As part of its sustainability efforts, the Manager will continue to monitor waste data and analyse trends in waste generation throughout FY2025 to develop targeted reduction strategies.

At the property level, daily waste is managed through licensed public waste disposal operators. On the other hand, the Manager and the Property Manager carefully deal with specialised waste – such as bulky, heavy, or chemical waste – because it affects more seriously to the environment.

By continuing to explore innovative waste management solutions and fostering responsible waste disposal practices, the Manager remains committed to supporting national and global sustainability goals, mitigating environmental impact, and enhancing long-term resource efficiency across its portfolio.

WASTE GENERATION (JAPAN)

In Japan, the government has implemented a comprehensive and highly structured waste management policy that focuses on waste reduction, recycling, and resource efficiency. The Japanese Government follows the "3Rs" principle – Reduce, Reuse, Recycle – to minimise waste generation and environmental impact. Japan enforces strict waste sorting rules, requiring businesses to separate burnable waste, non-burnable waste, recyclables, and hazardous materials. The Manager strictly complies with the mandated guidelines on waste collection schedules and disposal methods, ensuring proper handling and reducing landfill dependency. Under the Waste Management and Public Cleansing Act, the Manager implements proper segregation, collection, treatment and recycling of the waste generated by its portfolio properties.

	FY2024[1]	FY2023[2]
Total weight of waste generated in metric tonnes[3]	37,585	36,969

As the Manager commences the collection and tracking of the amount of waste generated at the properties and its office, the Manager is committed to studying the waste generation patterns resulting from its operations and subsequently exploring waste management opportunities, including recycling and waste segregation initiatives over the coming years. The Manager saw a slight increase of 1.67% in the waste generation in FY2024.

Overall, the weight of disposals is checked based on year-to-year comparisons and progress is evaluated by monitoring the collected data. The information presented in the Sustainability Committee meeting showed that there was a declining trend in waste produced at DHLT's properties across the span of half a year in FY2024. DHLT continues to encourage its tenants to reduce their environmental impact as a collective effort to minimise our waste footprint.

1. The data reported spans the period 1 January 2024 to 31 December 2024.
2. The data reported spans the period 1 January 2023 to 31 December 2023.
3. Total weight of waste generated by tenants at DHLT's properties and collected by DHLT. The total weight of waste generation has been collected from the invoices of disposal collector.

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GREEN BUILDING MANAGEMENT

FY2025	*To ensure inclusion of green clauses for 100% of existing lease agreements renewed and new lease agreements signed for multi-tenant property in Japan*
	Endeavor to maintain that at least 90% of the newly acquired and existing multi-tenant properties in Japan to be green certified

The Manager is committed to making a positive environmental impact by ensuring that the properties are equipped with green retrofits. Among the many advantages are improved indoor air quality for tenants and employees, which promotes good health and a decrease in operating expenses through the conservation of energy and other natural resources. Moreover, enhancements in the ecological quotient of a property help surrounding communities through lower rates of pollution and the preservation of flora and fauna.

Therefore, the Manager places great importance on upholding the environmental performance standards of the properties and has attained the BELS Green Building Certification for 16 out of the 18 properties in DHLT's Portfolio in FY2024. In FY2025, the Manager will ensure that 100% of the newly acquired properties in Japan are Green Certified.

The Manager recognises the importance of certifying new buildings when they are built. However, to achieve the ratio of Green Certification within DHLT's properties, further efforts will be required for properties outside of Japan.

The Manager seeks to engage tenants in more effective ways to reduce the environmental footprint within DHLT's value chain. The lease contract includes a green clause which both the landlord and tenants agree to cooperate. Under this clause, tenants must provide the landlord with utility consumption data, including electricity, water, and gas, as well as waste generation data. The Manager's goal is to ensure that 100% of both renewed and new lease agreements include the green clause. In FY2024, all renewed and new lease agreements incorporated this clause, and 36.0% of overall lease agreements included this clause.

STAR RATING OF DHLT'S PROPERTIES BY BELS

Star rating	Properties	% NLA of DHLT's Japan properties
★★★★★★	• DPL Sapporo Higashi Kariki • DPL Koriyama • D Project Nagano Suzaka S • D Project Maebashi S • D Project Misato S • D Project Iruma S • DPL Kawasaki Yako • DPL Shinfuji • DPL Okayama Hayashima 2	62.4%
★★★★★	• DPL Sendai Port • D Project Kuki S • DPL Ibaraki Yuki • D Project Kakegawa S • DPL Okayama Hayashima • DPL Iwakuni 1 and 2	34.1%
★★★★	• D Project Fukuoka Tobara S	2.3%
Total		**98.8%**

SUSTAINABILITY REPORT

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The BELS (Building-Housing Energy-efficiency Labelling System) grading is a third-party green building rating certification in Japan that assesses the energy conservation performance of buildings in line with the guidelines set by the Ministry of Land, Infrastructure, Transport and Tourism of Japan. It focuses on energy efficiency and the overall energy-saving performance of buildings. From April 2024 onward, the BELS certification is represented by the number of stars on a seven-tier scale for non-residential properties and residential properties equipped with facilities for renewable energy, and on a five-tier scale for residential properties without facilities for renewable energy. Notably, in FY2024, investments into LED lighting in D Project Kuki S helped it obtain a 5-star BELS star.

Of DHLT's properties in Japan, 98.8% (by NLA) has attained BELS Green Building Certification. Overall, 16 out of 18 properties in the DHLT Portfolio are green building certified.


DPL Iwakuni 1& 2

SOCIAL
[GRI 2-23] [GRI 2-24]

The Manager recognises and respects its obligations to both internal and external stakeholders. The Manager aspires to provide an inclusive and enriching work environment for its workforce, a safe and comfortable office for its employees, a secure business base for the tenants of DHLT's properties and resilient and sustainable surroundings for the local communities where DHLT's operations and investments are based.

As an advocate for the following principles of DHLT's sustainability policy: "establishment of an internal framework and initiatives for employees" and "building trusted relationships with external stakeholders", the Manager strives to continuously pursue initiatives that promote a dynamic social ecosystem reflective of strong relationships and harmony.

DIVERSITY AND EQUAL OPPORTUNITY
[GRI 3-3] [GRI 2-7] [GRI 2-21] [GRI 2-30] [GRI 401-1] [GRI 405-1] [GRI 406-1]

Mid-Term	*Appoint a female Director[1] in the next two years.*
FY2025	*Ensure female employee representation is no less than 35%*
	Zero incidents of workplace discrimination

DHLT's ability to achieve organisational targets is amplified by its diverse and holistic workforce, which welcomes a range of skill sets and competencies. This leads to increased productivity that has good financial implications, which benefits all stakeholders, including employees. The Manager aims to maintain this while improving the well-being of DHLT's employees by providing them with a conducive work environment as well as opportunities for professional development, growth and upskilling.

The Daiwa House Group Principles of Corporate Ethics and Code of Conduct and each Employment Agreement outline the anti-discrimination policy. The Manager has zero tolerance for discrimination and takes pride in not having any cases of discrimination in FY2024. Additionally, all the Manager's contracts with its employees contain the following "Equal Employment Opportunity Employer" employment clause, reflecting the provision of equal opportunities for all its employees regardless of their gender, age, ethnicity, or nationality.

Any actual or alleged breach of the Group's anti-discrimination policy will be taken seriously and will result in disciplinary action, which may include the termination of employment. There are currently no employees covered by collective bargaining agreements. However, to ensure fair, progressive and competent employment practices, the Manager collects the latest labour market information and trends (including salary and benefits) through various channels, for example, through the survey results of human resource recruiting firms and any updates provided by government bodies such as the Ministry of Manpower.

The Manager also closely monitors updates from the Tripartite Alliance for Fair and Progressive Employment Practices ("TAFEP"). The following tables illustrate the gender and age composition of the Manager's Board of Directors and employees, which have been calculated based on the headcount at the end of the FY2024 reporting period.

Table 1.1: Total number of employees (Includes C-Suite level executives and Heads of Department)

	Men	Women	<30 Years Old	30-50 Years Old	>50 Years Old
Number of individuals	9	4	0	11	2

1.1: Total number of employees in percentage (%)

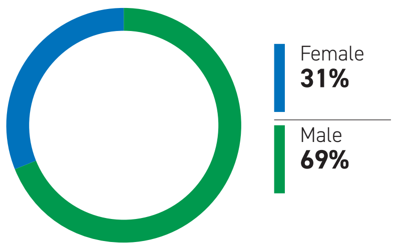

Table 1.2: Board of Directors

	<30 Years Old	30-50 Years Old	>50 Years Old
Age	0	1	5
Total		6	

1. The completion of this target is ultimately subject to the availability of suitable female candidates with the right skill set and experience who will be able to add value to the Board.

SOCIAL

Table 1.3: C-suite level executives and Heads of Department

	Men	Women	<30 Years Old	30-50 Years Old	>50 Years Old
Number of individuals	5	1	0	4	2

All employees are permanent, full-time staff. The Manager aims to improve gender balance by ensuring female employee representation is no less than 35% and fair hiring based on the skills and capabilities of potential employees and their potential contribution to a specific function. In FY2024, the Manager hired three new employees (two male and one female).

DHLT expects more demand from its investors and regulatory bodies to improve its diversity in its Directors' composition, which currently consists of six male Directors. The Manager will source a female Director candidate for the next appointment and appoint at least one female Director by 2026.

The Sponsor also conducted an internal recruitment process to source for different nationalities of employee candidates of the Manager to maintain sustainable job rotations. In the recruitment process for new staff, DHLT takes into consideration the male-female ratio. The following table illustrates the demographics of the employees hired in FY2024 by the Manager.

Table 1.4: Number of new employees hired by the Manager in FY2024

	Men	Women	<30 Years Old	30-50 Years Old	>50 Years Old
Total number of new employees hired	2	1	0	3	0

Table 1.5: Employee turnover for FY2024

	Men	Women	<30 Years Old	30-50 Years Old	>50 Years Old
Total number of resigned employees	1	2	0	3	0

The Manager embraces employees belonging to different nationalities. Currently, its employee base consists of individuals from Singapore, Japan, South Korea and Taiwan R.O.C. In FY2025, the Manager will continue to augment the diversification of nationalities corresponding with DHLT's potential business expansion to ASEAN countries.


D Project Nagano Suzaka S

SOCIAL

TRAINING AND EDUCATION

[GRI 3-3] [GRI 404-1]

FY2025	*Provide training programmes to achieve an average of 15.0 hours of training per employee over FY2025*
	Ensure 100% of employees attends 1 ESG training in FY2025

As part of its efforts to provide equal learning and development opportunities for all employees, employee upskilling is a crucial focus area for the Manager. The Manager is committed to providing its employees with an avenue for growth and development and established an SOP for Training SOP for the purpose of complying with mandatory requirements set by the relevant regulators, ultimately augmenting and diversifying the competencies of the workforce.

Table 1.6: Training hours by gender

	Men	Women
Average number of training hours undertaken per employee, by gender	28.3	24.8

In FY2024, the average hours of training conducted per employee was approximately 25.5, out of which company representatives appointed to carry out fund management activities received more hours of training due to regulatory requirements, such as the mandatory continuing professional development ("CPD") training. The male employees underwent an average of 28.3 hours of training per employee and the female employees underwent an average of 24.8 hours of training per employee.

DHLT tracks the learning hours of the employees to make sure the Manager meets its ESG targets. In FY2024, DHLT targets for training hours have been achieved. However, the Manager recognises that currently offered programs are basic and common to all the employees. The Manager thus, encourages its employees to take courses they think are beneficial to their work.

DHLT ensures that its employees constantly receive programmes to upgrade their skills and prepare for future transitions. Over the course of FY2024, the trainings disseminated comprised of a wide array of topics, including code of conduct, anti-corruption, compliance to rules and regulations and familiarisation with internal policies. All employees with functions that entail sustainability considerations within their role and jurisdiction, were also part of an ESG Awareness Seminar conducted by an external ESG consultant in October 2024. This seminar covered the following agenda:

- Sustainability landscape: latest developments and trends
- Sustainability reporting landscape of standards and frameworks
- Nature-related risks/opportunities and the Task Force on Nature-related Financial Disclosures ("TNFD").

100% of the employees receive regular performance and career development reviews.

STAKEHOLDER HEALTH AND SAFETY

[GRI 3-3] [GRI 403-9] [GRI 403-10] [GRI 416-1]

FY2025	*Maintain zero incidents of serious injuries or fatalities at the Manager's workplace in FY2025*
	No incidences of reported injuries, fatalities or ill health relating to DHLT's properties in FY2025
	Maintain good safety of the properties by conducting regular third-part inspection and ensuring prompt rectification of any findings

The Manager recognises its duty to provide a safe and healthy work environment for its employees and for the tenants of DHLT's properties by maintaining the physical condition of the properties and preventing serious injuries and fatalities that could result from renovation, repair and maintenance work. In

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the Singapore office, the Manager circulates an employment handbook as well as its Business Continuity Plan ("BCP"). The employment handbook contains details regarding the rules and regulations that employees are expected to follow, including working hours, leave entitlement, medical and insurance coverage, conduct and disciplinary measures. The BCP provides details regarding safety management procedures, such as periodic fire drills and the evacuation plan. The BCP acts as a significant testament to DHLT's durability in responding to and managing adverse safety and health incidences, while forming the foundation for DHLT's target of maintaining zero cases of injuries and fatalities caused by an incident within the operational control of DHLT at its head office and properties.

The Manager maintains the good physical condition of the properties through periodic inspections by a third party and onsite checks by the Property Manager and building managers. These checks entail the examination of power-transforming equipment, air conditioners, fire prevention facilities, elevators, water supply and water quality, including checks for colour, turbidity, smell, taste and residual chlorine. This limits the scope of faulty or lost wiring and equipment that could be the source of a potential injury or fatality, whilst ensuring the lack of impurities in the air or water at the properties that could precipitate the spread of diseases or ailments experienced by both the employees of the Manager and the tenants in DHLT's properties.

Moreover, the building managers conduct a monthly examination of the multi-tenanted properties, as they are responsible for the daily maintenance of their facilities. In FY2024, there were no incidences of reported injuries, fatalities, or ill health relating to any of DHLT's operations or property-related faults at any of the properties. This is an accomplishment that DHLT aspires to maintain in FY2025.

In the event of damage to any of the properties, the Manager commits to taking prompt action to ensure its repair. In FY2024, the Manager continued to maintain the good safety of the properties by conducting regular third-party inspections and ensuring prompt rectification of any findings.

For any potential properties that DHLT intends to acquire, the Manager performs technical due diligence to evaluate whether the property would be a conducive and safe environment for work.

The Manager's insurance policy and health screening benefits ensure that the health of all employees is covered and taken care of. In addition, employees who go on business trips also have travel insurance. Under the health screening benefits, employees are encouraged to undergo health screening once a year (self-arranged) and reimbursement, with an agreed limit, will be given upon proof of receipt. The reimbursement limit is based on the age group.

All of DHLT's employees are insured by the Work Injury Compensation Act ("WICA") and covered by the organisation's occupational health and safety management system. To further mitigate the risk and prepare the employees for health-related hazards, the Manager has participated in the fire drills conducted by OUE Downtown (the Manager's office in Singapore) and conducted an internal BCP exercise in FY2024.

COMMUNITY IMPACT
[GRI 3-3] [GRI 2-28]

FY2025	*Maintain at least 80% responses from tenants in the annual tenant survey for FY2025*
	100% of the Manager's employees to participate in at least one CSR activities annually

With regards to the broader stakeholder community, the Manager hopes to engage with, and give back to the local community situated in Singapore, as well as in and around its properties in Japan, through means that extend beyond its environmental responsibility. Being a good corporate citizen and acknowledging social responsibility necessitates having a grasp of the pressing social and environmental issues that the communities in which DHLT operates are dealing with. As part of its mission as a responsible manager of a real estate investment trust, the Manager seeks to identify such issues and do its part to positively contribute to the welfare of its local communities.

An important part of DHLT's community, are its tenants. In addition to forming the foundation of DHLT's business, they also serve as a good indication of the living conditions within the properties, as well as of its surroundings. The Manager conducts a tenant satisfaction survey with its tenants on an annual basis to garner feedback regarding their level of satisfaction with the property, its building managers and facilities, whilst inquiring about any issues they face, any amenities they require and any potential improvements to the environmental features of the properties they would like. In FY2024, the Manager obtained an 84.2% response rate for its tenant satisfaction survey. In FY2025, the Manager seeks to maintain at least an 80% tenant response rate to the annual tenant survey, improve the "overall satisfaction" score and satisfy the concerns of the tenants while maintaining constant and transparent communication.

To cultivate the spirit of volunteering among the employees and to make a difference in the lives of animals and community, employees of the Manager participated in two CSR activities in FY2024 that involved food donation and packing, as well as cleaning works at dog shelter. To keep up with leaving a positive impact on the environment and community, the Manager aims to conduct at least two CSR activities in FY2025.

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CSR Activity – Food packing (May 2024 at Food from the Heart)

CSR Activity – Volunteering at a dog shelter (November 2024 at Causes for Animals Singapore)

The REIT community, comprising of the Manager's peers, forms an important community to the Manager. Hence, the Manager is a member of the REITAS, an association purposed with strengthening the real estate investment trust sector in Singapore. Through its involvement, the Manager is able to effectively contribute to, as well as learn from, the solutions being developed to tackle some of the most significant challenges being faced by the industry, while remaining abreast with the latest trends within the industry.

GOVERNANCE

[GRI 2-23] [GRI 2-24]

DPL Sendai Port

The Manager places a high priority on adhering to and complying with all applicable laws and regulations in order to preserve its reputation as a respectable organisation. Enforcing behaviour that complies with the law also fosters corporate ethics, honesty and transparency among all important stakeholders. The Manager prioritises any requirements mandated by regulations, including the implementation of specific procedures, policies, or even trainings for employees.

The Manager will continue to proactively establish the necessary safeguards required to protect DHLT's assets and uphold its corporate governance structure while remaining oriented with DHLT's sustainability policy principles of promoting communication through information disclosure, compliance with laws and regulation and risk management.

The Board, which is responsible for the organisation's effects on the economy, society and environment, is the Manager's highest governing body. To ensure adequate Board representation from different key internal stakeholder groups in formulating corporate strategies, including those related to sustainability, the Board includes a member from the Manager – the CEO and also two board members affiliated with the Sponsor.

Additionally, while nominating or appointing a new Director, the Manager encourages diversity on the Board in terms of skills, experience, industry, discipline, background, gender, age, ethnicity, culture, nationality and other pertinent aspects in order to maintain a robust corporate governance framework. The Board of Directors is ensured to have credible, commendable and suitable experience and expertise to lead DHLT's real estate investment practice. In addition to their professional background, the Board undergoes appropriate training to remain well-informed and up to date with the latest advancements and trends in the industry, ensuring they have the necessary skills to govern the organisation.

The views of key stakeholders, including shareholders, are accounted for by ensuring their representation within the Board which helps to build a bias-free governing body. DHLT's largest controlling unitholder is the Sponsor, DHI and along with two of the Sponsor's affiliates currently serve on the board of DHLT, hence enabling stakeholder representation. Furthermore, the CEO of the Manager is a member of the Board and his representation on the Board allows the Board to have better insights into DHLT's policies, procedures and initiatives. For Board approval in relation to transactions in which Directors are deemed to be interested, such Directors abstain from voting.

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COMPLIANCE WITH LAWS AND REGULATIONS

[GRI 2-23] [GRI 2-27] [GRI 3-3]

FY2025	*Ensure 100% successful completion of compliance awareness session in FY2025*
	Maintain zero material breach of laws and regulation
	Review policies and SOPs at least once a year

The CRO has been tasked by the Manager with oversight of any developments related to regulations, due to the Manager's concern for the reputation and financial risks that come with breaking applicable laws and regulations. The CRO is responsible for monitoring any regulatory developments and is tasked with tracking regulatory changes, updating the Compliance Checklist on a monthly basis and reporting on the same to the Audit and Risk Committee ("ARC") on a quarterly basis.

As the Manager is based in Singapore, it is aligned with the Code on Collective Investment Schemes (the "CIS Code"), the Capital Markets Services Licence for REIT Managers issued by the MAS and the Securities and Futures Act ("SFA"), Chapter 289 of Singapore.

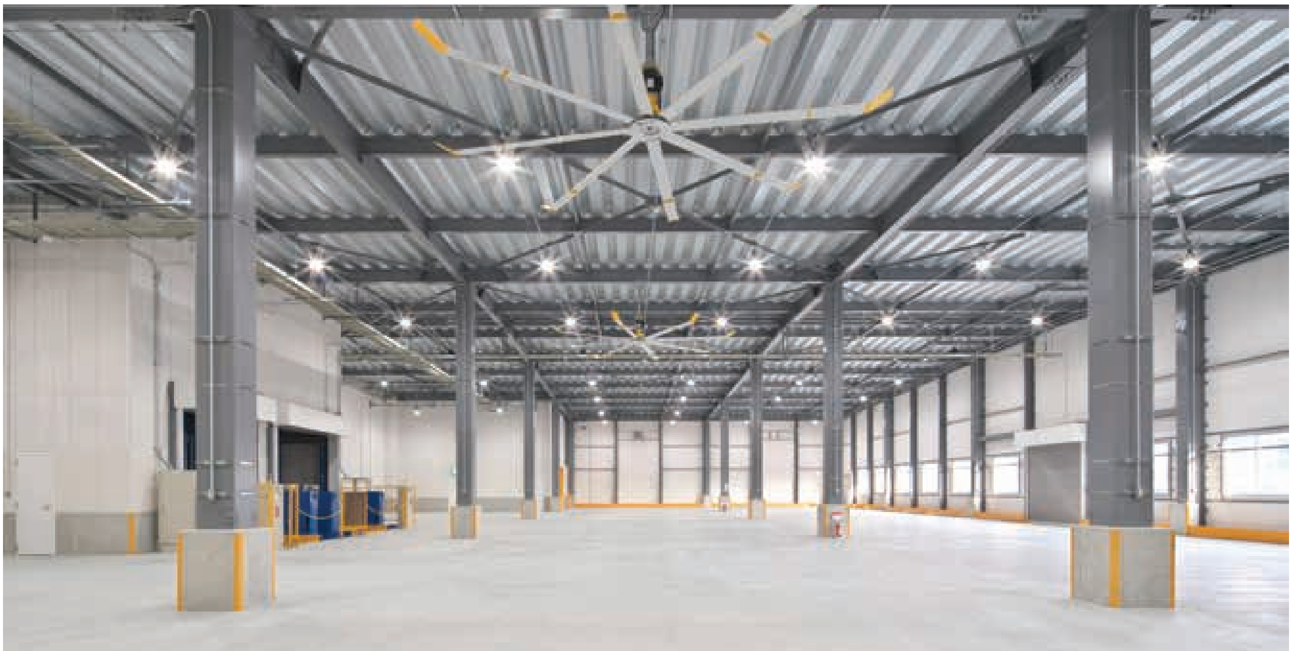
The Manager has constituted the following internal policies to strengthen its robust compliance framework:

- Whistle-Blowing Policy
- Anti-Bribery and Anti-Corruption Policy
- Anti-Money Laundering and Anti-Terrorist Financing Policy
- Insider Trading Policy
- Investor Relations Policy
- Outsourcing Risk Management Policy
- Business Continuity Plan
- Standard Operating Procedure for Information Management

The Manager has established the following corporate registers for its licenced representatives:

- Details of Representatives including interests by Representatives and Fit and Proper declarations
- Substantial Unitholder
- Continuing Education
- Gift and Entertainment
- Suspicious Transactions Report
- Complaints
- Outsourcing

In FY2024, DHLT had zero instances of non-compliance with laws and regulations. Moving forward in FY2025, the Manager strives to maintain zero breaches of laws and regulations and ensure 100% attendance of the employees to the compliance awareness sessions. The Manager aims to review the policies and SOPs at least once a year as well as to provide ESG training to the employees.



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GOVERNANCE

BUSINESS ETHICS AND ANTI-CORRUPTION

[GRI 2-16] [GRI 2-15] [GRI 2-23] [GRI 2-26] [GRI 205-1] [GRI 205-2] [GRI 205-3]

FY2025	*Ensure 100% successful completion of annual business ethics training as well as the anti-corruption and anti-bribery practices in FY2025*
	Maintain zero breach of business ethics, anti-corruption and anti-bribery practices in FY2025

The Manager strives to uphold the integrity of DHLT by reiterating the significance of ethical business, anti-bribery and anti-corruption practices to its employees and to enforce good corporate governance while sustaining positive symbiotic relationships with its internal and external stakeholders.

The Manager has adopted Daiwa House Group's Principle of Corporate Ethics and Code of Conduct, which is circulated to all new employees upon their onboarding as well as to existing staff annually. The Manager has established the following policies that serve to proliferate the Manager's anti-corruption agenda throughout the organisation:

- Anti-Bribery and Anti-Corruption Policy
- Anti-Money Laundering ("AML") Manual
- Insider Trading Policy
- Whistle Blowing Policy

The above policies are circulated to all the employees via email and communicated to them verbally during meetings to ensure familiarity, enforcement and required adherence. The Manager performs compliance checks on all its employees and obtains Fit and Proper declarations from all Directors as well as any employees conducting activities regulated by the MAS on an annual basis as a pre-emptive measure to avoid any instances of misconduct, malpractice, or fraudulent behaviours. Furthermore, all pay-outs of DHLT's business entertainment are reviewed to ensure that there are no suspicious transactions. There were no such suspicious transactions during FY2024.

The Anti-Bribery and Anti-Corruption Policy outlines the definition of bribery or corruption, compliance, consequences

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in the case of violation and working with third parties. The Anti-Bribery and Anti-Corruption Policy also emphasises the Manager's zero-tolerance approach to bribery and corruption.

The AML Manual defines the roles and responsibilities of the AML Compliance Officer, process of risk assessment and customer due diligence. The AML Manual states the AML record keeping policy and suspicious transaction reporting procedures.

The Manager has put in place a Whistle Blowing Policy to give staff members and anyone else who becomes aware of potential irregularities and obstructive actions a clear way to report their concerns and the assurance that doing so will shield them from retaliation or victimisation should they do so in good faith and without malice. The ARC Chairman is an independent and non-executive Director who, upon receiving such reports, would commence an investigation with other Directors of the Board and relevant persons of the Manager.

The composition of the Manager's 6 Directors comprises 5 non-executive Directors, of which 3 are independent, thus mitigating the possibility of biased judgements. In addition, the Chairman of the Board is a non-executive Director, thereby preventing the possibility of conflicts of interest. The Manager does not engage in any form of business activity with other listed companies, even though 5 of the Directors hold concurrent directorships with the other companies. To prevent any conflicts of interest, the Manager will maintain this stance with regard to the external directorships of other Directors going into FY2025. There is currently no set term for any of the Directors, allowing for rotation and adding another layer of protection against conflicts of interest.

The Manager is pleased to report that in FY2024, 100% of the employees, including those within the governing body (for both Singapore and Japan), were informed of and received training on the anti-corruption policies and procedures. In addition, 100% of DHLT's business partners, including the vendors, tenant in properties and property management and building management (for both Singapore and Japan), were also informed of the anti-corruption policies and procedures. In FY2025, the Manager aims to maintain zero breaches of business ethics, anti-corruption and anti-bribery practices. No public legal cases regarding corruption have been brought against DHLT or its employees during the reporting period. The anti-corruption and anti-bribery training conducted in FY2024 by the Manager also achieved a 100% attendance rate. 100% of the Manager's operations were assessed for risks related to anti-corruption. While awareness has increased as a result of the training, the content and quality of the programme needs to be reviewed and improved. The Manager aims to uphold this record for FY2025, ensuring 100% successful completion of annual business ethics training as well as anti-corruption and anti-bribery practices. In FY2024 there were no incidents found in which the employees were dismissed or disciplined for corruption or the contracts with business partners were terminated or not renewed due to violations related to corruption.

The Manager carries out due diligence on the tenants leasing space in the properties, including assessing the credit rating scores of the tenants and investigating their reasons for renting the space. This is performed in order to safeguard DHLT from any adverse reputation and financial repercussions.

SUPPLY CHAIN MANAGEMENT
[GRI 3-3] [GRI 2-6]

FY2025	*Conduct annual checks on all vendors with ongoing business relations for financial concerns, compliance issues and quality of service*

The Manager recognises the need to build a responsible supply chain to be able to effectively integrate ESG considerations throughout DHLT's value chain and consequently reduce its associated environmental and social footprint. Hence, the Manager has implemented certain measures to successfully accomplish this.

As a real estate investment trust, DHLT does not provide any products or services but rather is a medium for investors to invest in income-producing logistics and industrial real estate assets in the DHLT Portfolio. Hence, DHLT's supply chain consists of its property and third-party vendors, who provide the necessary services that enable DHLT to carry out its operations effectively. These include consulting services, financial services and Information Technology ("IT") services.

The Manager sources its vendors in accordance with the MAS Outsourcing Guidelines, which serve as a manual for financial institutions on the risk management of outsourcing arrangements. The outsourcing process is subject to internal audits as and when it is scoped in for review to ensure accountability in all stages of DHLT's operations. The vendors that DHLT has continuous business with are listed in the Vendor Masterfile and their financial scores are checked annually to ensure the financial health of engaged vendors, thereby limiting potential or sudden business disruptions across the value chain. The Manager has constituted clauses pertaining to anti-corruption, human rights, environmental considerations and business continuity plans in its contractual agreements with some of the vendors and will attempt to incorporate such clauses in more contractual agreements in the future.

The Manager carries out AML checks on its outsourced vendors and tenants. These checks are conducted as part of the Manager's due diligence process to mitigate the risk of money laundering activities within its operations. The AML checks involve a thorough examination of the background and finances including verifying their identities, assessing their financial transactions, and scrutinising their business relationships.

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The Manager also reviews any relevant documentation, such as contracts, invoices, and financial statements, to gather additional information. By conducting these regular AML checks, the Manager aims to identify any suspicious or potentially illicit activities that may be associated with its outsourced vendors or tenants. This proactive approach helps to prevent money laundering, terrorist financing, and other financial crimes within the organisation. In addition to the regular checks, the Manager also implements ongoing monitoring processes to ensure that outsourced vendors and tenants continue to meet AML compliance standards throughout their engagement process involving periodic reviews of their financial activities and updating their information as necessary.

Meanwhile, to prevent any potential conflicts of interest in the vendor selection and appointment process, the CEO is required to review and approve the vendor post-selection by the Head of Asset Management. Furthermore, if the engagement amount is significant, then approval from the Board is sought prior to the appointment of the vendor. There were no conflicts of interest found through the annual checks performed on all the engaged vendors in FY2024.

In FY2025, the Manager aims to diligently continue to perform annual checks on all its engaged vendors to inspect for financial concerns and compliance issues and assure the quality of service rendered.

GRI CONTENT INDEX

Statement of use	DHLT has reported in accordance with the GRI Standards for the period from 1st January 2024 to 31st December 2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI Standard	Disclosure	Omission/comments	Section	Page number
GRI 2: General Disclosures	2-1 Organisational details		About the report	57
	2-2 Entities included in the organisation's sustainability reporting		About the report	57
	2-3 Reporting period, frequency and contact point		About the report, Internal review, Feedback	57
	2-4 Restatements of information		Restatements of information	57
	2-5 External assurance		Internal review	57
	2-6 Activities, value chain and other business relationships		About the report, Supply chain management	57, 86-87
	2-7 Employees		Diversity and equal opportunity	78-79
	2-8 Workers who are not employees	Not applicable as there are no workers who are not employees		
	2-9 Governance structure and composition		Sustainability governance, Corporate Governance	59-60, 109-135
	2-10 Nomination and selection of the highest governance body		Corporate Governance	109-135
	2-11 Chair of the highest governance body		Corporate Governance	109-135
	2-12 Role of the highest governance body in overseeing the management of impacts		Sustainability governance, Stakeholder engagement, Climate change mitigation	59-60, 67, 69-73
	2-13 Delegation of responsibility for managing impacts		Sustainability governance, Climate change mitigation	59-60, 69-73
	2-14 Role of the highest governance body in sustainability reporting		About the report, Internal review, Materiality assessment	57, 63-66
	2-15 Conflicts of interest		Business ethics and anti-corruption	85-86
	2-16 Communication of critical concerns		Business ethics and anti-corruption	85-86
	2-17 Collective knowledge of the highest governance body		Sustainability governance	59-60

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GRI Standard	Disclosure	Omission/comments	Section	Page number
	2-18 Evaluation of the performance of the highest governance body		Sustainability governance	59-60
	2-19 Remuneration policies		Corporate Governance Report	109-135
	2-20 Process to determine remuneration		Corporate Governance Report	109-135
	2-21 Annual total compensation ratio		Diversity and equal opportunity	78-79
	2-22 Statement on sustainable development strategy		Board statement	56
	2-23 Policy commitments		Sustainability approach, Environment, Social, Governance	61-62, 68-77, 78-82, 83-87
	2-24 Embedding policy commitments		Sustainability approach, Environment, Social, Governance	61-62, 68-77, 78-82, 83-87
	2-25 Processes to remediate negative impacts		Sustainability governance	59-60
	2-26 Mechanisms for seeking advice and raising concerns		Business ethics and anti-corruption	85-86
	2-27 Compliance with laws and regulations		Compliance with laws and regulations	84
	2-28 Membership associations		Community impact	81-82
	2-29 Approach to stakeholder engagement		Stakeholder engagement	67
	2-30 Collective bargaining agreements	Not applicable. None of our employees are covered by collective bargaining agreements		
GRI 3: Material topics	3-1 Process to determine material topics		Materiality assessment, Stakeholder engagement	63-66, 67
	3-2 List of material topics		Materiality assessment	63-66

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GRI Standard	Disclosure	Omission/comments	Section	Page number
Energy management and emissions reduction				
GRI 3: Material Topics 2021	3-3 Management of material topics		Stakeholder engagement, Energy management and emissions reduction	67, 68-69
GRI 302: Energy 2016	302-1 Energy consumption within the organisation		Energy management and emissions reduction	68-69
	302-3 Energy intensity		Energy management and emissions reduction	68-69
	302-4 Reduction of energy consumption		Energy management and emissions reduction	68-69
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions		Energy management and emissions reduction	68-69
	305-4 GHG emissions intensity		Energy management and emissions reduction	68-69
	305-5 Reduction of GHG emissions		Energy management and emissions reduction	68-69
Climate change mitigation				
GRI 3: Material Topics 2021	3-3 Management of material topics		Stakeholder engagement, Climate change mitigation	67, 69-73
Water management				
GRI 3: Material Topics 2021	3-3 Management of material topics		Stakeholder engagement, Water management	67, 74
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		Water management	74
	303-5 Water consumption		Water management	74
Waste management				
GRI 3: Material Topics 2021	3-3 Management of material topics		Stakeholder engagement, Waste management	67, 75
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		Waste management	75
	306-3 Waste generated		Waste management	75
Diversity and equal opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics		Stakeholder engagement, Diversity and equal opportunity	67, 78-79
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		Diversity and equal opportunity	78-79
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees		Diversity and equal opportunity	78-79
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken		Diversity and equal opportunity	78-79

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GRI Standard	Disclosure	Omission/comments	Section	Page number
Training and education				
GRI 3: Material Topics 2021	3-3 Management of material topics		Stakeholder engagement, Training and education	67, 80
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		Training and education	80
Stakeholders health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics		Stakeholder engagement, Stakeholder health and safety	67, 80-81
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries		Stakeholder health and safety	80-81
	403-10 Work-related ill health		Stakeholder health and safety	80-81
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		Stakeholder health and safety	80-81
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Zero incidents of non-compliance concerning the health and safety impacts	Stakeholder health and safety	80-81
Community impact				
GRI 3: Material Topics 2021	3-3 Management of material topics		Stakeholder engagement, Community impact	67, 81-82
Compliance with laws and regulations				
GRI 3: Material Topics 2021	3-3 Management of material topics		Compliance with laws and regulations	84
Business ethics and anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics		Stakeholder engagement, Business ethics and anti-corruption	67, 85-86
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		Business ethics and anti-corruption	85-86
	205-2 Communication and training about anti-corruption policies and procedures		Business ethics and anti-corruption	85-86
	205-3 Confirmed incidents of corruption and actions taken		Business ethics and anti-corruption	85-86
Supply chain management				
GRI 3: Material Topics 2021	3-3 Management of material topics		Stakeholder engagement, Supply chain management	67, 86-87

MARKET OVERVIEW

This report was prepared by CBRE K.K. (CBRE). This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances.

Large Multi-Tenant Logistics Facility (LMT) refers to a logistics property for lease, planned and developed for multi-tenant use, with more than 10,000 tsubo in the Greater Tokyo Area and Greater Osaka Area, and more than 5,000 tsubo in the Greater Nagoya Area, Greater Fukuoka Area.

1 MACRO ECONOMY IN JAPAN

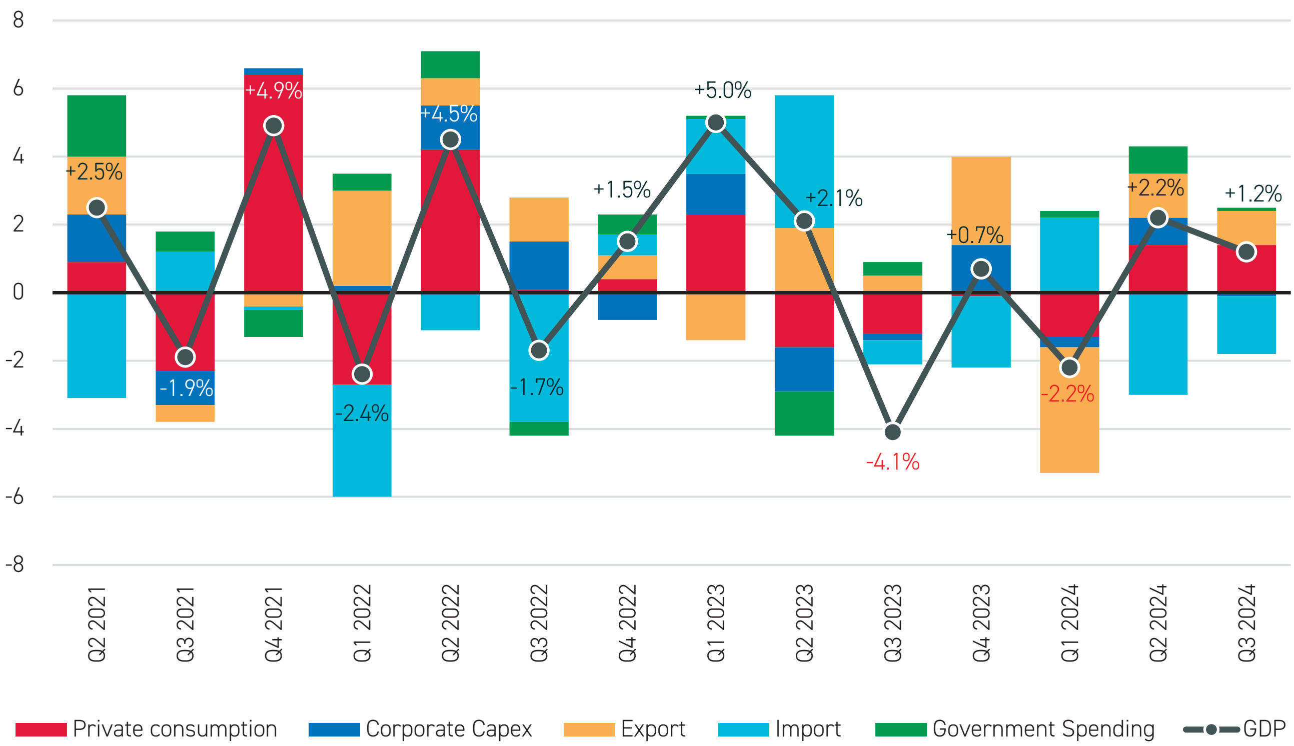
KEY ECONOMIC INDICATORS

Gross Domestic Products (GDP)

The revised GDP for Q3 2024 was released on 9th December. The real GDP growth rate was revised up to +1.2% q-o-q (annualized basis) from the preliminary +0.9%. While corporate capex and exports were revised upward, private consumption was slightly revised down from +0.9% to +0.7%. However, there is no change in the trend that the growth of private consumption led the economic growth during the quarter. Against the backdrop of fixed-amount tax cuts and increased summer bonuses, the hot weather and the demand for stockpiling for earthquake countermeasures are seen to have supported the growth in consumption.

MARKET OVERVIEW

FIGURE 1: GDP (Q-O-Q, ANNUALIZED) AND CONTRIBUTIONS OF MAJOR COMPONENTS



Source: Cabinet Office, December 2024

MARKET OVERVIEW

Consumer Price Index (CPI)

The "core" CPI, excluding fresh food, rose 3.0% year-on-year in December 2024, accelerating from the 2.7% increase in the previous month. However, the main reason for the acceleration was the rise in energy prices due to the suspension of government subsidies for electricity and gas. The Producer Price Index growth rate has also accelerated, although this is due to the higher import prices due to the weaker yen. While this suggests a further expansion of the CPI growth rate, it is likely to be suppressed in the short run, since subsidies for electricity and gas will be re-implemented for three months starting from January billing.

Interest Rates

The 10-year Japanese Government Bond yield rose 0.09 pp. from 1.12% at the end of December 2024 to 1.21% at the end of January 2025. In the first half of the month, it was the speculation of a rate hike by the Bank of Japan that pushed up the bond yield. After the Monetary Policy Meeting, held on January 23 and 24, 2025, where the rate hike was decided, Governor Ueda's remarks as well as their revised forecasts including those of CPI, reaffirmed the market's view that the rate hike will continue. The fact that prices of goods, particularly those of daily necessities, remain high is seen to be also fueling expectations of higher interest rates down the road.

2 LOGISTICS MARKET ENVIRONMENT IN JAPAN

Advancements in Automation to Address Labor Shortages

Since the end of the COVID-19 pandemic, labor shortages have become more pronounced across various industries. Among them, the transportation and logistics industry is particularly affected by employment shortages. According to the labor surplus and shortage DI (Diffusion Index) published by the Ministry of Health, Labour and Welfare, the transportation and postal industries consistently exceed the average for all industries. Compared to other industries with significant employment shortages, such as construction, accommodation, and food services, the transportation and postal industries have surpassed them in terms of the DI since 2022.

One of the factors contributing to the labor shortage in the logistics industry is the deteriorating working conditions and the aging workforce, which have accelerated the revolution in the shape, size, and capabilities of logistics facilities over the past decade. The labor shortage is expected to increase year by year, leading to a rise in demand from tenants looking to upgrade from traditional, less convenient warehouses.

Labor shortages are transforming logistics functions through relocations and investments in automation. Logistics companies, which operate on a labor-intensive business model, are striving to overcome the ongoing labor shortage (e.g., truck drivers and warehouse operatives) through automation. As a result, the mechanization of warehouse operations is leading to an increase in warehouse space, with more than 50% of tenants believing they can reduce the number of workers. The modern logistics facilities market, which is suitable for mechanization, is expected to continue solid growth in the future to meet the growing demand for higher quantity and quality of logistics services.

Changing Retail Sector, E-commerce Being a Main Driver of Logistics Demand

Looking at changes in the retail sector, department stores, once the sector leader, are in decline, and starting in the late 2000s, e-commerce companies have emerged as a force. The rising trend of e-commerce to cater for time-strapped single and dual-income households as well as the needs of the elderly has led to strong sales growth momentum in e-commerce companies. Over the past 15 years, e-commerce sales have grown at a compound annual growth rate (CAGR) of about 10%, reaching approximately JPY 25 trillion in 2023, with a penetration rate of 9.3%.

Reflecting changes in consumer behavior, e-commerce companies have expanded from electronics and clothing to food products. The mainstay of demand is online shopping/e-commerce, with leading examples including Amazon, Rakuten, and Yahoo (Askul). With major supermarkets eager to strengthen their online business, further growth is anticipated.

Major e-commerce players continue to expand their product base, while brick-and-mortar retailers and manufacturers expand the lineup of products they offer online. Additionally, convenience stores and drugstores continue to open new stores, all of which are driving demand for logistics facilities. For convenience stores, having efficient logistics distribution near key population catchments to facilitate high throughput helps improve in-store availability of products.

Modern logistics operations are essential for the e-commerce sector, which by its very nature involves a wide range of small deliveries and requires shorter delivery times. E-commerce players, on the other hand, require 2 to 3 times as much warehouse space as traditional retailers due to more extensive product offerings, higher inventory levels, and greater outbound and reverse logistics space requirements.

In addition to the convenience of online shopping, consumers also tend to value the rapid speed of delivery. As a result, securing high-spec logistics facilities is a necessity for online store retailers. Given the recent revenue growth of online retailers, much of the leasing space in high-spec logistics facilities is owned by real estate developers, and it is anticipated that the need for logistics facilities in locations near major cities, where it is easy to recruit workers and equipped with specifications that facilitate efficient distribution (e.g., ramps), will increase in the future.

Growing Third Party Logistics

Since the early days of the logistics investment market, Third Party Logistics (3PL) operators have been the leading users of logistics facilities and have grown in tandem with the market. From 2009 to 2023, the 3PL market has grown at a compound annual growth rate (CAGR) of 11.21%. In particular, it increased by approximately 20% between 2020 and 2021, which is considered to be a reaction to the recovery of logistics operations that were depressed during the COVID-19 situation.

Streamlining logistics activities (cost reduction) through an integrated approach is becoming a trend for companies. Instead of undertaking different tasks such as storage, freight handling, and distribution in-house, companies are outsourcing and consolidating logistics work with 3PL service providers. Due to these structural changes in the industry, the growing trend of third-party logistics is expected to expand further.

The "2024 problem"

The "2024 problem" refers to the issues facing the logistics industry due to stricter overtime regulations for truck drivers starting in April 2024. This is expected to weaken the capacity of the domestic road transportation network, potentially negatively impacting corporate activities and consumer lives. If no countermeasures are taken, freight transport capacity is predicted to fall significantly short of demand.

Japan's logistics network relies heavily on road transportation, with about 90% of freight transported by road. The labor shortage among truck drivers is severe. The average load factor for commercial road freight transport has decreased to about 40% in recent years, although there have been slight improvements due to the introduction of technology and industry collaboration.

According to a CBRE survey, logistics operators and consignor firms are adopting measures such as "alliances with other transportation companies" and "cooperative delivery." They are also considering additional waystations, warehouse expansions, and the introduction of autonomous trucks.

There are concerns about labor shortages on long-haul trunk lines, and there is expected to be demand for rental logistics facilities in intermediate areas. Additionally, increasing distribution bases to subdivide regions and reduce total haulage time is important for improving the efficiency of intra-regional transportation.

Large Multi-Tenant (LMT) logistics facilities in major domestic areas

The proportion of Large Multi-Tenant (LMT) to warehouse stock as of March 2024 is 14% in the Greater Tokyo area, 8% in Greater Osaka, 6% in the Greater Nagoya, and 5% in the Greater Fukuoka, indicating that the proportion of LMT is still relatively small.

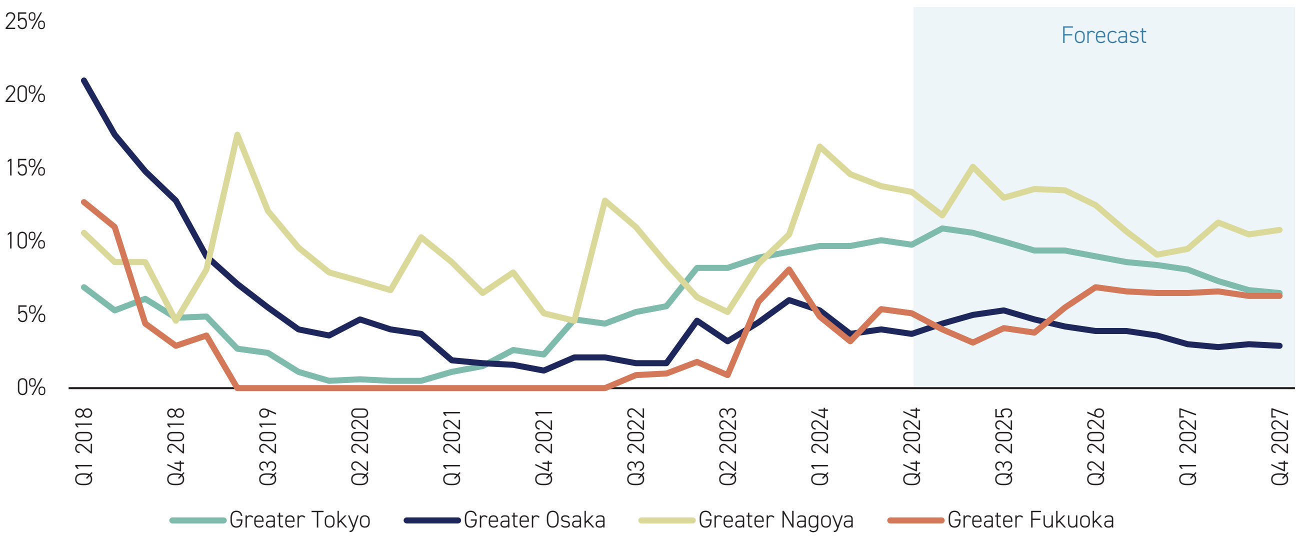
Vacancy rates for LMT logistics facilities in Q4 2024 are projected to rise y-o-y for the Greater Tokyo and Greater Nagoya areas and fall y-o-y for Greater Osaka and Greater Fukuoka. Rents have fallen slightly in Tokyo but are expected to increase in the other three major cities.

The LMT vacancy rate in the Greater Tokyo area is projected to reach 9.7% by Q4 2024, the highest level since 2010. While net absorption should exceed 500,000 tsubo for the full year, an increasing number of properties are reporting vacancies more than a year after completion. With abundant supply slated for the Ken-O-do area in 2025, the vacancy rate for the entire Greater Tokyo area may again exceed 10%. However, the expected decline in new supply in the Ken-O-do area in 2026 along with the completion of new stock in the Gaikando area, where demand remains robust, have led CBRE to project a pullback in the vacancy rate to just above 8%.

Despite the robust supply pipeline schedule for the next two years in Greater Osaka, Greater Nagoya, and Greater Fukuoka, the vacancy rates in these three markets are expected to remain low or fall slightly by Q4 2026. This is largely a result of a wider distribution of warehouses throughout the country due to logistics network recalibrations implemented in response to the so-called "2024 problem", caused by the introduction of new labor laws limiting truck drivers' working hours. While most companies began the development of their logistics networks by focusing primarily on the Greater Tokyo region in terms of both the quality and quantity of their logistics bases, the transition to LMT development in other regions has triggered strong demand from users nationwide. Robust activity is also being observed from the manufacturing sector around areas of industrial concentration.

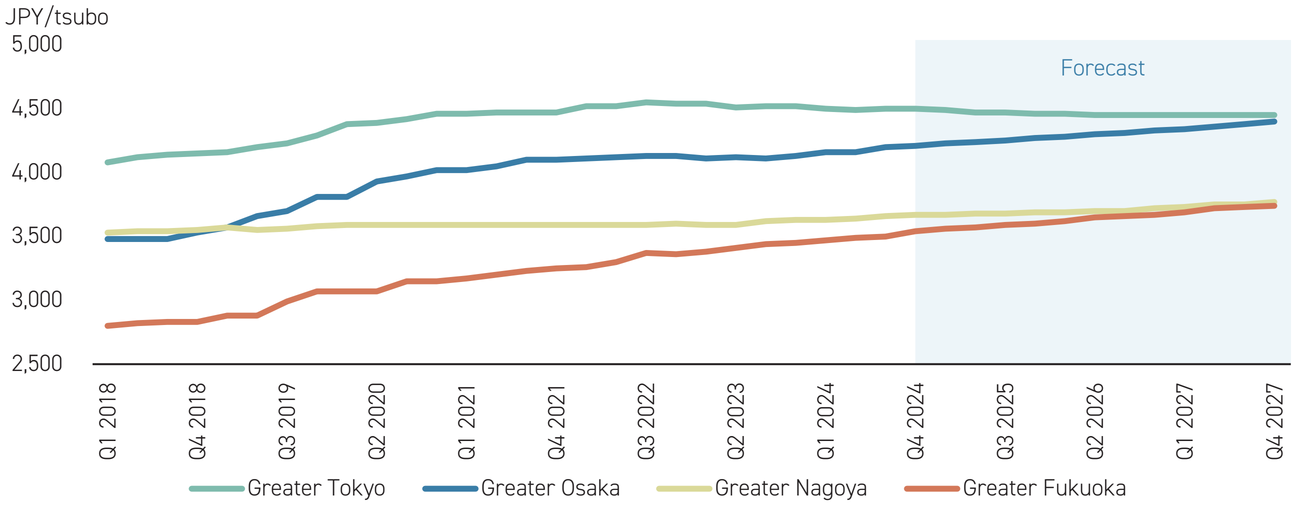
MARKET OVERVIEW

FIGURE 2: JAPAN LMT VACANCY RATES



Source: CBRE Research, Q4 2024.

FIGURE 3: EFFECTIVE RENT INDICES



Source: CBRE Research, Q4 2024.

MARKET OVERVIEW

GREATER TOKYO
New Supply, Net Absorption, Vacancy Rate

The vacancy rate for LMT logistics facilities in the Greater Tokyo area fell by 0.3 pp. q-o-q to 9.8% in Q4 2024. Three new properties with a total floor area of 57,000 tsubo were completed this quarter. While two of these entered operation with significant vacancies, the other was fully occupied. Together with the absorption of vacancies in existing properties, net absorption for the quarter reached 75,000 tsubo, outstripping new supply. As a result, the vacancy rate fell q-o-q for the first time since Q2 2022. Net absorption for 2024 reached 509,000 tsubo, marking a second consecutive year in which the half million-tsubo threshold was exceeded.

The vacancy rate for existing facilities (facilities at least one year old) rose by 0.7 pp. q-o-q to 6.8%, marking a fifth consecutive q-o-q increase. Of the 35 buildings completed in the area during 2023, 18 were operating at full capacity as of end-Q4 2024, with some vacancies reported in the remaining 17. The emergence of several large vacancies in Kanagawa Prefecture has also been a key factor in the rising vacancy rate among existing facilities.

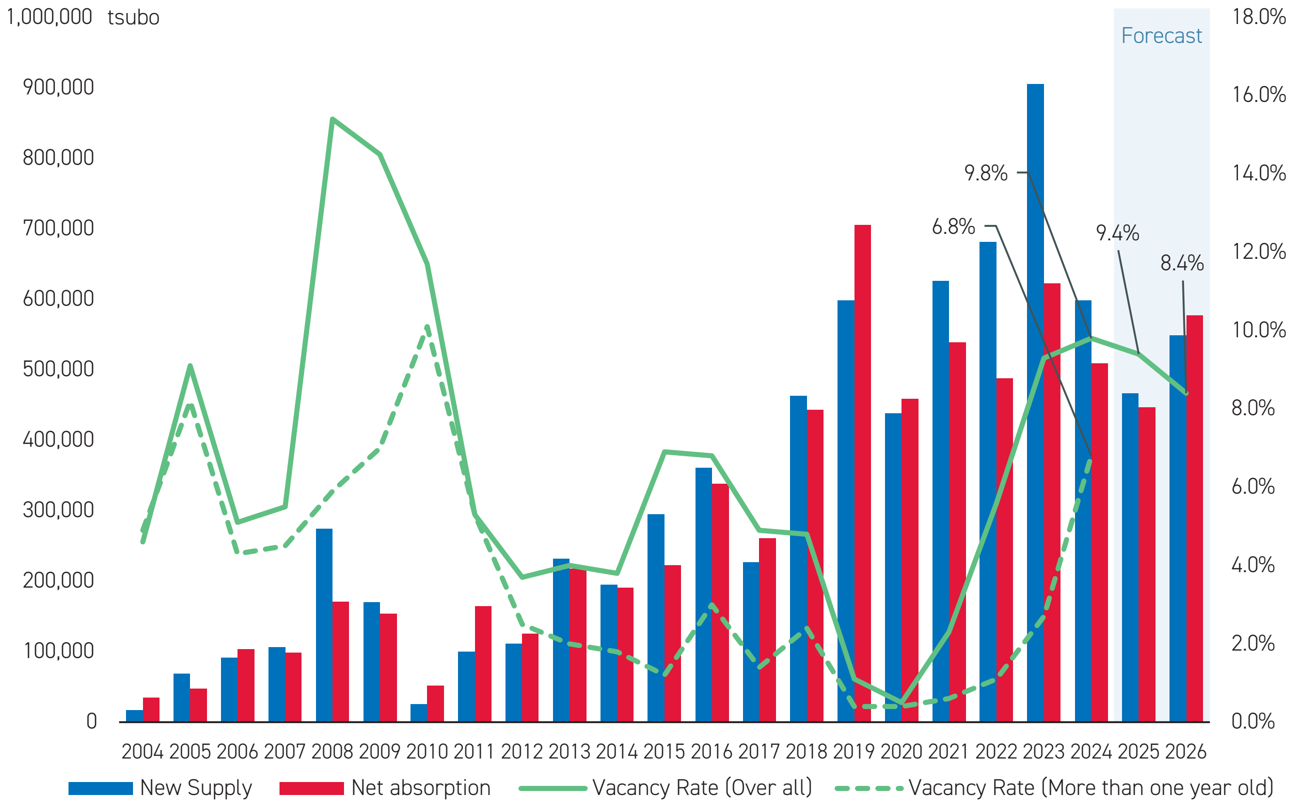
Logistics firms handling cargo of all types accounted for the majority of new leases signed this quarter, while e-commerce demand was also observed. Interest was seen for units of over 10,000 tsubo in as-yet incomplete buildings from companies in the manufacturing and beverage industries, in addition to logistics operators.

While new supply for 2025 is set to fall by 14.5% y-o-y to just 502,000 tsubo, approximately half of this new space is concentrated in the Ken-O-do area, where vacancy is already sizable. This is likely to accelerate the rise in vacancy in the area and push up the Greater Tokyo average. However, for 2026, almost 80% of new supply of 534,000 tsubo during the year is in the Gaikando and Route 16 areas, with just 86,000 tsubo in the Ken-O-do area. With demand for space in the Gaikando area being particularly robust, CBRE projects the vacancy rate for Greater Tokyo to drop below 9% by H2 2026. Polarization in the vacancy rate by district is likely to continue to accelerate in the coming years.

Effective Rent Index

Effective rents remained unchanged q-o-q at JPY 4,500 per tsubo per month, with a decline in vacancies in the Tokyo Bay area pushing up rents in the district. In inland Chiba Prefecture, where rents had been on the decline, an uptick in interest led to a recovery in rent levels. Elsewhere, rents finally bottomed-out in Ibaraki Prefecture after a period of decline.

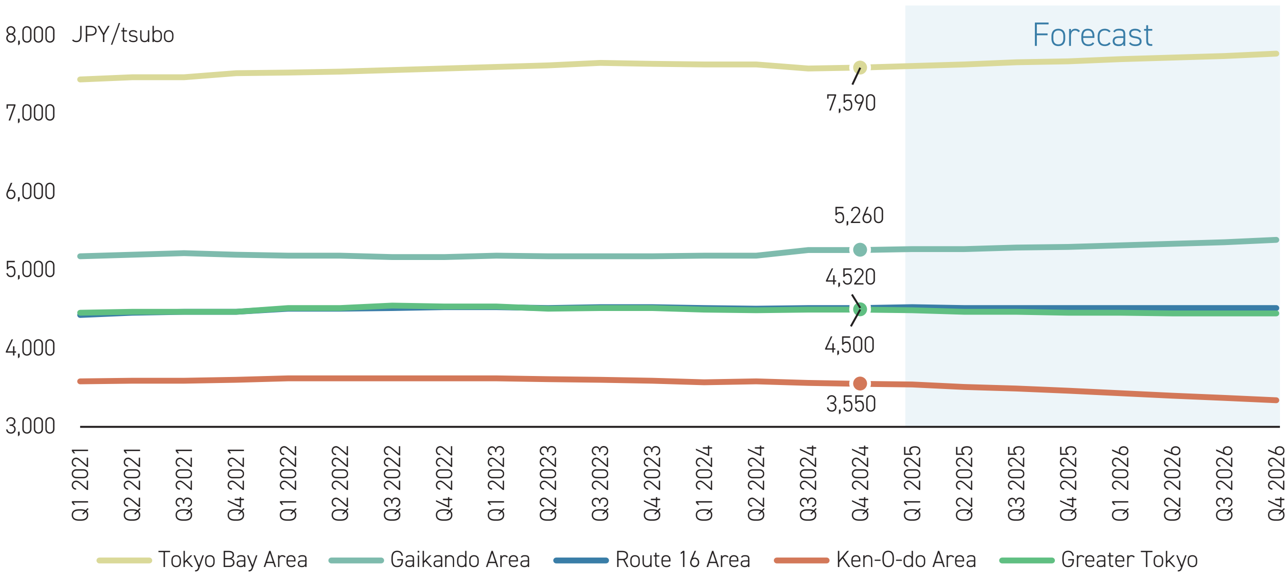
FIGURE 4: GREATER TOKYO LMT SUPPLY-DEMAND BALANCE



Source: CBRE Research, Q4 2024.

MARKET OVERVIEW

FIGURE 5: GREATER TOKYO EFFECTIVE RENT INDICES



Source: CBRE Research, Q4 2024.

GREATER OSAKA

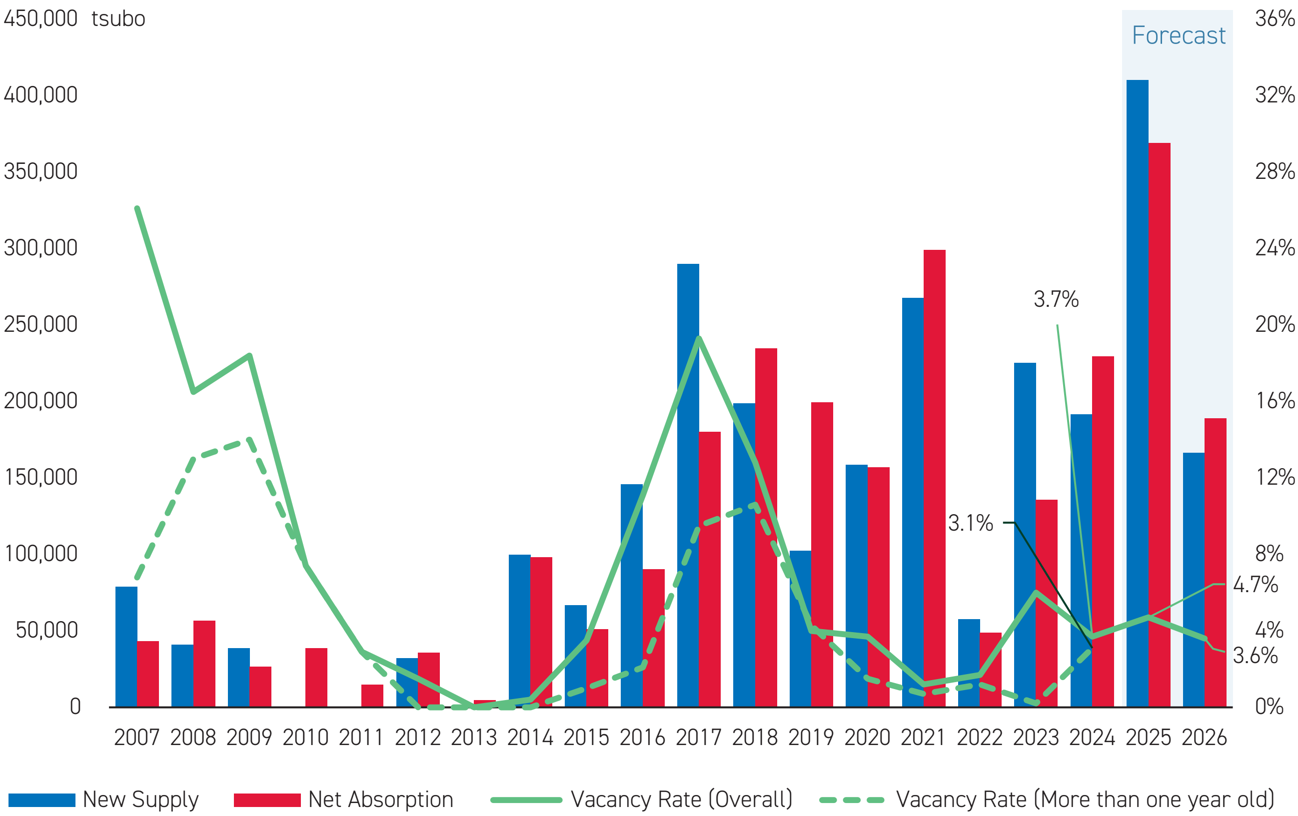
New Supply, Net Absorption, Vacancy Rate

The LMT vacancy rate in the Greater Osaka area stood at 3.7% in Q4 2024, a drop of 0.3 pp. q-o-q. With no new supply completed during the quarter, vacancies were filled in several existing properties. Net absorption for 2024 reached 229,000 tsubo, outpacing the year's new supply of 192,000 tsubo. Six of the nine new properties completed in 2024 were fully occupied by end-2024. In contrast, of the 14 properties completed in 2023, seven still have vacancies, pushing up the vacancy rate for existing facilities (facilities more than one year old) from 2.1% to 3.1%. Owing to their relatively less attractive location and specifications, some units have now stood vacant for a considerable period. As for demand, in addition to the needs to store consumer goods including foodstuffs and daily necessities, demand continued to be observed from logistics companies for their e-commerce-related operations. Some 410,000 tsubo of new floor space is slated for 2025, up by of more than 40% over the annual record of 290,000 set in 2017. However, 70% of this space is already pre-leased, therefore the vacancy rate is unlikely to rise significantly.

Effective Rent Index

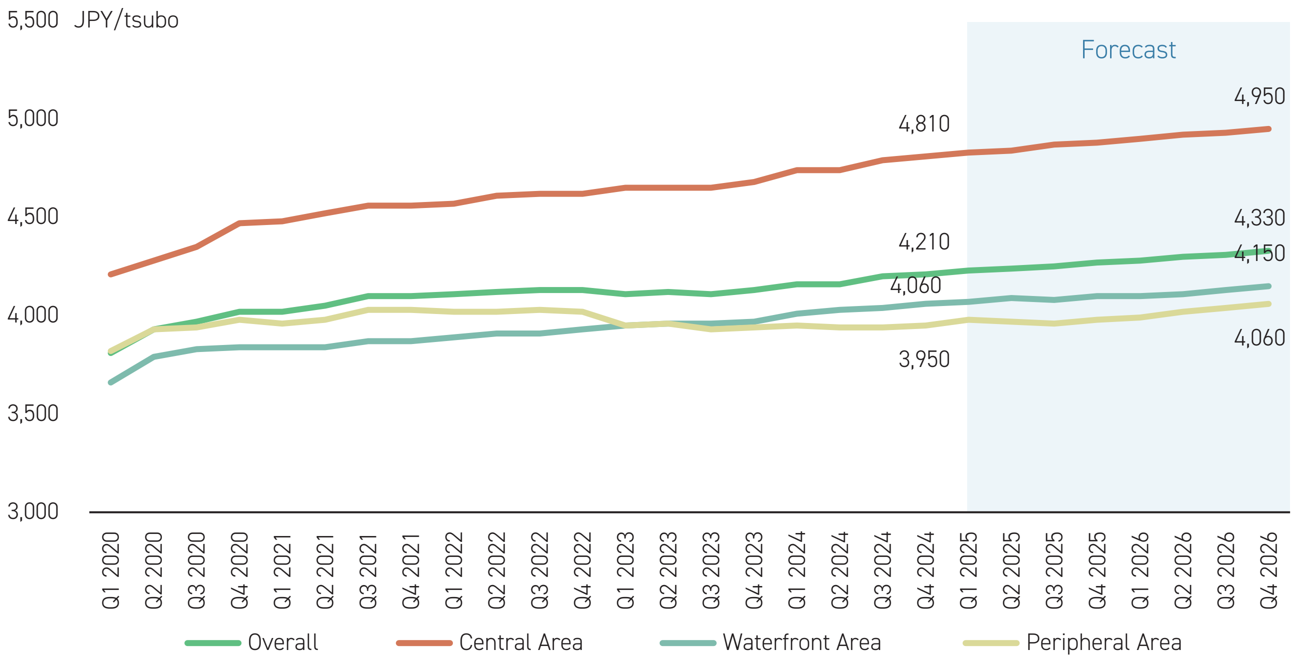
Effective rents rose by 0.2% q-o-q to JPY 4,210 per tsubo per month in Q4 2024. High-quality facilities in central locations commanded higher rents on the back of steady pre-leasing progress in future developments.

FIGURE 6: GREATER OSAKA LMT SUPPLY-DEMAND BALANCE



Source: CBRE Research, Q4 2024.

FIGURE 7: GREATER OSAKA EFFECTIVE RENT INDICES



Source: CBRE Research, Q4 2024.

MARKET OVERVIEW

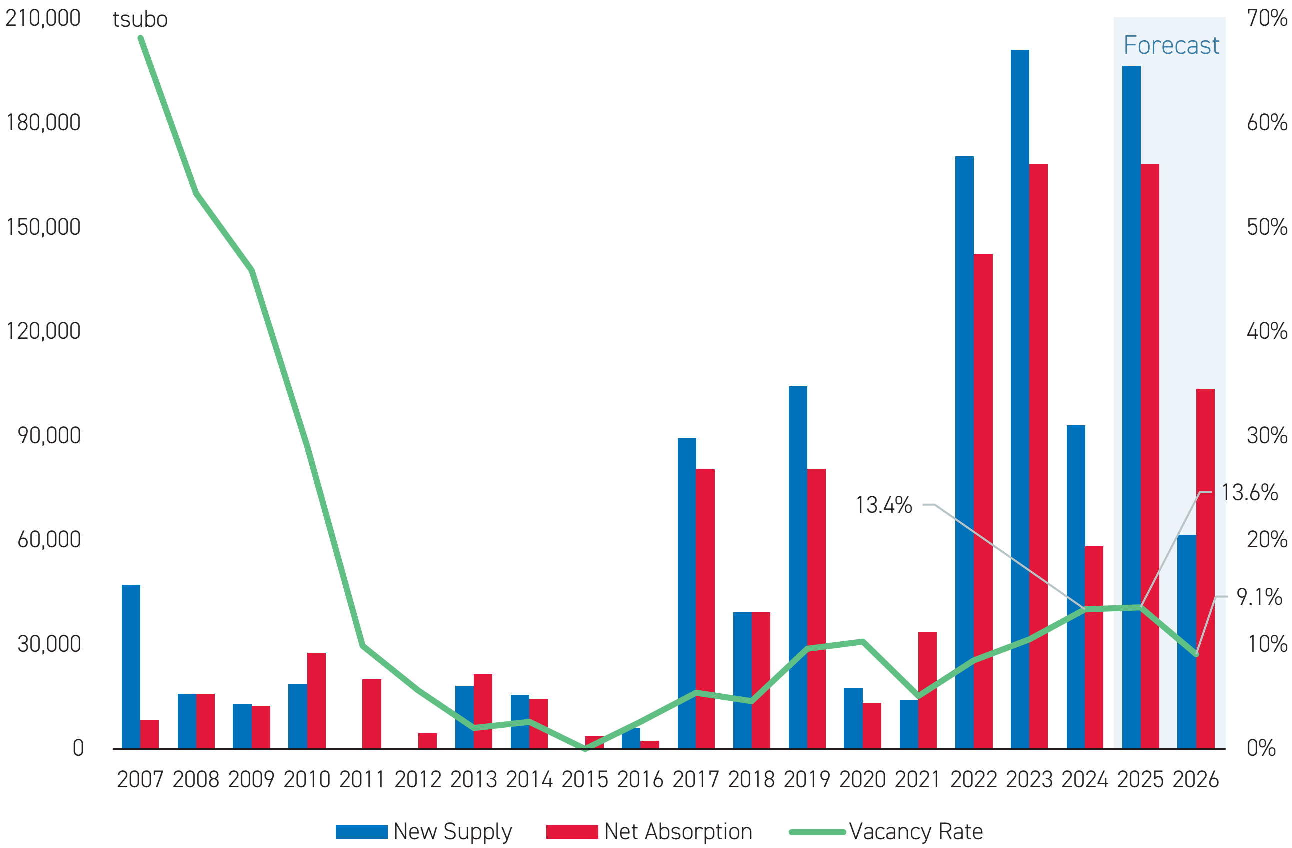
GREATER NAGOYA
New Supply, Net Absorption, Vacancy Rate

The LMT vacancy rate in the Greater Nagoya area fell to 13.4% in Q4 2024, down 0.4 pp. q-o-q. Although the quarter's one new property came on stream well below full occupancy, vacancies were filled in several existing properties. No units currently available in Gifu Prefecture. 2025 will see the second largest-ever annual supply of 197,000 tsubo across eight properties. One of these is already fully pre-leased, while two others are making steady progress in securing tenants. Spread across a broad swath of Aichi Prefecture, these new facilities are expected to attract significant interest from both the manufacturing and consumer goods industries.

Effective Rent Index

Effective rents rose by 0.3% q-o-q to JPY 3,670 per tsubo per month in Q4 2024, with tenants demonstrating stronger demand for properties offering superior transportation access and usability, even if they command higher rents.

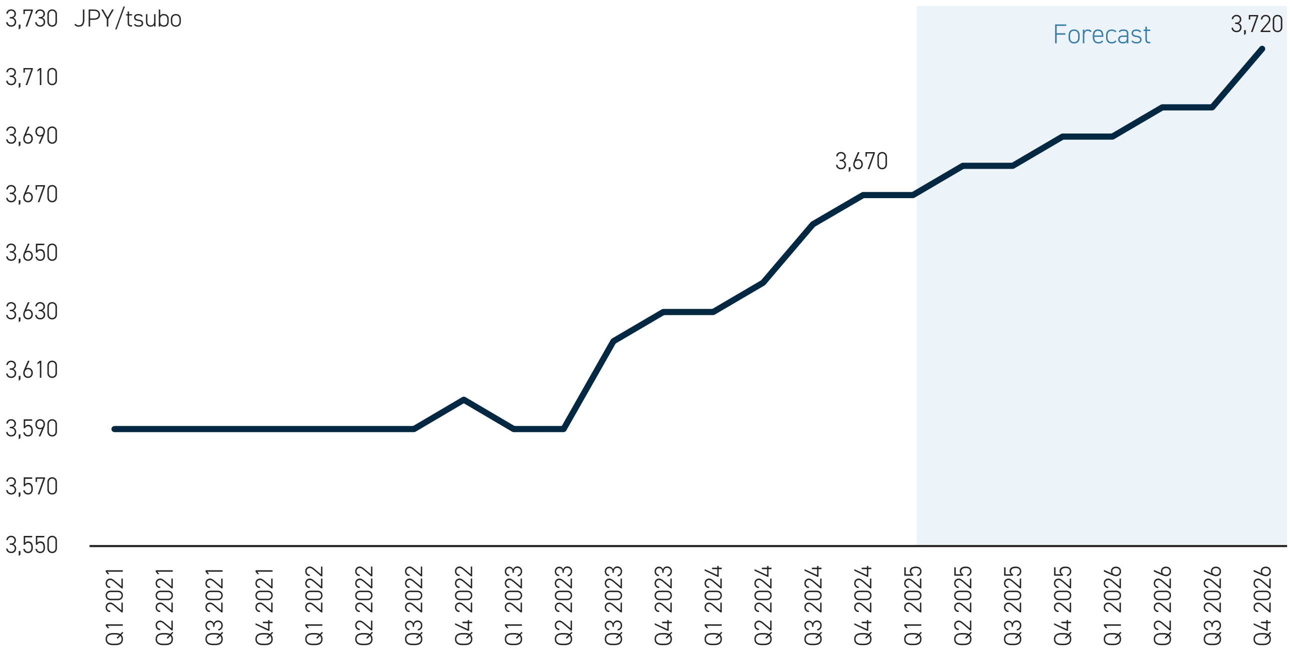
FIGURE 8: GREATER NAGOYA LMT SUPPLY-DEMAND BALANCE



Source: CBRE Research, Q4 2024.

MARKET OVERVIEW

FIGURE 9: GREATER NAGOYA EFFECTIVE RENT INDEX



Source: CBRE Research, Q4 2024.

GREATER FUKUOKA

New Supply, Net Absorption, Vacancy Rate

The LMT vacancy rate in the Greater Fukuoka area fell by 0.3 pp. q-o-q to 5.1% in Q4 2024. With no new properties added, vacancies were filled in properties completed in the previous quarter. Net absorption for 2024 reached 97,000 tsubo, the highest since surveys began in 2013. Among the tenants of LMT completed in 2022 and 2023, 54% were in the electronics and machinery sectors. Currently, the second plant of TSMC's Kumamoto factory is under construction, and demand from the electronics and machinery sectors is expected to remain strong. Demand looks set to remain strong, with 80% of floor space in a facility slated for completion in Q1 2025 already pre-leased. New supply for 2025 is projected to reach 51,000 tsubo, well below the three-year annual average of 90,000 tsubo. The vacancy rate should therefore follow a downward trend.

Effective Rent Index

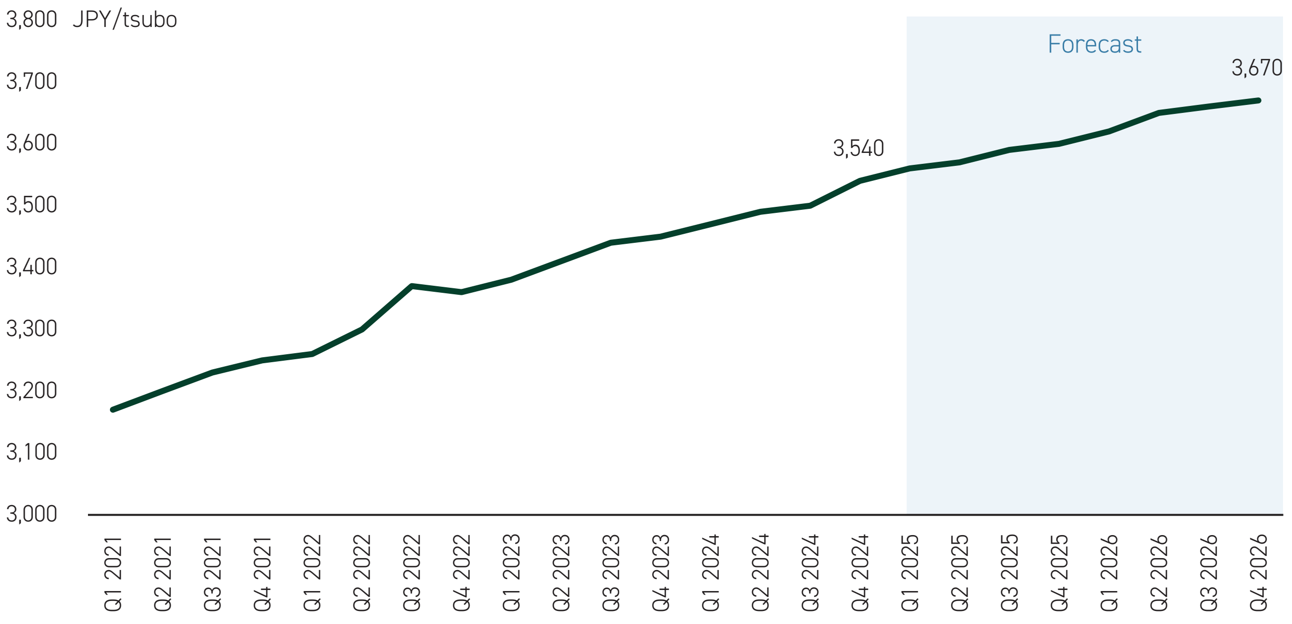
Effective rents rose by 1.1% q-o-q to JPY 3,540 per tsubo per month in Q4 2024. With almost no vacancies in and around Fukuoka City, rent rises accelerated in the area. Strong tenant interest also pushed up rents in the Tosu region.

MARKET OVERVIEW

FIGURE 10: GREATER FUKUOKA LMT SUPPLY-DEMAND BALANCE

Source: CBRE Research, Q4 2024.

FIGURE 11: GREATER FUKUOKA EFFECTIVE RENT INDEX



Source: CBRE Research, Q4 2024.

MARKET OVERVIEW

FIGURE 12: AVERAGE ASSUMED ACHIEVABLE RENT BY PREFECTURE (JPY/TSUBO/MONTH)

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Hokkaido	3,210	3,240	3,260	3,290	3,290	3,310	3,320	3,320
Miyagi	3,640	3,640	3,690	3,690	3,680	3,670	3,700	3,780
Hiroshima	3,670	3,670	3,670	3,770	3,770	3,770	3,770	3,770

Note: Average Assumed Achievable Rent; Expected contract rent based on sample survey (including common area maintenance fees, excluding incentives such as free rent). Source: CBRE Research, Q4 2024.

OTHER REGIONS

Several tenant inquiries were confirmed in Q4 2024 for existing properties in the Greater Sapporo area from companies in the logistics, manufacturing, and retail sectors.

In Greater Sendai, two new developments were completed this quarter, both of which commenced operations at full occupancy. Major vacancies were also filled in several existing properties, pushing up net absorption in the area to 24,000 tsubo for the quarter. Demand was driven by the manufacturing and logistics industries, with significant interest in future developments observed from companies handling semiconductors and foodstuffs. Strong tenant interest pushed up rents over the quarter, particularly in central locations with no vacancies available.

In Greater Hiroshima, there are no available units to lease and no current plans for future supply. Potential tenants in the city continue to eagerly await announcements of new development projects.

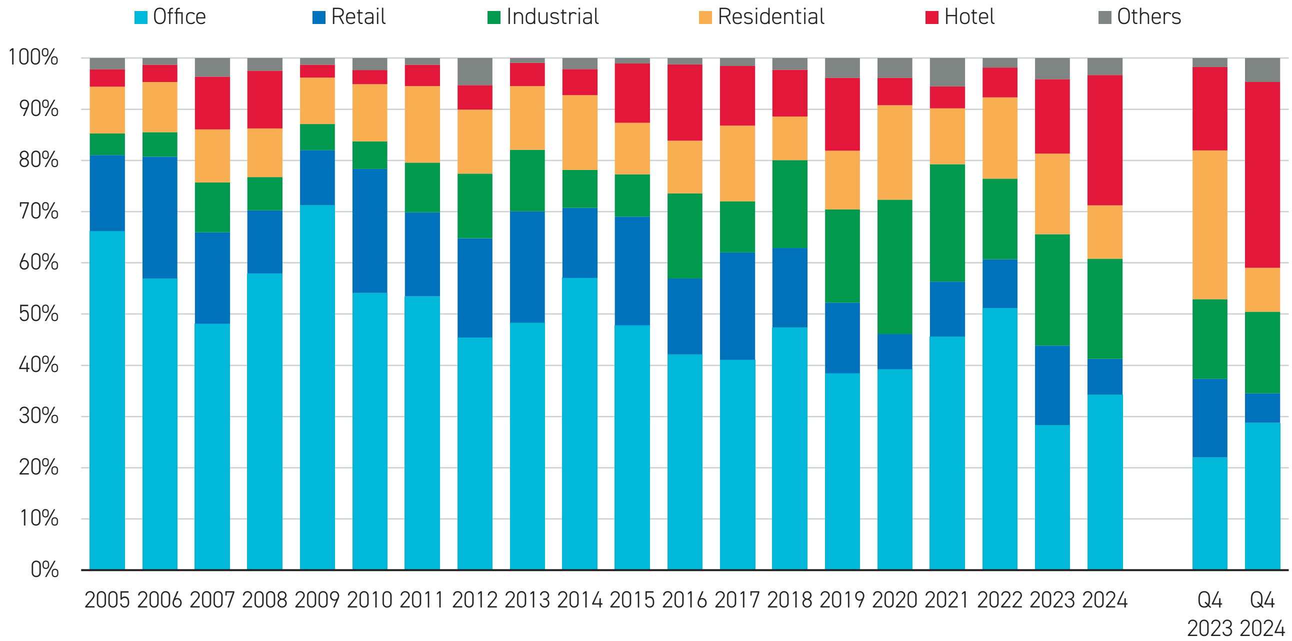
3 LOGISTICS INVESTMENT MARKET

LOGISTICS TRANSACTION VOLUME IN JAPAN

For the full year 2024, hotel transactions reached JPY 1.15 trillion, roughly doubling 2023's figure and setting a second consecutive annual record. Office investment volume increased by 39.9% y-o-y, while that for logistics slightly rose by 4.1% y-o-y. Residential investment volume slipped by 23.3% as transactions became smaller in scale. While retail investments fell by 47.9% y-o-y, this was due to a high base of comparison following one extremely large deal recorded in 2023. Excluding this deal, investment volume was up y-o-y by 2.5% y-o-y.

In Q4 2024, logistics investment volume grew 68.5% y-o-y to JPY 197.2 billion, driven by Nippon Life Insurance's acquisition of a GLP portfolio of three properties for JPY 50.0 billion, and Nippon Prologis REIT's purchase of Prologis Park Yachiyo 1 for JPY 39.0 billion.

FIGURE 13: JAPAN TOTAL COMMERCIAL REAL ESTATE INVESTMENT VOLUME (NATIONWIDE, BY ASSET TYPE)



Note: Covering transactions of at least JPY 1bn, excluding acquisitions by J-REITs at IPO
Sources: Real Capital Analytics, CBRE Research, Q4 2024.

MARKET OVERVIEW

CBRE CAP RATE SURVEY

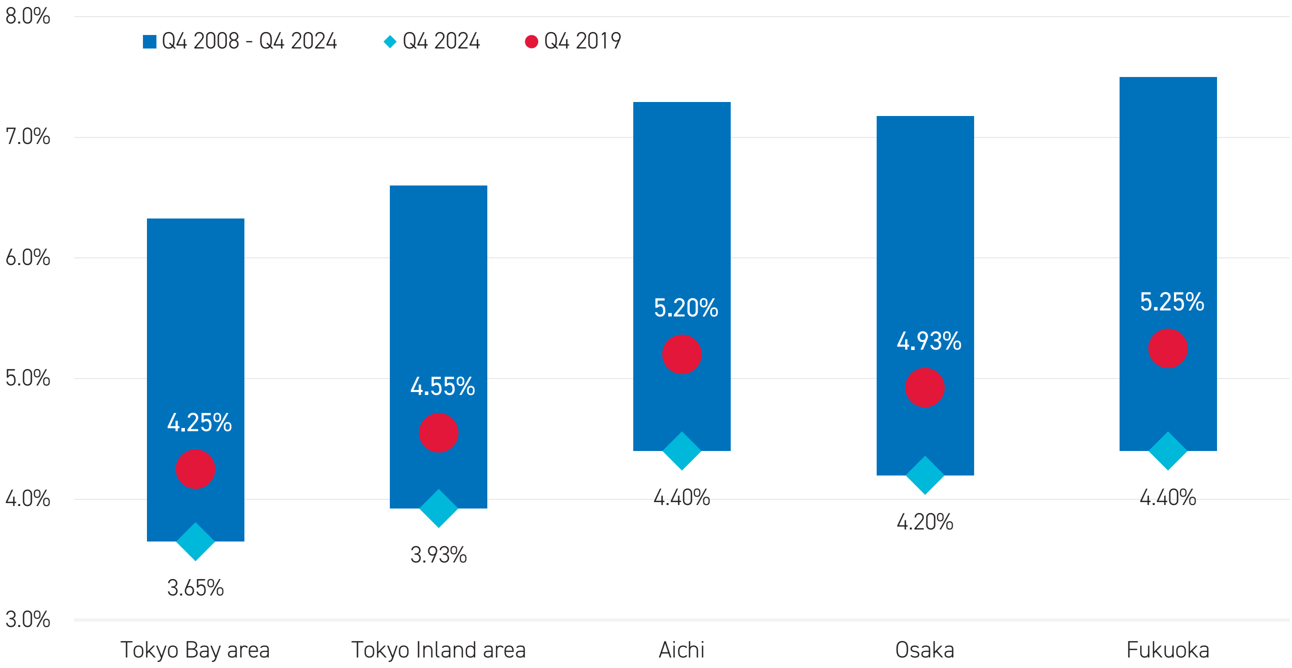
CBRE's Q4 2024 Cap Rate Survey of Tokyo prime assets found that expected net cashflow (NCF) yields for offices located in Tokyo Otemachi remained unchanged for the sixth successive quarter, but fell to new record lows in the logistics, hotel, and residential sectors. In particular, the median of expected NCF cap rates for all attributes of multi-tenant warehouses located in the Tokyo Bay area (assuming 5-10-year fixed-term leases) was 3.50%-3.80%; with the lower end and upper end down 0.05% from the previous survey. The median of expected NCF cap rates for all attributes of single-tenant warehouses (assuming 10-year + fixed-term leases) was 3.50%-3.80%; with the lower end and upper end remained the same from the previous survey. It is expected that cap rates will remain almost at their current levels in 2025.

4 OUTLOOK

The Bank of Japan ended its yield curve control and negative interest rate policies in March 2024, raising policy rates in July. The Bank of Japan plans to continue adjusting rates cautiously. Political changes, such as the government influence on tax policies, are expected to positively impact consumer spending. Steady growth in the U.S. and Europe should support Japanese exports, aiding economic recovery in 2025. Risks include potential economic policies from U.S. president Donald Trump, which could affect inflation and interest rates. A weakening JPY could increase import costs and living expenses, possibly leading the Bank of Japan to raise rates faster. CBRE projects a moderate increase in interest rates, with a policy rate of around 0.75% by the end of 2025.

While the Greater Tokyo vacancy rate may remain high in 2025, the vacancy rates for Greater Osaka, Greater Nagoya, and Greater Fukuoka should either remain low or decline slightly. The regional diversification of logistics facilities in response to the "2024 problem" has led to a situation in which the outlook differs significantly by area. However, with nationwide net absorption forecasted to reach around 1 million tsubo per annum in the coming years, driven by factors discussed in Section 2 of this report, Japan's LMT logistics market is certain to continue to expand.

FIGURE 14: AVERAGE EXPECTED NCF YIELD (LOGISTICS MULTI-TENANT FACILITY), BASED ON CBRE INVESTOR SURVEY



Note: Respondents include arrangers, senior and mezzanine lenders, developers, property lessors, asset managers, equity investors, etc. Source: CBRE Cap Rate Survey

MARKET OVERVIEW

This report is prepared by Savills Viet Nam Co., Ltd. (Savills Viet Nam) and Savills Viet Nam does not guarantee the accuracy of research and forecasts contained herein.

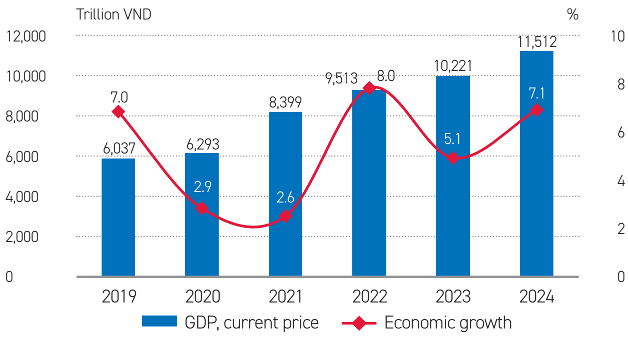
1 VIETNAM OVERVIEW

Following the strong impact of COVID-19 in 2020-2021, Vietnam gradually recovered by 2024 with positive economic indicators. Despite global economic headwinds, gross domestic products (GDP) expansion remains resilient, supported by manufacturing, domestic consumption, exports, and public investment in infrastructure. A large, young population and growing middle class fuel consumption, while extensive free trade agreements (FTAs) enhance global market access. Key sectors like manufacturing, electronics, logistics, and renewable energy continue to expand, with infrastructure development improving industrial connectivity. These factors position Vietnam as a competitive regional manufacturing hub with strong long-term growth prospects.

1.1 STRONG GDP GROWTH

Vietnam's GDP grew by 7.1% year-over-year (YoY) in 2024, driven by an 8.3% YoY expansion in industry and construction, a 7.4% YoY rise in services, and a 3.3% YoY increase in agriculture. Inflation reached a five-year high of 3.6% in 2024, fuelled by rising costs in food with growth of 4% YoY, construction materials with 5.2% YoY, and healthcare with 7.2% YoY. The exchange rate fluctuated by 4.7% YoY in 2024, the highest in the region, following a stable period from 2019 to 2023.

FIGURE 1.1: VIETNAM GDP AND GROWTH



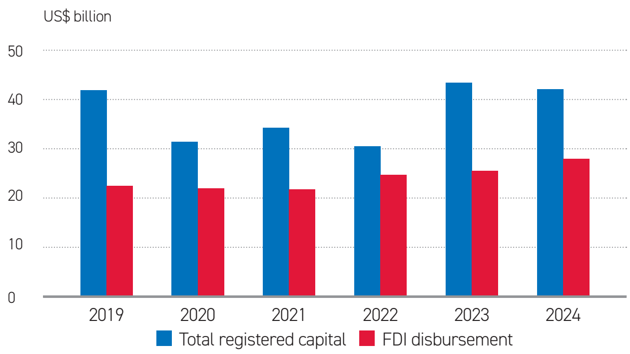
Source GSO

From 2025-2027, nominal GDP is forecasted to grow at an average of 9.7% per annum (p.a.), reinforcing Vietnam's position as one of the region's fastest-growing economies. Inflation is forecasted at 3.4% in 2025, the highest in Southeast Asia, impacting costs and demand.

1.2 VIETNAM TRADE AND MANUFACTURING BOOM

FTAs such as Regional Comprehensive Economic Partnership, EU-Vietnam Free Trade Agreement, and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership continue to support high-value manufacturing, with exports projected to grow 11.8% YoY in 2025. Vietnam's trade turnover hit a record US$786 billion in 2024, with a trade surplus of US$25 billion. Exports rose 14% to US$406 billion, led by electronics (up 18%) and phones (up 13%), with the U.S. as the top market with 29% of total export value. Imports grew 16% to US$381 billion, with China as the largest supplier with 38% of total import value. Meanwhile, retail sales of goods and services (RSGS) was up 5.9% YoY, driven by VAT cuts, wage increases, and a 40% rise in international visitors of 17.6 million. Especially, index of industrial production (IIP) increased 8.4% YoY, led by manufacturing (up 9.6%) and electricity production (up 9.5%). Key sectors such as rubber & plastics (up 24.9%), furniture (up 23.8%), and automobiles (up 21.1%) recorded strong growth. Although foreign direct investment (FDI) fell 3% YoY to US$38 billion, it exceeded pre-pandemic levels, with disbursed capital reaching US$25 billion, or 66% of total.

FIGURE 1.2: VIETNAM REGISTERED AND DISBURSED FDI

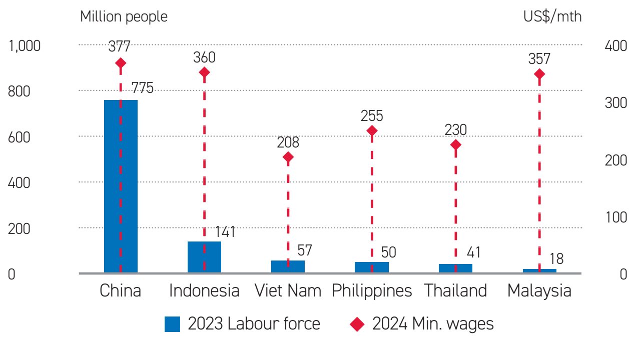


Source MPI

1.3 YOUNG WORKFORCE AND COMPETITIVE WAGES DRIVE INVESTMENT

With a population of over 100 million, Vietnam is ASEAN's third-largest labour market. The labour force reached 57 million, accounting for 57% of the population, with a young workforce that enhances productivity and tech adoption. However, 27% remain in agriculture, highlighting the need for upskilling. Vietnam's minimum wage of US$208/month is the lowest among comparable countries, 45% lower than China and 10-42% below Indonesia, Malaysia, the Philippines, and Thailand, sustaining its attractiveness for foreign investment.

FIGURE 1.3: 2023 LABOUR FORCE, 2024 MINIMUM WAGE COMPARISON



Source Trading Economics

MARKET OVERVIEW

2 VIETNAM INDUSTRIAL MARKET

Vietnam's industrial market performed strongly in the past years, driven by strong manufacturing expansion, high occupancies, and sustained rental growth. Favourable economic fundamentals, including stable GDP growth, rising FDI, and trade expansion, further strengthen its appeal. Looking ahead, the market is expected to remain attractive to investors, supported by resilient demand, a competitive workforce, ongoing infrastructure improvements, and strategic FTAs, reinforcing Vietnam's position as a key regional manufacturing and logistics hub.

2.1 INDUSTRIAL LAND

As of 30 September, 2024, Vietnam had total leasable area of 38 thousand hectares (ha) from 214 industrial parks (IP), with the South holding 66% of stock and the North 34% share. National IP occupancy stood at 86%, with an average land price of VND 4.2 million/m^2/one-off term.

The Southern Economic Zone (SEZ) including Binh Duong, Dong Nai, Long An, Ho Chi Minh City (HCMC), and Ba Ria-Vung Tau (BRVT) had 90% occupancy and land prices at VND 4.7 million/m^2/one-off term. Meanwhile, the Northern Economic Zone (NEZ) including Bac Ninh, Hai Phong, Hung Yen, Hai Duong, Ha Noi, and Bac Giang had 80% occupancy, attracting high-tech industries with average rent at VND 2.9 million/m^2/one-off term, 31% lower than the SEZ rent.

2.2 READY-BUILT PRODUCTS

National ready-built (RB) supply was 15.2 million m^2 net leasable area (NLA), with SEZ holding 69% and NEZ 31% share. The overall occupancy was 85%, with average rent at VND 115,000/m^2/month. NEZ RB stock was 4.8 million m^2 NLA, led by Bac Ninh and Hai Phong, with 82% occupancy and VND 125,000/m^2/month rent. SEZ RB stock was 10.7 million m^2 NLA, with 86% occupancy driven by manufacturing expansion and e-commerce growth and VND 110,000/m^2/month rent.

Vietnam's logistics sector is fuelled by economic growth, trade policies, e-commerce, and infrastructure investments. The Vietnam government aims to develop logistics into a high-value service industry. Key projects like the North-South Expressway and Long Thanh Airport are essential for connectivity. The logistics market, valued at US$48.6 billion in 2024, is projected to reach US$71.9 billion by 2030, equivalent to average growth of 6.8% pa. Vietnam's Logistics Performance Index rose to 3.3 in 2023. E-commerce, which requires more logistics space than traditional retail, grew rapidly, with business-to-consumers (B2C) revenue rising 21% p.a. from 2019-2023. In 2024, Vietnam ranked third in Southeast Asia's e-commerce market (US$22 billion) and is expected to grow 20% annually, reaching US$63 billion by 2030.

3 SOUTHERN LOGISTICS VIETNAM

3.1 OVERALL

As HCMC lost its warehouse advantage due to land constraints and high rents, Long An is emerging as a key logistics hub, holding 22% of total ready-built warehouse (RBW) stock. With improving infrastructure, lower costs, and strong transport links, it attracted 3PL, e-commerce, fast-moving consumer goods (FMCG), and manufacturers, alongside Binh Duong with 45% and Dong Nai with 23% of total RBW stock in four studied provinces.

In 2024, Long An standard warehouse stock increased by 2% YoY and its cold storage stock surged 37% YoY, the highest growth among key provinces. Especially, with large new cold storage supply, Long An remained the largest cold storage provider in the region and reached strong occupancy of 78 percent. Long An average rent of dry warehouse in 2024 was VND 106,000/m^2/month, increased by 3% YoY and average rent of cold storage was VND 808,000/m^2/month, increased by 11% YoY. Rental growth was supported by new projects with high quality development and high demand.

In the future, improved infrastructure, including the Ben Luc – Long Thanh Highway, Ring Roads 3 & 4, and expanded national highways, will enhance connectivity with HCMC, the Mekong Delta, and major ports. The relocation of supply chains from HCMC, driven by rising costs, will attract more logistics hubs, cold storage, and distribution centres. The rise of e-commerce and green logistics will fuel demand for smart warehouses and sustainable solutions. Additionally, Long An international port expansion and potential international shipping routes could strengthen its role in regional trade. Government support and strategic logistics zone development will further position Long An as a key warehousing hub in southern Vietnam.

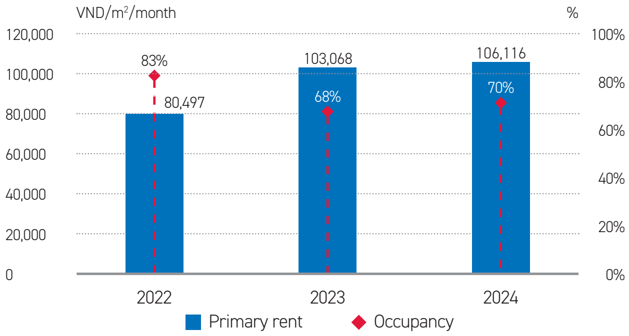
3.2 LONG AN

Long An, strategically located between HCMC and the Mekong Delta, is a key hub for import-export businesses with access to ports in both regions. It led warehouse growth, with standard warehouse stock rising 40% pa and cold storage 19% pa from 2022-2024. Standard warehouses dominated the market with 88%, while cold storage had a 12% share. Stock was concentrated in Can Giuoc, Ben Luc, and Duc Hoa, offering strong connectivity to HCMC.

While Long An standard warehouse faced supply pressure, with rapid stock growth in 2023, its rent was up 15% pa to VND 106,000/m^2/month from 2022-2024, the second highest in Southern Vietnam. However, new supply led to an occupancy drop from 83% in 2022 to 70% in 2024. While agricultural and fertilizer firms favoured Long An International Port – a trade gateway between the Mekong Delta, HCMC, and other Southeast region provinces, premium facilities in key IPs attracted FMCG and electronics distributors.

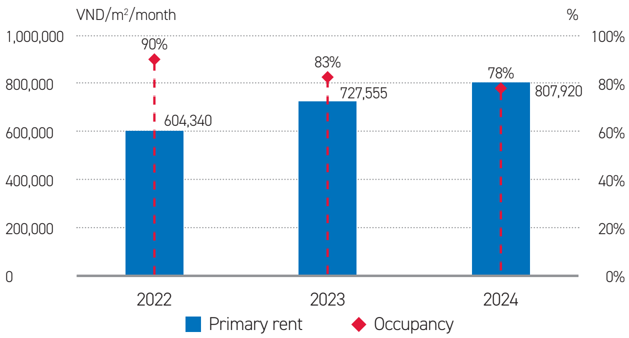
MARKET OVERVIEW

FIGURE 3.1: LONG AN'S STANDARD WAREHOUSE PERFORMANCE BY YEAR



As the South's largest cold storage provider, Long An had 146,217 m² NLA, 29% more than HCMC. The cold storage market, established in 2006, saw rapid expansion, reaching 1.21 million m² NLA in 2024, up 6% YoY. Long An's cold storage market's occupancy fell from 90% in 2022 to 78% in 2024 due to slow absorption of new supply, despite rents rising to VND 807,300/m²/month, the second highest among studied provinces. The province attracted agricultural and seafood exporters due to its proximity to the Mekong Delta, while HCMC led in pharmaceutical and high-value logistics, and Binh Duong specialized in large-scale industrial cold storage.

FIGURE 3.2: LONG AN'S COLD STORAGE MARKET PERFORMANCE BY YEAR



Long An warehouse and cold chain demand was driven by strong economic growth, rising consumer needs, and increasing FDI, especially in manufacturing and e-commerce. Its strategic location near HCMC, expanding industrial base, and infrastructure upgrades further enhance its appeal as a logistics hub. Long An gross regional domestic product (GRDP) grew 8.3% in 2024, ranking third in the Mekong Delta, while FDI was US$887 million (up 21% YoY), making Long An the Mekong Delta's top FDI recipient. Manufacturing had a 77% share of new FDI, with major investors from Singapore (22%), Japan (19%), and Malaysia (13%). The province's IIP rose 11% YoY in 2024, the highest in five years.

By 2027, market is expected to welcome 604,800 m², highest future supply in the Southern provinces. Cold storage will account for 5% share with two key cold storage projects contributing a total of 31,700 m² NLA.

Long An's ready-built warehouse market is set for strong growth, driven by manufacturing expansion, infrastructure upgrades, and shifting supply chain dynamics. Increasing e-commerce activity and rising demand for efficient distribution hubs will support the sector. In addition, expanding dry ports, logistics centers, and international port will further enhance logistics flow. Cold storage demand in Long An is on the rise, fueled by growth in food production, seafood exports, and pharmaceutical logistics. The province's proximity to major agricultural and seafood-producing regions, combined with increasing domestic consumption of fresh and frozen goods, is driving investment in temperature-controlled logistics. The expansion of international trade agreements and higher food safety standards will also drive strong need for modern cold storage facilities. With improved infrastructure and the development of logistics hubs, Long An is well-positioned to become a key cold storage and distribution center in southern Vietnam.

3.3 OTHER PROVINCES

Binh Duong

Binh Duong dominated the market with well-developed IPs and robust logistics infrastructure. Over the past three years, its standard warehouse stock grew 16% pa, significantly outpacing cold storage growth of 3% pa. The province had 45% of the total RBW supply across four key provinces, with 2.46 million m² NLA. Its strategic location near HCMC, major transport corridors, and two ICDs enhanced logistics efficiency, attracting major players like BWID, Fraser, FM Logistics, and Logitem.

With the largest standard warehouse stock of 2.4 million m² NLA, or 46% of total standard warehouse stock, province maintained the highest occupancy of 91%, and competitive rent at VND 102,000/m²/month, 4% lower than Long An and 21% lower than HCMC. Logistics firms, FMCG distributors, and e-commerce companies use warehouses for distribution, while manufacturers in electronics, automotive, textiles, and mechanical industries utilize them for storage. Binh Duong had 61,763 m² NLA for cold storage across nine projects, or 18% of total cold storage stock. It reached high occupancy at 89%, down 5 ppts YoY and rent growth of 18% YoY to VND 847,000/m²/month. Strong demand came from the food, agriculture, seafood, and pharmaceutical industries.

Dong Nai

Dong Nai warehouse market is expanding rapidly, fuelled by Long Thanh Airport development and a strong manufacturing base. From 2022-2024, standard warehouse stock grew 13% pa, while cold storage rose 15% pa. Strategically located near HCMC and Binh Duong, Dong Nai held 23% of total RBW stock with 1.2 million m² across 33 projects, ranking second in supply.

Standard warehouses led the market with 99% of total ready-built warehouse stock (including standard warehouse & cold storage) in Dong Nai, attracting top developers like Daiwa House, Logisvalley, BWID, and Cainiao Network. Occupancy stood at 81% with the lowest rent among key provinces at VND 93,000/m^2/month. The market primarily served textile, chemical, wood, and metal manufacturers. Supply of cold storage space remained limited with 17,322 m^2 NLA. Occupancy rose 3 ppts to 97%, while rent was up 6% YoY to VND 453,000/m^2/month.

HCMC

HCMC remained a premium warehouse market and one of Vietnam's top cold storage hubs with 493,899 m^2 NLA across 39 standard warehouses and 113,020 m^2 NLA across eleven cold storages, Standard warehouses maintained a high occupancy of 90% and its prime locations commanded the highest rents at VND 129,000/m^2/month. Cold storage occupancy fell from 95% in 2023 to 74% in 2024 due to competition from Long An and weaker demand with rent drop of 12% YoY to VND 893,000/m^2/month.

4 CAP RATE ANALYSIS

Vietnam's industrial sector, once slow to develop due to abundant land but inadequate infrastructure, low-skilled labour, and inconsistent economic performance, has seen a rapid transformation. This shift is driven by stable governance, economic growth, national developers, changing manufacturing/export structures, stronger domestic consumption, and global supply chain restructuring. As a result, Vietnam has become globally competitive, though still behind more developed peers.

Previously, Build-to-Suit (BTS) warehouses dominated, but in the last three years, Ready-Built Factories (RBFs) have emerged, mainly developed by international players. RBFs, favoured by relocating Chinese manufacturers and their downstream users, allow for quicker relocations, stimulating both capital markets and domestic developer sophistication. This demand has attracted foreign investors, with further mergers, acquisitions, and IPOs anticipated.

Vietnam is currently in the early upswing phase of its property cycle, which does not fully account for macro or local factors. Increased capital inflows have attracted investor interest, but Long An has not seen the same competition for assets as Binh Duong and Dong Nai, where larger industrial parks and frequent transactions have compressed cap rates.

As the capital market grows and investors look for alternatives to these saturated areas, Long An's lower land costs and improved infrastructure may increase its appeal. Over time, this could result in cap rate compression as the industrial sector grows and transactions increase, though for now, Long An's cap rates remain higher than more established hubs.

5 OUTLOOK

Vietnam's industrial real estate market has undergone rapid transformation due to stable governance, economic growth, evolving manufacturing and export structures, increasing domestic consumption, and global supply chain restructuring. This dynamic shift has positioned Vietnam as a competitive player on the global stage. Vietnam's logistics sector is experiencing strong growth, driven by economic expansion, trade policies, the rise of e-commerce, and infrastructure investments. The logistics market, valued at US$48.6 billion in 2024, is projected to reach US$71.9 billion by 2030.

Long An, strategically located near Ho Chi Minh City, has emerged as an attractive destination for industrial & logistics investment, thanks to its lower land costs and ongoing infrastructure improvements. In recent years, a large new supply has led to an occupancy decline for both standard warehouses and cold storage. However, with ongoing manufacturing expansion, infrastructure improvements, and evolving supply chain dynamics, ready-built warehouse market in Long An is set for significant growth in the coming years. While Long An has not yet experienced the same level of competition for assets as Binh Duong and Dong Nai, its appeal is growing among investors seeking alternatives to these saturated markets. As capital inflows increase and infrastructure continues to develop, Long An is expected to see cap rate compression in the future, aligning more closely with established industrial hubs. However, for now, Long An's cap rates remain higher than more established hubs.

Cold storage demand in Long An was rising, fueled by the growth of the food production sector, seafood exports, and pharmaceutical logistics. Its strategic location near major agricultural and seafood-producing regions, coupled with increasing domestic consumption of fresh and frozen goods, was driving investment in temperature-controlled logistics. With continuous infrastructure development and the emergence of logistics hubs, Long An is well-positioned to become a key cold storage and distribution center in southern Vietnam.

CORPORATE GOVERNANCE REPORT

Daiwa House Logistics Trust ("**DHLT**" or the "**Trust**") is a real estate investment trust constituted pursuant to the trust deed dated 2 November 2021 (as amended, varied and/or supplemented from time to time) (the "**Trust Deed**"). DHLT is listed on the Mainboard of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and is managed by Daiwa House Asset Management Asia Pte. Ltd. (the "**Manager**" or "**REIT manager**"), who is responsible for the strategic direction and management of the assets and liabilities of DHLT and its subsidiaries (collectively, the "**Group**"). The Manager is licensed by the Monetary Authority of Singapore (the "**MAS**") and holds a Capital Markets Services Licence ("**CMS Licence**") to conduct real estate investment trust management activities.

The Manager discharges its responsibility in the best interests of DHLT and the unitholders of DHLT ("**Unitholders**"), in accordance with the applicable laws and regulations as well as the Trust Deed. The primary role of the Manager is to set the strategic direction of the Group and make recommendations to HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of DHLT (the "**Trustee**"), on any acquisition, divestment and enhancement of assets of the Group in accordance with the stated investment strategy of DHLT.

The Manager's roles and responsibilities include:

- carrying on the Group's business and managing its assets and liabilities and generating returns in a sustainable manner for the benefit of Unitholders and conducting all transactions with or on behalf of DHLT on an arm's length basis and on normal commercial terms;

- preparing an annual budget proposal with forecasts on gross revenue, property expenditure, capital expenditure and providing explanations on major variances against budget and the prior year's actual results, written commentaries on key issues and any other relevant assumptions. The purposes of such plans, proposals and analyses are to chart the Group's business for the year ahead and to explain the performance of DHLT's properties compared to the prior year (where applicable);

- ensuring compliance with relevant laws and regulations, including the Securities and Futures Act 2001 of Singapore ("**SFA**"), the Listing Manual of the SGX-ST (the "**Listing Manual**"), the Code on Collective Investment Schemes ("**CIS Code**") issued by the MAS (including Appendix 6 of the CIS Code, the "**Property Funds Appendix**"), the Code of Corporate Governance 2018 (the "**CG Code**") and the Singapore Code on Take-overs and Mergers, the Trust Deed, the CMS Licence, written directions, notices, codes and other guidelines that may be issued by the MAS from time to time and any tax rulings and all relevant contracts and making final recommendations to the Trustee;

- attending to all regular communications with Unitholders; and

- overseeing the performance by Daiwa House Property Management Co., Ltd. (the "**Property Manager**") of its day-to-day property management duties and obligations pursuant to the property management agreement in respect of DHLT's properties located in Japan.

DHLT, constituted as a trust, is externally managed by the Manager and therefore has no employees of its own. The Manager has a team of experienced and well-qualified management team ("**Management**") with a diverse set of competencies in areas such as investments, portfolio and asset management, finance and capital management, to run the day-to-day operations of DHLT and carry out its duties in a satisfactory manner. All the Directors and employees of the Manager are remunerated by the Manager, and not by DHLT. The Manager is a direct wholly-owned subsidiary of the Trust's sponsor, Daiwa House Industry Co., Ltd. (the "**Sponsor**"), which is also the single largest Unitholder of DHLT (through its direct and indirect interests in DHLT). The Sponsor is one of Japan's largest real estate developers with a diverse business portfolio in the real estate industry and its interest in the long-term performance of DHLT is fully aligned with the interest of DHLT and its Unitholders. The Sponsor provides the Manager with access to the Sponsor's strategic pipeline of logistic assets as well as its expertise and experience in real estate management.

(A) BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: Effective Board

The Manager adopts the principle that an effective Board of Directors (the "**Board**") for the Manager is one constituted with the right core competencies and diversity of experience, so that the collective wisdom of the Board can give guidance and provide insights as well as strategic thinking to the Management.

The key roles of the Board are to:

- guide the corporate strategy and direction of the Manager;
- ensure that Management discharges business leadership and demonstrates the highest quality of management skills with integrity;
- oversee the proper conduct of the Manager;
- ensure that measures relating to corporate governance, financial regulations and other required policies are in place and enforced; and
- approving the performance targets, remuneration and incentives for the Manager.

All Directors of the Board participated in decision-making for matters pertaining to corporate governance, business operations and risks, financial management performance, and the nomination and review of the Directors.

Directors' Fiduciary Duties and Conflicts of Interest (Provision 1.1)

The Manager has in place a code on general conduct and discipline which sets out the framework and guidelines on ethical values such as honesty and responsibility as well as the appropriate conduct expected of Management and employees. The Board sets the appropriate tone from the top in respect of the desired organisational culture and ensures proper accountability within the Manager.

The Board recognises that the Directors are fiduciaries who are obliged at all times to act honestly and objectively in the best interests of DHLT and its Unitholders as a whole, and hold the Management accountable for performance. The Board has a standing policy that a Director must not allow himself to get into a position where there is a conflict between his duty to DHLT and his own interests. The Manager has a policy which provides that where a Director has a conflict of interest in a particular matter, he will be required to disclose his interest to the Board, recuse himself from deliberations on the matter and abstain from voting on the matter. Every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the minutes of meeting or written resolutions.

In discharging their roles and responsibilities, all Directors of the Board are expected to act and have acted in the best interests of DHLT.

The positions of Chairman and CEO are held by two separate persons in order to maintain effective oversight. The Board has also established the Audit and Risk Committee (the "**ARC**") which operates under delegated authority from the Board, to assist the Board in discharging its oversight function. The Board comprises six Directors, of whom five are Non-Executive Directors. Of these five Non-Executive Directors, three are Independent Directors.

The following sets out the current composition of the Board:

- Mr Tan Jeh Wuan

Chairman and Non-Executive Independent Director and Member of the ARC

- Mr Tan Juay Hiang

Non-Executive Independent Director and Chairman of the ARC

- Mr Takashi Suzuki

Non-Executive Independent Director and Member of the ARC

- Mr Yoshiyuki Takagi

Non-Executive Non-Independent Director and Member of the ARC

- Mr Eiichi Shibata

Non-Executive Non-Independent Director

- Mr Jun Yamamura

Executive Non-Independent Director and Chief Executive Officer

The Board comprises business leaders and distinguished professionals with a breadth of skills and experience in banking, financial management, legal, real estate, strategic planning and management. The profiles of the Directors are set out in pages 8 to 10 of this Annual Report.

Board and Board Committee meetings and attendance (Provision 1.5)

The Board meets regularly at least once every quarter, to review the business performance and outlook of the Group and deliberate on business strategy, including any acquisitions, disposals, fund-raisings, performance and management of the assets in DHLT's portfolio and development projects undertaken by the Group.

The Board reviews and approves the release of the financial results. The Board also reviews risk management and determines material environmental, social and governance ("**ESG**") factors which have material impact on DHLT's operations and financial performance and examine liability management.

The Board and Board Committee meetings are scheduled and notified to the Directors prior to the beginning of the financial year to allow Directors to plan ahead and actively attend in such meetings to maximise the participation of the Directors. As the Directors reside in different countries, they may participate in a Board or Board Committee meeting by way of audio or video conference where necessary. When exigencies prevent a Director from attending a Board or Board Committee meeting in person, such Director can participate by audio or video conference.

The number of Board and Board Committee meetings held as well as the Directors' attendance for the meetings of the Board, the ARC and the AGM of DHLT held during the financial year from 1 January 2024 to 31 December 2024 ("**FY2024**") are as follows:

		Board	ARC	AGM
Number of meetings held in FY2024		5	4	1
Board Members	**Membership**			
Mr Tan Jeh Wuan (Appointed on 2 November 2021)	Chairman, Independent Non-Executive Director, and member of the ARC	5	4	1
Mr Tan Juay Hiang (Appointed on 2 November 2021)	Independent Non-Executive Director and Chairman of the ARC	5	4	1
Mr Takashi Suzuki (Appointed on 2 November 2021)	Independent Non-Executive Director and Member of the ARC	5	4	1
Mr Yoshiyuki Takagi (Appointed on 2 November 2021)	Non-Independent Non-Executive Director and Member of the ARC	4	4	1
Mr Jun Yamamura (Appointed on 1 June 2023)	Non-Independent Executive Director and Chief Executive Officer	5	4*	1
Mr Hirotsugu Otomo[1] (Appointed on 1 July 2023)	Non-Independent Non-Executive Director	1	2	1
Mr Eiichi Shibata (Appointed on 1 June 2024)	Non-Independent Non-Executive Director	2	2*	1*

* By invitation

Note:

1 Mr Hirotsugu Otomo resigned as a Non-Executive Non-Independent Director of the Manager on 31 May 2024.

Board Reserved Matters (Provision 1.3)

The Board approves all investment and divestment projects. The Board has a set of delegations of authority to the CEO and other executive officers of the Manager which sets out approval limits for operational and capital expenditures and treasury activities to be undertaken by the Manager to facilitate operational efficiency as well as provide a system of checks and balances. Without prejudice to transactions which are required by applicable laws, rules and regulations and the Trust Deed to be subjected to Board's approval, the Board's approval is required for material transactions undertaken by the Manager. Such material transactions are also included in the set of delegations of authority which has been clearly communicated to Management in writing.

Such material transactions include:

- equity fund-raising;
- acquisition, development and disposal of properties;
- overall project budget variance and ad hoc development budget above Board-prescribed limits;
- debt fund-raising above Board-prescribed limits; and
- derivative contracts above Board-prescribed limits.

Directors' Orientation, Induction, Training and Development (Provision 1.2)

Each Director is given a formal letter of appointment setting out the Director's duties and obligations under the relevant laws and regulations governing the Manager. The Manager conducts orientation programmes to brief newly appointed Directors on the Manager's business, strategic directions, risk management policies, the regulatory environment in which the Group operates and the governance practices of the Group and the Manager, including in areas such as accounting, legal and industry-specific knowledge as appropriate. The Board is also updated on any material change to relevant laws, regulations and accounting standards by way of briefings from professionals at the Manager's expense or updates issued by Management. The orientation for newly appointed Directors may include onsite visits to selected DHLT properties to facilitate their understanding of DHLT's business and operations.

The Manager notes the requirement under the CG Code and Rule 210(5) of the Listing Manual on the training requirements for directors with no prior experience as directors of an issuer listed on the SGX-ST ("**First-time Directors**"). No First-time Directors were appointed in FY2024.

The Company Secretary, Boardroom Corporate & Advisory Services Pte. Ltd., the external auditor and compliance adviser update and brief the Directors on changes and new developments in regulatory requirements, as well as corporate and administrative matters. Relevant releases issued by the SGX-ST, the Accounting and Corporate Regulatory Authority ("**ACRA**") as well as news articles which are relevant to the Group's business are also circulated to the Directors.

To be able to effectively establish the sustainability strategy for DHLT and develop the necessary expertise to review and approve its sustainability report, all the Directors have undergone the requisite training in relation to Environmental, Social and Governance Essentials under Rule 720(7) of the Listing Manual in FY2024.

Access to Information (Provision 1.6)

The Management provides the Board with complete, adequate and timely information on all matters relating to DHLT prior to Board meetings, as well as when the need arises to enable the Directors to make informed decisions and discharge their duties and responsibilities. These include matters requiring the Board's decision, as well as ongoing reports relating to the operational and financial performance of DHLT. Directors are briefed by the Management during the Board meetings and Management also furnishes any additional information requested by the Board in a timely manner in order for the Board to make informed decisions.

Access to Management and Company Secretary (Provision 1.7 and 2.5)

The Directors have separate and independent access to Management and the Company Secretary which is an outsourced service provider, who is well trained on and familiar with company secretarial practices.

The appointment and removal of the Company Secretary is subject to the approval of the Board.

The Company Secretary attends to the administration of corporate secretarial matters and advises the Board on governance matters. The Company Secretary also attends all Board and Board Committee meetings and renders assistance to the Chairman in ensuring adherence to Board procedures.

The Board seeks independent professional advice where necessary, at the Manager's expense, to discharge their responsibilities effectively. The ARC, comprising three Independent Directors and one Non-Independent Director, meets the external and internal auditors separately at least once a year, without the presence of Management. The ARC Chairman of such meetings provides feedback to the Board as appropriate.

Board Composition and Guidance

Principle 2: Appropriate level of independence and diversity of thought

Independent Directors and Non-Executive Directors comprise a majority of the Board (Provisions 2.1 to 2.3)

The Board reviews from time to time the size and composition of the Board and each Board Committee, to ensure that the size of the Board and each Board Committee is appropriate in facilitating effective decision-making.

The Manager adopts the principle that a board composition with a strong and independent element as well as diversity of thought and background will allow the Directors to engage in robust deliberations with Management and provide external, diverse and objective insights on issues brought before the Board for discussion and deliberation. In particular, the Non-Executive Directors will also conduct periodic review of the investment mandate as well as the strategic focus of DHLT with Management.

Further, such a board composition, and the separation of the roles of the Chairman and the CEO, provides oversight to ensure that Management discharges its roles and responsibilities effectively and with integrity.

Board Composition and Diversity (Provision 2.4)

Half of the Board comprises Independent Non-Executive Directors. Non-Executive Directors make up a majority of the Board. The Board is of the opinion that its current size is appropriate, taking into account the scope and nature of operations of the Manager and the Group, for effective decision-making and constructive debate. The Board comprises Directors who collectively have the core competencies, such as accounting or finance, business or management experience, legal or industry knowledge, strategic planning experience and customer-based experience or knowledge, required for the Board to be effective in all aspects of its roles.

Provision 2.4 of the CG Code requires the disclosure of the Manager's board diversity policy and progress made towards implementing a board diversity policy. The Board has established a board diversity policy which facilitates due consideration to be given to the benefits of diversity. The Board will consider the differences in the skills, knowledge, experience, professional and industry background, geographical background, expertise, gender, age, ethnicity, culture, nationality, track record as a Director, tenure of service and other relevant aspects of diversity in determining the composition of the Board.

The targets of the Board Diversity Policy include:

1. Committing to achieve a Board composition that reflects the appropriate mix of skills, knowledge, experience, background and abilities. The composition will be reviewed annually to ensure that the Board size is appropriate and has the appropriate mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, taking into consideration the nature and scope of DHLT's operations, to discharge their duties and responsibilities (the "**Board Diversity Philosophy**").

2. Appointing at least one female candidate with good track record and appropriate skills and experience to the Board within the next two years.

As of FY2024, the Board has reviewed the size and composition of the Board and are of the opinion that it meets the Board Diversity Philosophy targets. The current Board comprises six individuals, of whom four Board members have work experience in various markets, and have executed and/or led cross-border transactions. The current Board members have diverse expertise and experience in the combined areas of accounting and finance, business and management, regulatory, industry knowledge and strategic planning which provides core competencies necessary to lead and govern the Group effectively. The diverse professional backgrounds of the Directors, particularly their mix of experience in real estate markets and capital markets in Japan and Asia, as well as skills and expertise in the legal, finance, REIT management and real estate development industries, which are relevant to the business of DHLT, enable Management to benefit from their external, varied and objective perspectives on issues brought before the Board for discussion and deliberation. Each Director is appointed on the strength of his calibre, experience, stature, and potential to give proper guidance to Management on the business of the Group.

In particular, (i) Mr Tan Jeh Wuan has considerable working experience in the financial sector and was involved in various domestic and international equity fund raising and financial advisory transactions; (ii) each of Mr Tan Juay Hiang, Mr Yoshiyuki Takagi and Mr Eiichii Shibata has considerable real estate investment management and fund management expertise, including in-country expertise and networks for the Japan market and other parts of Asia; (iii) Mr Takashi Suzuki brings with him considerable legal and in-country expertise for the Japan market; and (iv) Mr Jun Yamamura brings with him considerable expertise in real estate development, investment, and finance. The collective diversity, backgrounds and skill sets of the Board members serve to optimally support the business growth as well as the effective and sound governance of DHLT and its subsidiaries.

Additionally, the Board supports gender diversity and will continue to seek to appoint a female Director within the next two years. This is ultimately subject to the availability of suitable female candidates with the right skill set and experience who will be able to add value to the Board. The Board had intended to appoint a new female director to replace Mr Hirotsugu Otomo as an Non-Executive and Non-Independent Director when he resigned on 31 May 2024. However, after conducting an intensive review of the proposed candidates and taking into account the candidates' experience and skills, the Board eventually considered Mr Eiichi Shibata to be most suitable and appointed Mr Eiichi Shibata as Non-Executive and Non-Independent Director in place of Mr Hirotsugu Otomo. Please refer to the "Process for Selection, Appointment and Re-appointment of Directors" on page 115 of this Annual Report for further details of the process of selection of the new Directors in FY2024. The Board will continue to seek to appoint a female director who possesses the right skill set and experience and who will be able to add value to the Board.

The Board is committed to achieving its objectives under the Board Diversity Policy and will ensure that the Board and the ARC will continue to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of DHLT and its Unitholders.

Chairman and CEO

Principle 3: Clear division of responsibilities

Separation of Chairman and CEO (Provision 3.1)

The Board and the Manager adopt the principle of clear separation of the roles and division of responsibilities between the Chairman of the Board and the CEO of the Manager (which has been set out in writing) and that no one individual has unfettered powers of decision-making. The Chairman and the CEO are not related to each other and are not immediate family members. This is to maintain an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

Roles of Chairman and CEO (Provision 3.2)

The Chairman is responsible for the overall management of the Board as well as ensuring that the Directors and Management work together with integrity and competency, and he guides the Board in constructive debates on the Group's strategic direction, management of its assets and governance matters.

The CEO is responsible for the running of the Manager's business operations. He has full executive responsibilities over the business and operational decisions of the Group. With the assistance of the management team, the CEO makes strategic proposals to the Board and executes the approved strategy, manages and develops DHLT's business and implements the Board's decision. He is also responsible for ensuring the Group's compliance with the applicable laws and regulations in its day-to-day operations.

The Manager has put in place written terms of reference for the Chairman and the CEO. This provides clear separation and guidance on the role of Chairman and CEO.

Appointment of Lead Independent Director (Provision 3.3)

In view that the Chairman is independent, no lead independent director has been appointed.

Board Membership

Principle 4: Formal and transparent process for appointments

Roles and Responsibilities of the Nominating Committee ("NC") (Provision 4.1) Composition of the NC (Provision 4.2) Roles and Responsibilities of the Remuneration Committee ("RC") (Provision 6.1) Composition of the RC (Provision 6.2)

The Board undertakes all the responsibilities of the nominating and remuneration committees and is able to do so because:

(a) the Manager does not manage any other REIT and in general, REITs (including DHLT) have a more focused scope and scale of business compared to those of listed companies. For this reason, the Board's capacity would not be unduly stretched by reason of it undertaking the responsibilities of a nominating and remuneration committee and the Board would be able to give adequate attention to such issues relating to nomination and remuneration matters; and

(b) the Independent Directors form half of the Board and the Chairman is an Independent Director, which demonstrate that the Independent Directors play a substantive role and assure the objectivity and independence of the decision-making process concerning nomination and remuneration.

The Manager adopts the principle that Board renewal is an ongoing process to ensure good governance and to remain relevant to the changing needs of the Manager and the Group's business. The Board decides on nominating and remuneration matters which include:

- the appointment and re-appointment of Board and Board Committee members;
- reviewing the succession plans of the Directors and Management, in particular the appointment and/or replacement of the Chairman, the CEO and Key Management Personnel ("**KMP**");
- the training and professional development programmes for the Board;
- the process and criteria for evaluating the performance of the Board, the ARC and the Directors; and
- the determination, on an annual basis and as and when circumstances require, of the independent status of a Director, bearing in mind the relevant principles and provisions of the Listing Manual, the CG Code and the Securities and Futures (Licensing and Conduct of Business) Regulations ("**SFLCB Regulations**"), as well as any other applicable regulations and guidelines and salient factors.

Process for Selection, Appointment and Re-appointment of Directors (Provision 4.3)

The Board adheres to the principle of progressive renewal and seeks to ensure its composition provides for an appropriate level of independence and diversity of thought and background. In identifying suitable candidates for appointment to the Board, the Board prioritises the needs of the Group and takes into account the industry and business experience, skills, expertise and background of the candidates. In addition, the Board will give due regard to the requirements in the Listing Manual, the CG Code and the SFLCB Regulations. The Board will also consider the candidate's ability to commit sufficient time to the affairs of the Group so as to diligently fulfil director's duties. The Board has the option to engage external consultants if necessary to assist the Board in identifying suitable candidates. As at least half of the Board comprises Independent Directors, the appointment or reappointment of the Directors will not be subjected to the approval of Unitholders.

Prospective candidates may be shortlisted through recommendations by the Directors, the Sponsor, business associates or through external consultants and professional search firms. The Board shall make the initial assessment of the candidates' suitability from their CVs or reference letter. Designated members of the Board shall interview each candidate to determine his or her suitability. Mr Eiichi Shibata was appointed as the new Director in FY2024. He was previously the Non-Executive Non-Independent Director of the Manager from 12 April 2021 to 30 June 2023. Mr Eiichi Shibata was recommended by the Sponsor as a representative of the Sponsor on the Board, following the resignation of Mr Hirotsugu Otomo on 31 May 2024. The Board assessed and considered Mr Eiichi Shibata to be suitable for the appointments based on his past track records, relevant work experience and skills. Please refer to the "Board Composition and Diversity" section on pages 113 to 114 of this Annual Report for further details of the work experience of Mr Eiichi Shibata.

Determining Directors' Independence (Provision 4.4)

The Board assesses annually, and as and when circumstances require, the independence of each Director in accordance with the requirements of the Listing Manual, the CG Code and Regulations 13D to 13H of the SFLCB Regulations. A Director is considered to be independent if he or she is independent in conduct, character and judgement, and, among others:

(a) has no relationship with the Manager, its related corporations, its substantial shareholders or the Trustee or their respective officers, or DHLT's substantial unitholders that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of DHLT;

(b) is independent from the management of and any business relationship with the Manager and the Trustee, every substantial shareholder of the Manager and every substantial unitholder of DHLT;

(c) is not a substantial shareholder of the Manager or a substantial unitholder of DHLT; and

(d) has not served on the Board for a continuous period of nine years or longer.

The Manager has a rigorous process to assess the independence of each Independent Director, taking into consideration the applicable regulatory requirements. The process is as follows:

1. Each Independent Director provides information of his business interests and confirms annually that there is no relationship which interferes with the exercise of his independent business judgement with a view to the best interests of the Unitholders, and such information is reviewed and tabled to the Board; and

2. The Board also evaluates Independent Directors' conduct and contributions at Board and Board Committee meetings, whether the relevant independent Director has exercised independent judgement in discharging his duties and responsibilities. Each independent Director is required to recuse himself from the Board's deliberations on his independence.

Based on a review of the relationships between the Directors and the Group in accordance with the requirements of the CG Code, the SFLCB Regulations and the Listing Manual and declarations of independence by the Independent Directors, the Board considers the following Directors to be independent despite them being deemed not to be independent from the Sponsor based solely on the Sponsor being a substantial shareholder of the Manager and a substantial unitholder of DHLT under the SFLCB Regulations:

- Mr Tan Jeh Wuan;
- Mr Tan Juay Hiang; and
- Mr Takashi Suzuki.

Listing Rule 210(5)(d)(i) has been complied with as each of Mr Tan Jeh Wuan, Mr Tan Juay Hiang and Mr Takashi Suzuki:

(a) is not employed and has not been employed by the Manager or DHLT or their respective related corporations in the current financial year or any of the past three financial years;

(b) does not have an immediate family member who is employed or has been employed by the Manager or DHLT or their respective related corporations in the current financial year or any of the past three financial years and whose remuneration is or was determined by the Board; and

(c) has not been a Director of the Manager for an aggregate period of more than nine years (whether before or after the listing of DHLT).

Mr Yoshiyuki Takagi, Mr Eiichi Shibata and Mr Jun Yamamura are Non-Independent Directors of the Manager.

Mr Yoshiyuki Takagi is the Chairman and Director of Cosmos Initia Co., Ltd. ("**CI**"), an associated corporation of the Sponsor, and holds directorships in several subsidiaries of CI, namely Cosmos Australia Holdings Pty. Ltd. and Good Place Co., Ltd.

Mr Eiichi Shibata serves as the Managing Executive Officer in the Business Development Department in the Tokyo Head Office of the Sponsor, and has also been appointed to serve on the Boards of various entities within the Sponsor group, including as director of StorBest Holdings Pte. Ltd. and as Chairman of Daiwa House USA Member, LLC.

Mr Jun Yamamura is currently the Chief Executive Officer of the Manager and previously served as the Head of Planning in the Manager prior to his appointment as the Chief Executive Officer. Before he joined the Manager in August 2021, he previously served as the Senior Chief in the Business Development Department in the Sponsor.

As at 31 December 2024, Mr Tan Jeh Wuan, Mr Tan Juay Hiang, Mr Takashi Suzuki, Mr Yoshiyuki Takagi, Mr Eiichi Shibata and Mr Jun Yamamura were able to act in the best interests of all Unitholders as a whole and the Board has determined and is satisfied that Mr Tan Jeh Wuan, Mr Tan Juay Hiang, Mr Takashi Suzuki, Mr Yoshiyuki Takagi, Mr Eiichi Shibata and Mr Jun Yamamura were able to act in the best interests of all Unitholders as a whole.

Directors' other directorships and principal commitments (Provision 4.5)

The Manager does not, as a matter of policy, limit the maximum number of listed company board representations its Board members may hold as long as each of the Board members is able to commit his or her time and attention to the affairs of the Group, including attending Board and Board Committee meetings and contributing constructively to the management of the Manager and the Group. The Manager believes that each Director is best placed to decide whether he or she has sufficient capacity to discharge his or her duties and responsibilities as Director in the best interests of the Manager and Unitholders.

In keeping with the principle that a Director must be able to commit his or her time and attention to the affairs of the Group, the Board will generally not approve the appointment of alternate directors. There were no alternate directors appointed in FY2024.

Directors' present directorships in other listed companies and past directorships in other listed companies held over the preceding three years are referred to the section of Directors' profile on pages 8 to 10 of the Annual Report.

Board Performance

Principle 5: Formal assessment of the effectiveness of the Board, Board Committees and individual Directors

Assessing the effectiveness of the Board, Board Committees and Individual Directors (Provisions 5.1 and 5.2)

The Manager adopts the principle that the Board's performance is ultimately reflected in the performance of the Manager and the Group.

Taking into account the meeting attendance records of the Directors in FY2024 as well as the contribution and performance of each individual Director at these meetings, the Board is satisfied that all the Directors have been able to adequately carry out their duties as Director notwithstanding their principal commitments.

The Board assesses the effectiveness of the Board as a whole, the ARC, and the contribution by each and every Director. On an annual basis, the Directors are required to complete the evaluation questionnaires for the Board, the ARC (if the Director is a member) and the Director's self-assessment form. As part of the assessment, the Board considers the adequacy of Board composition, the Board processes, internal control and risk management, access to information, accountability and the overall effectiveness of the Board, as well as each individual Director's knowledge and skill set, contribution and participation at the Board and Board Committee meetings, which include discussions on sustainability matters. The Board also believes that performance evaluation is an ongoing process and strives to maintain regular feedback and interactions between the Directors and the Management.

For FY2024, the outcomes of the evaluations were satisfactory and positive ratings were recorded across all evaluation criteria. The Board has the discretion to engage external facilitators to conduct the evaluation, if it deems necessary.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: Formal and transparent procedure for fixing the remuneration of Directors and KMP

Level and Mix of Remuneration

Principle 7: Appropriate level of remuneration

Disclosure on Remuneration

Principle 8: Clear disclosure of remuneration matters

The Board in performing its function on remuneration matters include:

- reviewing and approving the remuneration framework for the Directors, the CEO, and the KMP of the Manager, including all share plans and the like, as well as the performance hurdles of such plans; and

- reviewing and approving the specific remuneration packages for the Directors and the CEO and the KMP of the Manager, taking into consideration whether the remuneration is fair and appropriate for DHLT and consistent with DHLT's remuneration framework and are aligned with the performance and interest of DHLT. As such, the Manager is of the view that its practice is consistent with the intent of Principle 6 of the CG Code

Remuneration Framework (Provision 6.3)

The Manager adopts the principle that remuneration matters should be sufficiently structured and benchmarked with good market practices to attract talented professionals with the relevant expertise to grow and manage its business. The Manager adopts the principle that remuneration for the Board and Management should be viewed in totality. The remuneration structure supports the continuous development of the management bench strength to ensure robust talent management and succession planning.

Additional information on remuneration matters is disclosed in accordance with the Alternative Investment Fund Managers Directive (the "**AIFMD**") in compliance with the requirements of the AIFMD.

Decision-making Process for Determining the Remuneration Policy

The Board is responsible for the annual review of the remuneration policy including termination terms, its implementation and ensuring that such terms of remuneration are fair and in compliance with relevant legislation and regulation.

Remuneration considerations include the full-year financial results and other non-financial goals and objectives. The Manager's remuneration policy is designed with a number of principles mentioned below.

The overarching policy is to ensure that the remuneration structure and framework for the Directors and its executives are in alignment with the Manager's objective of promoting sustainable long-term success of DHLT.

The remuneration policy for the executives ensures:

- Alignment with Unitholders: A proportion of variable remuneration for the executives is deferred and delivered in the form of deferred awards over DHLT units held by the Manager, thereby aligning the interests of employees and Unitholders;

- Alignment with performance and value creation: Total variable compensation is managed and structured taking into consideration the level of performance and value creation attained which is being assessed holistically and determined based on financial performance and achievement of non-financial goals;

- Staff retention: Deferred variable compensation, granting rewards in DHLT units held by the Manager as part of the variable compensation require the participant to be employed continuously by the Manager until at least the third anniversary of the grant in order to vest in full; and

- Market competitiveness: Employees receive competitive compensation and benefits packages, which are reviewed annually and benchmarked to the external market.

In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives, financial performance of DHLT and the individual's performance and contributions to DHLT during the financial year. Particularly for KMP, a portion of their variable compensation is deferred for purposes of aligning with the objective of achieving the sustainable long-term success of DHLT, as elaborated below under "Remuneration Policy for Key Management Personnel of the Manager".

Remuneration policy for Directors (Provisions 7.1 and 7.2) Disclosure of the remuneration of Director (Provision 8.1)

Guided by the Remuneration Principles, the key objectives and features of the Manager's policy on the remuneration of its Directors are as follows:

- the level of remuneration should be appropriate to attract, retain and motivate the directors to provide good stewardship of the Manager and KMP to successfully manage the business of DHLT for the best interests of DHLT and its Unitholders as a whole for the long term;
- Directors' remuneration is reviewed annually and subject to the approval of the Manager's shareholder which will take into account the contribution of each Director towards the management of DHLT and its business for the sustainable long-term interests of DHLT and its Unitholders as a whole;
- each Director's fees are commensurate with his responsibilities and time spent, each Director is paid a basic retainer, attendance fee (see Notes below) and Directors who perform additional services through the Board Committees are paid additional fees for such services;
- Non-Executive Directors who are employees of the Sponsor do not receive any director's fees in their capacity as Directors, and the CEO also does not receive any director's fees in his capacity as a Director; and
- A Director is not involved in deciding his own remuneration.

The Manager has set out in the table below information on the fees paid to the Directors for FY2024:

Board Members	Membership	Base Fees	Attendance Fees	Fees[1] paid for FY2024
Mr Tan Jeh Wuan	Chairman, Independent Non-Executive Director, and member of the ARC	88%	12%	S$123,700
Mr Tan Juay Hiang	Independent Non-Executive Director and Chairman of the ARC	84%	16%	S$98,700
Mr Takashi Suzuki	Independent Non-Executive Director and Member of the ARC	86%	14%	S$78,900[2]
Mr Yoshiyuki Takagi	Non-Independent Non-Executive Director and Member of the ARC	100%	0%	S$8,000[3]
Mr Jun Yamamura	Non-Independent Executive Director and CEO	–	–	Nil[4]
Mr Hirotsugu Otomo (Resigned on 31 May 2024)	Non-Independent Non-Executive Director	–	–	Nil[5]
Mr Eiichi Shibata (Appointed on 1 June 2024)	Non-Independent Non-Executive Director	–	–	Nil[5]

Notes:

1 Comprises of base fees and attendance fees of (a) S$1,500 (local meeting) and S$2,000 (overseas meeting) per meeting attendance in person, (b) S$1,000 per meeting attendance via audio or video conference, (c) S$700 per meeting attendance at project and verification meetings, (d) S$500 per meeting attendance via audio or video conference at project and verification meetings, and (e) S$500 in-person and S$300 via audio or video conference per meeting attendance at Ad-hoc meetings. Attendance fees at project and verification meetings were subject to a maximum of S$7,000 per Director per annum. All fees payable to the Directors are a fixed sum.

2 Total fees paid to Mr Takashi Suzuki are before deducting withholding tax.

3 Total fees paid to Mr Yoshiyuki Takagi are before deducting withholding tax. Mr Yoshiyuki Takagi did not receive any attendance fees. However, he received $8,000 from the Manager as he is assigned from the Sponsor's group company. In accordance with Sponsor group's policy, Mr Yoshiyuki Takagi was paid this fixed sum.

4 Mr Jun Yamamura does not receive any director's fee in his capacity as director of the Manager. For his remuneration as CEO, please see below "Total Remuneration of CEO for FY2024".

5 Non-Executive Directors who are employees of the Sponsor do not receive any director's fees in their capacity as Directors.

The Directors' fees were paid by the Manager from the Manager's own assets and were not paid out of the deposited property of DHLT. All Directors' fees are paid entirely in cash. No benefits-in-kind, stock incentives, share-based incentives and awards, or other long-term incentives were paid to the Directors in FY2024. No termination, retirement or post-employment benefits have been granted to Directors in FY2024.

Remuneration Policy for Key Management Personnel of the Manager (Provision 7.3) Disclosure of the remuneration of CEO and other Top Five KMP for FY2024 (Provision 8.3)

Guided by the Remuneration Principles, the key objectives and features of the Manager's policy on the remuneration of its executives are as follows:

- the level and structure of executive remuneration should be competitive to attract, motivate and retain a pool of talented executives for the present and future growth of the Manager;

- executive remuneration should be linked to the performance of DHLT with a view to promoting the long-term success and sustainability of DHLT; and

- in addition, the Manager has remodeled the remuneration policy. Please refer to the paragraph on "Remuneration Framework for Executives of the Manager" for further information.

The exact remuneration and the breakdown of the remuneration of the CEO of the Manager in FY2024 are provided in the remuneration table below.

Total Remuneration of CEO for FY2024

	Fixed Salaries and Allowances*	Variable Bonus	Benefits-in-kind	Long-term Incentive	Total
CEO Remuneration: S$369,126					
Mr Jun Yamamura	*70%*	*18%*	*12%*	*0%**	*100%*

* Fixed Salaries and Allowances include monthly base salary, statutory contributions and housing allowances etc.
* No stock incentives or share-based incentives and awards were paid to the CEO in FY2024.

The Remuneration Bands and the breakdown of the remuneration of the KMPs of the Manager in FY2024, are provided in the remuneration table below.

	Fixed Salaries and Allowances*	Variable Bonus	Benefits-in-kind	Long-term Incentive	Total
Remuneration Band for KMPs: S$250,000 to S$500,000					
Ms Natalie Wong Chin Ping Chief Financial Officer	*68%*	*15%*	*1%*	*17%*	*100%*
Mr Toru Aoki Chief Risk Officer	*74%*	*22%*	*4%*	*0%*	*100%*
Mr Hongrae Cho Head of Investment	*70%*	*16%*	*14%*	*0%*	*100%*
Mr Chee Kum Tin Head of Investor Relations	*62%*	*22%*	*1%*	*15%*	*100%*

* No termination, retirement or post-employment benefits have been granted to KMP.

No Directors and executive officers are paid in the form of shares or interests in the Manager's controlling shareholder or its related entities and their remuneration is not linked (directly or indirectly) to the performance of any entity other than DHLT.

The Manager is cognisant of the requirements as set out under Provision 8.1 of the CG Code and the "Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management" issued by MAS ("**MAS Notice to REIT Managers**") to disclose:

(a) the exact remuneration of its CEO and each individual Director on a named basis;

(b) the remuneration of at least its top five KMP (who are neither Directors nor the CEO), on a named basis, in bands of S$250,000; and

(c) in aggregate the total remuneration paid to its top five KMP (who are not Directors or the CEO), and in the event of non-disclosure, the Manager is required to provide reasons for such non-disclosure.

The Board had after careful consideration, decided not to disclose the KMP's aggregate remuneration because such disclosure would not be in the interests of the Unitholders or DHLT due to:

(a) the intense competition for talent in the REIT management industry, and as such, to minimise potential staff movement, the Manager is of the view that it is in the interest of Unitholders to not make such exact disclosures; and

(b) the importance of retaining competent and experienced staff to ensure DHLT's stability and continuity of business operations, and as such, the Manager needs to balance confidential and commercial sensitivities associated with remuneration matters, given that the Manager is of the view that making exact disclosures may expose the Manager to undue poaching risks and lead to unnecessary key management turnover, which could potentially be prejudicial to the interests of the Unitholders.

The Board is of the view that despite the deviation from Provision 8.1 of the CG Code, the Manager has been transparent on remuneration matters in line with the intent of Principle 8 of the CG Code, as information on the Manager's remuneration policies, level and mix of remuneration (including a breakdown in percentage terms of the various components comprising their respective remuneration as required by Rule 1207(10D) of the Listing Manual), procedure for setting remuneration and the relationships between remuneration, performance and value creation has been disclosed in detail in the preceding paragraphs.

Since the remuneration of the CEO and KMP of the Manager is paid by the Manager in its personal capacity out of its own assets, the Manager is also of the view that the interest of the Unitholders would not be prejudiced as the exact amount of the CEO's remuneration has been provided.

Disclosure of the remuneration of employees who are substantial shareholders of the Manager, substantial unitholder of DHLT, immediate family members of a Director, the CEO or a substantial shareholder of the Manager or a substantial unitholder of DHLT (Provision 8.2)

There were no employees of the Manager who were substantial shareholders of the Manager, substantial unitholder of DHLT or immediate family members of a Director, the CEO, a substantial shareholder of the Manager or a substantial unitholder of DHLT and whose remuneration exceeded S$100,000 during FY2024.

Remuneration Disclosure Under AIFMD

According to the AIFMD, the Manager is required to make quantitative disclosures of remuneration. Disclosures are provided in relation to:

(a) the employees of the Manager;

(b) employees who are senior management; and

(c) employees who have the ability to materially affect the risk profile of DHLT.

All individuals included in the aggregated figures disclosed are rewarded in line with the Manager's remuneration policies. The aggregate amount of remuneration awarded by the Manager to its staff in FY2024 was S$3.31million. This figure comprised fixed pay of S$1.64 million, variable incentive of S$0.57 million and allowances/benefits-in-kind of S$1.10 million.

There was a total of 16 beneficiaries of the remuneration described above. In respect of the FY2024, the aggregate amount of remuneration awarded by the Manager to its senior management (who are also members of staff whose actions have a material impact on the risk profile of DHLT) was S$2.35 million, comprising 9 individuals identified and having considered, among others, their roles and decision-making powers.

Engagement of Remuneration Consultants (Provision 6.4)

A new Job Grade Framework was designed in FY2024 with advice from an independent HR consulting firm, Precena Strategic Partners Pte. Ltd. ("PSP"), engaged by the Manager. PSP has no relationship with the Manager, the controlling shareholders of the Manager or its related entities and the Board. The framework will provide guidelines on career progression management and employee promotion assessment in the Manager and will become effective from 1 January 2025.

Remuneration Framework for Executives of the Manager

Employee remuneration at the Manager comprises fixed pay, variable incentive, allowances and benefits. Fixed pay comprises a salary and an annual wage supplement. All employees receive a salary that reflects their responsibilities and the level of experience and expertise needed to undertake their roles.

Allowances and benefits include statutory provident contributions and benefits-in-kind to enable employees to undertake their roles by ensuring their well-being.

Variable incentive is a material component of total remuneration and comprises Variable Bonus ("**VB**") and LTI awards. The VB is determined based on the achievement of financial Key Performance Indicators ("**KPIs**") and non-financial KPIs which are critical to improving the organisational effectiveness and operating efficiency of the Manager, including improving workflow, participation in Corporate Social Responsibility ("**CSR**") events, investors and tenants engagement, raising the capability of the workforce through increased participation in learning and development, which consist of "Financial", "Customer, Operations & Risk" and "Environmental, Social and Governance (ESG)" as performance metrics a part of the organizational and departmental KPIs.

The VB amount is assessed based on the achievement of financial KPIs such as Distribution per Unit ("**DPU**"), Net Property Income ("**NPI**") which measure the financial metrics essential to the Unitholders and to promote the long-term interest of DHLT. KPIs and their weightages may change from year to year.

The LTI award is a form of unit-linked incentive plan and represents conditional rights to receive DHLT's units held by the Manager based on the achievement of DHLT's performance. The LTI award is available to C-suites and other KMPs. Executives who are seconded from the Sponsor, namely the Chief Executive Officer, Chief Risk Officer and Head of Investment, are not entitled to DHLT's LTI award as they are under the Sponsor's pay policies.

The implementation of the LTI award by the Manager is a key mechanism to building sustainable business performance. For the LTI award, it is subject to a three-year vesting schedule. The settlement value of the LTI award is linked to the value of DHLT's units held by the Manager at the time of vesting. This ensures alignment between remuneration and sustaining business performance of DHLT in the longer term.

In addition to Management, other employees of the Manager are also eligible to be considered for VB each year. VB for all employees takes into account DHLT, the Manager and the individual's performance against agreed financial and non-financial objectives.

The Manager will continue to be guided by the objective of delivering sustainable long term returns to Unitholders. The remuneration of the senior management team will continue to be aligned with the goal of value creation for Unitholders.

All fixed pay, VB and allowances are payable wholly in cash. All payments are entirely paid by the Manager in its personal capacity from its own assets and not as an additional expense imposed on DHLT. The Sponsor secondees are covered by pay policies and programmes of the Sponsor, but their VB is assessed based on the achievement of goals corresponding to performance of DHLT. Based on such framework, the Sponsor secondees are held directly accountable for the results and performance of DHLT in line with the other management team members. The remuneration of the Sponsor secondees will be reimbursed in full by the Manager from its own assets.

To assess the individual performance of each employee, a 5-point rating scale is used by the supervisors to provide an overall assessment of an employee's performance, and employees are required to perform a self-evaluation. The Manager has ensured that this has been adhered to. The overall final rating is reconciled during each employee's performance appraisal.

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: Sound system of risk management and internal controls

Risk management and Internal control systems and setting up a Board Risk Committee (Provision 9.1)

The Manager adopts the principle that a sound internal controls and effective risk management practices to good corporate governance, is necessary for the Group's business.

The Manager has established internal controls and risk management systems that address key operational, financial, compliance and information technology risks relevant to the Group's business and operating environment. These systems provide reasonable but not absolute assurance on the achievement of their intended internal controls and risk management objectives. These systems also allow the Board to determine the nature and extent of the risks which DHLT is willing to take to achieve its strategic objectives and value creation. The key elements of the Group's internal controls and risk management systems are as follows:

Operating Structure

The Manager has a well-defined operating structure with clear lines of responsibility and delegated authority, as well as reporting mechanisms to Management and the Board. This structure includes certain functions, such as Human Resource, and Risk Management. The Manager also conducts an annual review of its material outsourced providers to ensure required performance standards are met.

Policies, Procedures and Practices

Controls are detailed in formal policies and standard operating procedures. For example, the Board has approved a set of delegations of authority which sets out approval limits for investments and divestments, development, operational and capital expenditures and treasury activities.

Approval sub-limits are also provided at various management levels which include the CEO and KMP to facilitate operational efficiency, as well as provide a system of checks and balances.

The Board's approval is required for material transactions, including the following:

- equity fund raising;
- acquisition, development and disposal of properties;
- overall project budget variance and ad hoc development budget above Board-prescribed limits;
- debt fund-raising above Board-prescribed limits; and
- derivative contracts above Board-prescribed limits.

The Group's procedures and practices are regularly reviewed and revised where necessary to enhance controls and efficiency.

Whistle-blowing Policy

The Manager has zero-tolerance stance against any form of illegal activity, corruption, bribery and other impropriety, misconduct or wrongdoings involving the Manager and its officers. To reinforce a culture of good business ethics and governance, the Manager has established a Whistle-blowing Policy to encourage employees, service providers and associates to report in good faith, which in the view of the Whistle-blower, is:

a. dishonest;

b. a fraudulent misappropriation of assets;

c. corrupt;

d. illegal or breach of any applicable laws;

e. unethical conduct or a breach of the Manager's code of conduct;

f. other serious improper conduct or gross mismanagement;

g. an unsafe work-practice; or

h. any other conduct which may cause financial and non-financial loss to the Manager or detrimental to the interests of the Manager,

while keeping the identities of Whistle-blower confidential, regardless of whether the report was made openly or anonymously so that they would be treated fairly and protected from reprisal. The ARC is responsible for oversight and monitoring of whistle-blowing incidents, if any. Any reporting concerning the Manager is notified to the ARC Chairman of the Manager for investigation. Reports are provided to relevant parties of the senior management and the ARC, unless the whistle-blowing report is related to the senior management directly. The Manager will not tolerate any retaliation towards employees who report concerns and any employees taking action in response to a report will be subject to disciplinary procedure.

The Whistle-blowing Policy is made available to all employees and outside parties, such as suppliers, contractors, tenants and other stakeholders.

Please refer to DHLT's website (https://www.daiwahouse-logisticstrust.com/whistle-blowing.html) for further information on whistle-blowing.

Risk Management

Risk management is an integral part of the Manager's business strategy. To safeguard and create value for Unitholders, the Manager proactively manages risks and embeds the risk management process into the Manager's planning and decision-making process. The risk management function oversees the Enterprise Risk Management ("**ERM**") framework.

The risk management system established by the Manager, which encompasses the ERM framework and the risk management process, is dynamic and evolves with the business. The Manager reviews and enhances the risk management system in accordance with market practices and regulatory requirements, under the guidance and direction of the ARC and the Board.

The Manager's risk management function can be found on pages 132 to 135 of this Annual Report.

Information Technology Controls

As part of the Manager's risk management process, information technology controls and cybersecurity measures have been put in place and are periodically reviewed to ensure that information technology risks and cybersecurity threats are identified and mitigated. In addition, as part of the Manager's business continuity plan, information technology disaster recovery planning and tests are conducted to ensure that critical information technology systems remain functional during crisis.

Financial Management

The Manager practices financial and operational discipline and reviews the performance of the DHLT portfolio on a monthly basis.

The Board is updated on a quarterly basis on the Group's financial performance. The Management reports on significant variances in financial performance, in comparison with budgets and financial performance of corresponding periods in the preceding year where applicable.

The key financial risks which the Group is exposed to include interest rate risk, foreign exchange rate risk, liquidity risk, and credit risk. Where appropriate, the Manager procures hedging transactions to be entered into so as to protect the Group against interest rate and foreign exchange rate fluctuations. In addition, the Manager proactively manages liquidity risk by ensuring that sufficient working capital lines and loan facilities are maintained for the Group. The Manager's capital management strategy can be found on pages 20 to 21 of this Annual Report. The Manager also has in place credit control procedures for managing tenant credit risk and monitoring of arrears collection.

The Manager's Financial Risk Management function can be found on page 134 of this Annual Report.

Internal Audit (Provision 10.4)

The internal audit function has been outsourced to Deloitte and Touche Enterprise Risk Services Pte. Ltd. ("**Deloitte**"). The primary reporting line of the internal audit function is to the ARC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all of the Group's documents, records, properties and personnel, including the ARC, and has appropriate standing within the Group. The outsourced Internal Auditor prepares a risk-based audit plan annually to review the adequacy and effectiveness of the Manager's system of internal controls (including financial, operational, compliance and IT controls), risk management systems and any material non-compliance in internal controls, together with corrective measures recommended by the outsourced Internal Auditor. The audit plan is also approved by the ARC before execution. The Manager has obtained assurance that business objectives for the internal control processes under review are being achieved and key control mechanisms are in place.

Upon completion of each review, a formal report detailing the audit findings and the appropriate recommendations is issued to the ARC. The outsourced Internal Auditor monitors and reports on a quarterly basis the timely implementation of the action plans to Management and the ARC.

The Manager adopts the principle that a robust system of internal audits is required to safeguard Unitholders' interests, the Group's assets, and to manage risks.

Deloitte, the outsourced Internal Auditor, reports directly to the ARC Chairman of the Manager. The Chairman of the ARC is consulted in the hiring, removal, remuneration and evaluation of the outsourced Internal Auditor.

The outsourced Internal Auditor conducts internal audit work in consultation with, but independently of, Management. Its annual audit plan and audit findings are submitted to the ARC for approval and review respectively. The ARC also meets with the outsourced Internal Auditor at least once a year without the presence of Management.

Deloitte, the outsourced Internal Auditor, is a member of the Institute of Internal Auditors Inc. (the "**IIA**"), which has its headquarters in the United States. The outsourced Internal Auditor subscribes to, and is in conformance with, the International Standards for the Professional Practice of Internal Auditing developed by the IIA (the "**IIA Standards**") and has incorporated these standards into its audit practices.

To ensure that the internal audits are performed by competent professionals, the outsourced Internal Auditor recruits and employs qualified employees. In order that their technical knowledge remains current and relevant, the outsourced Internal Auditor identifies and provides training and development opportunities to the employees.

For FY2024, the ARC has reviewed and is satisfied that DHLT's internal audit function is independent, effective and adequately resourced.

External Audit

The external auditors also provide an independent perspective on certain aspects of the internal financial controls system arising from their work and report their findings to the ARC on an annual basis.

Business Continuity Management

The Manager has in place a Business Continuity Management ("**BCM**") framework and a Business Continuity Plan ("**BCP**") for its crisis management team to respond to business disruptions, ensure the resumption of business, as well as minimise impact of adverse business disruptions. A Crisis Management Team has also been established to oversee the Manager's crisis management activities.

Under the BCM framework, the Management has identified the critical business functions and services, processes and resources, service recovery time and performed business impact analysis. The objectives of the BCM framework are to support and manage the development, implementation and maintenance of effective BCPs and measures. During FY2024, the Manager has performed annual BCP exercises simulating different scenarios to test the effectiveness of processes, procedures and escalation protocols. This holistic approach under the BCP ensure organisational and staff preparedness and readiness to deal with adverse business disruptions. The BCP aims to minimise the negative impacts on the operations, financials and reputation of DHLT and allows the Manager to better fulfil its obligations as the REIT manager. The Internal Audit (as an independent and qualified party) has also established a comprehensive BCM audit plan and conducted an audit of the BCP, BCM framework and the BCM of each critical business service in FY2024.

Interested Person Transactions

All interested person transactions are undertaken on normal commercial terms and the ARC regularly reviews all interested person transactions to ensure compliance with the internal control system, as well as with relevant provisions of the Listing Manual and the Property Funds Appendix. The Manager also must demonstrate to the ARC that such transactions satisfy the procedure criteria. This includes obtaining quotations from parties unrelated to the Manager. In addition, the Trustee has the right to review such transactions to ascertain that the Listing Manual and the Property Funds Appendix have been complied with.

The following procedures are also undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of the Group's net tangible assets will be subject to review by the ARC at regular intervals;

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of the Group's net tangible assets will be subject to the review and prior approval of the ARC. Such approval shall only be given if the transactions are on normal commercial terms and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 5.0% of the value of the Group's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the ARC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Further, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of the Unitholders.

The interested person transactions undertaken by the Group in FY2024 are set out on pages 185 to 186 of this Annual Report. For the purpose of the disclosures, the full contract sum is taken as the value of the transaction where the interested person transaction has a fixed term and contract value, while the annual amount incurred and/or accrued is taken as the value of the transaction where an interested person transaction has an indefinite term or where the contract sum is not specified.

Dealing in DHLT Units (Listing Rule 1207(19))

The Manager has put in place internal guidelines in relation to dealings in DHLT's securities and adopted the best practices on securities dealing issued by the SGX-ST. In compliance with Rule 1207(19) of the Listing Manual on best practices on dealing in securities. All Directors are required to disclose their interests in DHLT and are also provided with disclosures of interests by other Directors, as well as notices on trading restrictions.

On trading in DHLT units, the Directors and employees of the Manager are reminded not to deal in DHLT units on short term considerations and are prohibited from dealing in DHLT units:

- in the period commencing one month before the public announcement of the DHLT's annual results and semi-annual results;

- in the period commencing two weeks before the public announcement of the DHLT's first quarter and third quarter business updates (where applicable); and

- at any time whilst in possession of price-sensitive information.

Each Director is required to notify the Manager of his or her acquisition of DHLT units or of changes in the number of DHLT units which he or she holds or in which he or she has an interest, within two business days of such acquisition or change of interest. In addition, employees of the Manager and the Sponsor are to give pre-trading notifications before any dealing in DHLT units.

The Manager has complied with its internal guidelines in relation to dealings in DHLT's securities in FY2024.

Role of the Board and ARC

The Board recognises the importance of maintaining a sound internal controls and risk management system to safeguard the assets of DHLT and Unitholders' interests, through a framework that enables risks to be assessed and managed. The ARC provides oversight of the financial reporting, accounting policies and the adequacy and effectiveness of the Manager's internal controls and risk management systems, as well as its compliance processes.

The Board and the ARC also take into account the results from the Manager's compliance checklist conducted monthly and reported quarterly to the ARC which requires various departments to review and report on compliance with key control processes. It should be recognised that all internal controls and risk management systems contain inherent limitations and, accordingly, the internal controls and risk management systems can only provide reasonable but not absolute assurance.

Written assurance from the CEO, CFO and other KMP (Provision 9.2)

The Board has received written assurance from the CEO and the CFO of the Manager that the Group's financial records have been properly maintained and the Group's financial statements give a true and fair view of the Group's operations and finances. It has also received assurance from the CEO and the Chief Risk Officer of the Manager ("**CRO**"), being the key management personnel responsible for various aspects of risk management and internal controls, that the systems of risk management and internal controls in place for the Group are adequate and effective to address the risks (including financial, operational, compliance and IT risks) that the Manager considers relevant and material to the current business environment which the Group operates in.

Comment and Opinion on Internal Controls

Based on the internal controls (including financial, operational, compliance and information technology controls) and risk management systems established and maintained by the Manager, work performed by the outsourced Internal Auditor and the Risk Management Department within the Manager, as well as by the external auditors, reviews performed by the Management and the above-mentioned assurance from the CEO, the CFO and the CRO, the Board is of the opinion that the Group's internal controls and risk management systems, addressing key financial, operational, compliance, information technology and risk management objectives and which the Group considers relevant and material to its operations, were adequate and effective to address the risks (including financial, operational, compliance and information technology risks), which the Board considers relevant and material to meet the needs of the Group in its business as at 31 December 2024.

The Board notes that the system of internal controls and risk management provides reasonable assurance that the Group will not be significantly and adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities. The ARC concurs with the Board's comments provided in the foregoing. For FY2024, the Board and the ARC have not identified any material weaknesses in the Group's internal controls and risk management systems.

The Manager, on behalf of the Group, confirms that the Group has complied with Listing Rule 1207(10).

Audit and Risk Committee

Principle 10: The Board has an ARC which discharges its duties objectively.

The Board is supported by the ARC which provides additional oversight of financial, risks and audit matters, so as to maximise the effectiveness of the Board and foster active participation and contribution.

The Manager adopts the principle that the ARC shall have at least three members, all of whom must be non-executive and the majority of whom, including the ARC Chairman, must be independent. The Board is of the view that the ARC members collectively have recent and relevant expertise or experience in financial management and are appropriately qualified to discharge their responsibilities.

Composition of the ARC (Provision 10.2)

The ARC consists of four members, three of whom are independent and are appropriately qualified to discharge their responsibilities. They are:

Mr Tan Juay Hiang, Chairman, Independent Director
Mr Tan Jeh Wuan, Member, Independent Director
Mr Takashi Suzuki, Member, Independent Director
Mr Yoshiyuki Takagi, Member, Non-Independent Director

Former partner or Director of the Manager's/REIT's existing auditing firms (Provision 10.3)

None of the ARC members is a partner or director of the incumbent external auditors, member firms of Ernst & Young LLP ("**EY**"), within the previous two years, nor does any of the ARC members have any financial interest in EY.

Duties and activities of ARC (Provision 1.4 and 10.1)

The ARC is governed by written terms of reference, setting out its scope and authority, which include:

- examination of interested person transactions;
- review and approval of the scope of internal audit activities;
- review of the adequacy, effectiveness, independence, scope and audit findings of internal and external auditors as well as Management's responses to them and the implementation of remedial actions to address such findings;
- evaluation of the nature and extent of non-audit services performed by external auditors. In this regard, for FY2024 the fees paid and/or payable by DHLT to the network of member firms of EY are S$421,000, of which S$355,000 was for audit services and S$66,000 was for non-audit services relating to advisory services for the Group. The ARC has undertaken a review of all non-audit services provided by EY and is of the opinion that such non-audit services would not affect the independence of EY as the external auditors; and
- making recommendations to the Board on the appointment and reappointment of external auditors.

In addition, the ARC also:

- reviews significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance;
- reviews at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems;
- reviews the assurance from the CEO and the CFO on the financial records and financial statements;
- makes recommendations to the Board on (i) the proposals to Unitholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- reviews the adequacy, effectiveness, independence, scope and results of the external audit and the Group's internal audit function;
- meets with the external and internal auditors (Provision 10.5), without the presence of Management, at least once a year to review and discuss the financial reporting process, system of internal controls (including financial, operational, compliance and information technology controls), and significant concerns, audit comments and recommendations;

- reviews the arrangements in place for the whistle-blowing mechanism and, if required, investigates the matters reported via the whistle-blowing mechanism, by which employees may, in confidence, raise concerns about suspected improprieties including financial irregularities. The objective of the whistle-blowing mechanism is to ensure that arrangements are in place for independent investigations of any reported matters and reviews of such investigations, to ensure appropriate follow-up actions are taken;

- discuss during the ARC meetings any changes to accounting standards and issues which have a direct impact on the financial statements;

- reviews and approves any decision to make an optional distribution (as defined in the Perpetual Securities Subscription Agreement) on the perpetual securities ("**Perpetual Securities**");

- reviews all hedging policies and instruments to be implemented by DHLT to the Board and monitoring the implementation of such policies and instruments; and

- monitors the relevant tax regimes applicable to DHLT.

In the review of the financial statements, the ARC has discussed with the Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The ARC has reviewed, in discussion with the Management, the following key audit matter as reported by the external auditor:

Key Audit Matter

As part of its oversight role over financial reporting, the ARC reviewed the financial statements before recommending them to the Board for approval. The process involved discussions with the Management and external auditors on significant accounting matters. The ARC reviewed among other matters, the valuation of investment properties, being the key audit matter identified by external auditors.

The annual valuation of DHLT's properties as at 31 December 2024 was performed by independent external valuers. The ARC considered the selection of valuers based on their independence, expertise and relevant experience in valuing the logistics properties. The independent valuer should not value the same property for more than two consecutive financial years as required by the CIS Code.

The ARC reviewed the valuation methodologies, key assumptions applied, and discussed the outcomes with Management, focusing on significant changes in fair value including assessing the reasonableness of the assumptions used by the valuers.

The ARC also considered the work performed by the external auditor, including their assessment of the appropriateness of valuation, methodologies and the key assumptions applied in the valuation of investment properties.

The ARC is satisfied that the methodology and assumptions used are reasonable and the valuation for investment properties as adopted and disclosed in the financial statements is appropriate. A total of four ARC meetings were held in FY2024.

The Manager, on behalf of the Group, confirms that the Group has complied with Rules 712 and 715 of the Listing Manual in relation to the Group's auditing firm.

(D) UNITHOLDER RIGHTS AND ENGAGEMENT

Unitholder rights and conduct of general meetings

Principle 11: Fair and equitable treatment of all Unitholders

Engagement with Unitholders

Principle 12: Regular, effective and fair communication with Unitholders

Communication with Unitholders (Provision 12.1)

The Manager adopts the principle that all Unitholders should be treated fairly and equitably in order to enable them to exercise their ownership rights arising from their unitholding in DHLT and have the opportunity to communicate their views on matters affecting DHLT. The Manager provides Unitholders with periodic, balanced and understandable assessments of DHLT's performance, position and prospects.

To this end, the Manager issues via SGXNET announcements and press releases on the Group's latest corporate developments on an immediate basis where required by the Listing Manual. Where immediate disclosure is not practicable, the relevant announcement will be made as soon as possible to ensure that all stakeholders and the public have equal access to the information.

Prior announcement on the expected date of release of half-yearly and full year results will generally be released to SGX-ST ahead of the actual date of the half-yearly and full year results. In addition to the announcement of financial results on a half-yearly basis, the Manager also issues quarterly business updates to keep Unitholders updated on the performance of DHLT on a timely basis. In addition, the Manager also conducts analysts' and media briefings.

Participation of Unitholders at general meetings (Provision 11.1 and 11.3)

DHLT welcomes Unitholders' views on matters concerning the Group and provides Unitholders with the opportunity to participate in and vote at general meetings. Unitholders are informed of the rules and voting procedures that govern the general meetings.

When an Extraordinary General Meeting ("**EGM**") is to be held, Unitholders will receive a copy of the circular, detailing the proposed matters and a proxy form for Unitholders' consideration and approval.

In FY2024, the second AGM was held physically on 23 April 2024. The AGM is held once a year to provide a platform for Unitholders to interact with the Board and Management, in particular the Chairman of the Board, the Chairman of the ARC, the CEO and the CFO. The external auditors are also present to address Unitholders' queries about the audit and the financial statements of the Group.

An electronic copy of Annual Report for FY2024 has been published on DHLT's website at www.daiwahouse-logisticstrust.com and made available on the SGXNet website at www.sgx.com. Should Unitholders wish to have a printed copy of the Annual Report, they may also submit a request by completing the Request Form mailed to them and sending it back to DHLT's Unit Registrar. A Notice of AGM setting out all items of business to be transacted at the general meeting or AGM and a Proxy Form are mailed to Unitholders and are also made available to Unitholders by electronic means via publication on DHLT's website and on SGXNet.

Absentia voting (Provision 11.4)

Provision 11.4 of the CG Code requires an issuer's constitutive documents to allow for absentia voting at general meetings of Unitholders. The Trust Deed currently does not provide for absentia voting which may be considered by the Manager following careful study, to ensure that the integrity of information and authentication of the identity of Unitholders through the web are not compromised, and legislative changes are affected to recognise remote voting.

The Manager is of the view that despite the deviation from Provision 11.4 of the CG Code, Unitholders nevertheless have opportunities to communicate their views on matters affecting the Group even when they are not in attendance at general meetings. For example, in an ordinary meeting setting (i.e. physical meetings), Unitholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings. Where a general meeting is convened, all Unitholders are entitled to receive a circular enclosing a proxy form with instructions on the appointment of proxies. Prior to voting at an AGM or any other general meeting, the voting procedures will be made known to the Unitholders to facilitate them in exercising their votes. An independent scrutineer is also appointed for the purpose of vote-taking and validation of votes at general meetings.

Separate resolutions at general meetings on each substantially separate issue (Provision 11.2)

To safeguard Unitholders' interests and rights, a separate resolution is proposed for each substantially separate issue at a general meeting unless the issues are interdependent and linked so as to form one significant proposal, in which case the Manager shall explain the reason and material implications of such bundling of issues in the notice of the general meeting. Each resolution proposed at an AGM and any other general meeting will be voted on by way of electronic polling. An independent scrutineer is also appointed to validate the vote tabulation and procedures. The Manager will announce the results of the votes cast for and against each resolution and the respective percentages and prepare minutes of such meetings. Unitholders may appoint the Chairman of the meeting as proxy to vote on their behalf at the general meeting. Please refer to the Notice of AGM dated 2 April 2025 for further information.

Minutes of general meetings (Provision 11.5)

Minutes of the general meetings recording the substantive and relevant comments made and questions raised by Unitholders are available to Unitholders for their inspection upon request. Minutes of the annual general meeting (which record substantial and relevant comments and queries from Unitholders and the response from the Board and the Management) are also available on DHLT's website at www.daiwahouse-logisticstrust.com.

Distribution Policy (Provision 11.6)

DHLT's distribution policy is to distribute at least 90.0% of its annual distributable income on a semi-annual basis. For FY2024, DHLT made a total of two distributions to Unitholders. Under the Trust Deed, the Manager shall pay distributions no later than 90 days after the end of each distribution period.

Investor Relations (Provisions 12.2 and 12.3)

The Manager has an Investor Relations Department which facilitates effective communication with Unitholders and analysts. The Manager also maintains DHLT's website which contains information on DHLT including but not limited to its Prospectus, current and past announcements and news releases, financial statements, investor presentations and Annual Reports.

The Manager's investor relations policy prioritises proactive engagement and timely and effective communication with its stakeholders. The Manager regularly communicates major developments in the Group's businesses and operations to Unitholders through the issuance of announcements and press releases. In addition, all announcements and press releases are first made on SGXNET and subsequently on DHLT's website. The Manager also communicates with DHLT's investors on a regular basis through group/individual meetings with investors, investor conferences and non-deal roadshows. The Manager's CEO and CFO are present at briefings and communication sessions to answer questions from investors. Unitholders can subscribe for email alerts to receive the latest updates on the Group and contact the Investor Relations Department via a dedicated email address at ir@daiwahouse-lt.com. Further details on the Manager's investor relations activities and efforts are found on pages 51 to 53 of this Annual Report.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with Stakeholders

Material stakeholder groups (Provision 13.1)

Management of stakeholder relationships (Provision 13.2)

Corporate website to communicate and engage with stakeholders (Provision 13.3)

The Manager adopts the principle that to build confidence among stakeholders, there is a need to deliver sustainable value. DHLT's stakeholders include unitholders, tenants, local communities, employees, suppliers and the Sponsor. The Manager believes it is imperative to engage with stakeholders to generate long-term mutually beneficial relationships that drive success. The Manager will continue to strengthen its stakeholder engagement process by having regular discussions with stakeholders, exploring new channels to engage with them, addressing their queries and concerns, and improving DHLT's disclosures.

The Sustainability Report from pages 56 to 91 in the Annual Report provides the Group's approach in identifying its material stakeholders, as well as addressing stakeholders' concerns and methods of engagement. The Sustainability Report also sets out the strategy and key areas of focus in relation to the management of stakeholder relationships for FY2024. The Annual Report together with the Sustainability Report will be published on the Manager's website.

Both current information and information previously released on the SGX-ST are made available on the DHLT's website at www.daiwahouse-logisticstrust.com.

(F) RISK MANAGEMENT

Risk Management is an important function in the Manager's business objective to deliver sustainable total returns to Unitholders. The Manager considers risk management angles in its planning, decision-making and implement processes to safeguard DHLT's assets and create value for Unitholders.

Strong Oversight and Governance

The Board ensures that the Manager implements sound risk management and internal control practices as part of the overall risk strategy and risk governance. The Board also sets the risk culture and approves the risk limits that the Manager can take to achieve its business objectives. The Board is supported by the ARC. The members of the ARC have diverse collective experience and knowledge to guide the Manager. The ARC has direct access to the Manager's Risk Management Department.

The Manager has put in place a culture and process where risk management includes top-down oversight and bottom-up engagement with employees. This process, together with the Manager's use of the Dow Jones financial crime screening tool, ensure that the risk approach is aligned with DHLT's business strategies and objectives, and embedded in its risk management policies and operating procedures, covering areas of significant risks such as anti-money laundering and countering of terrorism, financial risk management, outsourcing risk and business continuity risk to ensure that DHLT maintains a sound system of risk management.

In FY2024, Mr Toru Aoki has been appointed as the REIT manager's Compliance Officer, in which capacity he is responsible for supervising compliance, establishing an internal compliance structure and ensuring the effectiveness of the internal checks and balances operational systems for all departments.

To ensure operational effectiveness and accountability the Manager's ERM framework is dynamic and caters to the changing business environment. The ERM framework is in line with ISO31000 and guided by COSO ERM Integrated Framework and other relevant best practices and guidelines. The Manager uses the risk process of risk identification, assessment, management, monitoring and risk reporting. The CRO and Risk Management department review and enhance the risk management system to be in line with market practices and regulatory requirements, as well as ensuring that risk mitigation measures are in place for any identified high risks.

Risk Analysis

The Manager considers the outlook of property risk drivers such as rental rates, occupancy rates, capital values, interest rates and foreign exchange rates, and changes in market environment and asset cash flows. Where necessary, anti-money laundering checks are conducted on third parties such as tenants and service providers.

In time as DHLT's property portfolio expands in geography, it would reap the benefits of diversifying into more countries.

Risk Identification and Risk Assessment

The Manager identifies a spectrum of foreseeable risks and assesses their likelihood and impact on the business. The Manager then determines the best ways to manage these risks. A Risk Register is maintained and is reviewed and updated regularly or if triggered by a risk event.

The Manager identified key risks including: Strategic Risks

- **Market Risk**

DHLT's portfolio is subject to real estate market risks such as rental rate, occupancy rate, competition, local regulations and supply and demand dynamics. Such risks are measured for existing assets and prospective acquisitions. Material risk profile changes to the property portfolio are reported for further deliberation and action. The Manager has a diversified tenants base and adopts proactive tenant management strategies to retain and secure tenants. Feedback is also obtained from tenants to further promote the long-term relationship between landlord and tenant. The Manager will tap on asset enhancement activities and redevelopment opportunities to maintain the competitiveness and improve the value and performance of DHLT's properties.

- **Investment Risk**

DHLT's investments may yield lower prospective returns due to uncertainties and downturns in the markets DHLT operates in. Investment activities including asset evaluation and pricing are managed in a rigorous and disciplined manner. All property acquisitions must meet DHLT's business objective and are evaluated based on a comprehensive set of investment criteria to enhance returns to Unitholders. Key property variables and their assumptions are tested for robustness. Where deemed necessary, independent risk assessments are conducted by external consultants and included in the investment proposal submitted to the Board for approval.

- **Economic and Geopolitical Risk**

Challenging geopolitical situations and economic uncertainties can affect profits, disrupt access to capital markets or increase counterparty risks, which will adversely impact DHLT's ability to attain its strategic goals. The Manager closely monitors country risk, and real estate market risk, and the economic, geopolitical and political developments in Japan and Southeast Asia. The Manager is continually on a look-out for suitable acquisition opportunities in these markets to enhance diversification of income stream and property portfolio resilience.

- **Environmental and Climate Risk**

The Manager takes climate change seriously and is committed to reducing carbon emissions to mitigate environmental risk. The Manager identifies asset enhancement initiatives to improve the environmental performance of DHLT's properties. The Manager is committed towards carbon emission reduction, water and energy efficiency and adopts renewable energy sources and attaining green building certifications, wherever possible.

Environmental risk due diligence is incorporated as a part of investment consideration. Existing properties are regularly inspected for exposure to physical risks. The Manager monitors changes in climate regulations and actively engages with stakeholders on ESG matters.

Operational Risks

- **Operational Risk**

Any significant disruption to the operations of its business or properties will impact DHLT's business continuity and profitability. The Manager uses its operating, reporting and monitoring procedures to manage its daily operations and mitigate operational risks. Where appropriate, industry benchmarks and recent developments in industry practices are considered when the Manager reviews its policies and standard operating procedures ("**SOPs**"), and BCP regularly, and at least once a year to ensure their relevance, effectiveness and compliance with the latest regulations and legislations. Compliance with policies and SOPs is also coupled with the training of employees and periodic Internal Audits.

The Manager has put in place a BCM framework to reflect the latest MAS Guidelines on Business Continuity Management. The BCP and BCM framework will be reviewed annually to mitigate risks of operational disruption due to the occurrence of adverse external events (including events that are man-made and events that have a natural cause). The BCP and BCM framework will also be audited once every three years by the Internal Auditor to ensure that it complies with the latest guidelines and requirements.

- **Human Resource Risk**

The loss of performing employees, inability to attract, grow and retain key talent and management personnel will likely disrupt the Manager's business operations and slow down the achievement of its business objectives. The Manager has put in place succession planning, talent management, competitive remuneration, staff development and training opportunities, as well as benefits plans to attract, reward and retain performing employees.

- **Property Damage and Business Disruption Risk**

In the event of unforeseen catastrophic events such as earthquakes and pandemics, the Manager has in place a business continuity plan and crisis communication plan to resume business operations as soon as possible and with minimal loss and disruptions. DHLT's properties are insured in accordance with industry norms in Japan where they are situated.

- **Occupational Health and Safety Risk**

The Manager takes the health and safety of its stakeholders seriously. Safety operational practices are incorporated in the Manager's SOPs, including fire emergency plans and regular checks on fire protection systems. Necessary certificates and permits are checked for validity in compliance with regulatory requirements.

- **Credit Risk**

Credit risk will arise from uncollectible debts of tenants which will adversely affect DHLT's cashflow and profitability. The Manager performs a credit assessment on tenants and an investment due diligence process during property acquisition. The Manager must be satisfied that prospective tenants are of good credit standing before entering into lease agreements. The Manager's Asset Management Department closely monitors tenants' credit worthiness. To mitigate credit risk, security deposits are collected from prospective tenants prior to the commencement of leases. Any late rental payment by tenant is a red flag which alerts the Manager's Asset Management Department to discuss the matter with the tenant. In FY2024, the Group did not receive any request for rental relief or an abatement.

Financial Risks

- **Financial Risk**

Financial market risks and capital adequacy of DHLT are closely monitored and managed by the Manager, and reported to the Board on a quarterly basis. At the property portfolio level, the risk impact of interest rate and currency movements is monitored, reported and deliberated quarterly. Refinancing risk is also quantified, taking into account the concentration of loan maturity profile and change in credit spread.

- **Interest Rate Risk**

Increase in interest rates and the cost of capital can impact DHLT's profitability and its distributable income to Unitholders. The Manager minimises exposure of interest rate risk in DHLT's debt funding through fixed rate borrowings. In future, where necessary interest rate risk may be mitigated through the use of interest rate derivative instruments. As at 31 December 2024, approximately 99% of the borrowings are on a fixed rate basis.

- **Foreign Exchange Risk**

Where feasible, the Manager borrows in the same currency as the underlying assets to provide a natural hedge. To hedge against foreign exchange risk and to provide Unitholders more income stability, the expected rental income receivable from properties outside Singapore is hedged into Singapore Dollars through the use of forward contracts. The Manager adopts a prudent hedging policy to systematically hedge its committed distributions substantially on a one-year rolling basis, where appropriate, to smoothen out volatility.

- **Liquidity Risk**

Insufficient liquidity will result in DHLT's inability to meet its debt obligations. To ensure a prudent capital structure in DHLT, the Manager adheres to the covenants of all its loan agreements and monitors DHLT's cash flow position and funding requirements to ensure there is sufficient cash to all financial and operational funding requirements. The Manager also ensures that there are banking facilities in place to meet liquidity needs. As at 31 December 2024, DHLT has undrawn unsecured facilities of S$50 million. The Manager maintains sufficient financial flexibility and debt headroom for DHLT to fund future property acquisitions. The Manager also monitors and reviews its bank concentration risks by diversifying its sources of debt financing. The limit on DHLT's aggregate leverage ratio is monitored to maintain compliance with MAS' Property Funds Appendix.

Compliance Risks

- **Regulatory Risk**

The Manager complies with applicable laws and regulations in all jurisdictions which DHLT operates in. As non-compliance may result in financial loss and damage to its reputation, the Manager identifies and complies with the applicable laws and regulatory obligations in its daily business practices.

- **Fraud Risk**

To safeguard DHLT's assets and its Unitholders' interests, the Manager uses its Corporate Governance framework to ensure responsible and transparent business practices. The framework includes specific procedures and guidelines on anti-corruption practices, including prohibition of bribery.

The Manager has a whistle-blowing policy that allows employees and stakeholders to raise any concerns, malpractices or wrongdoings in the workplace through email accessed by Chairman of the ARC. Employees who whistle-blow are protected from reprisals.

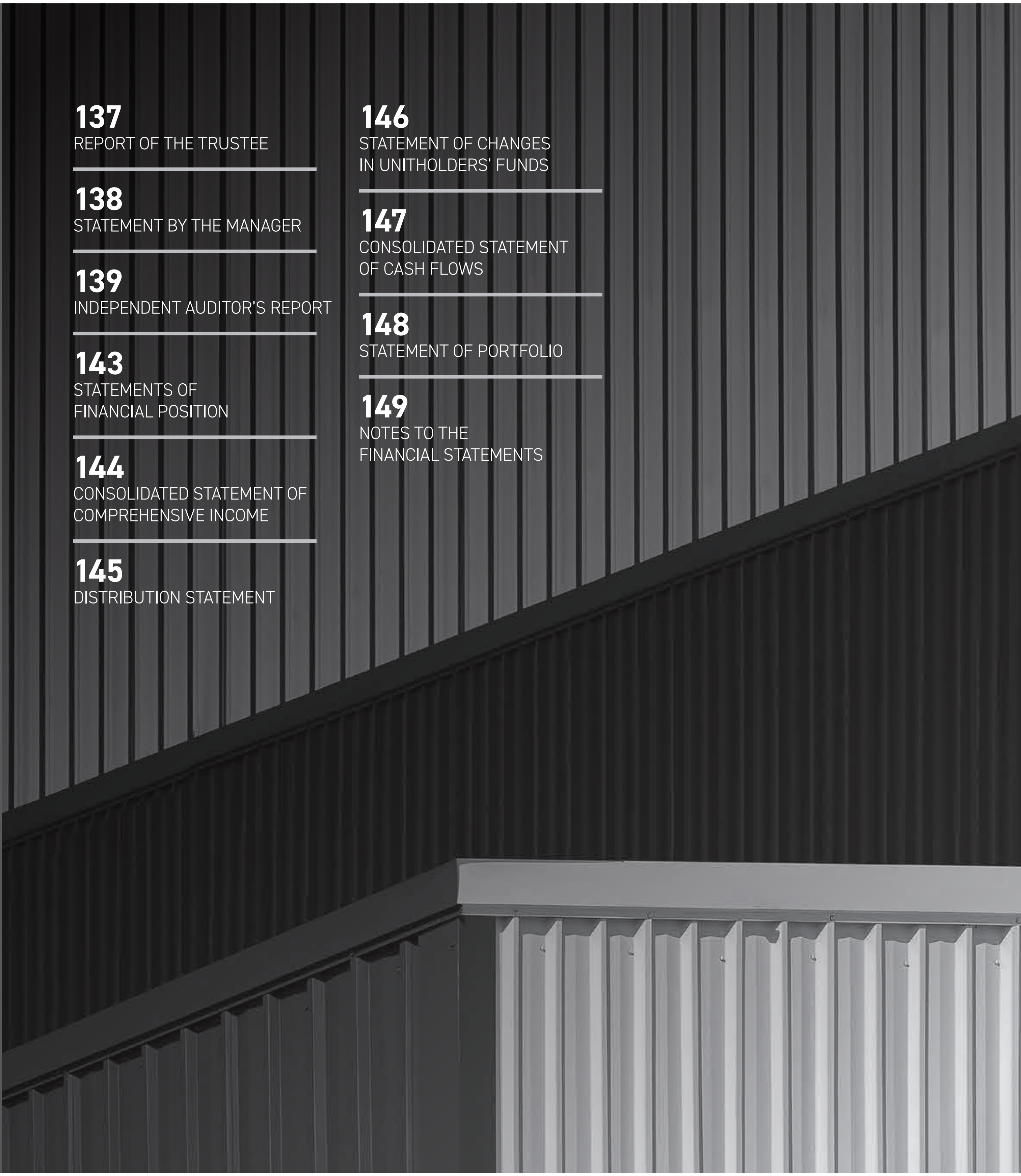
At all times, the Manager requires that all employees comply with its policies and procedures. Employees are provided with training in ethics, code of conduct, safe work practices and professional conduct. If an employee is found to be fraudulent, dishonest or engaged in criminal conduct, the Manager reserves the right to take appropriate disciplinary action, including but not limited to the termination of employment.

Information Technology and Cyber Risks

The cyber environment is increasingly threatening as the number of cybersecurity attacks has risen, and the nature of such attacks is increasingly more sophisticated. The Sponsor group has in place comprehensive policies and procedures governing data security and IT governance.

The Manager will provide resources for cybersecurity awareness training, monitoring of internet gateways and detection of potential security gaps. On an annual basis, the Manager conducts a BCP exercise to ensure a timely return of its business functions and IT systems.

FINANCIAL STATEMENTS



REPORT OF THE TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Daiwa House Logistics Trust (the "Trust") held by it or through its subsidiaries (collectively, the "Group") in trust for the holders of units ("Unitholders") in the Trust. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Daiwa House Asset Management Asia Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 2 November 2021 (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust and its subsidiaries during the period covered by these financial statements set out on pages 143 to 184, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

Authorised Signatory

Singapore
25 March 2025

STATEMENT BY THE MANAGER

In the opinion of the directors of Daiwa House Asset Management Asia Pte. Ltd. (the "Manager"), the manager of Daiwa House Logistics Trust (the "Trust"), the accompanying financial statements set out on pages 143 to 184 comprising the Statements of Financial Position of the Trust and its subsidiaries (the "Group") and the Trust as at 31 December 2024, the Statements of Changes in Unitholders' Funds of the Group and the Trust, and the Consolidated Statement of Comprehensive Income, Distribution Statement, Consolidated Statement of Cash Flows of the Group for the financial year ended 31 December 2024, Statement of Portfolio of the Group as at 31 December 2024 and notes to the financial statements are drawn up so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2024, the consolidated financial performance, distribution, consolidated cash flows, consolidated changes in unitholders' funds and portfolio holdings of the Group, and changes in unitholders' funds of the Trust, in accordance with the International Financial Reporting Standards and the provisions of the Trust Deed between HSBC Institutional Trust Services (Singapore) Limited and the Manager dated 2 November 2021 and relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet the respective financial obligations as and when they materialise.

For and on behalf of the Manager,
Daiwa House Asset Management Asia Pte. Ltd.

Jun Yamamura
Director

Singapore
25 March 2025

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Daiwa House Logistics Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Daiwa House Logistics Trust (the "Trust" or "DHLT") and its subsidiaries (collectively, the "Group"), which comprise the Statements of Financial Position of the Group and the Trust as at 31 December 2024, the Statements of Changes in Unitholders' Funds of the Group and the Trust, and the Consolidated Statement of Comprehensive Income, Distribution Statement, Consolidated Statement of Cash Flows of the Group for the financial year ended 31 December 2024, Statement of Portfolio of the Group as at 31 December 2024 and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the Statement of Financial Position and the Statement of Changes in Unitholders' Funds of the Trust are properly drawn up in accordance with the International Financial Reporting Standards ("IFRSs"), relevant provisions of the Trust Deed and relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore (the "MAS"), so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2024, the consolidated financial performance, distributions, consolidated cash flows, consolidated changes in unitholders' funds and portfolio holdings of the Group, and changes in unitholders' funds of the Trust for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and we have fulfilled our other ethical requirements in accordance with the IESBA Code. In addition, we are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of investment properties

As at 31 December 2024, the carrying amount of investment properties was S$996.4 million which accounted for 92.0% of total assets. The valuation of the investment properties is significant to our audit due to the magnitude and the complexity of the valuation which is highly dependent on a range of assumptions and estimates made by the external appraisers engaged by the Manager.

As disclosed in Note 9, valuations of investment properties are sensitive to changes in the significant unobservable inputs, particularly those relating to market rents, discount rates and capitalisation rates. This is aggravated by an increase in the level of estimation uncertainty and judgement required arising from the rapid changes in market and economic conditions. Accordingly, we have identified this as a key audit matter.

Key Audit Matters (cont'd)

Valuation of investment properties (cont'd)

The Manager uses external appraisers to support its determination of the individual fair value of the investment properties. Our audit procedures included, amongst others, an assessment of the Group's process relating to the selection of the external appraisers, the determination of the scope of work of the appraisers, and a review of the valuation reports issued by the external appraisers. We evaluated the objectivity, independence and expertise of the external appraisers and read their terms of engagement to ascertain whether there are matters that might have affected the scope of their work and their objectivity.

We involved our internal real estate and valuation specialists to assist us in assessing the reasonableness of the valuation model and the reasonableness of the significant assumptions and estimates by reference to historical rates and market data. Our procedures also included checking the reliability of property related data used by the external appraisers, assessing the appropriateness of the valuation techniques and basis for the significant assumptions and estimates used, including key valuation adjustments made by the external appraisers in response to the changes in market and economic conditions. We assessed the overall reasonableness of the movements in fair value of the investment properties and the associated deferred tax consequences. We also assessed the adequacy of disclosures in Note 9 to the consolidated financial statements.

Other Information

The Manager is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of financial statements in accordance with the IFRSs, relevant provisions of the Trust Deed and relevant requirements of the CIS Code issued by the MAS, and for such internal control as the Manager determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the Manager include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Daiwa House Logistics Trust

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Nelson Chen.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

25 March 2025

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

		Group		Trust	
	Notes	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Current assets:					
Cash and cash equivalents	4	**41,598**	45,801	**5,763**	9,100
Restricted cash	5	**40,208**	42,363	**–**	–
Trade receivables	6	**792**	667	**–**	–
Prepaid expenses and other assets	7	**3,778**	4,844	**376,654**	400,844
Derivative assets	8	**678**	1,779	**678**	1,779
Total current assets		**87,054**	95,454	**383,095**	411,723
Non-current assets:					
Investment properties	9	**996,406**	1,006,288	**–**	–
Investment in subsidiaries	10	**–**	–	**2,620**	1,532
Derivative assets	8	**55**	–	**55**	–
Total non-current assets		**996,461**	1,006,288	**2,675**	1,532
Total assets		**1,083,515**	1,101,742	**385,770**	413,255
Current liabilities:					
Trade and other payables	11	**12,491**	9,799	**1,858**	999
Lease liabilities	12	**2,525**	2,662	**–**	–
Loans and borrowings	13	**86,482**	93,359	**–**	–
End-tenants security deposits		**2,492**	3,721	**–**	–
Provision for taxation		**65**	54	**56**	45
Derivative liabilities	8	**20**	–	**20**	–
Total current liabilities		**104,075**	109,595	**1,934**	1,044
Non-current liabilities:					
Trade and other payables	11	**16,503**	16,415	**–**	–
Lease liabilities	12	**141,025**	154,823	**–**	–
Loans and borrowings	13	**251,617**	220,861	**26,083**	–
End-tenants security deposits		**23,966**	23,046	**–**	–
Derivative liabilities	8	**–**	43	**–**	43
Deferred tax liabilities	14	**28,202**	23,479	**–**	–
Total non-current liabilities		**461,313**	438,667	**26,083**	43
Total liabilities		**565,388**	548,262	**28,017**	1,087
Net assets		**518,127**	553,480	**357,753**	412,168
Represented by:					
Unitholders' funds		**482,358**	517,703	**321,984**	376,391
Perpetual securities	15	**35,769**	35,777	**35,769**	35,777
Total equity at end of the year		**518,127**	553,480	**357,753**	412,168
Units in issue and to be issued ('000)	16	**698,920**	696,066	**698,920**	696,066
Net asset value per Unit (S$)	17	**0.69**	0.74	**0.46**	0.54

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Notes	Group Year ended 31 December 2024 S$'000	Group Year ended 31 December 2023 S$'000
Gross revenue	18	**57,100**	59,852
Property expenses	19	**(13,210)**	(14,528)
Net property income		**43,890**	45,324
Manager's management fees		**(2,393)**	(2,733)
Japan asset management fees		**(1,045)**	(1,077)
Trustee's fee		**(284)**	(257)
Trust expenses	20	**(1,671)**	(1,776)
Finance expenses	21	**(6,630)**	(6,394)
Other income		**2,013**	4,180
Net income before tax and fair value changes		**33,880**	37,267
Fair value change in investment properties	9	**8,483**	11,576
Fair value change in derivatives		**(1,024)**	866
Net income before tax		**41,339**	49,709
Tax expenses	22	**(6,634)**	(6,389)
Total return for the year		**34,705**	43,320
Attributable to:			
Unitholders		**33,921**	42,473
Perpetual securities holders		**784**	847
Total return for the year		**34,705**	43,320
Earnings per Unit (cents)			
Basic and diluted	23	**4.98**	6.26

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

DISTRIBUTION STATEMENT

For the financial year ended 31 December 2024

	Group	
	31 December 2024 S$'000	**31 December 2023 S$'000**
Amount available for distribution to Unitholders at the beginning of the year	**18,273**	17,748
Net income for the period	**33,921**	42,473
Distribution adjustments (Note A)	**(403)**	(6,100)
Income available for distribution to Unitholders for the year	**33,518**	36,373
Amount available for distribution to Unitholders	**51,791**	54,121
Distributions to Unitholders:		
Distribution of 2.61 cents per Unit for the period from 1 July 2022 to 31 December 2022	**–**	(17,675)
Distribution of 0.31 cents per Unit for the period from 8 December 2022 to 31 December 2022	**–**	(50)
Distribution of 2.61 cents per Unit for the period from 1 January 2023 to 30 June 2023	**–**	(18,123)
Distribution of 2.61 cents per Unit for the period from 1 July 2023 to 31 December 2023	**(18,167)**	–
Distribution of 2.61 cents per Unit for the period from 1 January 2024 to 30 June 2024	**(17,077)**	–
Net amount available for distribution to Unitholders at end of the year	**16,547**	18,273
Distribution per Unit ("DPU") (cents):		
– DPU	**4.79**	5.22
Note A – Distribution Adjustments		
Manager's management fees paid/payable in Units	**1,196**	1,349
Fair value change in investment properties	**(11,619)**	(14,309)
Fair value change in derivatives	**1,024**	(866)
Unrealised forex loss/(gain)	**822**	(142)
Amortisation of loan/bond upfront fee	**1,650**	1,581
Deferred tax expenses	**6,439**	6,072
Issue costs partly reimbursed from government grant	**–**	200
Others	**85**	15
Total distribution adjustments	**(403)**	(6,100)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

For the financial year ended 31 December 2024

	Group		Trust	
	31 December 2024 S$'000	31 December 2023 S$'000	31 December 2024 S$'000	31 December 2023 S$'000
Unitholders' funds				
Balance at beginning of year	**657,720**	649,746	**376,391**	427,015
Operations				
Total return for the year attributable to Unitholders	**34,705**	43,320	**(21,589)**	(15,278)
Less: Amount reserved for distribution to perpetual securities holders	**(784)**	(847)	**(784)**	(847)
Net increase/(decrease) in net assets resulting from operations	**33,921**	42,473	**(22,373)**	(16,125)
Unitholders transactions				
Movement during the year				
– GST refunds on IPO issue cost	**1,520**	–	**1,520**	–
– Manager's fee paid/payable in units	**1,690**	1,349	**1,690**	1,349
Distribution to unitholders	**(35,244)**	(35,848)	**(35,244)**	(35,848)
Net change in unitholders' transactions	**(32,034)**	(34,499)	**(32,034)**	(34,499)
Balance at end of the year	**659,607**	657,720	**321,984**	376,391
Foreign currency translation reserve				
Balance at beginning of year	**(140,017)**	(96,535)	**-**	–
Net change in foreign currency transaction reserve	**(37,232)**	(43,482)	**-**	–
Balance at end of the year	**(177,249)**	(140,017)	**-**	–
Net assets attributable to Unitholders	**482,358**	517,703	**321,984**	376,391
Perpetual securities				
Beginning balance of year	**35,777**	35,792	**35,777**	35,792
Amount reserved for distribution to perpetual securities holders	**784**	847	**784**	847
Distribution to perpetual securities holders	**(792)**	(862)	**(792)**	(862)
Balance at end of the year	**35,769**	35,777	**35,769**	35,777
Total	**518,127**	553,480	**357,753**	412,168

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Note	Group 31 December 2024 S$'000	31 December 2023 S$'000
Cash flows from operating activities:			
Net income before tax but after fair value changes		**41,339**	49,709
Adjustments for:			
Amortisation and straight lining of rents		**32**	70
Manager's fee paid in units	16	**1,196**	1,349
Manager's acquisition fee payable in units	16	**494**	–
Finance expenses	21	**4,980**	4,813
Amortisation of financing costs	21	**1,650**	1,581
Amortisation of prepaid expenses		**317**	319
Amortisation of leasing commission		**263**	166
Fair value change in investment properties	9	**(8,483)**	(11,576)
Fair value change in derivatives		**1,024**	(866)
Interest income		**(184)**	(272)
Operating income before working capital changes		**42,628**	45,293
Changes in working capital:			
Trade receivables		**(174)**	(356)
Prepaid expenses and other assets		**(227)**	(481)
Trade and other payables		**(980)**	32
Cash flows generated from operations		**41,247**	44,488
Taxes paid		**(397)**	(23)
Net cash flows generated from operating activities		**40,850**	44,465
Cash flows from investing activities:			
Acquisition of investment properties and related assets and liabilities		**(23,649)**	(243)
Capital expenditure on investment properties		**(431)**	–
Acquisition of a subsidiary, net of cash acquired	10	**(23,285)**	–
(Refund)/receipt of security deposits		**(1,093)**	15
Payment of leasing commission		**(633)**	(72)
Cash flow used in investing activities		**(49,091)**	(300)
Cash flows from financing activities:			
Repayments of lease liability	12	**(2,975)**	(3,136)
GST refunds on IPO issue cost		**1,520**	–
Repayment of debt financings	13	**(87,973)**	–
Proceeds from debt financings	13	**136,071**	–
Payment of transaction costs for debt financing		**(3,867)**	–
Payment of the finance expenses		**(4,063)**	(4,482)
Payments of perpetual securities distribution		**(792)**	(862)
Distribution paid to unitholders		**(35,244)**	(35,848)
Receipt of interest		**200**	238
Restricted cash for financing activities		**(247)**	–
Net cash generated from/(used in) financing activities		**2,630**	(44,090)
Net (decrease)/increase in cash and cash equivalents:		**(5,611)**	75
Cash and cash equivalents at beginning of the year		**45,801**	48,938
Effect of exchange rate changes on cash and cash equivalents		**1,408**	(3,212)
Cash and cash equivalents at end of the year	4	**41,598**	45,801

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

For the financial year ended 31 December 2024

Property	Geographic Area	Date of Building Completion	Tenure of Land	As at 31 December 2024 S$'000	% of Net Assets Attributable to Unitholders %	As at 31 December 2023 S$'000	% of Net Assets Attributable to Unitholders %
DPL Sapporo Higashi Kariki	Hokkaido and Tohoku	1 Feb 2018	Freehold	**112,015**	**23.2**	119,499	23.1
DPL Sendai Port	Hokkaido and Tohoku	10 Mar 2017	Freehold	**116,357**	**24.1**	125,101	24.2
DPL Koriyama	Hokkaido and Tohoku	6 Sep 2019	Freehold	**60,697**	**12.6**	67,872	13.1
D Project Maebashi S	Greater Tokyo	5 Nov 2018	Freehold	**32,042**	**6.6**	34,449	6.7
D Project Kuki S	Greater Tokyo	1 Aug 2014	Leasehold	**9,465**	**2.0**	11,203	2.2
D Project Misato S	Greater Tokyo	15 Feb 2015	Leasehold	**19,277**	**4.0**	21,473	4.1
D Project Iruma S	Greater Tokyo	18 Dec 2017	Freehold	**42,722**	**8.9**	45,466	8.8
DPL Kawasaki Yako	Greater Tokyo	1 Jun 2017	Leasehold	**185,824**	**38.5**	196,055	37.9
D Project Nagano Suzaka S	Greater Tokyo	25 Sep 2018	Freehold	**23,619**	**4.9**	25,300	4.9
DPL Ibaraki Yuki	Greater Tokyo	1 Jan 2023	Freehold	**29,089**	**6.0**	–	–
DPL Shinfuji	Greater Nagoya	20 Sep 2017	Leasehold	**32,649**	**6.8**	35,196	6.8
D Project Kakegawa S	Greater Nagoya	1 May 2019	Freehold	**39,509**	**8.2**	41,451	8.0
DPL Okayama Hayashima	Chugoku	19 Sep 2017/ 30 Nov 2018	Leasehold	**39,509**	**8.2**	42,385	8.2
DPL Okayama Hayashima 2	Chugoku	30 Oct 2017	Leasehold[1]	**22,837**	**4.7**	23,620	4.5
D Project Fukuoka Tobara S	Kyushu	21 Feb 2019	Leasehold	**13,373**	**2.8**	12,697	2.5
DPL Iwakuni 1 & 2	Chugoku	28 Sep 2018/ 19 Mar 2020	Freehold	**21,275**	**4.4**	21,286	4.0
D Project Matsuyama S	Shikoku	31 Oct 1994/ 31 Jul 2017	Freehold	**8,301**	**1.7**	8,850	1.7
D Project Tan Duc 2	Vietnam Long An	29 Sep 2023	Leasehold	**27,342**	**5.7**	–	–
				835,902	**173.3**	831,903	160.7

(1) The ordinary land lease will automatically renew for a term of 20 years upon expiry unless otherwise agreed by the parties and the lessor will not be able to object to renewal without a justifiable reason.

	Carrying Value as at 31 December 2024 S$'000	% of Net Assets Attributable to Unitholders %	Carrying Value as at 31 December 2023 S$'000	% of Net Assets Attributable to Unitholders %
Investment properties, at valuation	**835,902**	**173.3**	831,903	160.7
Other assets and liabilities (net)	**(317,775)**	**(65.9)**	(278,423)	(53.8)
Net Assets of the Group	**518,127**	**107.4**	553,480	106.9
Perpetual securities	**(35,769)**	**(7.4)**	(35,777)	(6.9)
Net assets attributable to Unitholders	**482,358**	**100.0**	517,703	100.0

	31 December 2024 S$'000	31 December 2023 S$'000
Investment properties as disclosed in the Statement of Financial Position	**996,406**	1,006,288
Less:		
Right-of-use assets	**(144,001)**	(157,970)
Asset Retirement Obligation	**(16,503)**	(16,415)
Total investment properties, at valuation	**835,902**	831,903

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

These notes form an integral part of the financial statements.

1. GENERAL INFORMATION

Daiwa House Logistics Trust (the "Trust" or "DHLT") is a Singapore real estate investment trust constituted pursuant to a trust deed dated 2 November 2021 (the "Trust Deed") made between Daiwa House Asset Management Asia Pte. Ltd. (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries in trust for the Unitholders of the Trust. The Trust and its subsidiaries are collectively referred to as the "Group" and individually as "Group entities".

The Trust was admitted to the Official List of Singapore Exchange Securities Trading Limited (the "SGX-ST") on 26 November 2021.

The registered office and principal place of business of the Manager is located at 6 Shenton Way, #21-08 OUE Downtown, Singapore 068809.

The principal activity of the Trust is investment holding. The principal activities of the Trust's subsidiaries are to invest, directly or indirectly, in a diverse portfolio of stabilized income-producing logistics and industrial assets, and real estate-related assets in Asia, to provide unitholders of DHLT with regular and stable distributions.

The consolidated financial statements relate to the Trust and its subsidiaries.

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures of these services are as follows:

(a) Manager's fees

The Manager is entitled under the Trust Deed to receive the following remuneration for the provision of asset management services:

Base fee

Pursuant to the Trust Deed, the Manager is entitled to a base fee of 10.0% per annum of Trust's annual distributable income (calculated before accounting for the base fee and the performance fee). The base fee is payable to the Manager either in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager.

The Manager has elected to receive 50% of the base management fees in units and 50% in cash for the financial year ended 31 December 2024.

The portion of the base fee, payable in the form of cash, shall be computed monthly in arrears. Where the base fee is payable in Units, such payment shall be made out quarterly in arrears. Units will be issued based on the volume weighted average price for a Unit for all trades transacted on SGX-ST in the ordinary course of trading for a period of 10 business days (as defined in the Trust Deed) immediately preceding the relevant business day.

1. GENERAL INFORMATION (CONT'D)

(a) Manager's fees (cont'd)

Performance fee

Pursuant to the Trust Deed, the Manager is entitled to a performance fee of 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee, but after accounting for the base fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year. The performance fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in the financial year where the performance fee is payable may be less than the DPU in any preceding financial year.

The performance fee is payable to the Manager either in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager.

Acquisition fee

Pursuant to the Trust Deed, the Manager is entitled to receive an acquisition fee of 1.0% of the acquisition price of any real estate purchased, whether directly or indirectly through one or more Specific Purpose Vehicles, by the Trust (pro-rated if applicable to the proportion of the Trust's interest in the real estate acquired) from related parties and 1.0% of the acquisition price for all other cases (or such lower percentage as may be determined by the Manager in its absolute discretion). Under Appendix 6 of the CIS Code (the "Property Funds Appendix"), in respect of any acquisition of real estate assets from interested parties, such a fee will be in the form of Units issued by the Trust at prevailing market price. Such Units may not be sold within one year from the date of their issuance. With respect to acquisitions from third parties, the acquisition fee is payable to the Manager either in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager.

The Manager has received 100% of its acquisition fee in the form of units for the financial year ended 31 December 2024.

Divestment fee

Pursuant to the Trust Deed, the Manager is entitled to receive a divestment fee of 0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of the sale price of any real estate sold or divested, whether directly or indirectly through one or more Specific Purpose Vehicles, by the Trust (pro-rated if applicable to the proportion of the Trust's interest in the real estate sold or divested).

The divestment fee is payable to the Manager either in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager. Any payment to third party agents or brokers in connection with the disposal of any assets shall be paid to such persons out of the deposited property, and not out of the divestment fee received or to be received by the Manager.

Development management fee

Pursuant to the Trust Deed, the REIT Manager is entitled to receive a development management fee of 3.0% of the total project costs incurred in development projects. Project costs is defined to mean the sum of construction cost based on project final account prepared by the project quantity surveyor or issued by the appointed contractor; principal consultants fees, cost of obtaining all approval for the project, site staff cost, interest costs on borrowings used to finance project cashflow and, any other costs including contingency expenses.

The development management fee is payable in equal monthly instalments over the construction period of each development project based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount to be paid to the Manager or (as the case may be) paid by the Manager when the total project costs are finalised.

1. GENERAL INFORMATION (CONT'D)

(b) Trustee's fee

The Trustee's fee shall not exceed 0.1% per annum of the value of the deposited property, subject to a minimum of S$12,000 per month, excluding out-of-pocket expenses and GST, in accordance with the Trust Deed. The Trustee's fee is accrued daily and will be paid monthly in arrears in accordance with the Trust Deed. The actual fee payable will be determined between the Manager and the Trustee from time to time.

(c) Fees under the property management agreements

Under the property management agreement in respect of the properties, the property manager will provide property management fee and expenses, project management fee, and leasing contract administration fee. The Property Manager is entitled to the following fees:

Property management fee and expenses

A monthly Property Management Fee equal to a certain percentage of rent or gross revenues, as more specifically defined in each Property Management Agreement.

Property Management Fee is assessed on a monthly basis and payable in arrears. The Property Management Fee for the multi tenanted properties in the IPO Portfolio is charged based on 1.2% of gross revenue income, subject to minimum of JPY 3.60 million (exclusive of consumption tax) per annum, save for DPL Okayama Hayashima 2 and DPL Shinfuji, which is entitled to receive JPY 5.04 million and JPY 3.6 million per annum respectively. The Property Management Fee for the built-to-suits properties in the IPO Portfolio is the fixed rate of JPY 3.60 million (exclusive of consumption tax) per annum respectively. The Property Management Fee for D Project Tan Duc 2 is charged based on 1.78% of gross revenue income, subject to a minimum of VND 768 million (exclusive of VAT) per annum.

Project management fee

The Property Managers are entitled to project management fees in connection with providing construction management services for certain construction projects with respect to the Property managed by the Property Manager. The Property Manager is a wholly-owned subsidiary of the Sponsor.

Construction supervision fees are assessed as a percentage of the total cost of the applicable construction project with respect to the Properties, as more specifically set forth in each Property Management Agreement, construction management addendum to the Property Management Agreement or separate project management agreement for the Property, with the applicable percentage decreasing as the total cost of a construction project increases.

With respect to such construction supervision fees, the percentages typically range from 2.0% to 5.0% of the total cost of a construction project plus a fixed amount, depending on the values of the total project cost. There is no construction development fee payable if the total project cost is below JPY 1.0 million. The Manager who oversees the Property Managers will negotiate the amount of Construction supervision fees while taking into account the complexity and scale of the construction project. Most commonly, projects with construction costs over S$100.0 million are negotiable and on a case by case basis such that each construction supervision fee is reasonable depending on the size and complexity of any given project. The Manager believes that the Construction supervision fees payable to the third party independent Property Managers are in line with market practice for property managers in the respective markets.

Leasing contract administration fee

The Property Manager is entitled to leasing commissions for procuring leases with new tenants, re-contracting with an existing tenant or extending the contract term and increase in the leased space of an existing tenant or an additional contract for office space, and (i) in the event that a new lease contract with a term of three years or more is signed where the new tenant is sought by the Property Manager, a Leasing Contract Administration Fee equivalent to one month of the new tenant's monthly rent (excluding consumption tax) or (ii) in other cases, the amount of fees set out in each of the property management agreements.

1. GENERAL INFORMATION (CONT'D)

(d) Fees under the building management agreements

The building management expenses include building management costs that relate to services provided in the day-to-day maintenance and upkeep of the Properties, and include security services costs, waste disposal costs, maintenance and cleaning costs, and other miscellaneous costs incurred in the management of the buildings of the Properties. Building management fees are estimated based on existing service and maintenance agreements with the service providers and adjusted for estimated inflation.

(e) Japan asset management fees

Pursuant to the Asset Management Agreements entered into between the Japan Asset Manager and each of DH-CRUX Japan Tokutei Mokuteki Kaisha ("TMK"), DH-CRUX Japan Intermediate Godo Kaisha ("GK1") and DH-MIMOSA Godo Kaisha ("GK2"), the Japan Asset Manager is entitled to servicing and administrative fees of up to 0.15% of the purchase price of the trust beneficial interest ("TBI"); comprising an ongoing property operation and administrative fee of 0.10%-0.15% of the purchase price of TBI held by TMK, 0.10% of the purchase price of the TBI held by GK2, and 0.05% of the purchase price of the TBI held by TMK and GK2 billable to GK1, accrued monthly and payable on a semi-annual basis. The Japan Asset Management fees are payable in cash and will partly offset the Manager' Management Fees, to reduce the Management Fee paid to the Manager.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the accounting policies below.

As at 31 December 2024, the Group's current liabilities exceed its current assets by S$17.0 million. Notwithstanding the net current liabilities position, based on the Group's existing financial resources, the Manager is of the opinion that the Group will be able to refinance its borrowings and meet its current obligations as and when they fall due. Moreover, the Sponsor of the Group has agreed to provide financial support to the Group.

2.3 Functional and presentation currency

The financial statements are presented in Singapore Dollars ("SGD" or "S$"), which is the functional currency of the Trust. All financial information presented has been rounded to the nearest thousand (S$'000), unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

Information about critical judgements and accounting estimates in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is described in the following notes:

- Note 6 – Measurement of expected credit losses ("ECLs") for trade receivables
- Note 8 – Fair value of derivatives
- Note 9 – Valuation of investment properties

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group uses third party appraisal firms and financial institutions to perform valuations. The Manager assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: for unadjusted prices quoted in active markets for identical assets or liabilities;
- Level 2: for inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: for inputs that are based on unobservable market data. These unobservable inputs reflect the Group's own assumptions about the assumptions that market participants would use in pricing the asset or liability, and are developed based on the best information available in the circumstances (which might include the Group's own data).

If inputs of different levels are used to measure the fair value of an asset or liability, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

2.5 Adoption of new and amended standards and interpretation

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The adoption of these standards did not have any material effect on the financial performance or position of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2 BASIS OF PREPARATION (CONT'D)

2.6 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations have been issued as of the reporting date but are not yet effective for the financial year ended 31 December 2024. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027

The Group expects that the adoption of the standards above, except for IFRS 18 Presentation and Disclosure in Financial Statements will have no significant impact on the financial statements in the year of initial application.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements ("PFS") and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been applied by the Group consistently to the period presented in these financial statements.

3.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with IFRS 3 Business Combinations as at the acquisition date, which is the date on which control is transferred to the Group. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. Any goodwill that arises is tested annually for impairment. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

When the acquisition of an investment property does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based on their relative fair values at the date of purchase. Acquisition-related costs are capitalised to the investment property at the time the acquisition is completed.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The accounting policies of subsidiaries have been changed where necessary to align with the policies adopted by the Group.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or carried at fair value in accordance with IFRS 9 *Financial Instruments*.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.1 Basis of consolidation (cont'd)

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Trust.

Changes in the Trust's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Trust.

3.2 Foreign currency

Foreign currency transactions and balances

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity.

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction. Foreign currency differences arising from settlement of monetary items or retranslation of monetary items at the end of reporting period are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to presentation currency at exchange rates at the dates of the transactions.

The exchange differences arising on the translation are recognised in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to profit or loss as part of the gain or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income and accumulated under foreign currency reserve in equity.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.3 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation, or both and right-of-use assets relating to ground leases where certain properties are built upon. Investment properties are not for sale in the ordinary course of business, used in the production or supply of goods or services, or for administrative purposes. Investment properties are measured at cost, including transaction costs, on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The Trust Deed requires the investment properties to be valued by independent registered valuers in such manner and frequency required under the Property Funds Appendix of the CIS Code issued by the MAS.

Investment properties are subject to renovations or improvements at regular intervals. The costs of major renovations and improvements are capitalised and the carrying amounts of the replaced components are written off to profit or loss. To the extent that lease commissions paid increase the future economic benefits of investment properties, they are capitalised as part of the assets.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the investment property) is recognised in profit or loss.

3.4 Leases

As lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Reassessment is only required when the terms and conditions of the contract are changed.

(i) Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use asset which meets the definition of an investment property is presented within "Investment properties" and accounted for in accordance with Note 3.3.

(ii) Lease liabilities

The lease liability is initially measured at the present value of the lease payments measured at the present value of lease payments to be made over the lease term. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.4 Leases (cont'd)

As lessee (cont'd)

(ii) Lease liabilities (cont'd)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 3.9.

3.5 Financial instruments

Non-derivative financial assets

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

The Group's non-derivative financial assets which comprise cash and cash equivalents and trade and other receivables, are classified in the amortised cost measurement category.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Financial assets at amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using effective interest method and are subject to impairment. Financial assets measured at amortised cost are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.5 Financial instruments (cont'd)

Non-derivative financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

The Group initially recognises debt securities issued on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group classifies non-derivative financial liabilities as financial liabilities at amortised cost. Such financial liabilities are recognised initially at fair value and any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Interest expense, and gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Financial liabilities at amortised cost comprise trade and other payables, security deposits, loans and borrowings.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group does not hold or issue derivative financial instruments for trading purposes. The Group has not elected to apply hedge accounting for its derivative financial instruments.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.6 Impairment

Non-derivative financial assets

The Group recognises an allowance for ECLs for all trade and other receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

In certain cases, the Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating units ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that a prior loss should be reversed. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

3.7 Unitholders' funds

Unitholders' funds are classified as equity.

Issuance costs relate to expenses incurred in connection with the issue of Units. These expenses are deducted directly against Unitholders' funds.

3.8 Perpetual Securities

The perpetual securities may be redeemed at the option of the Trust. Distributions to the perpetual securities holders will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative. Accordingly, the perpetual securities are classified as equity.

The expenses relating to the issue of the perpetual securities are deducted against the proceeds from the issue.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.9 Revenue

Revenue is recognised when the Group satisfies a performance obligation by transferring control of a promised good or service to the customer. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Rental income

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise that option.

Rental income also includes lease cancellation fees. Lease cancellation fees are recognised as revenue once an agreement is reached with the tenant to terminate the lease and the collectability is reasonably assured.

Recoverable income

Reimbursements from tenants are recognised as recoverable income in the period in which the applicable costs are incurred.

Other operating income

Other operating income comprising parking income and other non-rental income are recognised as services are provided and performance obligations are satisfied. Car park income consists of contractual and transient car park income, which are recognised upon utilisation of parking facilities. In addition, car park income paid by tenants represents the right to park in pre-determined parking stalls on certain tenant leases.

3.10 Finance expenses

Finance expenses comprise interest expense on loans and borrowings and amortisation of debt-related transaction costs incurred on the borrowings. Borrowing costs are recognised in profit or loss using the effective interest method.

3.11 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

The Group applies judgement in identifying uncertainties over income tax treatments. The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.11 Tax (cont'd)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- the temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised except for:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.12 Distribution Policy

DHLT's distribution policy is to distribute at least 90% of its annual distributable income on a semi-annual basis. The actual level of distribution will be determined at the discretion of the Board of Directors of the Manager.

3.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and fixed deposits which are subject to an insignificant risk of changes in value.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.14 Segment reporting

An operating segment is a component of the Group:

- that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components;
- whose operating results are regularly reviewed by the Chief Executive Officer and the directors of the Manager to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

4. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2024 S$'000	**2023 S$'000**	**2024 S$'000**	**2023 S$'000**
Cash at bank	**36,287**	37,955	**5,553**	1,254
Fixed deposit	**5,311**	7,846	**210**	7,846
Cash and cash equivalents	**41,598**	45,801	**5,763**	9,100

Fixed deposit earns interest based on bank fixed deposit rates. As at 31 December 2024, the interest rates of fixed deposit placed with financial institutions for the Group and the Trust range from 2.2% to 4.7% per annum (2023: 2.4% to 3.4% per annum) and approximately 2.2% per annum (2023: 2.8% to 3.3% per annum) with average maturity ranging from one to six months (2023: one to six months) and one month (2023: one to six months) respectively.

The Group's and the Trust's exposure to foreign currency risk on cash and cash equivalents are disclosed in Note 26.

5. RESTRICTED CASH

Restricted cash comprises cash reserves as required by the lenders for capital expenditure, interest expenses, property tax expenses, special purpose vehicle costs, security deposit for ground rent payable to Superior Landlords and insurance premium. Restricted cash also includes cash paid by the end-tenants which is to be deposited into a reserve cash account with the Property Trustee.

6. TRADE RECEIVABLES

	Group		Trust	
	2024 S$'000	**2023 S$'000**	**2024 S$'000**	**2023 S$'000**
Trade receivables	**792**	667	**–**	–

Impairment losses

The ageing of trade receivables at the end of the reporting date is as follows:

	Gross		Impairment	
	2024 S$'000	**2023 S$'000**	**2024 S$'000**	**2023 S$'000**
Group				
Not past due	**792**	667	**–**	–

6. TRADE RECEIVABLES (CONT'D)

The Group has trade receivables amounting to S$0.8 million (2023: S$0.7 million) that are not past due at the end of the reporting period. The Group establishes allowances for impairment that represent its estimates of the ECL and specific loss component in respect of its trade receivables. ECL is estimated taking into consideration past due status of the trade receivables, adjusted as appropriate to reflect current condition and estimates of future economic conditions.

The Manager believes that no provision of ECLs is necessary in respect of the trade receivables as the balances are neither past due or relate to creditworthy debtors and counterparties with good payment record.

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied tenants. Given the above factors, the Manager believes that no additional credit risk is inherent in the Group's trade receivables.

The Group's and Trust's exposure to credit risk related to trade receivables are set out in Note 26.

7. PREPAID EXPENSES AND OTHER ASSETS

	Group		Trust	
	2024 S$'000	**2023 S$'000**	**2024 S$'000**	**2023 S$'000**
Prepayment	**568**	1,050	**19**	129
Refundable deposits	**2,830**	3,237	**2**	2
Refundable tax paid	**324**	488	**–**	–
Others	**56**	69	**–**	33
Amounts due from subsidiaries	**–**	–	**376,633**	400,680
	3,778	4,844	**376,654**	400,844

The amounts due from subsidiaries included loans to subsidiaries amounting to S$376.6 million (2023: S$400.6 million) which are unsecured, interest free and repayable on demand.

8. FINANCIAL DERIVATIVES

	Group		Trust	
	2024 S$'000	**2023 S$'000**	**2024 S$'000**	**2023 S$'000**
Derivative assets				
Current	**678**	1,779	**678**	1,779
Non-current	**55**	–	**55**	–
Derivative liabilities				
Current	**(20)**	–	**(20)**	–
Non-current	**–**	(43)	**–**	(43)
Total derivative financial instruments	**713**	1,736	**713**	1,736
Percentage of derivative financial instruments to net assets	**0.14%**	0.31%	**0.20%**	0.42%

The Group has entered into forward exchange contracts to manage its foreign currency risk. As at 31 December 2024, the notional principal amount of the financial instruments was S$15.3 million (2023: S$28.0 million).

The changes in fair value of the forward exchange contracts are recognised in profit or loss for the financial year.

The Group has entered into interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing borrowings by swapping the interest expense on these borrowings from floating rates to fixed rates. The Group and Trust held interest rate swaps with a total notional amount of JPY 2.7 billion, approximately S$23.6 million (2023: Nil) maturing in 2028.

9. INVESTMENT PROPERTIES

	Group 2024 S$'000	Group 2023 S$'000
Consolidated Statement of Financial Position		
At beginning of year	**831,903**	883,961
Addition through acquisition of a subsidiary[1]	**27,022**	–
Acquisition of investment properties[1]	**24,319**	–
Capital expenditure capitalised	**432**	236
Fair value changes in investment properties	**11,619**	14,309
Foreign exchange rate changes	**(59,393)**	(66,603)
Investment properties value at the end of year	**835,902**	831,903
Add: Right-of-use assets and assets corresponding to asset-retirement obligation	**160,504**	174,385
Carrying value of investment properties at the end of year	**996,406**	1,006,288
Consolidated Statement of Comprehensive Income		
Fair value changes in investment properties	**11,619**	14,309
Right-of-use assets and assets corresponding to asset-retirement-obligation	**(2,797)**	(2,896)
Amortisation and straight lining	**(339)**	163
Net fair value changes recognised in the statement of comprehensive income	**8,483**	11,576

(1) Including acquisition fees and acquisition costs

Investment properties comprise logistics properties which are leased to external tenants. A right-of-use asset relating to the ground lease for leasehold properties of S$144.0 million (2023: S$158.0 million) have been included as part of the investment properties as at 31 December 2024 upon the adoption of IFRS 16 Leases. The remaining lease terms range from less than 10 years to 44 years as of 31 December 2024. In addition, an asset corresponding to asset-retirement-obligation of S$16.5 million (2023: S$16.4 million) have been included at fair value as at 31 December 2024.

As at 31 December 2024, none of the investment properties are secured. However, as at 31 December 2023, they were all pledged as security to secure bank loans (Note 13).

On 29 December 2023, the Group entered into a Conditional Capital Contribution Purchase Agreement ("CCPA") with DH Asia Investment Peony Pte. Ltd. where it intended to acquire a cold storage logistic facility located in Long An Province, Vietnam, known as D Project Tan Duc 2 (the "Property"), through the purchase of the entire charter capital of DH Logistics Management Vietnam Co., Ltd., (the "Target Company"). The agreed Property's value, excluding acquisition costs, is Vietnamese Dong ("VND") 483.0 billion (approximately S$25.6 million). On 5 July 2024, the Group completed the acquisition (Note 10).

On 31 January 2024, the Group, through its subsidiary DH-CRUX Japan TMK, has entered into a Trust Beneficial Interest Sale and Purchase Agreement with Daiwa House Industry Co., Ltd. to acquire a freehold property located in Ibaraki, Japan, known as DPL Ibaraki Yuki. The purchase consideration is JPY 2,640.0 million (approximately S$23.8 million), excluding acquisition costs, and the acquisition completed on 15 March 2024.

9. INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value

(i) **Fair value hierarchy**

As at 31 December 2024, the investment properties, are stated at fair value based on independent valuations undertaken by CBRE K.K., Savills Japan Valuation G.K and Jones Lang LaSalle Vietnam Company Limited. The independent valuers have the appropriate professional qualifications and recent experience in the location and category of the properties being valued.

The fair values were generally calculated using the Income Approach. The two primary income approaches that may be used are the Discounted Cash Flow (DCF) and the Direct Capitalisation Method (DCM). DCF calculates the present values of future cash flows over a specified time period, including the potential proceeds of a deemed disposal, to determine the fair value. DCM determines value by applying a capitalisation rate to the property's stabilised net operating income, normally at the first year. Both the DCF and DCM approaches convert the earnings of a property into an estimate of value. The Market Transaction or Direct Comparison approach may also be used, which is based on sound considerations for similarity and comparability between properties that have recently been sold. Considerations may include geographic location, physical, legal, and revenue generating characteristics, market conditions and financing terms and conditions. The final step in the valuation process involves the reconciliation of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property.

The valuation methods used in determining the fair value involve certain estimates including those relating to discount rate, terminal capitalisation rate and capitalisation rate, which are unobservable. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation methods and estimates used are reflective of the current market conditions.

The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

9. INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value (cont'd)

(ii) **Level 3 fair value**

Valuation techniques and significant unobservable inputs

The following table shows the significant unobservable inputs used in the measurement of fair value of investment properties:

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flow approach	<u>Japan:</u> Rental rate per Tsubo/ 3.31 sq metres 2024: JPY 2,329 – JPY 7,241 (2023: JPY 2,500 – JPY 7,150) Discount rate 2024: 3.30% – 4.70% (2023: 3.30% – 4.80%) Terminal capitalisation/ terminal discount rate 2024: 3.40% – 5.00% (2023: 3.40% – 5.20%) <u>Vietnam:</u> Rental Rate per sq metres 2024: VND 194,486 (2023: Nil) Discount rate 2024: 11.00% (2023: Nil) Terminal capitalization 2024: 7.50% (2023: Nil)	Higher/(lower) rental rate would result in a higher/(lower) fair value. Lower/(higher) discount rate or terminal capitalisation rate would result in a higher/(lower) fair value.

9. INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value (cont'd)

(ii) **Level 3 fair value (cont'd)**

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Direct capitalisation method	Japan Rental rate per Tsubo/ 3.31 sq metres 2024: JPY 2,329 – JPY 7,241 (2023: JPY 2,500 – JPY 7,150) Capitalisation rate 2024: 3.40% – 4.90% (2023: 3.40% – 5.10%) Vietnam: Rental Rate per sq metres 2024: VND 194,486 (2023: Nil) Capitalisation rate 2024: 7.25% (2023: Nil)	Higher/(lower) rental rate would result in a higher/(lower) fair value. Lower/(higher) capitalisation rate would result in a higher/(lower) fair value.

10. INVESTMENT IN SUBSIDIARIES

	Trust	
	2024 S$'000	**2023 S$'000**
Unquoted equity investment at cost	**2,620**	1,532

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest held 2024 %	Effective equity interest held 2023 %
DH-Crux Pte. Ltd.[1]	Singapore	Investment Holding	**100%**	100%
DH-Crux2 Pte. Ltd.[1]	Singapore	Investment Holding	**100%**	100%
DH-Crux3 Pte. Ltd.[1]	Singapore	Investment Holding	**100%**	–
DH-CRUX Japan Intermediate GK[2]	Japan	Investment Holding	**100%**	100%
DH-CRUX Japan TMK[2]	Japan	Property Holding	**100%**	100%
DH-MIMOSA GK[2]	Japan	Property Holding	**100%**	100%
DH Logistics Management Vietnam Co., Ltd[3]	Vietnam	Property Holding	**100%**	–

(1) Audited by Ernst & Young LLP Singapore

(2) Audited by a member firm of Ernst & Young Global Limited, Ernst & Young ShinNihon LLC

(3) Audited by a member firm of Ernst & Young Global Limited, Ernst & Young Vietnam Limited

10. INVESTMENT IN SUBSIDIARIES (CONT'D)

Acquisition of a subsidiary

On 5 July 2024, the Group completed the acquisition of D Project Tan Duc 2 (the "Property") through the acquisition of DH Logistics Management Vietnam Co., Ltd. ("DHLMV") for a cash consideration of S$23.3 million.

The Group considered the acquisition as an acquisition of a group of assets and liabilities and not a business combination. Accordingly, the acquisition cost was allocated to the assets acquired and liabilities assumed and no goodwill or deferred tax was recognised.

The fair value of identifiable assets and liabilities of DHLMV as at the date of acquisition were:

	Fair value recognised on acquisition S$'000
Assets	
Investment property (Note 9)	27,022
Asset retirement cost	956
Cash and cash equivalents	4,824
Long term prepayments	2
Trade and other receivables	11
	32,815
Liabilities	
Trade and other payables	1,073
Lease liabilities	956
Loans and borrowings	16,625
End-tenants security deposits	1,907
Fair value of net assets acquired	20,561
Fair value of net assets acquired	12,254
Discount over fair value of net assets acquired	(514)
Total consideration paid in cash and units	11,740
Add: Shareholder loan	16,625
Less: Cash and cash equivalents acquired	(4,824)
Less: Consideration paid in units	(256)
Cashflow on acquisition net of cash acquired	23,285

11. TRADE AND OTHER PAYABLES

	Group		Trust	
	2024 S$'000	**2023 S$'000**	**2024 S$'000**	**2023 S$'000**
Current				
Trade payables	**8**	59	**2**	55
Other payables	**1,326**	949	**1,062**	139
Consumption tax payable	**2,822**	845	**–**	–
Accrued expenses	**3,050**	3,112	**794**	805
Interest payable	**765**	679	**–**	–
Deferred revenue	**4,520**	4,155	**–**	–
	12,491	9,799	**1,858**	999

11. TRADE AND OTHER PAYABLES (CONT'D)

	Group		Trust	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Non-current				
Asset retirement obligation	**16,503**	16,415	**–**	–

Deferred revenue comprises mainly advance rental and recoveries received in advance.

Non-current liabilities refer to the asset retirement obligations in respect of the leasehold investment properties.

12. LEASE LIABILITIES

	Group		Trust	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
At the beginning of the financial year	**157,485**	173,667	**–**	–
Payments	**(2,975)**	(3,136)	**–**	–
Finance cost on lease liabilities	**2,528**	2,796	**–**	–
Exchange differences	**(13,488)**	(15,842)	**–**	–
At the end of the financial year	**143,550**	157,485	**–**	–
Current	**2,525**	2,662	**–**	–
Non-current	**141,025**	154,823	**–**	–
	143,550	157,485	**–**	–

13. LOANS AND BORROWINGS

	Group		Trust	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Current				
Secured bank loan	**–**	93,359	**–**	–
Unsecured bank loan	**86,834**	–	**–**	–
Less: Unamortised transaction costs	**(352)**	–	**–**	–
	86,482	93,359	**–**	–
Non-current				
Secured bank loans	**–**	214,726	**–**	–
Secured bonds	**–**	9,336	**–**	–
Unsecured bank loans	**247,737**	–	**26,311**	–
Unsecured bonds	**8,683**	–	**–**	–
Less: Unamortised transaction costs	**(4,803)**	(3,201)	**(228)**	–
	251,617	220,861	**26,083**	–
Total borrowings	**338,099**	314,220	**26,083**	–
Percentage of borrowings to net assets	**65.3%**	56.8%	**7.3%**	0.0%

13. LOANS AND BORROWINGS (CONT'D)

The Group, through DH-CRUX Japan TMK ("DH TMK"), has the following debt facilities as of 31 December 2024:

(a) JPY 29.0 billion loan facilities from a syndicate of lenders. The loan facilities comprise three tranches with a maturity in 2025 for JPY 10.0 billion, in 2026 for JPY 9.0 billion and in 2029 for JPY 10.0 billion;

(b) JPY 4.0 billion loan facilities from a syndicate of lenders. The loan facilities comprise two tranches with a maturity in 2026 for JPY 2.0 billion, and in 2027 for JPY 2.0 billion;

(c) JPY 2.5 billion loan facilities from a syndicate of lenders. The loan facilities will mature in 2029; and

(d) JPY 1.0 billion specified bonds issued to Sumitomo Mitsui Trust Bank Limited with a maturity in 2026.

The above loans which used to be fully secured as of 31 December 2023 are currently all unsecured as at 31 December 2024 post the release of the security interests, and are subject to the covenants relating to loan-to-value and stress debt service coverage. These covenants are tested half-yearly, at 30 June and 31 December. The Group has no indication that it will have difficulty complying with these covenants.

As at 31 December 2024, the Group and Trust has also drawn a 4-year unsecured JPY 3.03 billion loan (approximately S$26.3 million), which are subject to covenants relating to aggregate leverage, asset ratio and interest coverage. These covenants are tested half-yearly, at 30 June and 31 December. The Group and the Trust has no indication that it will have difficulty complying with these covenants.

The Group and Trust has obtained two unsecured facilities comprising a 3-year committed revolving credit facility ("RCF") and an uncommitted RCF totalling S$50.0 million. As at 31 December 2024, the Group and Trust has total available facilities of S$50.0 million (2023: S$50.0 million) under its unsecured facilities.

The outstanding principal, interest rate and maturity of the facilities as at 31 December 2024 are as set forth below:

	Nominal interest rate %	Year of maturity	2024 Face value S$'000	2024 Carrying amount S$'000	2023 Face value S$'000	2023 Carrying amount S$'000
Group						
Bank loans/ bonds	1.22% – 2.14% (2023: 0.90% – 1.40%)	2025 – 2029 (2023: 2024 – 2027)	**343,254**	**338,099**	317,421	314,220

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	1 January 2024 S$'000	Financing cash flows: Recognition/ repayment S$'000	Financing cash flows: Payment of transaction costs S$'000	Others: Finance expense S$'000	Others: Currency translation S$'000	31 December 2024 S$'000
Group						
Loans and borrowings	**314,220**	48,098	(3,867)	1,650	(22,002)	**338,099**
Lease liabilities	**157,485**	(2,975)	–	2,528	(13,488)	**143,550**

	1 January 2023 S$'000	Financing cash flows: Recognition/ repayment S$'000	Financing cash flows: Payment of transaction costs S$'000	Others: Finance expense S$'000	Others: Currency translation S$'000	31 December 2023 S$'000
Group						
Loans and borrowings	338,301	–	–	1,581	(25,662)	314,220
Lease liabilities	173,667	(3,136)	–	2,796	(15,842)	157,485

13. LOANS AND BORROWINGS (CONT'D)

Release of the Security Interests in connection with the Loan Facilities

The security interests created to secure the obligations of DH TMK as the borrower under the Loan Facilities (as listed below) were released in November 2024 and all the loan facilities are unsecured as of 31 December 2024. Instead, the TK Operator ("GK2") which holds the TBIs of the special fixed-term land lease properties under a TK-GK structure provides a guarantee on the loan obligations of DH TMK.

Prior to the release, the security interest comprised:

(i) revolving pledges over each TBI held by DH TMK or TK Operator (GK2);

(ii) revolving mortgages over all real estate corresponding to the TBI (conditional upon the termination of the trust pursuant to the relevant trust agreement);

(iii) revolving pledge over claims pursuant to insurance agreements for all real estate (conditional upon the termination of the trust pursuant to the relevant trust agreement);

(iv) revolving pledge over the specified shares in DH TMK; and

(v) revolving pledges over TK interests held by DH TMK in TK Operator (GK2).

Release of the Security Interests in connection with the Specified Bonds

A general security lien (*ippan tanpo*) created to secure the obligations of DH TMK as the issuer of the Specified Bonds was also released in November 2024 and the Specified Bonds which used to be all secured is now unsecured.

Prior to the release, the subject of such general security lien (*ippan tanpo*) is the assets of DH TMK, which were, in substance, TBIs and TK interests in GKs. The Asset Liquidation Act grants specified bondholders the right to receive all payments due in relation to such specified bonds out of the assets of DH TMK prior to any payments to other unsecured creditors. The general security lien was subordinated to the above security interests (i) to (iii) and (v) held by DH TMK's lenders but took preference over other unsecured creditors. Unless otherwise provided in the asset liquidation plan, that general security lien was automatically created by operation of law.

14. DEFERRED TAX LIABILITIES

Deferred tax liabilities are attributable to the following:

	Group	
	2024	**2023**
	S$'000	**S$'000**
Investment properties	**28,525**	23,425
Other	**(323)**	54
	28,202	23,479

Movements in deferred tax liabilities of the Group for the financial years ended 31 December 2023 and 2024 are as follows:

	At 1 January 2023 S$'000	Statement of Comprehensive Income S$'000	At 31 December 2023 S$'000	Statement of Comprehensive Income S$'000	At 31 December 2024 S$'000
Deferred tax liabilities					
Investment properties					
– Change in fair value of investment properties	15,635	1,827	17,462	2,948	**20,410**
– Tax depreciation	5,499	4,214	9,713	4,005	**13,718**
Other	35	31	66	(514)	**(448)**
Exchange differences	(2,244)	(1,518)	(3,762)	(1,716)	**(5,478)**
	18,925	4,554	23,479	4,723	**28,202**

15. PERPETUAL SECURITIES

On 26 November 2021, DHLT issued 150 perpetual securities in the aggregate principal amount of JPY 3.0 billion and the key terms of the perpetual securities are as follows:

- the perpetual securities will confer a right to receive distribution payments at a rate of 2.95% per annum with the first distribution rate reset falling on 26 November 2026 and subsequent resets occurring every five years thereafter;
- the distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative; and
- the perpetual securities will constitute direct, unsecured and subordinated obligations of the Trust and rank pari passu and without any preference among themselves and with any Parity Obligations (as defined in the conditions) of the Issuer.

The perpetual securities are classified as equity instruments and recorded as equity in the Statements of Financial Position. The S$35.8 million (2023: S$35.8 million) presented in the Statements of Financial Position represents the carrying value of the S$35.4 million (2023: S$35.4 million) perpetual securities issued, net of issue costs and includes the total return attributable to the perpetual securities holders from the last distribution date.

16. UNITS IN ISSUE AND TO BE ISSUED

	2024		2023	
	No of Units ’000	**S$’000**	**No of Units ’000**	**S$’000**
Units in issue				
As at beginning of year	**695,503**	**474,591**	692,535	508,666
Units issued during the financial year:				
– Manager’s base fee paid in Units	**2,083**	**1,274**	2,239	1,310
– Acquisition fees paid in units	**844**	**494**	729	463
Distribution to Unitholders	**–**	**(35,244)**	–	(35,848)
Units issued at end of the year	**698,430**	**441,115**	695,503	474,591
Units to be issued				
– Manager’s base fee payable in Units	**490**	**284**	563	362
	490	**284**	563	362
Total Units issued and to be issued at end of the year	**698,920**	**441,399**	696,066	474,953

<u>During the financial year ended 31 December 2024:</u>

- Approximately 2,083,000 new units were issued at issue prices ranging from S$0.57 to S$0.64 per Unit, amounting to S$1,274,140 as satisfaction of the Manager’s base fee payable in Units for the period from 1 October 2023 to 30 September 2024.
- There were approximately 490,000 units to be issued in satisfaction of the Manager’s base fee for the period from 1 October 2024 to 31 December 2024 on 5 March 2025.
- Approximately 394,000 units were issued at issue price $0.60 per Unit, amounting to S$237,966, in satisfaction to the Manager’s acquisition fee for the acquisition of DPL Ibaraki Yuki on 15 March 2024.
- Approximately 450,000 units were issued at issue price $0.57 per Unit, amounting to S$256,473, in satisfaction to the Manager’s acquisition fee for the acquisition of D Project Tan Duc 2 on 5 July 2024.

16. UNITS IN ISSUE AND TO BE ISSUED (CONT'D)

During the financial year ended 31 December 2023:

- Approximately 2,239,000 new Units were issued at issue prices ranging from S$0.55 to S$0.63 per Unit, amounting to S$1,310,808 as satisfaction of the Manager's base fee payable in Units for the period from 1 October 2022 to 30 September 2023.

- There were approximately 563,000 units to be issued in satisfaction of the Manager's base fee for the period from 1 October 2023 to 31 December 2023 on 4 March 2024.

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and included the right to:

- receive income and other distributions attributable to the Units held;

- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust; and

- attend all Unitholders' meetings. The Trustee or the Manager convenes a meeting or unless not less than 50 Unitholders or Unitholders representing not less than 10% of the total Units issued give written request for a meeting to be convened.

A Unitholder has no equitable or proprietary interest in the underlying asset of the Group and is not entitled to the transfer to it of any asset (or any part thereof) or of any real estate or interest in any asset and the real estate-related assets (or any part thereof) of the Group.

A Unitholder's liability is limited to the amount paid or payable for any Units. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

17. NET ASSET VALUE ("NAV") AND NET TANGIBLE ASSET ("NTA") PER UNIT

	Note	Group 2024 S$'000	Group 2023 S$'000	Trust 2024 S$'000	Trust 2023 S$'000
Net asset value per Unit is based on:					
– Net assets (S$'000)		**482,358**	517,703	**321,984**	376,391
– Total Units issued and to be issued at 31 December ('000)	16	**698,920**	696,066	**698,920**	696,066
NAV and NTA per unit attributable to unitholders[1] (S$)		**0.69**	0.74	**0.46**	0.54

(1) The computation of NAV and NTA is based on number of units in issue and to be issued at the end of the period. NAV and NTA are the same as there is no intangible asset as at the end of the period.

18. GROSS REVENUE

	Group 2024 S$'000	Group 2023 S$'000
Rental income	**50,535**	52,498
Recoverable and other income	**6,565**	7,354
	57,100	59,852

19. PROPERTY OPERATING EXPENSES

	Group 2024 S$'000	Group 2023 S$'000
Property taxes	**5,107**	5,405
Utilities expenses	**3,719**	4,633
Property management fees and expenses	**1,111**	1,033
Building management expenses	**1,948**	2,023
Other operating expenses	**1,325**	1,434
	13,210	14,528

20. OTHER TRUST EXPENSES

Included in other trust expenses are the following:

	Group 2024 S$'000	Group 2023 S$'000
Auditors of the Group		
– Audit fees	**355**	344
– Non-audit fees	**66**	101
Valuation fees	**112**	144
Tax and legal expenses	**126**	107
Investor relations and related expenses	**106**	200
Other expenses	**906**	880
	1,671	1,776

21. FINANCE EXPENSES

	Group 2024 S$'000	Group 2023 S$'000
Interest expense	**2,092**	1,659
Amortisation of debt-related expense	**1,650**	1,581
Commitment and financing fees	**80**	80
Finance cost on lease liabilities and other liabilities	**2,808**	3,074
	6,630	6,394

22. TAX EXPENSES

	Group 2024 S$'000	Group 2023 S$'000
Current tax:		
Current income tax charge	**202**	317
Adjustments in respect of current income tax of previous year	**(7)**	–
Deferred tax:		
Relating to origination and reversal of temporary differences	**6,439**	6,072
	6,634	6,389

22. TAX EXPENSES (CONT'D)

	Group	
	2024	**2023**
	S$'000	**S$'000**
Reconciliation of effective tax rate		
Net income for the year before tax	**41,339**	49,709
Tax calculated using Singapore tax rate of 17%	**7,028**	8,451
Effect of different tax rate in foreign jurisdictions	**(2,138)**	(2,147)
Income not subject to tax	**(1,965)**	(3,013)
Expenses not deductible for tax purposes	**3,709**	3,098
	6,634	6,389

23. EARNINGS PER UNIT

Basic earnings per Unit is based on:

	Group	
	2024	**2023**
	S$'000	**S$'000**
Net income for the year	**34,705**	43,320

	Group	
	2024	**2023**
	No. of Units	**No. of Units**
	'000	**'000**
Weighted average number of Units	**696,619**	692,458

Basic EPU is calculated based on the weighted number of Units for the year. This is comprised of:

(i) the weighted average number of Units in issue for the year; and

(ii) the estimated weighted average number of Units issuable as payment of the Manager's fees and Property Manager's management fees for the year.

Diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue during the year.

24. OPERATING SEGMENTS

Segment information is presented based on the information reviewed by the Group's Chief Executive Officer and the directors of the Manager for performance assessment and resource allocation. An operating segment is a component of the DHLT that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

The Group's investment properties comprise primarily logistics and industrial properties located in Japan and Vietnam. Therefore, the Manager considers the business from a geographical segment perspective as all the investment properties are in the business of investing in logistics and industrial properties, which is the only business segment of the Group. The Manager assesses the performance of the geographical segments based on a measure of Net Property Income ("NPI").

Prior to the year ended 31 December 2024, the Group's investment properties comprise primarily logistics and industrial properties located in Japan. Therefore, the Manager considers that the Group operates within a single business segment and within a single geographical segment in Japan. Accordingly, no segment information has been presented in the financial statements for the year ended 31 December 2023.

24. OPERATING SEGMENTS (CONT'D)

	Japan S$'000	Vietnam S$'000	Total S$'000
Segment results			
For the year ended 31 December 2024			
Gross revenue	55,875	1,225	57,100
Property expenses	(13,156)	(54)	(13,210)
Net property income	42,719	1,171	43,890
Change in fair value of investment properties	8,129	354	8,483
Japan asset management fees	(1,045)	–	(1,045)
Trustee Fee	(141)	–	(141)
Trust expenses	(586)	(71)	(657)
Finance expenses	(6,274)	(276)	(6,550)
Other income	32	65	97
	42,834	1,243	44,077
Unallocated amounts:			
– Management fees			(2,393)
– Trustee's fee			(143)
– Trust expenses			(1,014)
– Finance expenses			(80)
– Other income			113
– Foreign exchange gain			1,803
– Fair value change in derivative			(1,024)
Total profit for the year before tax			41,339
Income tax expense			(6,634)
Total profit for the year after tax			34,705

Segment Assets and Liabilities As at 31 December 2024	Japan S$'000	Vietnam S$'000	Total S$'000
Segment assets			
Investment properties (including right-of-use assets)	968,086	28,320	996,406
Others	75,374	5,206	80,580
	1,043,460	33,526	1,076,986
Unallocated assets[1]			6,529
Consolidated total assets			1,083,515
Segment liabilities			
Others	533,315	31,179	564,494
Unallocated liabilities			894
Consolidated total liabilities			565,388

(1) Unallocated assets consist of mainly cash and derivative financial instruments.

25. CAPITAL MANAGEMENT

The Manager's objective when managing capital is to optimise the Group's capital structure within the borrowing limits set out in the CIS Code by the MAS to fund future acquisitions and asset enhancement projects at the Trust's properties. To maintain or achieve an optimal capital structure, the Manager may issue new Units or source additional borrowings from both financial institutions and capital markets.

The Group has a policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Manager monitors the yield, which is defined as net property income from the property divided by the latest valuation for the property. The Manager also monitors the level of distributions made to Unitholders.

The Group seeks to maintain a balance between the higher returns that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position.

The Group is subject to the aggregate leverage limit as defined in the Property Funds Appendix of the CIS Code. The Aggregate Leverage is computed by taking total borrowings (excluding lease liabilities arising from land rent) divided by total assets using the Fair Value (excluding right of use assets, asset retirement obligation assets and the amount of restricted cash equivalent to security deposits payable by end-tenants to the Property Trustee).

The Group has complied with the Aggregate Leverage limit of 50% (2023: 50%) during the financial year, with an Aggregate Leverage of 38.5% (2023: 35.2%) and ICR of 10.1 times (2023: 11.9 times) as at 31 December 2024.

The Manager actively monitors the terms of each loan facility, the weighted average cost of debt, and variable debt as a proportion of overall debt outstanding. The Manager also monitors the debt covenants on an ongoing basis and ensures there is sufficient cash available to make the payments under the loan agreement.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview of risk management

The Group's activities expose it to market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk in the normal course of its business. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors of the Manager is responsible for setting the objectives and underlying principles of financial risk management for the Group. This is supported by comprehensive internal processes and procedures which are formalised in the Manager's organisational and reporting structure, operating manuals and delegation of authority guidelines.

Market risk

Foreign Currency risk

Foreign currency risk arises when transactions are denominated in a currency other than the functional currency of the Group, and such changes will impact the Group's profit.

The Group has transactional currency exposures arising from cash and cash equivalents, prepaid expenses and other expense and trade and other payables that are denominated in a currency other than its functional currency. These transactions are mainly denominated in Japanese Yen ("JPY") and United States Dollar ("USD"). Where appropriate, based on the prevailing market conditions, the Group may adopt suitable hedging strategies to minimise any foreign exchange risk.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Market risk (cont'd)

Foreign Currency risk (cont'd)

The exposures to currency risk of the Group and the Trust are as follows:

	Group		Trust	
	2024 S$'000	**2023 S$'000**	**2024 S$'000**	**2023 S$'000**
JPY				
Cash and cash equivalents	**5,507**	1,220	**5,507**	1,211
Other assets	**–**	–	**349,305**	400,583
	5,507	1,220	**354,812**	401,794
USD				
Cash and cash equivalents	**880**	–	**–**	–
Other assets	**–**	–	**16,795**	–
	880	–	**16,795**	–

A 8.0% (2023: 8.0%) weakening of SGD against JPY and a 3.0% (2023: Nil) weakening of SGD against USD at the reporting date would reduce the profit or loss by the amounts shown below. This sensitivity analysis assumes that all other variables, in particular, interest rates, remain constant.

	Group		Trust	
	2024 S$'000	**2023 S$'000**	**2024 S$'000**	**2023 S$'000**
JPY	**(408)**	(90)	**(26,282)**	(29,763)
USD	**(26)**	–	**(504)**	–

A 8.0% (2023: 8.0%) strengthening of SGD against JPY and a 3.0% (2023: Nil) strengthening of SGD against USD would have had an opposite effect of similar quantum on the above currency to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by entering into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 December 2024, after taking into account the effect of interest rate swaps, the Group had S$340.6 million (2023: S$317.4 million) of fixed rate interest-bearing borrowings and S$2.7 million of floating rate interest-bearing borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Group		Trust	
	2024 S$'000	**2023 S$'000**	**2024 S$'000**	**2023 S$'000**
JPY				
Increase in 50 basis points	**(14)**	–	**(14)**	–
Decrease in 50 basis points	**14**	–	**14**	–

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. In addition, tenants may experience financial difficulty and are unable to fulfil their lease commitments or tenants may fail to occupy and pay rent in accordance with lease agreements. The Group mitigates credit risk through staggered lease maturities, diversification of revenue sources by ensuring no individual tenant contributes a significant percentage of the Group's gross revenue and obtaining security deposits or letter of credits from the tenants. As at end of the reporting period, there are no significant concentrations of credit risk.

The Group's risk for trade receivables is disclosed in Note 6. The Manager believes that there is no other credit risk inherent in the Group's remaining trade receivables, based on historical payment behaviours and the security deposits held. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Cash is placed with financial institutions which are regulated.

Financial derivatives are entered into with bank and financial institution counterparties which are regulated.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Manager monitors the liquidity risk of the Group and maintains a level of cash and credit facilities deemed adequate to finance its operations and to mitigate the effects of fluctuations in cash flows. The Manager also monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

The Group's credit facilities are set out in Note 13.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying amount S$'000	Contractual cash flows S$'000	Cash flows Within 1 year S$'000	Cash flows Within 2 to 5 years S$'000	Cash flows More than 5 years S$'000
Group					
2024					
Non-derivative financial liabilities					
Trade and other payables[1]	**7,971**	**7,971**	**7,971**	**–**	**–**
Security deposits	**26,458**	**26,458**	**2,492**	**6,259**	**17,707**
Lease liabilities	**143,550**	**197,521**	**5,413**	**21,651**	**170,457**
Asset retirement obligation	**16,503**	**30,537**	**–**	**–**	**30,537**
Loans and borrowings	**338,099**	**357,154**	**90,905**	**266,249**	**–**
	532,581	**619,641**	**106,781**	**294,159**	**218,701**
2023					
Non-derivative financial liabilities					
Trade and other payables[1]	5,644	5,644	5,644	–	–
Security deposits	26,767	26,767	3,721	6,690	16,356
Lease liabilities	157,485	218,178	5,819	23,278	189,081
Asset retirement obligation	16,415	31,799	–	–	31,799
Loans and borrowings	314,220	321,078	94,432	226,646	–
	520,531	603,466	109,616	256,614	237,236

(1) Excluding deferred revenue

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk (cont'd)

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying amount $'000	Contractual cash flows $'000	Cash flows: Within 1 year $'000	Cash flows: Within 2 to 5 years $'000	Cash flows: More than 5 years $'000
Trust					
2024					
Non-derivative financial liabilities					
Loans and borrowings	**26,083**	**28,229**	**484**	**27,745**	**–**
Trade and other payables	**1,858**	**1,858**	**1,858**	**–**	**–**
2023					
Non-derivative financial liabilities					
Trade and other payables	999	999	999	–	–

The maturity analyses show the contractual undiscounted cash flows of the Group's financial liabilities on the basis of their earliest possible contractual maturity.

27. FAIR VALUES OF ASSETS AND LIABILITIES

(a) Classification and fair value of financial instruments

The fair values of financial assets and liabilities, including their levels in the fair value hierarchy are set out below. It does not include the fair value information of financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group	Note	Carrying amount: Financial assets at amortised cost S$'000	Carrying amount: Financial liabilities at amortised cost S$'000	Carrying amount: FVTPL S$'000	Carrying amount: Total carrying amount S$'000	Fair value: Level 1 S$'000	Fair value: Level 2 S$'000	Fair value: Level 3 S$'000	Fair value: Total S$'000
2024									
Financial assets measured at fair value									
Derivative assets	8	**–**	**–**	**733**	**733**	**–**	**733**	**–**	**733**
Financial liabilities not measured at fair value									
Loans and borrowings	13	**–**	**338,099**	**–**	**338,099**	**–**	**–**	**315,661**	**315,661**
Financial liabilities measured at fair value									
Derivative liabilities	8	**–**	**–**	**20**	**20**	**–**	**20**	**–**	**20**

27. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

(a) Classification and fair value of financial instruments (cont'd)

Trust	Note	Carrying amount				Fair value			
		Financial assets at amortised cost S$'000	Financial liabilities at amortised cost S$'000	FVTPL S$'000	Total carrying amount S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
2024									
Financial assets measured at fair value									
Derivative assets	8	**–**	**–**	**733**	**733**	**–**	**733**	**–**	**733**
Financial liabilities not measured at fair value									
Loans and borrowings	13	**–**	**26,083**	**–**	**26,083**	**–**	**–**	**26,083**	**26,083**
Financial liabilities measured at fair value									
Derivative liabilities	8	**–**	**–**	**20**	**20**	**–**	**20**	**–**	**20**

The fair values of financial assets and liabilities, including their levels in the fair value hierarchy are set out below. It does not include the fair value information of financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group	Note	Carrying amount				Fair value			
		Financial assets at amortised cost S$'000	Financial liabilities at amortised cost S$'000	FVTPL S$'000	Total carrying amount S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
2023									
Financial assets measured at fair value									
Derivative assets	8	–	–	1,779	1,779	–	1,779	–	1,779
Financial liabilities not measured at fair value									
Loans and borrowings	13	–	314,220	–	314,220	–	–	314,123	314,123
Financial liabilities measured at fair value									
Derivative liabilities	8	–	–	43	43	–	43	–	43

27. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

(a) Classification and fair value of financial instruments (cont'd)

Trust	Note	Carrying amount: Financial assets at amortised cost S$'000	Carrying amount: Financial liabilities at amortised cost S$'000	Carrying amount: FVTPL S$'000	Carrying amount: Total carrying amount S$'000	Fair value: Level 1 S$'000	Fair value: Level 2 S$'000	Fair value: Level 3 S$'000	Fair value: Total S$'000
2023									
Financial assets measured at fair value									
Derivative assets	8	–	–	1,779	1,779	–	1,779	–	1,779
Financial liabilities measured at fair value									
Derivative liabilities	8	–	–	43	43	–	43	–	43

(b) Measurement of fair values

The following is a description of the valuation techniques and inputs used in the measuring Level 2 and Level 3 fair values.

Financial instruments measured at fair value

Financial derivatives

The fair value of forward exchange contracts are based on valuations provided by the financial institutions that are the counterparties of the transactions. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

Financial instruments not measured at fair value

Loans and borrowings

The fair values of loans and borrowings are calculated using the discounted cash flow technique based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

28. COMMITMENTS

Operating lease commitments – as lessor

Non-cancellable operating lease rentals are receivable as follows:

	Group 2024 S$'000	Group 2023 S$'000
Within 1 year	**46,548**	49,162
After 1 year but within 5 years	**130,967**	123,454
After 5 years	**179,641**	165,657
	357,156	338,273

The above operating lease receivables are based on the rent receivable under the lease agreements, adjusted for increases in rent where such increases have been provided for under the lease agreements.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant related party transactions were carried out at terms agreed between the parties during the financial years:

	Group	
	2024 **S$'000**	**2023** **S$'000**
Trustee Fee paid and payable to Trustee	**142**	144
Rent from solar system paid and payable to a subsidiary of Sponsor	**(128)**	(142)
Japan asset management fees	**1,045**	1,077
Property management fees	**796**	820
Building management fees	**1,909**	1,990
Construction management fees	**52**	47
Lease contract administration fees	**633**	72
Ground rent paid to Sponsor	**5,605**	6,370
Electricity paid/payable to Sponsor and its subsidiary	**2,844**	2,808
Repair cost paid/payable to Sponsor or its subsidiaries	**1,069**	142
Insurance premium paid to a subsidiary of Sponsor	**13**	14
Acquisition of property from Sponsor	**23,797**	–
Acquisition of subsidiary from a subsidiary of Sponsor	**25,647**	–
Management fees payable to the Manager	**2,393**	2,733
Distribution made to perpetual securities holder	**784**	847
Acquisition fees paid to the Manager	**494**	–
Miscellaneous expenses paid to a subsidiary of Sponsor	**55**	–

30. FINANCIAL RATIO

	Group	
	2024 **%**	**2023** **%**
Ratio of expenses to weighted average net assets[1]		
– including performance component of the Manager's management fees	**1.04**	1.06
– excluding performance component of the Manager's management fees	**1.04**	1.05
Portfolio turnover rate[2]	**–**	–

1 The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property expenses, finance expenses, net foreign exchange differences and income tax expense.

2 The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value in accordance with the formulae stated in the CIS Code.

31. SUBSEQUENT EVENTS

On 28 February 2025, the Manager announced a distribution of 2.34 Singapore cents per Unit to DHLT Unitholders for the period from 1 July 2024 to 31 December 2024.

On 24 March 2025, the Group, through its subsidiary DH-CRUX Japan TMK, has entered into a Trust Beneficial Interest Sale and Purchase Agreement to acquire a freehold property located in Fujioka-shi, Japan, known as DPL Gunma Fujioka at a total consideration of JPY 4.5 billion (S$38.9 million), including transaction costs and consumption tax. The acquisition was completed on the same day and was largely funded by a loan of JPY 3.99 billion (S$34.7 million). The leverage ratio of the Group post-acquisition is 40.8% on a pro-forma basis as at 31 December 2024.

32. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 25 March 2025.

ADDITIONAL INFORMATION

Interested Person Transactions

The transactions entered into with interested persons during FY2024, which fall under the Listing Manual of the SGX-ST and the Property Funds Appendix under the Code on Collective Investment Schemes are as follows:

Name of Interested Party	Nature of Relationship	Aggregate value of all interested person/ interested party transactions during the financial year under review (excluding transactions less than S$100,000) S$'000	Aggregate value of all interested person/ interested party transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
Daiwa House Asset Management Asia Pte. Ltd.	Manager		
– Management fees		2,393	–
– Acquisition fees		494	–
Daiwa House Industry Co., Ltd. and its subsidiaries and associates	Sponsor and controlling shareholder of the Manager		
– Rent from solar system paid/payable		(128)	–
– Japan asset management fees		1,045	–
– Property management fees		796	–
– Building management fees		1,909	–
– Construction management fees		52	
– Lease contract administration fees		633	–
– Ground rent paid		5,605	–
– Electricity paid/payable		2,844	–
– Repair cost paid/payable		1,069	–
– Insurance premium paid		13	–
– Acquisition of property		23,797	–
– Distribution made to perpetual securities holder		784	–
– Miscellaneous expenses		55	–
HSBC Institutional Trust Service (Singapore) Ltd	Trustee		
– Trustee fees		142	–

The payments of the Manager's management fees and entry into and payments of fees and charges under certain agreements including the Trust Deed, the Perpetual Securities Subscription Agreement, the Asset Management Agreements (including all future Individual Asset Management Agreements to be entered into from time to time in relation to DHLT Properties pursuant to the Master Asset Management Agreement), the Property Management Agreements (including all future individual Property Management Agreements to be entered into from time to time in relation to DHLT Properties pursuant to the Master Property Management Agreement), the Land Lease Agreements, and the Solar Power Facilities Installation Agreements, are deemed to have been specifically approved by Unitholders upon purchase of the DHLT Units and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that specific information on these agreements have been disclosed in the IPO Prospectus and there is no subsequent change to the rates and/or bases of the fees charged.

ADDITIONAL INFORMATION

Save as disclosed above, there were no other interested person transactions (excluding transactions less than S$100,000 each) entered into during FY2024 nor any material contracts entered into by DHLT that involved the interest of the Chief Executive Officer, any Director or controlling Unitholder of DHLT. DHLT has not obtained a general mandate from Unitholders for interested person transactions.

Please also see significant related party transactions in Note 29 to the financial statements.

Subscription of Units in DHLT

During FY2024, Units in DHLT were issued pursuant to the following:

(i) an aggregate of 2,083,489 Units ("**Management Fee Units**")[1] as payment for part of the Manager's base management fees; and

(ii) on 27 March 2024, 393,853 acquisition fee in units were issued to the Manager in respect of the acquisition completed on 15 March 2024.

(iii) On 22 August 2024, 450,031 acquisition fee in units were issued to the Manager in respect of the acquisition completed on 5 July 2024.

On 5 March 2025, 489,791 Management Fee Units were issued to the Manager as payment for part of the Manager's base management fees for the period from 1 October 2024 to 31 December 2024.

Additional Disclosure for Operating Expenses

The total operating expenses incurred by the Group for the financial year from 1 January 2024 to 31 December 2024 amounted to S$5.4 million, which was equivalent to 1.0% of the Group's net asset value as at 31 December 2024. The amount included all fees and charges paid to the Manager and interested parties.

STATISTICS OF UNITHOLDINGS

As at 12 March 2025

Issued and Fully Paid-Up Units: 698,920,216 Units (voting rights: one vote per Unit)

There is only one class of Units in Daiwa House Logistics Trust.

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	Number of Unitholders	%	Number of Units	%
1 – 99	1	0.02	4	0.00
100 – 1,000	541	11.01	518,100	0.07
1,001 – 10,000	2,791	56.77	17,674,000	2.53
10,001 – 1,000,000	1,554	31.61	81,775,955	11.70
1,000,001 AND ABOVE	29	0.59	598,952,157	85.70
TOTAL	**4,916**	**100.00**	**698,920,216**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	Number of Units	%
1	DBS NOMINEES (PRIVATE) LIMITED	179,918,660	25.74
2	CITIBANK NOMINEES SINGAPORE PTE LTD	153,093,147	21.90
3	DAIWA HOUSE ASSET MANAGEMENT ASIA PTE LTD	66,111,956	9.46
4	METRO ARC INVESTMENTS PTE LTD	51,625,000	7.39
5	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	27,712,300	3.97
6	HSBC (SINGAPORE) NOMINEES PTE LTD	17,667,500	2.53
7	DBSN SERVICES PTE. LTD.	15,982,000	2.29
8	RAFFLES NOMINEES (PTE.) LIMITED	15,325,884	2.19
9	NOMURA SINGAPORE LIMITED	9,718,300	1.39
10	PHILLIP SECURITIES PTE LTD	7,122,200	1.02
11	IFAST FINANCIAL PTE. LTD.	6,259,700	0.90
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	5,502,000	0.79
13	DB NOMINEES (SINGAPORE) PTE LTD	5,295,700	0.76
14	ABN AMRO CLEARING BANK N.V.	4,910,300	0.70
15	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	4,840,200	0.69
16	MILLENNIUM SECURITIES PTE LTD	3,650,000	0.52
17	BPSS NOMINEES SINGAPORE (PTE.) LTD.	3,372,000	0.48
18	XIAO ZHONGMIN	2,668,000	0.38
19	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,642,100	0.38
20	TAN KAH PIN	2,347,400	0.34
	TOTAL	**585,764,347**	**83.82**

STATISTICS OF UNITHOLDINGS

As at 12 March 2025

SUBSTANTIAL UNITHOLDERS' UNITHOLDINGS AS AT 12 MARCH 2025

(As recorded in the Register of Substantial Unitholders' Unitholdings)

	Direct Interest		Deemed Interest	
Name of Substantial Unitholder	**Units**	**%**	**Units**	**%**
Daiwa House Asset Management Asia Pte. Ltd.	66,111,956	9.46	–	–
Daiwa House Industry Co., Ltd.(1)	26,556,860	3.80	66,111,956	9.46
Metro ARC Investments Pte. Ltd.	51,625,000	7.39	–	–
Metro Holdings Ltd(2)	–	–	51,625,000	7.39
Eng Kuan Company Private Limited(3)	–	–	51,625,000	7.39
Ong Ching Ping(4)	–	–	51,625,000	7.39
Ong Jenn(4)	–	–	51,625,000	7.39
Ong Ling Ling(4)	–	–	51,625,000	7.39
Ong Sek Hian(4)	–	–	51,625,000	7.39

Notes:

(1) Daiwa House Asset Management Asia Pte. Ltd. (the "**Manager**") is wholly-owned by Daiwa House Industry Co., Ltd. ("**DHI**"). As such, DHI has a deemed interest in the 66,111,956 Units held by the Manager pursuant to Section 4 of the Securities and Futures Act 2001 ("**SFA**").

(2) Metro Holdings Ltd ("**Metro Holdings**") holds 100.0% of the equity interest in Metro ARC Investments Pte. Ltd. ("**Metro ARC**"). Metro ARC holds approximately 7.39% of the Units. As such, Metro Holdings is deemed to be interested in the 51,625,000 Units held by Metro ARC pursuant to Section 4 of the SFA.

(3) Eng Kuan Company Private Limited ("**Eng Kuan**") holds 22.8% of the equity interest in Metro Holdings, which holds 100.0% of the equity interest in Metro ARC. As such, Eng Kuan is deemed have an interest in the 51,625,000 Units held by Metro ARC in which Metro Holdings is deemed to have an interest pursuant to Section 4 of the SFA.

(4) Ms Ong Ling Ling, Ms Ong Ching Ping, Mr Ong Jenn and Mr Ong Sek Hian, being substantial shareholders of Eng Kuan, are deemed to be interested in the 51,625,000 Units held by Metro ARC. They are associates of one another under Section 4(5)(b) of the SFA.

DIRECTORS' UNITHOLDINGS AS AT 21 JANUARY 2025

(As recorded in the Register of Directors' Unitholdings)

Save as disclosed in the table below, none of the Directors holds any interest in Units issued by Daiwa House Logistics Trust:

	Direct Interest		Deemed Interest	
Name of Director	**Units**	**%**	**Units**	**%**
Tan Jeh Wuan	300,000	0.043	–	–
Tan Juay Hiang	170,000	0.024	–	–
Jun Yamamura	110,000	0.016	–	–

PUBLIC FLOAT

*Disclosure pursuant to Rule 1207(9)(e) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual*

Based on information available to the Manager as at 12 March 2025, approximately 79.3% of the Units in Daiwa House Logistics Trust are held in public hands. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**" or "**Meeting**") of the holders of units of Daiwa House Logistics Trust ("**DHLT**", and the holders of units in DHLT, the "**Unitholders**") will be convened and held in a wholly physical format at Meeting Room 334 – 336 (Level 3), Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Singapore 039593 on **Thursday, 24 April 2025 at 3.00 p.m. (Singapore time)** to transact the following business:

(A) AS ORDINARY BUSINESS

1. To receive and adopt the Report of HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "**Trustee**"), the Statement by Daiwa House Asset Management Asia Pte. Ltd., as manager of DHLT (the "**Manager**") and the Audited Financial Statements of DHLT for the year ended 31 December 2024 together with the Auditors' Report thereon. **(Ordinary Resolution 1)**

2. To re-appoint Ernst & Young LLP as Auditors of DHLT and to hold office until the conclusion of the next AGM and to authorise the Manager to fix their remuneration. **(Ordinary Resolution 2)**

(B) AS SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without any modifications, the following resolution as an Ordinary Resolution:

3. **GENERAL MANDATE FOR THE ISSUE OF NEW UNITS AND/OR CONVERTIBLE SECURITIES** **(Ordinary Resolution 3)**

That authority be given to the Manager to

(a) (i) issue units in DHLT ("**Units**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, options, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

(b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a *pro rata* basis to existing Unitholders (including Units to be issued in pursuance of Instruments to be made or granted pursuant to this Resolution) shall not exceed twenty per cent (20.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), for the purpose of determining the aggregate number of Units and Instruments that may be issued under sub-paragraph (1) above, the total number of issued Units and Instruments shall be based on the total number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, after adjusting for:

   (a) any new Units arising from the conversion or exercise of the Instruments; and

   (b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed constituting DHLT ("**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) unless revoked or varied by Unitholders in a general meeting of DHLT, the authority conferred by this Resolution shall continue in force (i) until (a) the conclusion of the next AGM of DHLT or (b) the date by which the next AGM of DHLT is required by the applicable laws and regulations or the Trust Deed to be held, whichever is earlier or (ii) in the case of Units to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Units in accordance with the terms of the Instruments;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of DHLT to give effect to the authority conferred by this Resolution.

   (Please see Explanatory Note)

BY ORDER OF THE BOARD

Daiwa House Asset Management Asia Pte. Ltd.
(as Manager of Daiwa House Logistics Trust)
(Company Registration No. 202037636H)

Josephine Toh
Company Secretary
2 April 2025

Explanatory Note:

The Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of the Unitholders of DHLT, or (ii) the date by which the next AGM of the Unitholders of DHLT is required by the applicable laws and regulations or the Trust Deed to be held, or (iii) such authority is varied or revoked by the Unitholders in a general meeting, whichever is the earliest, to issue Units, make or grant Instruments and to issue Units pursuant to such Instruments, up to a number not exceeding, in total, fifty per cent (50.0%) of the total number of issued Units (excluding treasury Units, if any), with a sub-limit of twenty per cent (20.0%) for issues other than on a *pro rata* basis to Unitholders.

For the purpose of determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of issued Units (excluding treasury Units, if any) at the time this Ordinary Resolution is passed, after adjusting for new Units arising from the conversion and any subsequent bonus issue, consolidation or subdivision of Units.

NOTICE OF ANNUAL GENERAL MEETING

Important Notice:

1. A Unitholder who is not a relevant intermediary (as defined in paragraph 2 below) and entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his/her/its stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its unitholding (expressed as a percentage of the whole) to be represented by each proxy.

2. A Unitholder who is a relevant intermediary and entitled to attend and vote at the AGM is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form.

   "**Relevant intermediary**" means:

   (i) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds Units in that capacity; or

   (iii) (if applicable) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. The AGM will be held in a wholly physical format at Meeting Room 334 – 336 (Level 3), Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Singapore 039593. **There will be no option for Unitholders to participate virtually.** Printed copies of this Notice of AGM will be sent to Unitholders. This Notice of AGM will also be made available on DHLT's website at the URL https://www.daiwahouse-logisticstrust.com/ and on SGXNET at the URL https://www.sgx.com/securities/company-announcements.

4. Arrangements for conduct of the AGM

   Arrangements relating to the conduct of the AGM, including:

   (a) attending the AGM in person;

   (b) submitting questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM or at the AGM itself; and/or

   (c) voting at the AGM by the Unitholder (a) in person or (b) by his/her/its duly appointed proxy(ies),

   are set out in this Notice of AGM. Any reference to a time of day is made by reference to Singapore time. The Notice of AGM may be accessed at DHLT's website at the URL https://www.daiwahouse-logisticstrust.com/, and will also be made available on SGXNET at the URL https://www.sgx.com/securities/company-announcements.

   Unitholders, including CPF and SRS investors, or, where applicable, their appointed proxy(ies) who will be attending the AGM in person should bring along their NRIC/passport so as to enable the verification of their identity on the day of the AGM.

5. Question and answer and AGM minutes

   Unitholders, including CPF and SRS investors, or, where applicable, their appointed proxy(ies) will be able to submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, at the AGM.

   Unitholders, including CPF and SRS investors, may also submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM. To do so, all questions must be submitted in the following manner by **3.00 p.m. (Singapore time) on Thursday, 10 April 2025**:

   (a) if submitted by post, be deposited at the office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, via email to the Manager at ir@daiwahouse-lt.com.

   Unitholders, including CPF and SRS investors, who submit questions by post to the Unit Registrar or via email to the Manager must provide the following information:

   (1) the Unitholder's full name;

   (2) the Unitholder's address; and

   (3) the manner in which the Unitholder holds Units in DHLT (e.g., via CDP, CPF or SRS).

   Unitholders are strongly encouraged to submit their questions via email.

   The Manager will endeavour to address all substantial and relevant questions received by it in the manner set out above, prior to or during the AGM. Where substantially similar questions are received, the Manager will consolidate such questions and consequently not all questions may be individually addressed.

   The Manager will publish the minutes of the AGM on DHLT's website and on SGXNET within one month from the date of the AGM, and the minutes will include the responses to the substantial and relevant questions received from Unitholders which are addressed during the AGM.

6. Voting, or appointing proxy(ies) to vote, at the AGM

   A Unitholder who wishes to exercise his/her/its voting rights at the AGM may: (a) vote at the AGM in person or (b) appoint proxy(ies) to vote on his/her/its behalf at the AGM.

   A Unitholder who wishes to submit an instrument appointing proxy(ies) must complete the accompanying proxy form ("**Proxy Form**"), before submitting it in the manner set out below. Printed copies of the Proxy Form will be sent to Unitholders. The Proxy Form may also be accessed at DHLT's website at the URL https://www.daiwahouse-logisticstrust.com/, and will also be made available on SGXNET at the URL https://www.sgx.com/securities/company-announcements.

   Where a Unitholder appoints proxy(ies), he/she/it may give specific instructions as to voting, or abstentions from voting, in respect of the resolutions in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the AGM.

7. The Proxy Form must be submitted to the Manager c/o DHLT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:

   (a) if submitted by post, by completing and signing the Proxy Form, and lodging the same at the Unit Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, by completing and signing the Proxy Form, and attaching and sending a clear PDF copy of the same via email to the Unit Registrar at DHLT-AGM2025@boardroomlimited.com

   in either case, **by 3.00 p.m. (Singapore time) on Monday, 21 April 2025**, being 72 hours before the time fixed for holding the AGM.

8. Relevant intermediaries:

   Persons who hold Units through relevant intermediaries, other than CPF and SRS investors, and who wish to participate in the AGM should contact the relevant intermediary through which they hold such Units as soon as possible. Persons who hold Units through relevant intermediaries, other than CPF and SRS investors, may (i) vote at the AGM if they are appointed as proxies by their respective relevant intermediaries; or (ii) specify their voting instructions to/arrange for their votes to be submitted with their respective relevant intermediaries, and should contact their respective relevant intermediaries as soon as possible in order for the necessary arrangements to be made.

   In addition, CPF and SRS investors may (a) vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) specify their voting instructions to/arrange for their votes to be submitted with their respective CPF Agent Banks or SRS Operators, and should approach their respective CPF Agent Banks or SRS Operators by **3.00 p.m. (Singapore time) on Friday, 11 April 2025**, being at least seven working days before the date of the AGM, to ensure their votes are submitted.

9. The Annual Report for the financial year ended 31 December 2024 ("**Annual Report**") has been uploaded on SGXNET on 2 April 2025 at the URL https://www.sgx.com/securities/company-announcements and may be accessed at DHLT's website at the URL https://www.daiwahouse-logisticstrust.com/. Printed copies of the Annual Report will not be sent to Unitholders unless requested for by a Unitholder completing and returning the Request Form accompanying this Notice of AGM and the Proxy Form in the following manner:

   (a) by completing and returning the Request Form to the Manager c/o the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) by completing and signing the Request Form, and attaching and sending a clear PDF copy of the same via email to the Manager c/o the Unit Registrar at DHLT-AGM2025@boardroomlimited.com

   which should reach the Unit Registrar by **5.00 p.m. (Singapore time) on Wednesday, 9 April 2025**.

   A printed copy of the Annual Report will then be sent to the address specified by the Unitholder at his/her/its own risk.

10. **Important reminder:**

    Unitholders should check DHLT's website at the URL https://www.daiwahouse-logisticstrust.com/ and SGXNET at the URL https://www.sgx.com/securities/company-announcements for the latest updates on the status of the AGM.

Personal Data Privacy:

By either (a) attending the AGM or (b) submitting an instrument appointing proxy(ies) to attend, speak and vote at the AGM and/or any adjournment thereof; and/or (c) submitting any question in advance of, or at, the AGM, and/or (d) submitting the request form to request for a printed copy of the Annual Report, a Unitholder:

(i) consents to the collection, use and disclosure of the Unitholder's personal data by DHLT, the Manager and the Trustee (or their respective agents or service providers) for the following purposes:

   (1) the processing, administration and analysis by DHLT, the Manager and the Trustee (or their respective agents or service providers) of instruments appointing proxy(ies) for the AGM (including any adjournment thereof);

   (2) the addressing of questions received from Unitholders in advance of or at the AGM and, if necessary, the following up with the relevant Unitholders in relation to such questions;

   (3) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

   (4) in order for DHLT, the Manager and the Trustee (or their respective agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines,

   (collectively, the "**Purposes**");

(ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to DHLT, the Manager and the Trustee (or their respective agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by DHLT, the Manager and the Trustee (or their respective agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes;

(iii) agrees to provide the Manager and the Trustee with written evidence of such prior consent upon reasonable request;

(iv) agrees that the Unitholder will indemnify DHLT, the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty; and

(v) agrees and consents to such photographic, sound and/or video recordings of the AGM as may be made by DHLT, the Manager and the Trustee (or their respective agents or service providers) for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of the Unitholder (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she may propose/second) may be recorded by DHLT, the Manager and the Trustee (or their respective agents or service providers) for such purpose.

PROXY FORM
ANNUAL GENERAL MEETING
(Please see notes overleaf before completing this Form)

Daiwa House
Logistics Trust

DAIWA HOUSE LOGISTICS TRUST
(a real estate investment trust constituted on 2 November 2021 under the laws of the Republic of Singapore)

NOTE
This instrument appointing proxy(ies) ("**Proxy Form**") has been made available on SGXNET at the URL https://www.sgx.com/securities/company-announcements and may be accessed at Daiwa House Logistics Trust's ("**DHLT**") website at the URL https://www.daiwahouse-logisticstrust.com. Printed copies of this Proxy Form will be sent to unitholders of DHLT ("**Unitholders**").

PERSONAL DATA PRIVACY
By submitting an instrument appointing a proxy(ies), Unitholders accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 2 April 2025 ("**Notice of AGM**").

IMPORTANT
1. The Annual General Meeting ("**AGM**") will be held in a wholly physical format at Meeting Room 334 - 336 (Level 3), Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Singapore 039593 on **Thursday, 24 April 2025 at 3.00 p.m. (Singapore Time)**. **There will be no option for Unitholders to participate virtually.** The Notice of AGM, the Proxy Form and the Request Form (as defined herein) will be available through electronic means via publication on DHLT's website at the URL https://www.daiwahouse-logisticstrust.com and on the SGX-ST's website at the URL https://www.sgx.com/securities/company-announcements. Printed copies of the Notice of AGM, the Proxy Form and the request form for a printed copy of the Annual Report ("**Request Form**") will be sent to Unitholders. However, printed copies of the Annual Report will not be sent to Unitholders. Any Unitholder who wishes to receive printed copies of the Annual Report should submit his/her/its completed Request Form to the Unit Registrar. **Please refer to the Notice of AGM for details of the arrangements relating to the conduct of the AGM.**
2. This Proxy Form is for use by Unitholders wishing to appoint a proxy(ies) for the AGM. Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy(ies).
3. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by investors holding Units through a relevant intermediary and CPF and SRS investors who hold Units through CPF Agent Banks/SRS Operators. Unitholders holding Units through relevant intermediaries who wish to participate/vote in the AGM should contact their respective relevant intermediary as soon as possible in order for the necessary arrangements to be made for their participation in the AGM. CPF and SRS investors (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators as soon as practicable if they have any queries regarding their appointment as proxies; or (b) may specify their voting instructions to their respective CPF Agent Banks or SRS Operators/arrange for their votes to be submitted with their respective CPF Agent Banks or SRS Operators, and should approach their respective CPF Agent Banks or SRS Operators by **3.00 p.m. (Singapore Time) on Friday, 11 April 2025**, being seven (7) working days before the date of the AGM, to ensure their votes are submitted.
4. Capitalised terms not otherwise defined herein shall have the meanings ascribed to them in the Notice of AGM.

I/We, ______________________________ (Name)

______________________________ (NRIC/Passport Number/Company Registration Number)

of ______________________________ (Address)

being a *Unitholder/Unitholders of DHLT, hereby appoint the following person(s):

Name	NRIC/Passport No.	Email Address	Proportion of Unitholdings	
			No. of Units	%
Address				

* and/or

Name	NRIC/Passport No.	Email Address	Proportion of Unitholdings	
			No. of Units	%
Address				

or, both of whom failing, the **Chairman of the AGM**, as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM of DHLT to be held in a wholly physical format at Meeting Room 334 – 336 (Level 3), Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Singapore 039593, on **Thursday, 24 April 2025 at 3.00 p.m. (Singapore Time)** and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against, or abstain from voting on, the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, or in the event of any other matter arising at the AGM and at any adjournment thereof, *my/our *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

No.	Ordinary Resolutions	For**	Against**	Abstain**
ORDINARY BUSINESS				
1	To receive and adopt the Report of the Trustee, the Statement by the Manager, and the Audited Financial Statements of DHLT for the financial year ended 31 December 2024 together with the Auditors' Report thereon.			
2	To re-appoint Ernst & Young LLP as Auditors of DHLT and to hold office until the conclusion of the next AGM and to authorise the Manager to fix their remuneration.			
SPECIAL BUSINESS				
3	To authorise the Manager to issue new Units and to make or grant convertible instruments.			

** Delete where inapplicable*

*** Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the resolutions, please tick (✓) within the "For" or "Against" box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the resolutions, please indicate the number of votes "For" or "Against" in the relevant boxes provided. If you wish your proxy(ies) to abstain from voting on the resolutions, please tick (✓) within the "Abstain" box provided. Alternatively, please indicate the number of Units that your proxy(ies) is directed to vote "For" or "Against", or "Abstain" in the relevant boxes provided.*

Dated this __________ day of ______________ 2025

Total Number of Units Held

____
Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE

1st fold here. Glue all sides firmly. Stapling and spot sealing are disallowed.

Postage will be paid by addressee. For posting in Singapore only.

Daiwa House Logistics Trust

BUSINESS REPLY SERVICE
PERMIT NO. 09643

Daiwa House Asset Management Asia Pte. Ltd.
(as Manager of Daiwa House Logistics Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

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IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

NOTES TO PROXY FORM:

1. A Unitholder who is not a relevant intermediary (as defined herein) is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such Unitholder's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the unitholding concerned to be represented by each proxy shall be specified in the instrument appointing a proxy(ies).
2. A Unitholder who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different unit in DHLT ("**Unit**") or Units held by such Unitholder. Where such Unitholder's instrument appointing a proxy(ies) appoints more than two proxies, the number of Units held in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy(ies).

   "**Relevant intermediary**" means:

   (i) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds Units in that capacity; or

   (iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. This Proxy Form may be accessed at DHLT's website at the URL https://www.daiwahouse-logisticstrust.com, and will also be made available on the SGX-ST's website at the URL https://www.sgx.com/securities/company-announcements. Where a Unitholder appoints proxy(ies), he/she/it may give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the AGM and at any adjournment thereof.
4. A proxy need not be a Unitholder.
5. A Unitholder who wishes to submit an instrument of proxy must do so in the following manner:

   (a) if submitted by post, by completing and signing the Proxy Form, before lodging it at the office of DHLT's Unit Registrar at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or

   (b) if submitted electronically via email, by completing and signing the Proxy Form, before attaching and sending a clear PDF copy of it to DHLT's Unit Registrar at DHLT-AGM2025@boardroomlimited.com,

   in each case, by **3.00 p.m. (Singapore time) on Monday, 21 April 2025**, being 72 hours before the time fixed for the AGM.

   Unitholders are strongly encouraged to submit completed instruments appointing a proxy(ies) electronically via email.

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6. A Unitholder should insert the total number of Units held in the Proxy Form. If the Unitholder has Units entered against his/her/its name in the Depository Register maintained by The Central Depository (Pte) Limited, he/she/it should insert that number of Units. If the Unitholder has Units registered in his/her/its name in the Register of Unitholders of DHLT, he/she/it should insert that number of Units. If the Unitholder has Units entered against his/her/its name in the said Depository Register and registered in his/her/its name in the Register of Unitholders, he/she/it should insert the aggregate number of Units. If no number is inserted, the Proxy Form will be deemed to relate to all the Units held by the Unitholder.
7. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
8. Completion and return of the instrument appointing a proxy(ies) by a Unitholder will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the Unitholder attends the AGM in person and, in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
9. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof must (failing previous registration with the Manager), if the Proxy Form is submitted by post, be lodged with the Proxy Form, or, if the Proxy Form is submitted via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.
10. Any reference to a time of day is made by reference to Singapore time.
11. All Unitholders will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.
12. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he/she is the Unitholder. There shall be no division of votes between a Unitholder who is present in person and voting at the AGM and his/her proxy(ies). A person entitled to more than one vote need not use all his/her votes or cast them the same way.

GENERAL

The Manager shall be entitled to reject this Proxy Form if it is incomplete, improperly completed or illegible or where the true intention of the appointor is not ascertainable from the instruction of the appointor specified in the Proxy Form. In the case of Unitholders whose Units are entered against their names in the Depository Register, the Manager may reject any Proxy Form lodged if such Unitholders are not shown to have the corresponding number of Units in DHLT entered against his/her/its name in the Depository Register not less than 72 hours before the time appointed for holding the AGM, as certified by CDP to the Manager.

GLOSSARY

3PL	Third party logistics
AGM	Annual General Meeting
Annual Report	The annual report of DHLT
ARC	Audit and Risk Committee of the Manager
Board	Board of Directors of the Manager
BTS	Built-to-suit
CBD	Central business district
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CRO	Chief Risk Officer
Directors	Directors of the Manager
DHLT	Daiwa House Logistics Trust
DHLT Portfolio	DHLT's portfolio of properties
DPU	Distribution per Unit
ESG	Environmental, Social and Governance
F&B	Food and beverages
FY2023	Financial year from 1 January 2023 to 31 December 2023
FY2024	Financial year from 1 January 2024 to 31 December 2024
FY2025	Financial year from 1 January 2025 to 31 December 2025
GRI	Gross rental income
IPO	Initial public offering
IPO Prospectus	The prospectus dated 19 November 2021 in relation to the IPO of DHLT
Japan Portfolio	The portfolio of properties located in Japan within the DHLT Portfolio
JPY	Japanese Yen
km	Kilometres
Manager or DHAMA	Daiwa House Asset Management Asia Pte. Ltd., as the manager of DHLT
MWp	Megawatts peak
NAV	Net asset value
NLA	Net lettable area
NPI	Net property income
q-o-q	quarter-on-quarter
ROFR	Right of first refusal
REIT	Real estate investment trust
SGX-ST	Singapore Exchange Securities Trading Limited
sqm	Square metres
S$ or SGD	Singapore Dollar
Sponsor or DHI	Daiwa House Industry Co., Ltd.
Sponsor Group or Daiwa House Group	Sponsor and its subsidiaries
Sponsor ROFR	The ROFR granted by the Sponsor to the Trustee
Trust Deed	The trust deed dated 2 November 2021 entered into between the Manager and the Trustee constituting DHLT, and as may be amended, varied or supplemented from time to time
Trustee	HSBC Institutional Trust Services (Singapore) Limited, as the trustee of DHLT
TSE	Tokyo Stock Exchange
Unit(s)	An undivided interest in DHLT as provided for in the Trust Deed
Unitholder(s)	Holder(s) of Units
VND	Vietnamese Dong
WALE	Weighted average lease expiry
y-o-y	year-on-year

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CORPORATE DIRECTORY

Manager
Daiwa House Asset Management Asia Pte. Ltd.
(Company Registration Number: 202037636H)
6 Shenton Way
#21-08 OUE Downtown 2
Singapore 068809
Telephone: (65) 6202 0486
Email: ir@daiwahouse-lt.com
Website: www.daiwahouse-logisticstrust.com

Trustee
HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard
#48-01 Marina Bay Financial Centre Tower 2
Singapore 018983
Telephone: (65) 6658 6667

Auditors
Ernst & Young LLP
1 Raffles Quay
North Tower, Level 18
Singapore 048583
Telephone: (65) 6535 7777

Partner-in-charge: Mr Nelson Chen (with effect from financial period ended 31 December 2022)

Unit Registrar
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Telephone: (65) 6536 5355

Board of Directors
Mr Tan Jeh Wuan, Chairman and Independent Non-Executive Director
Mr Tan Juay Hiang, Independent Non-Executive Director
Mr Takashi Suzuki, Independent Non-Executive Director
Mr Yoshiyuki Takagi, Non-Independent Non-Executive Director
Mr Eiichi Shibata, Non-Independent Non-Executive Director
Mr Jun Yamamura, Non-Independent Executive Director and Chief Executive Officer

Audit and Risk Committee
Mr Tan Juay Hiang, Chairman
Mr Tan Jeh Wuan
Mr Takashi Suzuki
Mr Yoshiyuki Takagi

Company Secretary
Ms Josephine Toh Lei Mui

Daiwa House Logistics Trust

(a real estate investment trust constituted on 2 November 2021 under the laws of the Republic of Singapore)

managed by

Daiwa House Asset Management Asia Pte. Ltd.

www.daiwahouse-logisticstrust.com